

State Registration Number
A6475

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-A6475-2019

Zellar MPI Equipment, Inc.

UP Paper, LLC

State Registration Number (SRN): A6475

Located at

402 West Elk Street, Manistique, Schoolcraft County, Michigan 49854

Permit Number: MI-ROP-A6475-2019

Staff Report Date: September 9, 2019

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) of the administrative rules promulgated under Act 451, requires that the Michigan Department of Environment, Great Lakes, and Energy (EGLE), 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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SEPTEMBER 9, 2019 - STAFF REPORT

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Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with an ROP pursuant to Title V of the federal Clean Air Act; and Michigan's Administrative Rules for Air Pollution Control promulgated under 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 Staff Report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft ROP terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft ROP 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:	UP Paper, LLC 402 West Elk Street Manistique, Michigan 49854
Source Registration Number (SRN):	A6475
North American Industry Classification System (NAICS) Code:	322121
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	201900035
Responsible Official:	Greg Anderson, General Manager 906-286-4265
AQD Contact:	Sydney Bruestle, Environmental Quality Analyst 906-236-3995
Date Application Received:	February 28, 2019
Date Application Was Administratively Complete:	March 15, 2019
Is Application Shield in Effect?	Yes
Date Public Comment Begins:	September 9, 2019
Deadline for Public Comment:	October 9, 2019

Source Description

UP Paper, LLC is in Schoolcraft County at 402 West Elk Street in Manistique, Michigan. The facility is located along the Manistique River and was founded in 1920. The plant recycles old corrugated containers (OCC) and double-lined kraft (DLK) and produces recycled kraft paper.

Permitted equipment onsite includes a natural gas fired boiler rated at 186.8 MMBtu/hr used for steam production (EUBLR004), a paper dyeing process (EUDYE001), Process Chemicals used to make paper products (EUPROCESS), and a 99 MMBtu/hr natural gas boiler (EUBLR003) only brought onsite when EUBLR004 is down. There are two coal fired boilers still onsite that are no longer in use, they are permanently decommissioned. The facility shut down March 25, 2015 and was purchased and reopened June 15, 2016.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System (MAERS) for the year **2018**.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	6.5
Lead (Pb)	0.5
Nitrogen Oxides (NO _x)	19
Particulate Matter (PM)	4
Sulfur Dioxide (SO ₂)	0.5
Volatile Organic Compounds (VOCs)	11.59 TPY

The following table lists Hazardous Air Pollutant emissions as calculated for the year 2018 by MAERS:

Individual Hazardous Air Pollutants (HAPs) **	Tons per Year
Hexane	2
Total Hazardous Air Pollutants (HAPs)	2

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

See Parts C and D in the 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 in Schoolcraft County, which is currently designated by the United States Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants.

The stationary source is subject to Title 40 of the Code of Federal Regulations (CFR) Part 70, because the potential to emit of nitrogen oxides and carbon monoxide exceeds 100 tons per year. As a result of decommissioning the coal fired boilers the potential to emit for all other criteria pollutants is below the major source threshold.

The stationary source is a minor source of HAP emissions because the potential to emit of any single HAP regulated by Section 112 of the federal Clean Air Act, is less than 10 tons per year and the potential to emit of all HAPs combined are less than 25 tons per year.

The owner/operator of UP Paper, LLC has requested removal of the provisions of the National Emission Standard for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters promulgated in 40 CFR Part 63, Subpart DDDDD with this ROP renewal. The stationary source decommissioned the coal fired boilers subject to this standard March 2015. The facility is also a true minor source for HAPs, therefore the remaining natural gas boiler (EU-BLR004) is also no longer subject to this standard.

No emission units at the stationary source are currently subject to the Prevention of Significant Deterioration 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 each criteria pollutant was less than 250 tons per year.

The stationary source has accepted legally enforceable synthetic minor limits for GHG to avoid Prevention of Significant Deterioration (PSD) review as incorporated in Permit to Install No. 164-13 and included in the ROP. A synthetic minor limit has been added to the ROP per Permit to Install No. 164-13.

EUPROCESS was installed prior to August 15, 1967. As a result, this equipment is considered "grandfathered" and is not subject to New Source Review (NSR) permitting requirements. However, future modifications of this equipment may be subject to NSR.

EUBLR003 at the stationary source is subject to the Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units promulgated in 40 CFR Part 60, Subparts A and Dc.

EUBL004 at the stationary source is subject to the Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units promulgated in 40 CFR Part 60, Subparts A and Db.

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."

No emission units have emission limitations or standards that are subject to the federal Compliance Assurance Monitoring rule pursuant to 40 CFR Part 64, because all emission units at the stationary source either do not have a control device or those with a control device do not have potential pre-control emissions over the major source thresholds. The two coal fired boilers were subject to CAM but are permanently decommissioned and no longer subject. EUBLR004 is equipped with low NOx burners and a flue gas recirculation system, pre-control emissions were determined using AP-42 Chapter 1.4 emission factors, the calculation is below.

$$\text{NOx: } (183,137.26 \text{ ft}^3 \text{ natural gas/hr}) * (100 \text{ lbs NOx}/1000000 \text{ ft}^3) = 18.31373 \text{ lbs NOx/hr}$$

$$(18.31373 \text{ lbs NOx}) * (8760 \text{ hrs/yr}) * (1 \text{ ton}/2000 \text{ lbs}) = 80.21412 \text{ tons NOx/yr}$$

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-A6475-2014 are identified in Appendix 6 of the ROP.

PTI Number			
155-12	164-13		

Streamlined/Subsumed Requirements

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

Non-applicable Requirements

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

PTI Exempt Emission Unit ID	Description of PTI Exempt Emission Unit	Rule 212(4) Citation	PTI Exemption Rule Citation
EUHEATER01	8 MMBtu/hr natural gas fired water heater	R 336.1212(4)(b)	R 336.1282(b)(i)

Draft ROP Terms/Conditions Not Agreed to by Applicant

This draft ROP 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 EGLE, AQD

The AQD proposes to approve this ROP. 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 USEPA is allowed up to 45 days to review the draft ROP 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 Ed Lancaster, Marquette District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the ROP 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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OCTOBER 14, 2019 - STAFF REPORT ADDENDUM

Purpose

A Staff Report dated September 9, 2019, was developed to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by Rule 214(1) of the administrative rules promulgated under Act 451. 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 Rule 214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

Responsible Official:	Greg Anderson, General Manager 906-236-3995
AQD Contact:	Sydney Bruestle, Environmental Quality Analyst 906-236-3995

Summary of Pertinent Comments

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

Changes to the September 9, 2019 Draft ROP

No changes were made to the draft ROP.