



August 12, 2016

Mr. Eric Grinstern
Environmental Quality Specialist
MDEQ Air Quality Division
State Office Building, 6th Floor
350 Ottawa Ave. NW Unit 10
Grand Rapids, MI. 49503-2341



Dear Mr. Grinstern,

Lowell Energy AD LLC (LEAD), is in receipt of the Violation Notice issued by your office on August 2, 2016 in regards to the failure to conduct required performance testing in accordance with 40 CFR Part 60, Subpart JJJJ for a Lean Burn Landfill/Digester gas fired engine equal to or below 500 HP, constructed after 07/01/2010.

As you are aware our site does have in place a 2G 800 BG – 800ekW Biogas engine that was installed and initially operated on our behalf in January 2015. This engine was/is not subject to the requirements to obtain a permit to install under the exemption provided in Rule 285(g), as it has a maximum heat input of 6.5 MMBtu/hr, which is equivalent to a 0.8 MW generation capacity.

When the project was initiated and up until very recently, LEAD, as evidenced by our letter to Ms. Hollenbach's office dated May 16, 2012, believed through consultation with the construction developer, construction contractor, and the engine distributor, that this unit was in fact a "Manufacturer Certified" engine by USEPA standards, thereby meeting the requirements of 40 CFR Part 60, Subpart JJJJ, and therefore not requiring performance testing as would be required for non-Certified engines.

Per recent investigations into our documentation, and during discussions with your office, it has come to light that this engine is in fact not a "Manufacturer Certified" engine and is therefore subject to the above referenced USEPA standards for performance testing. Technically, since the rule should have been applied to the engine as of startup, January 2015, this would put the site at 7 months past the 1 year after start-up, maximum due date for performance testing. However, we ask that the MDEQ consider that we were not aware of this error until very recently, and are taking immediate steps to rectify the situation and ensure the site's environmental requirements are current.

LEAD has contracted, through its site management group Veolia, to have professional performance tests conducted on site as soon as possible, with the understanding that we will provide a written test plan, at least 30 days in advance to the MDEQ for comment and/or feedback.

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The referenced tests, subject to the limits established as part of 40 CFR Part 60, Subpart JJJJ, Table 1, for NOx, CO and VOC, Emission Standards for Stationary Non-Emergency SI Engines ≥ 100 HP (Except Gasoline and Rich Burn LPG), Stationary SI Landfill/Digester Gas Engines, and Stationary Emergency Engines > 25 HP, will be conducted by RMC Environmental on behalf of LEAD, and are tentatively slotted to take place in late September or mid-October.

The reason for the fluid time period is that the engine itself has not been able to operate consistently at 90% load or better for any extended period of time (i.e. 30 days or more). This is due to lingering design and process flow challenges that have been limiting fuel availability to the engine. LEAD, with the assistance of Veolia, is working diligently to correct these issues in order to expedite the necessary performance testing and declare commercial operation of the site.

Once initial performance demonstration is complete and the site has shown itself to be in compliance with both the Subpart JJJJ and subsequently the RICE MACT rules, further testing will be scheduled on the engine no later than every 8760 hours of operation or 3 years, whichever comes first.

The site is currently also developing a written maintenance plan and schedule to ensure compliance with the RICE MACT rules as part of this new recognition and management approach.

As always, we appreciate the assistance, understanding and patience of you and your office as we work to achieve the highest level of environmental compliance and stewardship at our facility.

If you have any questions or need further information, please contact Pam Landes at 616 218 1544 or by email at pam.landes@spart-llc.com at your convenience.

Regards,

A handwritten signature in black ink, appearing to read "Greg Northrup".

Greg Northrup
Managing Member

cc: Pamela D Landes, LEAD
Larry Gephart, Veolia N A

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