

1-10-80 ✓

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
AIR POLLUTION CONTROL COMMISSION

In the matter of administrative proceedings)
involving NORTHERN MICHIGAN ELECTRIC)
COOPERATIVE, a Michigan non-profit corpora-)
tion, concerning sulfur dioxide emissions)
from fossil fuel-burning operations in the)
Township of Eveline, County of Charlevoix,)
State of Michigan.)

APC No. 16-1979

STIPULATION FOR ENTRY OF CONSENT ORDER
AND
FINAL ORDER

This proceeding resulted from a request by Northern Michigan Electric Cooperative (hereinafter "Company") to the Michigan Air Pollution Control Commission (hereinafter "Commission") for an extension of the time by which emissions of sulfur dioxide from its Advance Steam Plant (hereinafter "Advance Plant"), located in the Township of Eveline, County of Charlevoix, State of Michigan, must be reduced to the levels prescribed in Tables 3 and 4 of Commission Rule 336.49 (1973 AACS 6660-6661). This request was made pursuant to Commission Rule 336.49 and Commission Rules 336.141-147. The Commission and the Company hereby agree to the termination of this proceeding by entry of this Final Order by consent.

The Company and the Commission stipulate and agree as follows:

1. The Company and the Commission stipulate that the termination of this matter by a Final Order to be entered as a Consent Order is proper and acceptable.

2. The Commission and the Company acknowledge that certain sulfur dioxide emission limits set forth in Tables 3 and 4 of Rule 336.49, Administrative Code, 1973 AACCS, became effective on July 1, 1975, and July 1, 1978, and that subrules (1) and (2) of Rule 336.49 allow extensions of the dates for compliance with these limits.

3. The Commission and the Company also acknowledge that Administrative Code Rules 336.141 through 336.147, which became effective January 14, 1978, provide a method whereby an applicant may receive an extension of the compliance date for R 336.49 past January 1, 1980. Further, it is the finding of the Commission that the Advance Plant does qualify for an extension (subject to the requirements set forth in this Order) until January 1, 1985, according to the provisions of the aforementioned Rules 336.141 through 336.147.

4. It is the express finding of the Commission from evidence submitted by the Company and by the Staff of the Commission that:

- (a) The Company has made a reasonable effort to comply with the requirements of performance contracts previously executed with the Commission and with orders issued by the Commission.
- (b) Fuel burning at the Advance Plant, if conducted in conformance with the provisions of this Order, will not interfere with the attainment or maintenance of the national ambient air quality standards for any pollutant (40 C.F.R. Part 50 (1978)).
- (c) Compliance by the Advance Plant with the emission limitations of Commission Rule 336.49 prior to January 1, 1985, is unreasonable because the cost of such compliance is unreasonably disproportionate to the benefits to be obtained thereby.

- (d) Emissions from the Advance Plant are discharged through stacks that are of adequate design and construction to provide satisfactory dispersion of pollutants and prevent downwash conditions which could interfere with the attainment or maintenance of the national ambient air quality standards for any pollutant.

5. The Commission and the Company hereby agree to the following program and time schedule for the control of sulfur dioxide emissions from the Advance Plant:

A. SULFUR DIOXIDE EMISSION LIMITATIONS:

- (1) Beginning on January 1, 1980, and continuing to January 1, 1985, fuel burned at the Advance Plant shall not:
- (a) Result in sulfur dioxide emissions greater than 1,180 parts per million (by volume corrected to 50 percent excess air) averaged over a calendar day. This emission limitation is deemed equivalent to burning coal which averages on any calendar day 2.0 percent sulfur content by weight at 12,000 Btu per pound of coal.
 - (b) Result in sulfur dioxide emissions on a weekly average basis of:
 - (i) 1,122 parts per million (by volume corrected to 50 percent excess air) for the period January 1, 1981, through December 31, 1981;
 - (ii) 1,064 parts per million (by volume corrected to 50 percent excess air) for the period January 1, 1982, through December 31, 1982;

- (iii) 1,006 parts per million (by volume corrected to 50 percent excess air) for the period January 1, 1983, through December 31, 1983;
 - (iv) 948 parts per million (by volume corrected to 50 percent excess air) for the period January 1, 1984, through January 1, 1985.
- (2) After January 1, 1985, emissions of sulfur dioxide from the Advance Plant shall not exceed 890 parts per million (by volume corrected to 50 percent excess air), unless an alternate date for compliance with that level or other levels is established by the Commission.
- (3) Beginning on January 1, 1980, and continuing to January 1, 1985, if fuel burned at the Advance Plant is blended, such fuel shall be blended to provide substantially similar coal to each of the three individual coal bunkers such that sulfur dioxide emissions from all three units will correspond to that from Unit No. 3.

