

Michigan Department Of Environmental Quality Air Quality Division

CAIR Sulfur Dioxide Budget Permit Permit No. MI-SO2-1769-2013

| Permittee Address | We Energies – Presque Isle Power Plant 2701 Lakeshore Blvd. N., Marquette, Michigan |
|----------------------|--|
| SRN | B4261 |
| ORIS code | 1769 |
| Issue Date | May 10, 2013 |
| Expiration | This permit shall expire when the facility's Renewable |
| | Operating Permit (ROP) expires in accordance with 40 |
| | CFR 97.221(b). |
| ROP No. | MI-ROP-B4261-2013 |

This permit incorporates automatically the definitions of terms under Air Pollution Control Rule 336.1420.

This permit incorporates automatically, upon recordation by the EPA Administrator in accordance with 40 CFR part 97 subpart FFF, GGG, or III every allocation, transfer, or deduction of a SO2 allowance to or from the compliance accounts of the CAIR SO2 unit(s) covered by the permit.

The owners and operators of the source must comply with the standard requirements and special provisions set forth in this permit.

This permit incorporates any attached comments, notes or justifications regarding permit decisions and changes made to the permit application forms during the review process.

| AQD Unit ID | Unit Type | | | | |
|-------------|---------------------|----------------|------------|-------|--|
| EUBOILER 5 | X Stationary Boiler | Combined Cycle | Combustion | Other | |
| | | System | Turbine | | |
| EUBOILER 6 | X Stationary Boiler | Combined Cycle | Combustion | Other | |
| | | System | Turbine | | |
| EUBOILER 7 | X Stationary Boiler | Combined Cycle | Combustion | Other | |
| | | System | Turbine | | |
| EUBOILER 8 | X Stationary Boiler | Combined Cycle | Combustion | Other | |
| | | System | Turbine | | |
| EUBOILER 9 | X Stationary Boiler | Combined Cycle | Combustion | Other | |
| | | System | Turbine | | |

Units covered under this permit

Permit Application:

CAIR SO2 Annual Permit application submitted October 17, 2011

Standard requirements

(a) Permit requirements.

(1) The CAIR designated representative of each CAIR SO2 source required to have a ROP and each CAIR SO2 unit required to have a ROP at the source shall:

(i) Submit to the permitting authority a complete CAIR permit application under § 97.222 in accordance with the deadlines specified in § 97.221; and

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review a CAIR permit application and issue or deny a CAIR permit.

(2) The owners and operators of each CAIR SO2 source required to have a ROP and each CAIR SO2 unit required to have a ROP at the source shall have a CAIR permit issued by the permitting authority under subpart CCC of 40 CFR part 97 for the source and operate the source and the unit in compliance with such CAIR permit.

(b) Monitoring, Reporting, and Recordkeeping Requirements.

(1) The owners and operators, and the CAIR designated representative, of each CAIR SO2 source and each CAIR SO2 unit at the source shall comply with the monitoring, reporting, and recordkeeping requirements of subpart HHH of 40 CFR part 97.

(2) The emissions measurements recorded and reported in accordance with subpart HHH of 40 CFR part 97 shall be used to determine compliance by each CAIR SO2 source with the CAIR SO2 emissions limitation under paragraph (c) of this permit.

(c) Sulfur Dioxide Emission Requirements.

(1) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO2 source and each CAIR SO2 unit at the source shall hold, in the source's compliance account, a tonnage equivalent in CAIR SO2 allowances available for compliance deductions for the control period, as determined in accordance with § 97.254(a) and (b), not less than the tons of total sulfur dioxide emissions for the control period from all CAIR SO2 units at the source, as determined in accordance with subpart HHH of 40 CFR part 97.

(2) A CAIR SO2 unit shall be subject to the requirements under paragraph (c)(1) of this section for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit(s monitor certification requirements under § 97.270(b)(1),(2), or (5) and for each control period thereafter.

(3) A CAIR SO2 allowance shall not be deducted, for compliance with the requirements under paragraph (c)(1) of this section, for a control period in a calendar year before the year for which the CAIR SO2 allowance was allocated.

(4) CAIR SO2 allowances shall be held in, deducted from, or transferred into or among CAIR SO2 Allowance Tracking System accounts in accordance with subparts FFF, GGG, and III of 40 CFR part 97.

(5) A CAIR SO2 allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO2 Trading Program. No provision of the CAIR SO2 Trading Program, the CAIR permit application, the CAIR permit, or an exemption under § 97.205 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
(6) A CAIR SO2 allowance does not constitute a property right.

(7) Upon recordation by the Administrator under subpart FFF, GGG, or III of 40 CFR part 97, every allocation, transfer, or deduction of a CAIR SO2 allowance to or from a CAIR SO2 source's compliance account is incorporated automatically in any CAIR permit of the source.

(d) Excess emissions requirements.

If a CAIR SO2 source emits sulfur dioxide during any control period in excess of the CAIR SO2 emissions limitation, then:

(1) The owners and operators of the source and each CAIR SO2 unit at the source shall surrender the CAIR SO2 allowances required for deduction under § 97.254(d)(1) and pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, under the Clean Air Act or applicable State law; and

(2) Each ton of such excess emissions and each day of such control period shall constitute a separate violation of this subpart, the Clean Air Act, and applicable State law.

(e) Recordkeeping and Reporting Requirements.

(1) Unless otherwise provided, the owners and operators of the CAIR SO2 source and each CAIR SO2 unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time before the end of 5 years, in writing by the permitting authority or the Administrator.

(i) The certificate of representation under § 97.213 for the CAIR designated representative for the source and each CAIR SO2 unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation under § 97.213 changing the CAIR designated representative.

(ii) All emissions monitoring information, in accordance with subpart HHH of 40 CFR part 97, provided that to the extent that subpart HHH of 40 CFR part 97 provides for a 3-year period for recordkeeping, the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR SO2 Trading Program.

(iv) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR SO2 Trading Program or to demonstrate compliance with the requirements of the CAIR SO2 Trading Program.

(2) The CAIR designated representative of a CAIR SO2 source and each CAIR SO2 unit at the source shall submit the reports required under the CAIR SO2 Trading Program, including those under subpart HHH of 40 CFR part 97.

(f) Liability.

(1) Each CAIR SO2 source and each CAIR SO2 unit shall meet the requirements of the CAIR SO2 Trading Program.

(2) Any provision of the CAIR SO2 Trading Program that applies to a CAIR SO2 source or the CAIR designated representative of a CAIR SO2 source shall also apply to the owners and operators of such source and of the CAIR SO2 units at the source.

(3) Any provision of the CAIR SO2 Trading Program that applies to a CAIR SO2 unit or the CAIR designated representative of a CAIR SO2 unit shall also apply to the owners and operators of such unit.

(g) Effect On Other Authorities.

No provision of the CAIR SO2 Trading Program, a CAIR permit application, a CAIR permit, or an exemption under § 97.205 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR SO2 source or CAIR SO2 unit from compliance with any other provision of the applicable, approved State implementation plan, a federally enforceable permit, or the Clean Air Act.