

ENVIRONMENTAL ANALYSIS AND DECISION ON THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT (EIS)

Form 1600-8

Rev. 6-90

Department of Natural Resources (DNR)

Region or Bureau Air Management
Type List Designation Type II

NOTE TO REVIEWERS: This document is a DNR environmental analysis that evaluates probable environmental effects and decides on the need for an EIS. The attached analysis includes a description of the proposal and the affected environment. The DNR has reviewed the attachments and, upon certification, accepts responsibility for their scope and content to fulfill requirements in s. NR 150.22, Wis. Adm. Code. Your comments should address completeness, accuracy or the EIS decision. For your comments to be considered, they must be received by the contact person before 4:30 p.m., _____ (date)

Contact Person: Raj Vakharia
Title: Env. Eng.
Address: P.O. Box 7921 Madison, WI 53707-7921
Telephone Number 608-267-2015

Applicant: Arcadia Municipal Electric utility

Address: 115 South Jackson Street

Title of Proposal: AMEU Diesel Generator Construction Project

Location: County Trempealeau City/Town/Village Arcadia

Township Range Section(s) 115 W Cleveland Street, E 10' Lot 6, Lots 7-8, Blk 9

PROJECT SUMMARY - DNR Review Information Based on:

List documents, plans, studies or memos referred to and provide a brief overview

I Air Pollution construction Permit Application received by DNR on February 14, 2002.

Arcadia Municipal Electric Utility (AMEU) is a municipal electric utility that provides power to the city of Arcadia. AMEU purchases their wholesale power from Dairyland Cooperative. AMEU currently operates eight diesel generators only if power is interrupted, to peak shave or if called upon to run by their wholesale supplier. AMEU has proposed the construction of one diesel engine electric generating unit at its facility in Arcadia. The existing generators AMEU currently operates under the permit 01-JCH-006. This permit contains conditions that limit potential emission rates to levels that are below major source thresholds, as defined under ch. NR 406, Wis. Adm. Code. The proposed new permit will restricts them to the same level as allowed under permit 01-JCH-006. As part of the air permit review of this project, increase in the hourly emission form the proposed new unit have been modeled for ambient air quality impacts and found to be within allowable standards.

The facility is located at 115 South Jackson Street in Arcadia, trempealeau County.

DNR EVALUATION OF PROJECT SIGNIFICANCE (complete each item)

1. Environmental Effects and Their Significance

Discuss the short-term and long-term environmental effects of the proposed project, including secondary effects, particularly to geographically scarce resources such as historic or cultural resources, scenic and recreational resources, prime agricultural lands, threatened or endangered species or ecologically sensitive areas, and the significance of these effects. (The reversibility of an action affects the extent or degree of impact.)

The proposed power plant expansion will result in the hourly emissions of additional air pollutants from the Arcadia Municipal Electric Utility.

The application of modern engine design technology, maintaining the engines in proper working order, and the selection of low sulfur fuel oil will mitigate any impacts due to air emissions. In the existing facility air permit, AMEU has elected total heat input to ensure the potential Emissions are less than 249 tons per year of nitrogen oxides, carbon monoxide and particulate matter. An application has been submitted to the WDNR for the same facility limit of 249 tons per year.

The project is not expected to cause any significant adverse impacts to fish and wildlife resources. No special concern species, sensitive Ecological resources or rare plant communities exist on or near the project site. No physical or hydrologic alteration of any surface water will take place. No agricultural areas will be affected since the proposed generating unit will be installed in a pre-existing building in an urban Environment. No woodland will need to be cleared, and no trees will need to be trimmed or removed for the proposed project. There are no known historically or culturally significant areas near the power plant site.

The existing plant site is located in a designated flood plain area. A previous project (substation) in 1987 was reviewed for flood hazard Potential by the Wisconsin public Service Commission per Executive Order 73. It was determined that no damage to the project would occur unless flood waters were 3 feet higher than 100 year flood level. The power plant location for the proposed generating unit is across the street and at a slightly higher elevation than the substation site.

Low sulfur fuel (less than 0.05% by weight) will be used to reduce the overall plant emissions of sulfur oxides, one of the causes of acid rain. The proposed units will have stack heights of 40 feet to provide good dispersion of air emissions.

The plant expansion will occur within existing AMEU property boundaries and not result in expansion to areas not already inhabited by the plant.

