

Michigan Department of Environmental Quality
Air Quality Division

State Registration Number

A9365

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number

MI-ROP-A9365-2012

AVON AUTOMOTIVE CADILLAC DIVISION

SRN: A9365

Located at

603 West Seventh Street, Cadillac, Wexford County, Michigan 49601

Permit Number:

MI-ROP-A9365-201212

Staff Report Date:

July 16, 2012

This Staff Report is published in accordance with Sections 5506 and 5511 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Specifically, Rule 214(1) requires that the Michigan Department of Environmental Quality (MDEQ), Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

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July 16, 2012 STAFF REPORT

Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with a ROP pursuant to Title V of the federal Clean Air Act of 1990 and Michigan's Administrative Rules for air pollution control pursuant to Section 5506(1) of Act 451. Sources subject to the ROP program are defined by criteria in Rule 211(1). The ROP is intended to simplify and clarify a stationary source's applicable requirements and compliance with them by consolidating all state and federal air quality requirements into one document.

This report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft permit terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft permit pursuant to Rule 212(5), and any determination made pursuant to Rule 213(6)(a)(ii) regarding requirements that are not applicable to the stationary source.

General Information

| | |
|---|--|
| Stationary Source Mailing Address: | Avon Automotive Cadillac Division 603 West Seventh Street Cadillac, Michigan 49601 |
| Source Registration Number (SRN): | A9365 |
| North American Industry Classification System (NAICS) Code: | 326299 |
| Number of Stationary Source Sections: | 1 |
| Is Application for a Renewal or Initial Issuance? | Renewal |
| Application Number: | 201100097 |
| Responsible Official: | Dave Nielsen, President of Operations 231-876-1224 |
| AQD Contact: | Kurt Childs, Environmental Quality Analyst 231-876-4411 |
| Date Permit Application Received: | August 25, 2011 |
| Date Application Was Administratively Complete: | August 29, 2011 |
| Is Application Shield In Effect? | Yes |
| Date Public Comment Begins: | July 16, 2012 |
| Deadline for Public Comment: | August 15, 2012 |

Source Description

Avon Automotive Cadillac Division manufactures various sizes and types of rubber hose and tubing for the automotive and small engine industries. The manufacturing process includes; the primary production of a variety of rubber types from raw materials with air emissions controlled by two baghouses, extrusion of the rubber into hose/tubing that includes the application of toluene and cyclohexanone to the product. Toluene and Cyclohexanone emissions are controlled by a thermal oxidizer. The finished rubber parts are cured in either autoclaves, liquid cure media (LCM), by microwave (MW) or in a natural gas fired cure oven. These processes are vented directly to the atmosphere without control.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System in the **2010** submittal.

TOTAL STATIONARY SOURCE EMISSIONS

| Pollutant | Tons per Year |
|--|----------------------|
| Carbon Monoxide (CO) | NA |
| Lead (Pb) | NA |
| Nitrogen Oxides (NO _x) | NA |
| Particulate Matter (PM) | 1 |
| Sulfur Dioxide (SO ₂) | NA |
| Volatile Organic Compounds (VOCs) | 40 |
| Individual Hazardous Air Pollutants (HAPs) ** | |
| NA | NA |
| Total Hazardous Air Pollutants (HAPs) | NA |

**As listed pursuant to Section 112(b) of the federal Clean Air Act.

In addition to the pollutants listed above that have been reported in MAERS, the potential to emit of Greenhouse Gases is less than 100,000 tons per year of CO₂e. CO₂e is a calculation of the combined global warming potentials of six Greenhouse Gases (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride).

See Parts C and D in the draft ROP for summary tables of all processes at the stationary source that are subject to process-specific emission limits or standards.

Regulatory Analysis

The following is a general description and history of the source. Any determinations of regulatory non-applicability for this source are explained below in the Non-Applicable Requirement part of the Staff Report and identified in Part E of the ROP.

The stationary source is located in Wexford County, which is currently designated by the U.S. Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants. The stationary source is subject to 40 CFR, Part 70, because the potential to emit volatile organic compounds exceeds 100 tons per year and the potential to emit of any single HAP regulated by the federal Clean Air Act, Section 112, is equal to or more than 10 tons per year and/or the potential to emit of all HAPs combined is more than 25 tons per year.

No emissions units at the stationary source are currently subject to the Prevention of Significant Deterioration (PSD) regulations of Part 18, Prevention of Significant Deterioration of Air Quality of Act 451, because at the time of New Source Review permitting the potential to emit of volatile organic compounds was less than 250 tons per year.

