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

REPLY TO THE ATTENTION OF:

JUL 0 9 2009

AR-18J

Bryce Feighner
Acting Permit Section Supervisor
Michigan Department of Environmental Quality
Air Quality Division
P.O. Box 30260
Lansing, Michigan 48909-7760

Dear Mr. Feighner:

The purpose of this letter is to inform you of the U. S. Environmental Protection Agency's concerns regarding the intention to issue a Prevention of Significant Deterioration permit to Consumers Energy Company (permit No. 390-08), for a modification that will result in a significant net increase in emissions of carbon monoxide (CO) without including a CO limit.

Pursuant to the State Implementation Plan approved rule R 336.2810, *Control Technology Review*, Consumers Energy is required to conduct Best Available Control Technology (BACT) analysis for all regulated pollutants, including CO. In conformity with SIP approved rule R 336.2801(f), BACT means

> *an emissions limitation, including a visible emissions standard, based on the maximum degree of reduction for each regulated new source review pollutant, which would be emitted from any proposed major stationary source or major modification which the department -- on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs -- determines is achievable for such source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combination techniques for control of the pollutant. [...] If the department determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the imposition of an emissions standard infeasible, then a design, equipment, work practice, operational standard or combination thereof, may be prescribed instead to satisfy the requirement for the application of best available control technology. The standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of the design, equipment, work practice or operation, and shall provide for compliance by means which achieve equivalent results.*

The permit does not include either an emission limitation for CO, or an explanation of why technical or economic limitations on the application of a measurement methodology make imposition of an emission limitation infeasible. This issue was raised by EPA on other occasions on proposed permits for different sources in Michigan. All similar-type sources in the country have an emissions limitation for CO based on BACT. Several examples are listed in the Consumers Energy's permit application, page 30, Table 5-1, RBLC Summary of CO BACT Limits for PC Boiler. Some similar sources are:

- Elm Road Generating Station in Wisconsin. Pulverized Coal Boilers (PCB) B 18 and B 19, with a capacity of 615 megawatts (MW) each, are connected to stack S 18. CO emissions are controlled by a low nitrogen oxides burners and good combustion practices. CO limits are included in the permit 03-RV-166.
- Thoroughbred Generating Company in Kentucky. Each PCB boiler is equipped with its own exhaust stack located within a common chimney. Permit V-02-001 includes CO limits.
- Sherburne Generating Plant in Minnesota. Both PCB 1 and 2 are connected to one stack, and their permits have CO limits (permits 14100004-001 and 14100004-002).

The permit application (page 29) claims that "carbon monoxide is an extremely variable pollutant," therefore it would be difficult to "accurately measure and gain a measure from the stack test that would apply during all periods of operation." Please explain why Consumers Energy situation is unique and what makes it infeasible to set an emission limitation on CO for this facility to meet the BACT requirement.

We understand the environmental benefits of this project (a reduction in nitrogen oxides emissions). However, it is EPA's position that the permit as currently drafted is not consistent with the requirements of the Clean Air Act (CAA) and implementing regulations. We would like to continue to work with you to ensure that a permit meeting the requirements of the CAA and associated rules and regulations is issued. If you have any further questions, please contact Laura Cossa, of my staff, at 312-886-0661 or cossa.laura@epa.gov.

Sincerely,

for Pamela Blakley, Chief
Air Permits Section