2. Significance of Cumulative Effects.

Discuss the significance of reasonably anticipated cumulative effects on the environment (and energy usage, if applicable). Consider cumulative effects from repeated projects of the same type. Would the cumulative effects be more severe or substantially change the quality of the environment? Include other activities planned or proposed in the area that would compound effects on the environment.

The proposed project is not a subsequent stage of an earlier project nor is it a preliminary stage of future project. No future development is presently planned for lands adjacent to the project site.

AMEU may, at some future date, install additional generation capacity in the existing power plant. If and when additional generating capacity is added, it will be accomplished within the proposed permit air permit restrictions of 249 tons of nitrogen oxides. AMEU will then be capable of producing more electrical power periods of peak system demand, but remain within the permit annual restrictions.

AMEU typically operates the generating units less than 150 hours per year. The generators are operated when called upon Dairyland Power Cooperative, AMEU's wholesale electric energy provider. Generator operation takes place during periods of peak transmission system electric demand such as on hot summer days when air conditioning use is high. The generators are also used during system emergencies such as a downed transmission line or other equipment failure. Finally, the generating units are test-run from time to time to verify their readiness to operate when needed. In 2002, AMEU operated their generators 120 hours. It is expected that AMEU may operate somewhat more hours per year now and into the future as the Wisconsin electric transmission system becomes constrained. Even with increased usage, it is not expected that AMEU will operate enough to get close to the 250 tons annual nitrogen oxides limit.

3. Significance of Risk

- a. Explain the significance of any unknowns which create substantial uncertainty in predicting effects on the quality of the environment. What additional studies or analysis would eliminate or reduce these unknowns?

AP-42 emission rate data was used to establish the operating limits in the air permit application. AP-42 default emissions are generally conservative and overestimate the actual emission rates. Air dispersion modeling has been completed as a part of the air permit to estimate the impact of increased emissions on the surrounding area. The modeling has determined that the proposed project will attain and maintain ambient air quality standards.

- b. Explain the environmental significance of reasonably anticipated operating problems such as malfunctions, spills, fires or other hazards (particularly those relating to health or safety). Consider reasonable detection and emergency response, and discuss the potential for these hazards.

Arcadia Municipal Electric Utility uses lube oil, fuel oil (#2 diesel) and natural gas in the existing and proposed power plant. If a situation (spill or leak) were to occur, it will be addressed by following the Spill Prevention Control and Countermeasure Plan (SPCC) on file at the facility. Spent lube oil will be transported to a licensed recycled facility.

Ethylene Glycol is used as a coolant in the new and existing engines at the facility. As a peaking plant, the engine duty cycle should allow the coolant to be used for many years before it must be changed. The coolant will then be transported to a licensed recycling facility.

Two 15,000 gallon diesel fuel storage tanks also exist on the site. If a leak were to occur, the SPCC plan outlines a procedure to minimize the hazard. The tanks are located within a concrete dike.

4. Significance of Precedent

Would a decision on this proposal influence future decisions or foreclose options that may additionally affect the quality of the environment? Describe any conflicts the proposal has with plans or policy of local, state or federal agencies. Explain the significance of each.

This review has been conducted consistently with past state and federal reviews of similar projects. No conflicts of this proposal are known.

5. Significance of Controversy Over Environmental Effects

Discuss the effects on the quality of the environment, including socio-economic effects, that are (or are likely to be) highly controversial, and summarize the controversy.

This project is not expected to generate a corresponding level of scrutiny. Since this project consists of the expansion, within current plant boundaries, of one additional unit this project is not comparable to other Greenfield power plant projects. Therefore, it is unlikely that this project will effect the quality of the environment significantly nor generate controversy.

ALTERNATIVES

Briefly describe the impacts of no action and of alternatives that would decrease or eliminate adverse environmental effects. (Refer to any appropriate alternatives from the applicant or anyone else.)

AMEU purchases wholesale electric energy from dairyland Power Cooperative (DPC). Under the contract with DPC, Arcadia must take responsibility for its peak electric load. Throughout most of the year, DPC furnishes electric energy to AMEU. During periods of peak demand such as hot summer days when the transmission system becomes strained due to heavy air conditioning use, AMEU is called upon to operate their generating units. AMEU does not presently own enough generating capacity to cover its peak load and must therefore purchase capacity from other facilities such as nuclear or coal fired generating plants. As large, centralized base load plants run out of capacity, more peaking generating, such as the units proposed for Arcadia, will be needed. The installation of this peaking capacity will reduce the need for additional centralized base load plants, additional transmission lines and their associated environmental effects. The proposed diesel electric generating units, operated for a limited period each year during times of peak system demand, are an appropriate application of technology and preclude the use of other technologies that may have the potential for more significant environmental impacts.

