

December 31, 2018

Ms. Amanda Chapel  
Environmental Quality Analyst  
Air Quality Division  
7953 Adobe Rd.  
Kalamazoo, Michigan 49009



**RE: Response to December 12, 2018 Violation Notice  
New Covert Generating Company, LLC  
SRN: N6767; Van Buren County  
Renewable Operating Permit No. MI-ROP-N6767, ORIS ID 55297**

Dear Ms. Chapel,

New Covert Generating Company, LLC ("Covert") submits this response to the Violation Notice ("VN") dated December 12, 2018 issued by the Michigan Department of Environmental Quality ("MDEQ") regarding operation of Unit 2 with excess ammonia emissions. A copy of the VN is included in Attachment A.

Please note that I did not receive the VN until sometime after December 19, 2018, and did not see the document until my return on December 31, 2018. Mr. Chris Head, Operations Manager of Covert, has yet to receive a copy of the VN as of the date of this response. As a result I am unable to provide a hard copy by January 2 to Ms. Jenine Camilleri who has a P.O. Box address, overnight mail will not deliver to PO boxes however a hard copy has been placed in regular mail today.

In the VN, MDEQ summarizes the Rule / Permit Conditions that were potentially violated at Process Unit EU-Turbine 2 and EU-DB2 as follows:

*"Facility showed non-compliance on Unit 2 ... with the ammonia limit during testing on September 15-17, 2018. Facility failed to shutdown Unit 2 at the earliest possible time and allowed it to run with the overage from September 15 to September 23; and September 29 to September 30, 2018 (MI-ROP-N6767-2014c, Emission Limits I.9)";*

By way of this letter, Covert is providing the information requested in the VN: dates the potential violation occurred; explanation of the causes and duration of the potential violation; whether the potential violation is on-going; a summary of the actions taken and proposed to be taken to correct the potential violations, including the dates by which these actions will take place; and the steps that are being taken to prevent reoccurrence.

The emission testing during which the potential exceedances were discovered was being conducted prior to the start of a major outage for Unit 2 in which significant investments were made in upgrading the unit, as authorized by PTI 186-17. These investments included replacement of the catalyst in the Selective Catalytic Reduction (SCR) system and

installation of a new ammonia injection grid (AIG), both of which are expected to produce lower emissions of both NOx and ammonia in the long run.

**Date of potential violation:** September 15 to September 23, 2018; September 29 to September 30, 2018

**On-going violation:** None. Unit 2 entered a major outage September 30, 2018 and underwent significant upgrades which will deliver lower emissions over the long term. As relayed to Mr. Tom Gasloli on December 19, 2018, Covert had scheduled an ammonia slip test on Unit 2 on December 26, 2018, however, due to commissioning issues this test was not performed. The test has been rescheduled to take place on January 3, 2019.

### **Alleged Violation**

#### **Explanation of the causes and duration of the alleged violations related to failing to shutdown Unit 2 and allowing it to run with the overage:**

On September 15, 2018, Covert Unit 2 experienced a likely deviation with the ammonia permit limit of 10 ppmvd [FG-TURB/DB1-3 I.9.] during compliance testing. This deviation was investigated and found to have been caused by blockages in the Selective Catalytic Reduction (SCR) system ammonia delivery line. At the same time, Unit 3 was determined to have potential excess emissions of ammonia as well. Unit 3 was taken off-line for tuning while Unit 2 continued to provide the necessary power output. As Unit 3 would be returning to service for a number of months prior to its scheduled major outage, ammonia tuning on Unit 3 was prioritized. Unit 2 was taken out of service as soon as practicable on 9/23/2018, during which time offline testing was performed. Unit 2 was restarted to operate for required pre-outage testing between 9/29/2018-9/30/2018. Unit 2 was operated for a total of 110 hours until the scheduled major outage.

#### **Summary of the corrective action related to failing to shutdown Unit 2 and allowing it to run with the overage:**

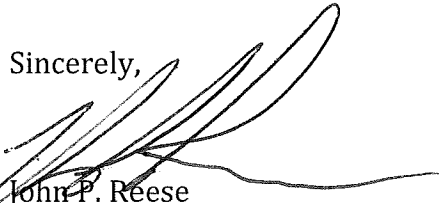
As noted, because Unit 3 would continue to operate while Unit 2 is in outage, Covert prioritized AIG tuning on Unit 3. Unit 2 was taken out of service as soon as practicable. The short period of operation on September 29-30 was necessary to conduct pre-outage testing that was necessary to perform the work in the outage, which will produce significant emission reductions.

#### **Summary of the preventative action related to failing to shutdown Unit 2 and allowing it to run with the overage:**

Tuning work was prioritized to Unit 3, which must run for a period of months until its major outage. During this scheduled outage, upgrades will be made that will prevent potential excess ammonia emissions from Unit 3.

