



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

APR - 9 2001

OFFICE OF  
AIR AND RADIATION

Anand Gangadharan  
Certifying Official  
CMS Distributed Power, L. L. C.  
Fairlane Plaza South  
330 Town Center Drive  
Suite 800  
Dearborn, MI 48126-2712

Re: Response to Petition to Use Alternative Fuel Sulfur Monitoring Procedures for  
CMS's Zilwaukee and Dearborn Generating Stations

Dear Mr. Anand:

U.S. EPA has reviewed the June 12, 2000 petition under 40 CFR 75.66(a) for CMS Distributed Power, L.L.C.'s (CMS) Zilwaukee Generating Station (Zilwaukee) and Dearborn Generating Station (Dearborn). The petition requests approval to use alternative fuel sulfur monitoring procedures in lieu of the required procedures in §72.7(d). As discussed below, EPA approves the petition with conditions.

Background

According to the petition, Zilwaukee has 32 diesel engine generator sets that burn low sulfur No. 2 diesel fuel, and Dearborn has 38 such generator sets that also burn that fuel. Each facility is staffed by one person. The generator sets are used to provide peak power during hot days in June-September. The low sulfur No. 2 diesel fuel, which is required to have a sulfur content of 0.05% sulfur by weight or less, is purchased from a fuel wholesaler that obtains the fuel from a marketing terminal supplied by several refiners. The refiners are required to ensure that the sulfur requirements for low sulfur No. 2 diesel fuel are met. See 40 CFR 80.29. Each diesel engine burns about 120 gallons of diesel fuel per hour, which results in each facility burning about 28,800 gallons per 8-hour day. Because of the absence of on-site storage, the fuel is delivered around the clock by several delivery trucks. CMS estimates that as many 468 deliveries may be made to each facility during June-September.

Under §72.7, a new utility unit that serves a generator 25 MWe or less and that burns only non-gaseous fuel with an annual average sulfur content of 0.05% or less by weight is exempt from most requirements of the Acid Rain Program under title IV of the Clean Air Act. Section 72.7(d)



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specifies how compliance with this fuel requirement is determined. A sample is to be taken of each fuel delivery, the percent sulfur and mass of each sample is to be determined, and the annual average sulfur content is to be calculated. See 40 CFR 72.7(d)(2) and (3). In light of the large number of individual deliveries, the cost (about \$150-\$200) of analyzing sulfur content of a sample, and the small staff at each facility, CMS requests to take a sample of each delivery, prepare a composite sample of the individual samples during the operating season, and conduct a sulfur content analysis of the composite sample to show compliance with the fuel requirement under §72.7.

#### EPA's Determination

EPA agrees that the approach, for each facility, of sampling each delivery made during the year and preparing and analyzing a composite sample is a reasonable way of demonstrating compliance with the fuel requirement for these facilities. It is EPA's understanding from CMS that each delivery includes essentially the same amount of diesel fuel. Under these circumstances, analysis of the composite sample will provide the annual average sulfur content of the diesel fuel used during the year. This approach will significantly reduce the burden and cost of the compliance demonstration on CMS. EPA's approves the petition on the condition that: the composite sample includes a sample from each delivery made to the respective facility during a given year; each delivery to the facility during the year contains essentially the same amount of diesel fuel; and the facility will lose the new unit exemption under §72.7 if the sulfur content in the composite sample for any year exceeds 0.05% by weight. See 40 CFR 72.7f(4)(i)(C).

EPA also approves an alternative approach. CMS may show compliance with the fuel requirement by establishing, maintaining, and making available for inspection verifiable records demonstrating the exclusive use of low sulfur No. 2 diesel fuel at the respective facility. In particular, CMS should retain copies of invoices for all fuel used at the facility showing that only low sulfur No. 2 diesel fuel meeting the requirements of §80.29 (requiring, among other things, sulfur content of 0.05% or less by weight) was combusted at the facility during the year. This approach is analogous to the approach under §72.7 for natural gas. For a unit that shows that it burns only natural gas, the fuel requirement is assumed to be met because natural gas generally contains 0.05% or less sulfur by weight. The owners and operators of the unit must have records showing that only natural gas was combusted during the year. Similarly, since No. 2 diesel fuel meeting the requirements of §80.29 meets the §72.7 fuel requirement, the owners and operators of the unit must simply keep records showing that only such diesel fuel was combusted during the year.

EPA's determination in this letter relies on the accuracy and completeness of the information provided by CMS and in the June 12, 2000 petition and is appealable under part 78 of the Acid Rain

regulations. If you have any further questions or concerns about this matter, please contact Louis Nichols at (202) 564-0161

Sincerely,

A handwritten signature in black ink, appearing to read "Brian J. McLean". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian J. McLean, Director  
Clean Air Markets Division

cc: Constantine Blathras, Region V  
Karen Kajiyi-Mills, MDEQ