

WOLVERINE
POWER COOPERATIVE

May 23, 2012

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909-7721

Dear Ms. Kunkle:

On June 19, 2000, the Michigan Public Service Commission (MPSC) responded to Case No. U-12486 and issued an opinion and order regarding mercury emissions from electrical generation facilities. The regulation is codified as Michigan Public Act 141 of 2000, Subsection 10d (9) and states the following:

“The public service commission shall take the necessary steps to ensure that all electrical power generating facilities in this state comply with all rules, regulations, and standards of the federal environmental protection agency regarding mercury emissions.”

On February 23, 2012, the MPSC issued an order directing owners or operators of mercury-emitting power generating facilities in Michigan to file a report, no later than May 23, 2012, describing how they intend to comply with recently published Environmental Protection Agency (EPA) Mercury and Air Toxics Standards (MATS) rules.

Wolverine Power Supply Cooperative, Inc. (Wolverine) owns and operates various electrical generating facilities in the state of Michigan. None of the electrical generating units operating at Wolverine's plants are coal-fired units; all units are fired with either natural gas and/or distillate oil.

The attached report provides a brief overview of the EPA mercury regulations associated with electrical generating units and describes Wolverine's compliance with, or basis for exemption from, the EPA MATS regulations.

Please contact me at 231.775.5700, extension 3366, if you have any questions or would like additional information.

Sincerely,



Brian L. Warner, CHMM
Director of Environmental Services

xc: Dan DeCoeur, David Robinette, Kim Molitor (w/attachments)

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter, on the Commission's own motion)
to require an annual report on compliance with)
the MATS provisions of 2000 PA 141.)
_____)

Case No. U-12486

**Report on the Compliance Status of Each Electrical Power
Generating Facility in Michigan with all
Rules, Regulations, and Standards of the
Federal Environmental Protection Agency
Regarding Mercury and Air Toxics Standards (MATS) Rule as required under
2000 PA 141**

Submitted by:

**Wolverine Power Supply Cooperative, Inc.
Brian Warner, CHMM – Director of Environmental Services
10125 West Watergate Road
Cadillac, MI 49601
Phone (231) 775-5700**

May 23, 2012

Introductory Comments

Wolverine Power Supply Cooperative, Inc. (Wolverine) is submitting the enclosed report in response to the Michigan Public Service Commission's (Commission) June 19, 2000 order in the captioned docket. The Commission ordered the owner or operator of each electrical power generating facility in Michigan to file a report describing how it intends to comply with the Mercury and Air Toxics Standards (MATS) rules for each facility (including, but not limited to, the detailed plan for installation of emissions control equipment or closure, and the timeline, for each unit, or describing how it is exempt from the MATS rules), and to file a similar report by January 31 of each succeeding year.

The Commission also ordered that the first MATS report be filed by no later than May 23, 2012. Wolverine's enclosed report satisfies this initial MATS report requirement.

Wolverine Power Supply Cooperative, Inc.
Report Outlining the Compliance Status with all Applicable
Environmental Protection Agency Regulations
Governing Mercury and Air Toxics Emissions

Wolverine Power Supply Cooperative, Inc. (Wolverine) is the owner and operator of multiple natural gas and/or distillate oil-fired power plants in the state of Michigan. **Table 1** includes a detailed list of these power plants. Based upon a review of the most recent U.S. Environmental Protection Agency (EPA) databases, the combustion of natural gas and/or light distillate oils is not a significant source of mercury and other air toxics emissions, and units firing these fuels, in combination with their individual rated capacities, are not currently subject to the U.S. EPA Mercury and Air Toxics Standards (MATS) regulations. Therefore, Wolverine is in compliance with all federal mercury and Air Toxics reporting requirements. The following is a brief discussion of current federal mercury and MATS reporting requirements that apply to coal-fired electrical generating facilities.

The federal MATS reporting requirements currently applicable to electrical generating facilities that have a rated output at or above 25 MW, and/or are either partially or fully fired with natural gas include the following:

Toxic Release Inventory (TRI) Reporting

Under Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA) (42 u.s.c. 11001 et seq.), *coal-fired* electric generating facilities are required to report annual releases of listed chemicals on their TRI.

At this time, Wolverine does not operate any coal-fired electrical generating facilities in the state of Michigan. If Wolverine subsequently operates any coal-fired electrical generating facilities in the state of Michigan, it will include any associated annual emissions of mercury and other compounds identified in MATS as part of its TRI reporting to the U.S. EPA.

Conclusion

In the state of Michigan, all power produced by Wolverine is generated by the use of natural gas and/or very low sulfur distillate oil-fired combustion turbines and small internal combustion engines. These combustion sources are inherently clean in regards to their emissions of metallic compounds and other MATS-identified compounds. The U.S. EPA has long recognized that the emissions of mercury and Hazardous Air Pollutants from such sources are extremely minor and, to date, do not warrant emission controls or further regulation. Therefore, the sources identified in **Table 1** are not considered affected units under the MATS regulation.

Based on the information provided above, Wolverine hereby submits that the facilities listed in **Table 1** are in compliance with all applicable U.S. EPA regulations governing mercury emissions and those additional compounds identified by MATS.

Dated: May 23, 2012

Wolverine Power Supply Cooperative, Inc.

By: _____



Brian Warner, CHMM
Director of Environmental Services

Table 1
Wolverine Power Supply Cooperative, Inc.
Inventory of Electric Generating Units Located in the State of Michigan

Facility Name	Unit Number	Rated Capacity (MW)*	Type of Unit	Type of Fuel Used**
Burnips	Unit 6	Less than 25 MW	Combined Cycle Combustion Turbine	Natural Gas
	Unit 8	Less than 25 MW	Simple Cycle Combustion Turbine	Natural Gas
Gaylord	Unit 1	Less than 25 MW	Simple Cycle Combustion Turbine	Natural Gas
	Unit 2	Less than 25 MW	Simple Cycle Combustion Turbine	Natural Gas
	Unit 3	Less than 25 MW	Simple Cycle Combustion Turbine	Natural Gas
Hersey	Unit 9	Less than 25 MW	Simple Cycle Combustion Turbine	Natural Gas
	Unit 10	Less than 25 MW	Simple Cycle Combustion Turbine	Natural Gas
	Unit 11	Less than 25 MW	Internal Combustion Engine (RICE)	Diesel
Sumpter	Unit 1	80 MW	Simple Cycle Combustion Turbine	Natural Gas
	Unit 2	80 MW	Simple Cycle Combustion Turbine	Natural Gas
	Unit 3	80 MW	Simple Cycle Combustion Turbine	Natural Gas
	Unit 4	80 MW	Simple Cycle Combustion Turbine	Natural Gas
Tower	Unit 1	Less than 25 MW	Internal Combustion Engine (Rice) (1)	Diesel
	Unit 2	Less than 25 MW	Internal Combustion Engine (Rice) (1)	Diesel
	Unit 3	Less than 25 MW	Internal Combustion Engine (Rice) (1)	Diesel
	Unit 4	Less than 25 MW	Simple Cycle Combustion Turbine	Diesel
Vestaburg	Unit 6	Less than 25 MW	Internal Combustion Engine (RICE)	Diesel
	Unit 7	Less than 25 MW	Internal Combustion Engine (RICE)	Diesel
	Unit 8	Less than 25 MW	Simple Cycle Combustion Turbine	Diesel / Natural Gas

* Individual units with rated capacity less than 25 MW are not subject to EGU MACT (MATS).

** All units exclusively using natural gas are not subject to EGU MACT (MATS).

(1) Units decommissioned from service during 2011.