**APPENDIX A - AGENCY CORRESPONDENCE** 

State of Wisconsin <u>DEPARTMENT OF NATURAL RESOURCES</u> 101 S. Webster Street P.O. Box 7921 Madison, WI 53707-7921

Scott Walker, Governor Daniel L. Meyer, Secretary Telephone 608-266-2621 Toll Free 1-888-936-7463 TTY Access via relay - 711



September 28, 2018

Daniel McCourtney ALLETE Inc. 30 West Superior St Duluth, MN 55802

RE: Nemadji Trail Energy Center (NTEC) Project Engineering Plan, PSC Docket 9698-CE-100

Dear Mr. McCourtney,

Pursuant to ss. 196.491 (3)(a) 3. a., Wis. Stats., Wisconsin Department of Natural Resources (WDNR) staff have reviewed the Engineering Plan submitted for the proposed NTEC Project in Douglas County. Based on the information provided in your submittal, dated September 21, 2018, we have determined that this facility may require certain DNR permits and/or approvals prior to construction or operation of certain components of the facility.

At this point in the project development and review process, the WDNR concurs with the Preliminary Permit List found in Table 1-1 of the Engineering Plan. Please note that this determination is based on information provided in your submittal and is subject to change based on project updates. Additionally, South Shore Energy and Dairyland Power Cooperative must obtain any permits and/or approvals necessary for this project, regardless of whether or not they have been identified by this letter.

If you have any questions about this letter, or other issues of concern to the Department, you can contact the WDNR Project Manager and Office of Energy PSC Liaison Lindsay Tekler (608-535-2602 or Lindsay.Tekler@wisconsin.gov).

Sincerely,

Benjamin Callan Chief, Integration Services Section

cc: Adam Ingwell, PSC Jim Lepinski, PSC Christine Gonzalez, DNR Stacy Rowe, DNR Lindsay Tekler, DNR Bill Sande, U.S. Army Corps of Engineers Jeffrey Landsman, Wheeler, Van Sickle and Anderson Justin Chasco, Wheeler, Van Sickle and Anderson Bradd Foss, Dairyland Power Cooperative Ronald Franz, Dairyland Power Cooperative Tim Barton, Burns & McDonnell Engineering Brian Roh, Burns & McDonnell Engineering Lyssa Supinski, Minnesota Power



United States Forest Department of Service Agriculture Chequamegon-Nicolet National Forest Supervisor's Office 500 Hanson Lake Road Rhinelander, WI 54501 715-362-1300 TDD: 711 (National Relay System) Fax: 715-369-8859

 File Code:
 2580

 Date:
 December 17, 2018

Minda Nelson, PE Associate Air Permitting Engineer Burns McDonnell 9400 Ward Parkway Kansas City, MO 64114

Dear Ms Nelson:

Thank you for your letter dated December 5, 2018 concerning a proposed project by South Shore Energy, LLC, a subsidiary of ALLETE, Inc., and Dairyland Power Cooperative (collectively called the Owners) to construct the Nemadji Trail Energy Center in the City of Superior in Douglas County, Wisconsin. The Project, a Greenfield Site, will be approximately 625 megawatts consisting of a combined-cycle combustion turbine and associated support equipment.

We have reviewed the information in the letter and subsequent email responses to our questions and based on this information agree that no Class I Area air quality related values (AQRV) analysis is warranted in this case. We are nonetheless interested in the results of the Class I increment analysis and would like to be informed when the draft air emission permit is available for review.

Our determination is based on the facts presented to us. If the scope of the project changes, please contact us. If you have any questions regarding this letter please contact Trent Wickman, Air Resource Specialist, at twickman@fs.fed.us.