EU-BOILER1 and EU-BOILER2 are natural gas fired boilers at a major source of Hazardous Air Pollutants and are therefore subject to the requirements of 40CFR, Part 63, Subpart DDDDD, National Emission Standards for Hazardous Air Pollutants for Major Source Industrial/Commercial/Institutional Boilers and Process Heaters. ***(These rules were proposed for reconsideration by USEPA on 12/2/11 and may be published following a 60 day public comment period. The compliance date will be three years from the publication date.)***

The monitoring conditions contained in the ROP are necessary to demonstrate compliance with all applicable requirements and are consistent with the "Procedure for Evaluating Periodic Monitoring Submittals."

EULINE138 at the stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under 40 CFR, Part 64. This emission unit has a control device and potential pre-control emissions of VOCs greater than the major source threshold level.

EUCTRPKnitline at the stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under 40 CFR, Part 64. This emission unit has a control device and potential pre-control emissions of VOCs greater than the major source threshold level.

EU-CADBAR148, EU-CADBAR152, EU-CADBAR153, EU-CADBAR154, EU-CADBAR156, EUCADBAR161 (FGCADBAR) at the stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under 40 CFR, Part 64. These emission units have a control device and potential pre-control emissions of HAPs greater than the major source threshold level.

EULINE 138, EUCTRPKnitline and FGCADBAR all share a catalytic oxidizer for the control of VOCs. Proper operation of the control device is ensured by continuous monitoring of the inlet temperature of the catalytic oxidizer. Additionally, all components of the system are interlocked and will shut down immediately if the inlet temperature falls below the minimum set point which is established during stack testing.

EUMIXER1, EUMIXER2 (FGMIXERS) at the stationary source are subject to the federal Compliance Assurance Monitoring (CAM) rule under 40 CFR, Part 64. These emission units have a control device and each have potential pre-control emissions of Particulate Matter (PM) greater than the major source threshold level. PM emissions are controlled by a baghouse that is monitored by visible emission observations and differential pressure monitoring equipment.

Please refer to Parts B, C and D in the draft ROP for detailed regulatory citations for the stationary source. Part A contains regulatory citations for general conditions.

Source-wide Permit to Install (PTI)

Rule 214a requires the issuance of a Source-wide PTI within the ROP for conditions established pursuant to Rule 201. All terms and conditions that were initially established in a PTI are identified with a footnote designation in the integrated ROP/PTI document.

The following table lists all individual PTIs that were incorporated into previous ROPs. PTIs issued after the effective date of ROP No. Mi-ROP-A9365-2007a are identified in Appendix 6 of the ROP.

| PTI Number | | | |
|------------|--|--|--|
| 31-11 | | | |

Streamlined/Subsumed Requirements

This permit does not include any streamlined/subsumed requirements pursuant to Rules 213(2) and 213(6)

Non-applicable Requirements

Part E of the draft ROP lists requirements that are not applicable to this source as determined by the AQD, if any were proposed in the application. These determinations are incorporated into the permit shield provision set forth in Part A (General Conditions 26 through 29) of the draft ROP pursuant to Rule 213(6)(a)(ii).

Processes in Application Not Identified in Draft ROP

The following table lists processes that were included in the ROP application as exempt devices under Rule 212(4). These processes are not subject to any process-specific emission limits or standards in any applicable requirement.

| Exempt Emission Unit ID | Description of Exempt Emission Unit | Rule 212(4) Exemption | Rule 201 Exemption |
|-------------------------|--|-----------------------|--------------------|
| EU00115 | EU-BOILER1 400HP Boiler Rating less than 250 mmbtu/hr. | 212(4)(b) | 282(b)(i) |
| EU00116 | EU-BOILER2 300HP Boiler Rating less than 250 mmbtu/hr. | 212(4)(b) | 282(b)(i) |

Draft ROP Terms/Conditions Not Agreed to by Applicant

This permit does not contain any terms and/or conditions that the AQD and the applicant did not agree upon pursuant to Rule 214(2).

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements as of the effective date of this ROP.

Action taken by the DEQ

The AQD proposes to approve this permit. A final decision on the ROP will not be made until the public and affected states have had an opportunity to comment on the AQD's proposed action and draft permit. In addition, the U.S. Environmental Protection Agency (USEPA) is allowed up to 45 days to review the draft permit and related material. The AQD is not required to accept recommendations that are not based on applicable requirements. The delegated decision maker for the AQD is Janis Denman, Cadillac District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the permit application, a judgment that the stationary source will be able to comply with applicable emission limits and other terms and conditions, and resolution of any objections by the USEPA.

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August 21, 2012 STAFF REPORT ADDENDUM

MI-ROP-A9365-2012

Purpose

A Staff Report dated July 16, 2012, was developed in order to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by R 336.1214(1). The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

| | |
|-----------------------|---|
| Responsible Official: | Dave Nielsen, President of Operations 231-876-1224 |
| AQD Contact: | Kurt Childs, Environmental Quality Analyst 2310-876-4411 |

Summary of Pertinent Comments

No pertinent comments were received during the 30-day public comment period.