B. SULFUR DIOXIDE CONTROL PROGRAM:

- (1) By January 1, 1983, the Company shall submit to the Commission an acceptable control strategy which shall provide for compliance with Section A(2) of this Order.
- (2) If the Company elects to burn low sulfur coal as the method of control, the Company shall by January 1, 1984:
- (a) Notify the Commission that it has under contract or contract option the low sulfur coal necessary to meet the requirements of Section A(2) of this Order; or

- (b) Notify the Commission, with acceptable explanation, that adequate quantities of low sulfur coal are available for acquisition for use in the Advance Plant by January 1, 1985.
- (3) If low sulfur coal is chosen as the method of control, the Company shall notify the Commission of the signing of any contracts for such coal within thirty (30) days of their signing.
- (4) If the Company elects a control strategy other than low sulfur coal burning, a report on the method of control (including increments of progress) shall be provided to the Commission by January 1, 1983. If a control strategy other than low sulfur coal burning is submitted, it is the intent of the Company and the Commission to incorporate the elements of the control strategy into either a new or amended order.
- (5) By January 1, 1983, and by January 1, 1984, the Company shall submit to the Commission a report of the Company's progress toward complying with the Order. Any developments which would preclude compliance with any provision of this Order shall be immediately reported in writing to the Commission.

C. MONITORING AND DATA REPORTING:

- (1) The Company shall continue to operate and properly maintain the existing one (1) ambient sulfur dioxide monitor around the Advance Plant in such manner and at such location as reasonably specified by the Chief of the Air Quality Division of the Department of Natural Resources (hereinafter "Staff").

- (2) The Company shall perform sulfur analysis of fuel purchased for burning at the Advance Plant in accordance with the procedures specified in Appendix A.
- (3) The Company shall by January 1, 1980, install induct work prior to the breaching for the stack of Unit No. 3 (Stack No. 2) and place in operation and thereafter properly maintain a stack gas emission monitor for measuring sulfur dioxide that meets the performance specifications of Appendix B of 40 C.F.R. Part 60 (1978).
- (4) The Company shall demonstrate the adequacy of the stack gas sulfur dioxide monitor in accordance with the procedures specified in Appendix B of 40 C.F.R. Part 60 (1978).
- (5) For each calendar day during which the stack gas sulfur dioxide monitor has been inoperative for twelve (12) consecutive hours, the Company shall determine the daily sulfur dioxide emission rate from the Advance Plant according to the procedures specified in Appendix A of this Order. Such procedures shall be discontinued only after the stack gas sulfur dioxide monitor has operated acceptably for twelve (12) consecutive hours during a calendar day. If Staff finds the procedures referred to in this paragraph 5(C)(5) and set forth in Appendix A to be unacceptable, then the Company shall use such other procedures as are acceptable to Staff.
- (6) The Company shall report to the Staff sulfur dioxide emissions in terms of parts per million by volume corrected to 50 percent excess air.

- (7) The Company shall submit to the Staff data from the aforementioned ambient air quality monitor, stack gas monitor, and fuel sulfur analysis in such format and at such intervals as reasonably specified.
- (8) The monitoring and reporting requirements specified in or pursuant to subsections C(1) through (9) shall be, upon request of the Company, reviewed by the Commission and modified if the Commission finds such modifications are justified.
- (9) Prior to July 1, 1981, and during each eighteen (18) month interval thereafter, the Company shall, upon sixty (60) days written notice from Staff to the Company, conduct one particulate emission test. The tests shall be conducted in accordance with Commission approved procedures.