Sincerely,

PAUL I. V. STRONG Forest Supervisor

cc: Melissa Weglarz, Erik Hoven, Don Shepherd, Catherine Collins, Natalene Cummings, Nathan Kilger, John Roth



UAS

From:	Collins, Catherine
To:	Wickman, Trent R -FS
Cc:	<u>Nelson, Minda; Don Shepherd (Don_Shepherd@nps.gov);</u> <u>StPierre, Matthew -FS; Kristin.Hart@wisconsin.gov;</u> FWHQ_AQ_Permits
Subject:	Re: [EXTERNAL] RE: Nemadji Trail Energy Center: Seeking Concurrence on Class I Modeling Methodology for Air Dispersion Modeling Protocol
Date:	Thursday, September 13, 2018 2:42:21 PM
Attachments:	image011.png image014.png image018.png image003.png image007.png image016.png

## Hi Minda,

The South Shore Energy, LLC, proposed construction of a combined-cycle combustion turbine and associated support equipment at the Nemadji Trail Energy Center (NTEC) in the City of Superior in Douglas County, Wisconsin is approximately 444 km away from the nearest FWS Class I area (Seney National Wildlife Refuge).

Based on the distance from the FWS Class I area(s) no further air quality related values (AQRV) analysis for the Class I area administered by the FWS. Therefore, we are not requesting that a Class I AQRV analysis be included in the PSD permit application. Our screening of this analysis does not indicate agreement with any AQRV analysis protocols or conclusions applicants may make independent of Federal Land Manager review. Please note that we are specifically addressing the need for an AQRV analysis for Class I areas managed by the Fish and Wildlife Service.

Thank you again for involving FWS in the project review. Should have have further questions or comments, please feel free to reach out.

**Catherine Collins** 

Catherine Collins, Environmental Engineer U.S. Fish and Wildlife Service Branch of Air and Water Quality Resources 7333 W. Jefferson Ave., Suite 375 Lakewood, CO 80235-2034 303-914-3807 (303) 969-5444 fax Catherine Collins@fws.gov

On Wed, Sep 12, 2018 at 1:41 PM, Wickman, Trent R -FS <<u>twickman@fs.fed.us</u>> wrote:

## Hi Minda

Thank you for contacting the Forest Service about this project.

To help me understand the emissions used for the Q in Q/d please provide a copy of the permit application - especially the section with the emission calculation details and supporting data

You are incorrect regarding Rainbow Lake. While visibility is not an AQRV for this Class I area, deposition is. Therefore a Q/d calculation for each of the 2 FS Class I Areas needs to be made. I cc'd the Park Service and Fish and Wildlife Service to weigh in on their nearby class I areas.

I will get back to you with your questions relating in Class I increment.

Trent

From: Nelson, Minda [mailto:mnelson@burnsmcd.com]
Sent: Friday, August 31, 2018 2:10 PM
To: Wickman, Trent R -FS <<u>twickman@fs.fed.us</u>>
Subject: Nemadji Trail Energy Center: Seeking Concurrence on Class I Modeling
Methodology for Air Dispersion Modeling Protocol

Trent,

On behalf of South Shore Energy, LLC, a subsidiary of ALLETE, Inc. and Dairyland Electric Power Cooperative, Burns & McDonnell Engineering Company, Inc. is in the process of preparing a PSD air permit application for the proposed construction of a combined-cycle combustion turbine and associated support equipment at the Nemadji Trail Energy Center (NTEC) in the City of Superior in Douglas County, Wisconsin. Burns & McDonnell is currently finalizing the Class II and Class I air dispersion modeling protocol and is seeking the U.S. Forest Service's concurrence on the proposed methodologies listed below.

Two Class I U.S. Forest Service areas are within 300 kilometers of the proposed site.

- Rainbow Lake Wilderness, Wisconsin (60 kilometers)
- Boundary Waters Canoe Area Wilderness, Minnesota (126 kilometers)

Visibility and Deposition

Following the most recent Federal Land Managers' Air Quality Related Values Work Group (FLAG) Workshop procedures (USFS, NPS, and USFWS, 2010), the use of the Screening Procedure (Q/D) to determine if the project could opt (screen) out of an Air Quality Related

Value (AQRV) assessment for visibility and deposition will be made. Following the screening procedures in FLAG, using the maximum 24-hour emission rates, the emissions of NOx, SO2, PM10/PM2.5, and sulfuric acid mist will be summed and divided by the distance to the respective Class I area.