Energy conservation is an alternative to additional electric generating capacity. AMEU has instituted a number of energy conservation programs in recent years in an effort to reduce local electric consumption. These actions have met with some success but the community is growing and energy conservation cannot be expected to provide a complete solution to Arcadia's electric generation needs.

SUMMARY OF ISSUE IDENTIFICATION ACTIVITIES

List agencies, citizen groups and individuals contacted regarding the project (include DNR personnel and title) and summarize public contacts, completed or proposed.

<u>Date</u>	<u>Contact</u>	<u>Comment Summary</u>
2/2002	Tim Putz, AMEU	
2/2002	Travis L. Zipf, Associated Consultants Engineers, Inc.	
2/2002	Raj vakharia	WDNR Permit Review

On-site inspection or past experience with site by evaluator.

Project Name: _____ County: _____

DECISION (This decision is not final until certified by the appropriate authority)

In accordance with s. 1.11, Stats., and Ch. NR 150, Adm. Code, the Department is authorized and required to determine whether it has complied with s. 1.11, Stats., and Ch. NR 150, Wis. Adm. Code.

Complete either A or B below:

A. EIS Process Not Required

The attached analysis of the expected impacts of this proposal is of sufficient scope and detail to conclude that this is not a major action which would significantly affect the quality of the human environment. In my opinion, therefore, an environmental impact statement is not required prior to final action by the Department on this project.

B. Major Action Requiring the Full EIS Process

The proposal is of such magnitude and complexity with such considerable and important impacts on the quality of the human environment that it constitutes a major action significantly affecting the quality of the human environment.

Signature of Evaluator	Date Signed
Noted: Regional Waste Supervisor	Date Signed

Number of responses to news release or other notice: _____

Add Discussion of Any Comments Received.

Certified to be in compliance with WEPA	
REGIONAL Director or Director of Bureau of Integrated Science Services (or designee)	Date Signed

NOTICE OF APPEAL RIGHTS

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

For judicial review of a decision pursuant to sections 227.52 and 227.53, 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. Such a petition for judicial review shall name the Department of Natural Resources as the respondent.

To request a contested case hearing pursuant to section 227.42, Stats., you have 30 days after the decision is mailed, or otherwise served by the Department, to serve a petition for hearing on the Secretary of the Department of Natural Resources. The filing of a request for a contested case hearing is not a prerequisite for judicial review and does not extend the 30-day period for filing a petition for judicial review.

Note: Not all Department decisions respecting environmental impact, such as those involving solid waste or hazardous waste facilities under sections 144.43 to 144.47 and 144.60 to 144.74, Stats., are subject to the contested case hearing provisions of section 227.42, Stats.

This notice is provided pursuant to section 227.48(2), Stats.

Project Name: Arcadia County: Trempealeau

DECISION (This decision is not final until certified by the appropriate authority)

In accordance with s. 1.11, Stats., and Ch. NR 150, Adm. Code, the Department is authorized and required to determine whether it has complied with s. 1.11, Stats., and Ch. NR 150, Wis. Adm. Code

Complete either A or B below:

A. EIS Process Not Required

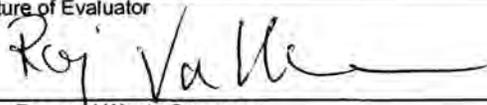


The attached analysis of the expected impacts of this proposal is of sufficient scope and detail to conclude that this is not a major action which would significantly affect the quality of the human environment. In my opinion, therefore, an environmental impact statement is not required prior to final action by the Department on this project.

B. Major Action Requiring the Full EIS Process



The proposal is of such magnitude and complexity with such considerable and important impacts on the quality of the human environment that it constitutes a major action significantly affecting the quality of the human environment.

Signature of Evaluator 	Date Signed 03/11/02
Noted: Regional Waste Supervisor	Date Signed

Number of responses to news release or other notice: 0

Add Discussion of Any Comments Received.

