



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SOUTHEAST MICHIGAN DISTRICT OFFICE



DAN WYANT
DIRECTOR

September 23, 2014

Mr. Gary Quantock, Vice President - Operations
DTE Biomass Energy
425 South Main Street
Ann Arbor, Michigan 48104

SRN: P0262, St. Clair County

Dear Mr. Quantock:

VIOLATION NOTICE

On August 25, 2014, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of Blue Water Renewables LLC located at 6797 Smiths Creek Road, Smiths Creek, Michigan. The purpose of this inspection was to determine Blue Water Renewables LLC'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 administrative rules and the conditions of Renewable Operating Permit (ROP) number MI-ROP-P0262-2012.

On September 16, 2014, DTE Energy provided the AQD with record keeping for Blue Water Renewables LLC's CO, SO2, and HAP emissions. Staff observed the following during the review of these records:

Process Description	Rule/Permit Condition Violated	Comments
FG-FACILITY	FG-FACILITY, Condition I.2	The records indicate that from September 2013 through August 2014, the facility's formaldehyde emissions exceeded the individual Hazardous Air Pollutant (HAP) emission limit of 9 TPY.
FG-ICENGINES: Two reciprocating internal combustion engines fueled by landfill gas.	40 CFR Part 63 Subpart ZZZZ	The facility's formaldehyde emissions exceeded major source thresholds for HAPs (10 TPY single HAP), and the facility has failed to comply with the requirements of 40 CFR Part 63 Subpart ZZZZ, the National Emission Standard for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines for Major Sources.

The conditions of ROP number MI-ROP-P0262-2012 limit the emissions of Individual HAPs to 9 TPY. The records provided demonstrate that actual emissions of formaldehyde from the FG-ICENGINES process equipment are 17 TYP. This is a violation of permit condition FG-FACILITY I.2.

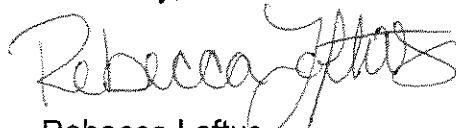
The FG-ICENGINES process equipment is also subject to the federal National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines. These standards are found in 40 CFR Part 63, Subpart ZZZZ. The initial notification and annual reports for Blue Water Renewables LLC as a major source of HAPs are past due.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by October 14, 2014 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If Blue Water Renewables LLC 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 violations cited above and for the cooperation that was extended to me during my inspection of Blue Water Renewables LLC. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Rebecca Loftus
Environmental Quality Analyst
Air Quality Division
586-753-3735

RL/DC

cc/via email: Mr. Nick Diedrich, DTE
Mr. Matt Williams, Smith's Creek Landfill
Ms. Lynn Fiedler, DEQ
Ms. Mary Ann Dolehanty, DEQ
Ms. Teresa Seidel, DEQ
Mr. Thomas Hess, DEQ
Mr. Chris Ethridge, DEQ