For the visibility and deposition analysis it is our understanding that an AQRV assessment is not required for Rainbow Lake Wilderness Area; therefore, a preliminary screening analysis will be performed only for the Boundary Waters Canoe Area Wilderness. In accordance with the FLAG Guidance, if Q/D is less than 10, then no AQRV analysis is required. It is anticipated that the Boundary Waters Canoe Area Wilderness, based on the ratio of Q/D, will not require further analysis of AQRV. Thus, no CALPUFF analysis is anticipated for impacts to AQRVs, and the detailed Q/D analysis will be submitted with the application submittal.

**Class I Increment Screening Analysis** 

The AERMOD model that is used for the Class II modeling will be used to determine if the PSD Class I significant impact levels are exceeded at a 50-kilometer distance from the project by placing an arc of receptors extending 45 degrees (+/-) from the line connecting the project and the Class I area. If the modeled impacts are less than the applicable Class I significant impact levels at the modeled 50-kilometer receptors, then the project is assumed to be below the Class I Increment at the Class I areas. If the modeled impact levels, then performing a PSD Class I Increment analysis with long-range transport models will be assessed, and a Class I modeling protocol will be submitted.

In addition to obtaining concurrence on the above methodology for PSD Class I increment screening and AQRV screening methods, Burns & McDonnell is seeking input from the U.S. Forest Service in regards to the receptor elevations to be used for the arc of receptors placed at a 50-kilometer distance for the PSD Class I increment screening analysis.

We look forward to working with you on this project. Please contact me should you have any questions related to our proposed analyses to be placed in our modeling protocol or the project.

Thanks,

Associate Environmental Engineer

o 816-822-4208 \ F 816-822-4299

mnelson@burnsmcd.com \ burnsmcd.com

9400 Ward Parkway \ Kansas City, MO 64114



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From:	Shepherd, Don
To:	Wickman, Trent R -FS
Cc:	<u>Nelson, Minda; Catherine_Collins@fws.gov; StPierre, Matthew -FS; Kristin.Hart@wisconsin.gov; Dave Pohlman; d</u> <u>King</u>
Subject:	Re: [EXTERNAL] RE: Nemadji Trail Energy Center: Seeking Concurrence on Class I Modeling Methodology for Air Dispersion Modeling Protocol
Date:	Wednesday, September 12, 2018 2:56:32 PM
Attachments:	image007.png image014.png image016.png image011.png image018.png image003.png

Hello. Minda,

Although Voyageurs National Park is farther from Superior, WI, than the Boundary Waters Canoe Area, i would appreciate it if you would also copy me on that permit application. We typically like to see any major permit application within 300 km of one of our Class I areas.

thanks,

On Wed, Sep 12, 2018 at 1:41 PM, Wickman, Trent R -FS <<u>twickman@fs.fed.us</u>> wrote:

Hi Minda

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## Visibility and Deposition

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We look forward to working with you on this project. Please contact me should you have any questions related to our proposed analyses to be placed in our modeling protocol or the project.

Thanks,

# Minda Nelson, PE \ Burns & McDonnell

Associate Environmental Engineer

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9400 Ward Parkway \ Kansas City, MO 64114



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Don Shepherd National Park Service Air Resources Division 12795 W. Alameda Pkwy. Lakewood, CO 80228 Phone: 303-969-2075 Fax: 303-969-2822 E-Mail: don\_shepherd@nps.gov "the man who really counts in the world is the doer, not the mere critic" TR 1891 State of Wisconsin DEPARTMENT OF NATURAL RESOURCES 101 S. Webster Street Box 7921 Madison, WI 53707-7921

Tony Evers, Governor Preston D. Cole, Secretary Telephone 608-266-2621 Toll Free 1-888-936-7463 TTY Access via relay - 711



### FID NO.: 816121350 CONSTRUCTION PERMIT NO.: 18-MMC-169

September 1, 2020 **CERTIFIED MAIL RETURN RECEIPT REQUESTED** Joshua Skelton Vice President – Generation Nemadji Trail Energy Center: 9698-Ce-100 1259 NW 3rd Street Cohasset, MN 55721-8706

AM/7

Dear Mr. Skelton:

Your application for an air pollution control construction permit has been processed in accordance with s. 285.61, Wis. Stats.