6. The Commission may modify or revoke this Order granting extension of the dates for compliance with Tables 3 and 4 if the Commission determines that:

- (a) The reasons that provided the basis for making the findings stated in Paragraph 4 of this Order no longer exist.
- (b) The Company has not adequately complied with the terms, conditions, and requirements of this Order, including but not limited to monitoring, reporting, and fuel specifications.
- (c) The public health, safety, or welfare may be adversely affected by a further compliance extension.
- (d) Reductions in the sulfur dioxide emissions from the Advance Plant would allow location of a new source or modification of an existing source, and without the reduction the new source or modification

of an existing source could not be permitted. However, such reductions shall not be greater than that necessary to permit the location of the new source of the modification to the existing source, and such reductions shall not be more stringent than the requirements of Tables 3 and 4 of R 336.49.

- (e) The original data submitted by the applicant on the application requesting an extension is materially inaccurate.
- (f) Federal law or rules would prohibit or make unlawful further extension.
- (g) The Company has demonstrated that a modification or revocation of the Order is justified. Agreement to and entry of this Order does not prejudice the right of the Company to petition the Commission for modification or revocation of the Order.
- (h) The U.S. Environmental Protection Agency has disapproved this Order as a revision to the Michigan State Implementation Plan. If the Company has appealed that disapproval, the Commission shall consider the merits of that appeal in determining whether to take action under this subsection.

7. The Chief of the Air Quality Division agrees that after this Order is approved by the Commission, the Order (and all supporting information thereafter requested by the U.S. Environmental Protection Agency--EPA) shall be promptly transmitted to EPA for approval of the Order as a revision to the Michigan State Implementation Plan.

8. If this Order is approved by EPA as a revision to the Michigan State Implementation Plan (SIP) prior to January 1, 1980, it shall rescind and supersede Consent Order No. 05-1977 on January 1, 1980. If this Order is approved by EPA as a revision to the Michigan SIP, on or after January 1, 1980, it

shall rescind and supersede Consent Order No. 05-1977 on the day of its approval by EPA.

9. The Commission and Staff do not regard this Order as a variance subject to the 12-month limitation specified in Section 22 of the Air Pollution Act, being MCLA 336.32. Approval of this Order is not a major state action for purposes of further environmental review pursuant to Executive Order 1974-4.

10. The Commission and the Company both acknowledge that a public hearing on this Order was held on December 18, 1979. The Commission, Staff, and Company consent to enforcement of this Order in the same manner and by the same procedures as for all final orders entered pursuant to Section 16 of 1972 PA 257, MCLA 336.26.

Approved:

Raymond G. Towne

Raymond G. Towne, Assistant General Manager
NORTHERN MICHIGAN ELECTRIC COOPERATIVE

Dated: December 24, 1979

Approved as to Content:

Approved as to Form:

Delbert Rector

Delbert Rector, Chief
AIR QUALITY DIVISION
DEPARTMENT OF NATURAL RESOURCES

Dated: January 7, 1980

Stewart H. Freeman

Stewart H. Freeman
Assistant Attorney General
DEPARTMENT OF ATTORNEY GENERAL

Dated: January 2, 1980

FINAL ORDER

Having had the opportunity to review the above stated Stipulation for Entry of Consent Order, the Commission accepts it and orders it entered in the record of this Commission.

MICHIGAN AIR POLLUTION CONTROL COMMISSION

By: Ms Reizen
Maurice S. Reizen, M.D.
Chairman

Dated: 1/10/80

APPENDIX A

FUEL ANALYSIS AND EMERGENCY MONITORING PROCEDURES

NORTHERN MICHIGAN ELECTRIC COOPERATIVE, INC.

1. Fuel Purchasing

Fuel purchases shall be sampled and tested by a qualified testing company at the lake port rail to water transfer facility.

Three (3) separate samples shall be obtained from each vessel cargo. A "Proximate Analysis" per ASTM Procedures D-3177-75 and D-2015-77 or their respective successors shall be obtained for each sample and a calculated composite "Proximate Analysis" shall be reported. The calculated composite report shall be used for all indices relative to this "Stipulation and Final Order".

2. Emergency Monitoring Procedures

In the event the stack gas sulfur dioxide monitor on Unit 3 is out of service for more than 12 consecutive hours, stack gas shall be monitored by the National/Drager Multi-gas Detector method, a minimum of two equally spaced tests daily until the continuous monitor is operational. The test results shall be multiplied by the maximum correction factor for the detector and corrected for 50 percent excess air.

In the event Unit 3 is out of service, stack gas from Units 1 and 2 shall be monitored by the procedure set forth in the above paragraph.