

The Dow Chemical Company Michigan Operations Midland, MI 48674

June 30, 2020

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RESPONSE TO DOW SILICONES CORPORATION VIOLATION NOTICE FOR FGEMERGENCIRICE<500HP (COMPRESSION IGNITION EMERGENCY STATIONARY RECIPROCATING INTERNAL COMBUSION ENGINES LESS THAN OR EQUAL TO 500 BRAKE HP)

Attached is a response to a violation notice dated June 9, 2020 for four compression ignition emergency stationary reciprocating internal combustion engines less than or equal to 500 HP referred to as emission unit nos. EU2404-02, EU2404-03, EU2404-04 and EU4701-01. These emission units are located at the Dow Silicones Corporation in Midland, Michigan, and they are subject to 40 CFR Part 63, Subpart ZZZZ (RICE MACT). The requirements of the RICE MACT are addressed in table FGEMERGENCIRICE<500HP of Dow Silicones Corporation's Renewable Operating Permit No. MI-ROP-A4043-2019. If you have any questions regarding this response, please contact Jenny Kraut at (989) 496-7133 or jennifer.kraut@dow.com.

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FGEMERGENCIRICE<500HP (COMPRESSION IGNITION EMERGENCY STATIONARY RECIPROCATING INTERNAL COMBUSION ENGINES LESS THAN OR EQUAL TO 500 BRAKE HP)

Violation Notice Response

Introduction On April 29, 2020, Gina McCann of the Michigan Department of Environment, Great Lakes, and Energy (EGLE) conducted a records review of flexible group table FGEMERGENCIRICE<500HP in Dow Silicones Corporation's Renewable Operating Permit (ROP) No. MI-ROP-A4043-2019. This flexible group table currently addresses the following emission units or emergency combustion ignition (CI) reciprocating internal combustion engines (RICEs) at Dow Silicones Corporation (DSC): EU101-01, EU123-03, EU2404-02, EU2404-03, EU2404-04 and EU4701-01. Following review of the requested records, EGLE determined that DSC is not in compliance with condition no. VI.5 (or 40 CFR 63.6655(f) of the RICE MACT) of table FGEMERGENCIRICE<500HP and general condition no. 21.c of the ROP for the following emergency CI RICEs: EU2404-02, EU2404-03, EU2404-04 and EU4701-01. As a result, in a letter dated June 9, 2020, EGLE cited DSC in violation of the aforementioned conditions and requested a written response to the cited violations by June 30, 2020. This document contains DSC's response to the cited violations.

Requested Information

Submit a written response to the cited violation. The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

Allegation No. 1:

The violation notice alleges that DSC does not maintain required recordkeeping for hours spent in non-emergency and emergency operations or what classified the operation as emergency as required by condition no. VI.5 of table FGEMERGENCIRICE<500HP in the ROP and the RICE MACT for the following engines: EU2404-02, EU2404-03, EU2404-04 and EU4701-01.

EGLE Comment: EU2404-02, EU2404-03, EU2404-04 and EU4701-01 do not maintain required recordkeeping for hours spent in non-emergency and emergency operations or what classified the operation as emergency.

Dow Silicones Corporation Response:

Although DSC does maintain a record of hours of operation, detail regarding whether the use qualified as emergency vs. non-emergency, including what classified the operation as emergency, is not currently being maintained.

It was DSC's misunderstanding that usage less than 100 hours per year per engine alone demonstrated compliance with the RICE MACT and the ROP. Therefore, a recordkeeping process was implemented that focused only on hours of operation and did not include the required additional information. To address the allegation, DSC will implement the following corrective actions by September 15, 2020.

- 1. Ensure DSC affected staff understand applicable RICE MACT requirements.
- Establish an adequate hour recordkeeping system that delineates emergency use from non-emergency use. For emergency use, records will be kept describing what classified the operation as emergency.
- 3. Ensure the reasonable inquiry process addresses the recordkeeping and time limitation requirements of the RICE MACT for affected emission units on-site.
- 4. DSC will assess all other engines on site for compliance with RICE MACT requirements.

Based on 2019 hours of operation for EU2404-02, EU2404-03, EU2404-04 and EU4701-01, although DSC did not have all of the required recordkeeping information, total hours of operation for each engine was less than the 100 hour limit for maintenance checks and readiness testing. Per the RICE MACT and the ROP, there is no limit on the hours of operation for emergency use. Therefore, DSC does not believe there was any harm to human health or the environment as a result of the alleged violation.

Allegation No. 2:

The violation notice also alleges that DSC did not report deviations against the requirement described above in the 2019 Title V deviation report as required by general condition no. 21.c of the ROP.

EGLE Comment: Deviations for 2019 were not reported.

Dow Silicones Corporation Response:

Because DSC thought the recordkeeping validating that usage less than 100 hours per year per engine alone demonstrated compliance with the intent of the RICE MACT and the ROP, when DSC completed reasonable inquiry DSC was unaware that a reportable deviation occurred. Therefore, a deviation was not reported in the semi-annual or annual Title V deviation report for calendar year 2019. Given DSC's new understanding of the intent of the requirements, any potential future deviations associated with these engines will be reported as required in the Title V report.