The enclosed construction permit is issued to provide authorization for your source to construct and initially operate one natural gas-fired Siemens SGT6-8000H combined-cycle turbine with natural gas-fired duct burner and diesel fuel oil back-up [Maximum continuous rating: 4,671 MMBtu/hr higher heating value (HHV) when combusting natural gas, 4,027 MMBtu/hr, HHV when combusting diesel fuel oil] (P01), one 100 MMBtu/hr natural-gas fired auxiliary boiler (B02), three 345-kilovolt (kV) and two 19-kV low-side generator enclosed pressure SF<sub>6</sub> circuit breakers with a guaranteed loss rate of 0.5 percent by weight or less by year (F03), two 10 MMBtu/hr natural gas-fired heaters (P04 and P05), a 282 hp emergency diesel fire pump (P06), a 1,490 hp emergency diesel generator (P07), and three diesel fuel tanks (T01 - T03) in accordance with the requirements and conditions set forth within all Parts of the construction permit. Please read it carefully. The authority to construct any process covered in the construction permit expires 42 months after the day this permit is issued. All of the conditions of this construction permit (those conditions identified by the construction permit number) are permanent unless they are revised through the process outlined in s. NR 406.11, Wis. Adm. Code, issuance of a revised construction permit or issuance of a new construction permit, as appropriate. The source(s) covered in this permit may not operate after this permit expires unless a complete operation permit application for the source(s) has been submitted. Compliance information required to complete the operation permit application for the source(s) included in this construction permit should be submitted by the due dates specified within the construction permit or at least 4 months prior to the construction permit expiration date whichever is sooner.

A bill for the cost of reviewing and acting upon your air pollution control permit will be mailed to you under a separate cover.

The issuance of this permit may create or change your EPA Class Code designation, which may create or change the annual environmental fee to which your facility will be or is subject. These annual fees are required for the DNR to fund the workload associated with air permits and regulatory programs and apply to all facilities with an air permit or application whether operating or not. Information about how EPA Class Codes and permit issuance correlate to your annual environmental fees can be found here: <a href="http://dnr.wi.gov/topic/AirPermits/">http://dnr.wi.gov/topic/AirPermits/</a>.

A copy of this permit should be available at the source for inspection by any authorized representative of the Department. Questions about this permit should be directed to the South Central Region Headquarters.

## NOTICE OF APPEAL RIGHTS

If you believe that you have a right to challenge this construction permit decision, you should know that Wisconsin statutes establish time periods within which requests to review Department decisions must be filed.



To request a contested case hearing pursuant to s. 285.81, Wis. Stats., you have 30 days after the decision is mailed or otherwise served by the Department, to file a petition for a contested case hearing on the Secretary of the Department of Natural Resources. Filing of any such petition must be accomplished in the manner prescribed by Wis. Admin. Code s. NR 2.03 for service of contested case hearing requests upon the Secretary<sup>1</sup> and the petition must set forth specifically the issue sought to be reviewed, the interest of the petitioner, the reasons why a hearing is warranted and the relief desired. Pursuant to s. 285.81(1m), Wis. Stats., if a permit holder or applicant seeks a hearing challenging part of a permit, the remainder of the permit shall become effective. If a permit holder or applicant challenges an emission limitation in a construction permit, the emission limitation becomes effective despite a challenge, unless the permit holder or applicant obtains a stay of the emission limitation.

A person other than a permit holder or applicant may file a petition for a contested case hearing if the requirements of s. 285.81(2), Wis. Stats., are met.

For judicial review of a decision pursuant to ss. 227.52 and 227.53, Wis. Stats., you have 30 days after the decision is mailed, or otherwise served by the Department, to file your petition with the appropriate circuit court and serve the petition on the Department in the manner prescribed by those statutes. Such a petition for judicial review shall name the Department of Natural Resources as the respondent.

STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES

/s/ Megan Corrado

Megan Corrado Air Management Engineer-Adv

Enclosure

<sup>1</sup> Wis. Admin. Code s. NR 2.03 reads:

## Wis. Admin. Code § Service on the department.

All petitions for hearings, petitions for rules, petitions for declaratory rulings, petitions for review of contested case decisions under s. NR 2.20, answers and complaints required by any statute or rule shall be served on the department by personal delivery to the office of the secretary, by mailing to the secretary by certified mail, at the following address: PO Box 7921, Madison, Wisconsin 53707-7921, or by facsimile transmission to the secretary at (608) 266-6983. If the petition is served by facsimile transmission, a copy of the petition shall be mailed to the secretary by regular mail within one week of service. Service by mailing shall be deemed to have been made on the date the petition is received by the department. Service by facsimile received after 4:30 PM shall be deemed to have been made on the following day.

## BEFORE THE DEPARTMENT OF NATURAL RESOURCES AIR MANAGEMENT PROGRAM FINDINGS OF FACTS CONCLUSIONS OF LAW AND DECISION

#### **Findings of Fact**

The Department of Natural Resources (DNR) finds that:

- Nemadji Trail Energy Center: 9698-Ce-100, 161 31st Avenue E, Superior, Douglas County, Wisconsin, has applied for an air pollution control permit. The authorized representative of the facility is Joshua Skelton, Vice President – Generation.
- 2) Nemadji Trail Energy Center: 9698-Ce-100 submitted an air pollution control permit application and plans and specifications dated December 21, 2018 through June 30, 2020 and was deemed complete on June 30, 2020.
- 3) DNR has reviewed Nemadji Trail Energy Center: 9698-Ce-100's air permit application, plans, specifications and other information available to DNR.
- 4) DNR has prepared an analysis and a Preliminary Determination on the approvability of the permit application.
- 5) This permit is for the construction of an air pollution source.
- 6) DNR has complied with the procedures set forth in ss. 285.61, Wis. Stats.
- 7) The proposed air pollution source meets all of the applicable criteria in s. 285.63, Wis. Stats.
- 8) DNR has complied with the requirements of s. 1.11, Wis. Stats., and ch. NR 150, Wis. Adm. Code.

#### **Conclusions of Law**

DNR concludes that:

- DNR has authority under s. 285.11(1), Wis. Stats., to promulgate rules contained in chs. NR 400 to 499, Wis. Adm. Code, including but not limited to rules containing emission limits, compliance schedules and compliance determination methods.
- 2) DNR has the authority under ss. 285.11(1), (5) and (6), 285.27 (1) and (2) and 285.65, Wis. Stats., and chs. NR 400 to 499, Wis. Adm. Code, to establish emission limits for sources of air pollution.
- 3) DNR has the authority to issue air pollution control permits and to include conditions in such permits under ss. 285.60, 285.61, 285.62, 285.63, 285.64 and 285.65, Wis. Stats., and NR 407.07, Wis. Adm. Code.
- 4) The emission limits and other conditions included in this permit are authorized by ss. 285.65, Wis. Stats., and chs. NR 400 to 499, Wis. Adm. Code.
- 5) DNR is required to comply with s. 1.11, Wis. Stats., and ch. NR 150, Wis. Adm. Code, in conjunction with issuing an air pollution control permit.

#### **Permit Decision**

Nemadji Trail Energy Center: 9698-Ce-100 is authorized to construct and initially operate one natural gas-fired Siemens SGT6-8000H combined-cycle turbine with natural gas-fired duct burner and diesel fuel oil back-up [Maximum continuous rating: 4,671 MMBtu/hr higher heating value (HHV) when combusting natural gas, 4,027 MMBtu/hr, HHV when combusting diesel fuel oil] (P01), one 100 MMBtu/hr natural-gas fired auxiliary boiler (B02), three 345-kilovolt (kV) and two 19-kV low-side generator enclosed pressure SF6 circuit breakers with a guaranteed loss rate of 0.5 percent by weight or less by year (F03), two 10 MMBtu/hr natural gas-fired heaters (P04 and P05), a 282 hp emergency diesel fire pump (P06), a 1,490 hp emergency diesel generator (P07), and three diesel fuel tanks (T01 – T03) as described in plans and specifications dated December 21, 2018 through June 30, 2020 in conformity with the emission limits, monitoring, recordkeeping and reporting requirements and specific and general conditions set forth in this permit.

