



Minnesota Pollution Control Agency

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June 8, 2016

Mr. Robert A. Kaplan, Acting Regional Administrator
U.S. Environmental Protection Agency, Region 5
77 West Jackson Boulevard
Chicago, IL 60604

RE: State of Minnesota Revision to List of Sulfur Dioxide Data Requirements Rule-Subject Sources

Dear Mr. Kaplan:

On January 8, 2016, the Minnesota Pollution Control Agency (MPCA) submitted a list of emissions sources in Minnesota identified for further evaluation and air quality characterization as directed by the August 2015, Data Requirements Rule for the 2010 1-Hour Sulfur Dioxide (SO₂) Primary National Ambient Air Quality Standard (Data Requirements Rule). The list of sources, approved by U.S. Environmental Protection Agency on March 18, 2016, included Xcel Energy's Black Dog Generating Station (Black Dog) due to its 2014 SO₂ emissions of 2,422 tons, and Northshore Mining Company (NSM) due to its 2014 SO₂ emissions of 2,369 tons. This letter requests removal of Black Dog from Minnesota's list of sources, and requests removal of NSM from the list pending completion of a state-enforceable Administrative Order by Consent limiting facility SO₂ emissions.

Black Dog

Following our January 2016 letter, the MPCA completed a quality assurance review of Black Dog's 2015 emissions. The former coal-fired plant completed its conversion to natural gas in April 2015, in order to comply with the federal Mercury and Air Toxics Standards. The plant emitted 1,012 tons SO₂ for the 2015 calendar year, which largely resulted from coal-fired operations that occurred in the first and second quarters of that year. Following the plant's conversion, third and fourth quarter (2015) SO₂ emissions totaled just 1.4 tons. I have attached Black Dog's draft permit amendment, which incorporates the April 2015 decommissioning of its coal fired units and cessation of all coal-related activities. The draft permit action was put on a 30-day public notice on June 4, 2016, and is expected to be finalized in 2016. Because the facility is physically incapable of burning coal and will be restricted to pipeline quality natural gas fuel by federally enforceable permit limit, the MPCA is assured that its SO₂ emissions will henceforth be negligible.

NSM

The MPCA has also completed review of NSM's 2015 emissions; the facility emitted 1,586 tons SO₂ in 2015 – below the 2,000 TPY threshold of the Data Requirements Rule. Additionally, on May 25, 2016, Cliffs Natural Resources, Inc., parent company of NSM, notified the MPCA of a recently announced long-term power supply agreement with Minnesota Power, an electric utility company, that will alter NSM's power supply and reduce its emissions profile. As a result of the agreement, NSM will primarily purchase grid power from Minnesota Power, rather than produce its own power. Because nearly all SO₂ emissions from NSM are currently from two on-site combined heat and power boilers that supply most of NSM's electricity, the power supply agreement is expected to significantly reduce SO₂ emissions from

Mr. Robert A. Kaplan
Page 2
June 8, 2016

NSM in perpetuity. In order to further ensure that emissions from the facility remain below 2,000 TPY, the MPCA is in the process of executing a state-enforceable Administrative Order by Consent (Order) with NSM, limiting the facility to 2,000 TPY on a 12-month rolling sum basis. The MPCA expects this Order to be finalized no later than June 20, 2016. If the Order is not finalized by June 20, 2016, the MPCA will include NSM in its July 1, 2016 Data Requirements Rule submittal identifying compliance pathways for subject sources.

Because the sources' most recent emissions are below the 2,000 TPY Data Requirements Rule threshold, and because both sources will have enforceable conditions limiting future SO₂ emissions, the MPCA respectfully requests removal of Black Dog and NSM from the list of Minnesota sources identified for further evaluation. Please do not hesitate to contact me at 651-757-2500 or frank.kohlasch@state.mn.us with any questions or concerns.

Sincerely,



Frank L. Kohlasch, Manager
Air Assessment Section
Environmental Analysis and Outcomes Division

FLK/MK:vs

Attachment