Should you have any questions, please contact Mr. Chris Head, Operations Manager, at (269) 764-3805 or Mr. Andrew Oliver at (315) 433-1371 or [aoliver@easternngen.com](mailto:aoliver@easternngen.com).

Sincerely,



John P. Reese  
Senior Vice President  
New Covert Generating Company, LLC

Enclosure:

Attachment A – New Covert Violation Notice (December 12, 2018)

cc: Ms. Jenine Camilleri  
Enforcement Unit Supervisor  
Michigan DEQ  
Air Quality Division  
P.O. Box 30260  
Lansing, Michigan 48909

Mr. Chris Head  
Electronic Copy

Ms. Mary Ann Dolehanty  
Division Director, AQD  
[dolehantym@michigan.gov](mailto:dolehantym@michigan.gov) (Electronic Copy)

Dr. Eduardo Olaguer  
Assistant Division Director, AQD  
[olaguerj@michigan.gov](mailto:olaguerj@michigan.gov) (Electronic Copy)

Mr. Christopher Ethridge  
Field Operations, AQD  
[ethridgec@michigan.gov](mailto:ethridgec@michigan.gov) (Electronic Copy)

Ms. Mary Douglas  
District Supervisor, Kalamazoo District  
[douglasm@michigan.gov](mailto:douglasm@michigan.gov) (Electronic Copy)

**Attachment A**  
**New Covert VN**  
**(December 12, 2018)**



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
KALAMAZOO DISTRICT OFFICE



C. HEIDI GRETHUR  
DIRECTOR

December 12, 2018

Mr. John Reese  
Eastern Generation  
300 Atlantic Street 5th Floor  
Stanford, Connecticut 06901

SRN: N6767, Van Buren County

Dear Mr. Reese:

**VIOLATION NOTICE**

On September 15, 2018, the Michigan Department of Environmental Quality (MDEQ), Air Quality Division (AQD), observed stack testing at New Covert Generating (Facility), located at 26000 77th Street, Covert, Michigan. The testing was to determine the Facility's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the Air Pollution Control Rules; and the conditions of Renewable Operating Permit (ROP) MI-ROP-N6767-2014c.

During the inspection, staff of the AQD observed the following:

| Process Description | Rule/Permit Condition Violated          | Comments   |
|---------------------|---|--|
| FG-TURB/DB1-3       | MI-ROP-N6767-2014c, Emission Limits I.9 | Facility showed non-compliance on Unit 2 and Unit 3 with the ammonia limit during testing on September 15-17, 2018. Facility failed to shutdown Unit 2 at the earliest possible time and allowed it to run with the overage from September 15 to September 23; and September 29 to September 30, 2018. |

The testing results provided to the MDEQ demonstrate that actual emissions of ammonia from Unit 2 and Unit 3 in FG-TURB/DB1-3 process equipment were 10.4 ppmvd and 11.7 ppmvd, respectively. The conditions of ROP MI-ROP-N6767-2014c limit the emissions of ammonia to 10 ppmvd.

Mr. John Reese  
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According to the attachments provided in the semi-annual ROP certification, the Facility allowed Unit 2 and Unit 3 to continue to operate with the ammonia overages. Unit 3 was taken down on September 22, 2018, to perform tuning to bring the ammonia emissions back into compliance. Additional testing was done on September 24, 2018, on Unit 3 to demonstrate it was in compliance with the 10 ppmvd limit. The Facility will not be receiving a Violation Notice for Unit 3.

Unit 2 continued running without being tuned. It was brought down on September 23, 2018, and then brought back on-line, without being tuned to address the overage, to run on September 29 and 30, 2018. It was then brought off-line and upgrades began on the turbine. Because of this, the Facility is receiving a Violation Notice for Unit 2.

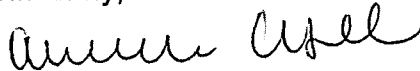
Please initiate actions necessary to correct the cited violation and submit a written response to this Violation Notice by January 2, 2019 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violation occurred; an explanation of the causes and duration of the violation; whether the violation is ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violation and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

Please submit the written response to the DEQ, AQD, 7953 Adobe Road, Kalamazoo, Michigan 49009-5025; and submit a copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor, DEQ, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760.

If the Facility believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violation cited above. If you have any questions regarding the violation or the actions necessary to bring this Facility into compliance, please contact me at the telephone number listed below.

Sincerely,



Amanda Chapel  
Environmental Quality Analyst  
Air Quality Division  
269-910-2109

AC:CF

cc: Mr. Chris Head, New Covert Generating  
Ms. Mary Ann Dolehanty, MDEQ  
Dr. Eduardo Olaguer, MDEQ  
Mr. Christopher Ethridge, MDEQ  
Ms. Jenine Camilleri, MDEQ  
Ms. Mary Douglas, MDEQ