



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590



REPLY TO THE ATTENTION OF:

Mary Ann Dolehanty
Permit Section Supervisor
Michigan Department of Environmental Quality
525 West Allegan Street
P.O. Box 30260
Lansing, Michigan 48909-7760

Dear Ms. Dolehanty,

On November 4, 2011, the U.S. Environmental Protection Agency received for review a draft Prevention of Significant Determination (PSD) construction permit for Midland Power Station (permit number 24-11B) which the Michigan Department of Environmental Quality (MDEQ) intends to issue. The permit is for the proposed installation of the Midland Power Station, a nominal 675 million Btu per hour biomass fired rotary gasification steam and electrical generation facility. The fact sheet for the draft permit states that the proposed Midland Power Station facility is part of the Dow Corning Midland plant, and that its purpose will be to provide steam and electricity to the Dow Corning Midland plant. The Dow Corning Midland plant is a major stationary source for PSD purposes and is permitted as an area source for hazardous air pollutants (HAPs). The potential to emit for the proposed Midland Power Station is over the significant increase emission rate for particulate matter (PM, PM10, PM2.5) and nitrogen oxides.

Based on our review of the draft permit, we have the following comments. We provide these comments to help ensure that the project meets Clean Air Act requirements, that the permit will provide necessary information so that the basis for the permit decision is transparent and readily accessible to the public, and that the permit record provides adequate support for the decision.

1. On page 47 of the draft permit, the source-wide permit condition for the Flexible Group FGFACILITY limits the HAPs to below 10 tons per year for an individual HAP and 25 tons per year for aggregated HAPs. However, it is not clear in the draft permit if the FGFACILITY limit also includes the emissions from the Dow Corning Midland facility. Part 63.2 defines a major source of HAPs as, "any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants,", the HAPs limit would have to include the HAPs emissions from both the proposed Midland Power Station and the existing Dow Corning Midland plant to ensure that the facility remains an area source.
2. Related to comment #1, we understand that Dow Corning sent a letter on March 28, 2011, to MDEQ to request removal of the synthetic minor HAP limits at the Midland site, thus making it subject to Maximum Achievable Control Technology (MACT) for HAPs emissions. Please

confirm whether the requested permit action has been taken by MDEQ and explain how that relates to the limits in the draft Midland Power Station permit.

3. We understand that the Midland Power Station project was recently sold. If MDEQ has made a single source determination for this project for PSD and MACT Part 63 purposes, please share that determination with EPA.

We appreciate the opportunity to provide comments on this draft permit. Please feel free to contact me or have your staff contact Constantine Blathras of my staff at (312) 886-0671.

Sincerely,



Genevieve Damico
Chief
Air Permits Section