Certified to be in compliance with WEPA	
REGIONAL Director or Director of Bureau of Integrated Science Services (or designee) 	Date Signed 04/29/02

NOTICE OF APPEAL RIGHTS

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JoAn Mohan, Business Manager, assured us, "We have nine different banks and lending companies ready to offer us exceptional interest rates and extremely flexible terms and approvals for this event. This sale is designed to avoid expensive losses through wholesale and carrying costs. We would also like to generate some cash for additional used car purchases. We plan on selling over 50 cars this coming Saturday. That's why some will be sold at \$5. Savings will be incredible."

Every used vehicle for sale at Sugarloaf Ford has been inspected by their service department, and most qualify for a warranty. "Word of mouth is the best form of advertising," affirmed Mike Puetz. "We've got a solid reputation for selling quality products and taking the best care of our customers. This philosophy is expressed in everything we do at Sugarloaf Ford."

This Ultimate New and Used Event will take place this Saturday only, March 23 at Sugarloaf Ford on Highway 61 in Winona. Stop in and take advantage of once in a lifetime savings and the chance to take home a car for as little as \$5.



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OF NATURAL RESOURCES AIR MANAGEMENT PROGRAM

Wisconsin Department of Natural Resources, Air Management Program, Preliminary Determination on an Air Pollution Control Permit to Construct and Permit to Operate an Air Contaminant Source at Arcadia, Trempealeau County, Wisconsin.

Air Pollution Construction and Operation Permit Nos. 02-RV-030, 02-RV-030-OP and 662029060-P03.

Arcadia Municipal Electric Utility, 115 South Jackson Street has submitted to the Department of Natural Resources (DNR) permit applications including plans and specifications for the construction of two diesel engine electric generating units.

The Bureau of Air Management of the DNR has analyzed those materials and has preliminarily determined that the project should meet applicable criteria for permit applicable as stated in s. 285.63, Wis. Stats., including both the emission limits and the ambient air standards and should, therefore, be approved.

The issuance of a construction permit allows the construction or modification and initial operation of a source. An operation permit allows continued operation of a source. An operation permit may be issued after the permittee demonstrates compliance with the applicable requirements.

If a decision is made by the DNR to issue an operation permit to this source, a proposed operation permit will be drafted and sent to the United States Environmental Protection Agency (USEPA) for a 45-day review period. Unless the USEPA objects in writing to the issuance of the permit as proposed within that 45-day period, the DNR will issue the final permit as proposed. Any person may petition the USEPA under 40 CFR Part 70.8(d) within 60 days after the expiration of the 45-day review period to make an objection to the operation permit.

In addition, the DNR has prepared an Environmental Assessment and has made a preliminary determination that an Environmental Impact Statement will not be required before a final decision is made on the proposed project. The DNR has determined that the proposed project will not cause significant adverse environmental effects. This preliminary determination does not constitute approval from the Air Management Program or any other DNR sections which may also require a review of the project.

The DNR hereby solicits written comments from the public regarding the preliminary determination to approve the construction and operation permit application as well as on the Environmental Assessment. These comments will be considered in the DNR's final decision regarding this proposal. Information, including plans and the DNR's preliminary analysis and the Environmental Assessment, is available for public inspection at the Department of Natural Resources Bureau of Air Management Headquarters, Seventh Floor, 101 South Webster Street, Madison, Wisconsin, at the West Central Region La Crosse Service Center Air Program, 3550 Morman Coulee Road, Room 104, La Crosse, WI 54601, phone (608) 785-9990 and at Arcadia Free Public Library, 406 E. Main St., Arcadia, WI 54612-1322 or contact Raj Vakharia at (608) 267-2015. This information is also available for downloading from the internet using world wide web browser at: <http://www.dnr.state.wi.us/org/aw/air/reg/regs.htm>.

Interested persons wishing to comment on the proposal and preliminary determinations should submit written comments within 30 days to:

Wisconsin Department of Natural Resources, Bureau of Air Management, P.O. Box 7921, Madison, Wisconsin 53707, (608) 288-7718 Attn: Raj Vakharia.

A public hearing may be requested by individuals if the project is of significant concern to them. The request for hearing should indicate the interest of the party filing the request and reasons why a hearing is warranted. The DNR may then hold a public hearing if it determines that there is a significant public interest in holding a hearing.

Reasonable accommodation, including the provision of informational material in an alternative format, will be provided for qualified individuals with disabilities upon request.

Dated at Wisconsin Rapids, Wisconsin, March 13, 2002.

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES
For the Secretary
Joe Ancel, Air Management Supervisor, Southwest Team
West Central Region Air Program