State of Wisconsin DEPARTMENT OF NATURAL RESOURCES 101 S. Webster Street Box 7921 Madison, WI 53707-7921

Tony Evers, Governor Preston D. Cole, Secretary Telephone 608-266-2621 Toll Free 1-888-936-7463 TTY Access via relay - 711

**CONSTRUCTION PERMIT NO.: 18-MMC-168** 



FID NO.: 816127840

## September 1, 2020 CERTIFIED MAIL RETURN RECEIPT REQUESTED Joshua Skelton Vice President – Generation Nemadji Trail Energy Center 1259 NW 3rd Street Cohasset, MN 55721-8706

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A bill for the cost of reviewing and acting upon your air pollution control permit will be mailed to you under a separate cover.

The issuance of this permit may create or change your EPA Class Code designation, which may create or change the annual environmental fee to which your facility will be or is subject. These annual fees are required for the DNR to fund the workload associated with air permits and regulatory programs and apply to all facilities with an air permit or application whether operating or not. Information about how EPA Class Codes and permit issuance correlate to your annual environmental fees can be found here: <a href="http://dnr.wi.gov/topic/AirPermits/">http://dnr.wi.gov/topic/AirPermits/</a>.

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STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES

/s/ Megan Corrado

Megan Corrado Air Management Engineer-Adv

Enclosure

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- 6) DNR has complied with the procedures set forth in ss. 285.61, Wis. Stats.
- 7) The proposed air pollution source meets all of the applicable criteria in s. 285.63, Wis. Stats.
- 8) DNR has complied with the requirements of s. 1.11, Wis. Stats., and ch. NR 150, Wis. Adm. Code.

#### **Conclusions of Law**

DNR concludes that:

- DNR has authority under s. 285.11(1), Wis. Stats., to promulgate rules contained in chs. NR 400 to 499, Wis. Adm. Code, including but not limited to rules containing emission limits, compliance schedules and compliance determination methods.
- 2) DNR has the authority under ss. 285.11(1), (5) and (6), 285.27 (1) and (2) and 285.65, Wis. Stats., and chs. NR 400 to 499, Wis. Adm. Code, to establish emission limits for sources of air pollution.
- 3) DNR has the authority to issue air pollution control permits and to include conditions in such permits under ss. 285.60, 285.61, 285.62, 285.63, 285.64 and 285.65, Wis. Stats., and NR 407.07, Wis. Adm. Code.
- 4) The emission limits and other conditions included in this permit are authorized by ss. 285.65, Wis. Stats., and chs. NR 400 to 499, Wis. Adm. Code.
- 5) DNR is required to comply with s. 1.11, Wis. Stats., and ch. NR 150, Wis. Adm. Code, in conjunction with issuing an air pollution control permit.

#### **Permit Decision**

Nemadji Trail Energy Center is authorized to construct and initially operate one natural gas-fired Siemens SGT6-8000H combined-cycle turbine with natural gas-fired duct burner and diesel fuel oil back-up [Maximum continuous rating: 4,671 MMBtu/hr higher heating value (HHV) when combusting natural gas, 4,027 MMBtu/hr, HHV when combusting diesel fuel oil] (P01), one 100 MMBtu/hr natural-gas fired auxiliary boiler (B02), three 345-kilovolt (kV) and two 19-kV low-side generator enclosed pressure SF6 circuit breakers with a guaranteed loss rate of 0.5 percent by weight or less by year (F03), two 10 MMBtu/hr natural gas-fired heaters (P04 and P05), a 282 hp emergency diesel fire pump (P06), a 1,490 hp emergency diesel generator (P07), and three diesel fuel tanks (T01 – T03) as described in plans and specifications dated December 21, 2018 through June 30, 2020 in conformity with the emission limits, monitoring, recordkeeping and reporting requirements and specific and general conditions set forth in this permit.