



October 21, 2019

DEQ/AQD Lansing District Office
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Lansing, MI 48909

DEQ/AQD Enforcement Supervisor
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**SUBJECT: ECKERT STATION EUBOILER4
RESPONSE TO NOTICE OF VIOLATION**

Dear Ms. Brunner,

On October 9, 2019, the Lansing Board of Water & Light (BWL) received a Violation Notice for Eckert Station EUBOILER4 (dated October 1, 2019), citing failure to complete a second quarterly testing event as specified in Renewable Operating Permit (ROP) No. MI-ROP-B2647-2018 FGMATS Special Condition V.1 and V.2 and 40CFR63.10006(f)(3). In summary, these permit conditions require quarterly testing for Particulate Matter (PM) and Hydrogen Chloride (HCl) for any quarter that a unit operates 168 hours or more; if a unit operates at 168 hours or more and misses a quarterly test, two tests must occur the following quarter in which the unit operates 168 hours, with each test separated by 15 days. The Violation Notice states that during operations in the first quarter and second quarter of 2019, EUBOILER4 was shut down before an additional MATS test could be completed as required by 40 CFR 63.10006(f)(3). A written response to the Notice was requested by October 22, 2019. The following paragraphs describe the events leading up to this situation and a detailed response to the Violation Notice.

Routine operation of Eckert Station ceased in the 4th quarter of 2018 and operations staff have been reassigned to other areas at the BWL. Future operation is limited to emergency situations as well as capacity testing in support of grid reliability, which consists of bringing the units online for a short





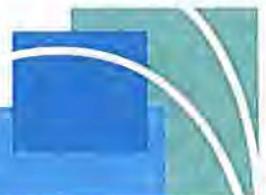
duration during the summer to determine its maximum capacity. Final operations of Eckert Station are to cease entirely by December 31, 2020.

This incident began in December of 2018. The BWL had the contracted stack testing firm (Mostardi Platt) on site to perform scheduled quarterly testing for EUBOILER4 and EUBOILER5 (EUBOILER6 was not being tested due to operating less than 168 hours). Testing was planned for December 4, 2018 on EUBOILER5 and December 5, 2018 on EUBOILER4.

Testing for EUBOILER5 was performed as planned on December 4, 2018. The stack testing firm was prepared to perform testing the following day and moved their equipment to the proper location for EUBOILER4. During the early morning of December 5th, EUBOILER4 suffered a boiler tube leak requiring shutdown of the unit. Efforts made to restore the boiler to operating conditions were unsuccessful, and testing could not be accomplished that week. Multiple leaks were patched during the following week and testing was rescheduled for December 13, 2018. A start-up of EUBOILER4 was attempted at midnight on December 12, 2018. Additional malfunctions with steam valving were found and the unit was unable to safely produce electricity for load. A shutdown was completed shortly after 0600 and the testing was cancelled. As mentioned above, Eckert Station shut down on December 18 and the plant was placed in an emergency readiness condition.

In January 2019, BWL discussed with the Air Quality Division (AQD) Technical Programs Unit the future operations of Eckert Station and how it would impact quarterly MATS testing. BWL was referred to EPA due to a lack of delegation authority to enforce 40CFR63 UUUUU (MATS). On January 29, 2019, Lori Myott and Nathan Hude held a conference call with Ethan Chatfield of the EPA Enforcement, Regulatory Interpretation Section to discuss our operating scenario. During this call, EPA indicated that they would not expect BWL to operate a coal-fired unit longer than necessary for the sole purpose of testing.

In March of 2019, the REO Town Cogeneration Plant experienced failure on both Combined-Cycle Gas Turbines (EUTURBINE1 and EUTURBINE2), leaving only the plant auxiliary boiler to provide steam to our customers and steam heat for the City of Lansing. These failures required emergency start-up of EUBOILER4 to provide back-up steam capability. The start-up of EUBOILER4 occurred on March 17, 2019. Upon the notification of start-up, the BWL contacted our test firm to schedule MATS testing as soon as possible. Due to the unanticipated start-up and the lack of coordinating time, the test firms earliest schedule opportunity for testing was April 4, 2019. The test was performed on April 4, 2019 with Low Emitting EGU (LEE) results for both PM and HCl. The unit was shutdown upon the return of operating status of REO Station on April 12, 2019. Due to the previous discussion about testing with EPA (to not operate longer than necessary for the sole purpose of testing) and the shutdown date lacking 15 days between a possible re-test (2nd test within the same quarter), the second test was not performed per





63.10006(f)(3)(i). It is believed that shortly after this timeframe, EPA delegated enforcement status of the MATS regulation to the AQD.

The Eckert Station commenced short term operation as planned in July 2019 for capacity testing (described above). EUBOILER4 operated from July 12, 2019 to July 24, 2019 for a total of 266 hours to conduct all Relative Accuracy Test Audits (RATAs) and quarterly MATS testing. It operated again briefly on July 27, 2019 to empty the coal bunkers for fire prevention. BWL did not operate the boiler longer than necessary for the sole purpose of completing a second MATS test as the plan continues to be to operate the plant for short periods of time during emergency situations and capacity testing only. To date, the plant remains at an emergency standby position and is not operationally staffed.

As stated earlier, the AQD received delegation of the MATS regulation on or around April of 2019. Should the BWL have had knowledge of the delegation status, discussions related to test planning would have been communicated directly with the AQD. BWL made a commitment to staff that it would only operate Eckert Station in the event of an emergency. We believe operations of our coal-fired units for a duration longer than necessary is not in the best interest of the environment or our community.

Since the time that BWL became subject to the MATS standards and associated quarterly testing, BWL has conducted eleven testing events for particulate matter and hydrogen chloride. Over this period, the test results were at or below 50 percent of the MATS limit. The BWL has full faith that our emission control devices operate in a manner that prevents unacceptable PM and HCl emissions.

We appreciate the opportunity to respond to your concerns and hope that you find our response to be satisfactory. If you have any questions, please contact Nathan Hude at 517-702-6170.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Myott", is written over a blue horizontal line.

Lori Myott
Manager, Environmental Services
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517-702-6639

cc: Nathan Hude, BWL
Mark Matus, BWL
Tom Dickinson
Scott Hamelink, BWL

