



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT
LANSING



January 20, 2011

To Whom It May Concern:

This letter is in reference to Operational Memorandum No. 20 - *Best Available Control Technology (BACT) Determinations*. The operational memorandum is being rescinded at this time due to the remand by the Environmental Appeals Board (EAB) of the BACT components of an issued permit that used the process outlined in this memorandum.

On February 5, 2007, Northern Michigan University (NMU) filed a permit application to construct a new boiler. Because the proposed installation would result in a significant net increase in emissions, it was considered a "major modification" subject to State and federal Prevention of Significant Deterioration (PSD) regulations. PSD requires major modifications to achieve emission limits established by the best available control technology for pollutants emitted in amounts greater than applicable significance levels. On May 12, 2008, the Michigan Department of Environmental Quality issued a PSD permit authorizing construction of the boiler.

On June 13, 2008, Sierra Club filed PSD Appeal No. 08-02 with the EAB, for review of the permit pursuant to 40 CFR Part 124, requesting that the permit be remanded to MDEQ for further consideration. Sierra Club challenged NMU and MDEQ for using Operational Memorandum No. 20 to guide them through the BACT review for all pollutant emissions.

In the EAB decision, it was stated that the U.S. Environmental Protection Agency (EPA) New Source Review (NSR) Manual is the most often used way to determine BACT, and use of Operational Memorandum No. 20 was not a method that followed statutory and regulatory guidelines. The EAB determined that by using the streamlined analysis in Operational Memorandum No. 20, the NMU BACT analysis "circumvented the rigorous approach set forth in the NSR Manual."

Based on the EAB decision to remand the permit to reconsider the BACT limitations chosen for emissions from the proposed boiler, the AQD is rescinding Operational Memorandum No. 20. The existing EPA NSR Manual provides adequate guidance for conducting a BACT review which can be used by AQD.

Please feel free to contact Ms. Mary Ann Dolehanty, AQD, at 517-373-2098, if you have any questions regarding this matter.

Sincerely,

G. Vinson Hellwig, Chief
Air Quality Division