

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: On-site Inspection**

A430274478

FACILITY: MAHLE Industries Incorporated		SRN / ID: A4302
LOCATION: 2020 Sanford Street, MUSKEGON HTS		DISTRICT: Grand Rapids
CITY: MUSKEGON HTS		COUNTY: MUSKEGON
CONTACT: Kenneth Kloet ,		ACTIVITY DATE: 10/10/2024
STAFF: Scott Evans	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MAJOR
SUBJECT: On site inspection for FY25		
RESOLVED COMPLAINTS:		

Introduction

On October 10, 2024, State of Michigan Department of Environment, Great Lakes, and Energy Air Quality Division (AQD) staff members Scott Evans (SE) and Alicia Kusaka (AK), conducted an air quality inspection of the MAHLE facility located at 2020 Sanford Street in Muskegon Heights, Michigan to assess compliance with air quality regulations. MAHLE is a facility that tests various engines to assess performance standards. The facility has 19 test cells, which are each enclosed and monitored stations. Emissions from these cells are vented from the enclosures through a single stack. It is worth noting that this facility has a soil groundwater remediation system that is located on a historic foundry site. The foundry was demolished in 2015. The facility is located in the western part of Muskegon County, which is currently classified as non-attainment for ozone by the U.S. Environmental Protection Agency.

The facility is a Title V facility and has a currently active Renewable Operating Permit (ROP): MI-ROP -A4302-2020A. This ROP was renewed in 2020 and revised in 2021 to reflect ownership changes of specific equipment within the facility. Specifically, the cold cleaners and engine test cells are now separately owned by different groups within the MAHLE organization. These changes did not impact equipment or regulatory aspects of the facility or ROP. The ROP is now separated into two sections, with Section 1 covering regulations applicable to the flexible groups (FG) "FG-TESTCELLS" and "FG-COLDCLEANERS" and Section 2 covering regulations applicable to the FG "FG-RULE290." During the initial New Source Review permit application process, a Best Available Control Technology review was conducted for Volatile Organic Compounds (VOCs) and determined that good combustion practices and limiting fuel usage and no additional control measures met BACT. Eleven test cells (Eu-TestCell#3, Eu-TestCell#4, Eu-TestCell#5, Eu-TestCell#6, Eu-TestCell#7, Eu-TestCell#8, Eu-TestCell#9, Eu-TestCell#10, Eu-TestCell#11, Eu-TestCell#12, and Eu-TestCell#13) are exempt from New Source Review (NSR) requirements as they were installed prior to August 15, 1967, and so can be classified as grandfathered equipment. No reconstruction or modification to the cells have been made since then.

The facility is subject to Title 40 of the CFR Part 70 as the potential to emit (PTE) of carbon monoxide and nitrogen oxide is greater than 100 tons per year (tpy). The facility has accepted source-wide permit conditions (described in further detail below) that limit the PTE of singular and aggregated Hazardous Air Pollutants (HAPs) and allow it to be classified as a Synthetic Minor source for HAPs. It is worth noting that the PTE of the facility for CO remains above 100 tpy due to the presence of multiple grandfathered test cells (Cells 3-13). These cells are not included in the permitted limits due to their grandfathered status, but still contribute to the PTE for the facility at large. The HAP limits exempt the facility from National Emission Standard for Hazardous Air Pollutants (NESHAP) 40 CFR Part 63 Subpart DDDDD for boilers and heaters as well as NESHAP 40

CFR Part 63 Subpart P for test cells. No emission units are subject to prevention of significant deterioration regulations of Act 451 as carbon monoxide PTE was less than 250 tpy during initial NSR permitting. No units are subject to Compliance Assurance Monitoring 40 CFR Part 64 as the pre-control PTE of each emission unit does not exceed major source thresholds.

Upon arrival at the facility, SE observed the perimeter to assess any odors or visible emissions that may be originating from the site. There were no visible emissions observed nor were any odors observed. Upon entry, SE was greeted by Facilities Engineer Michael Hansen. After a brief discussion of the intent of the visit, a walking inspection of the facility was conducted. This inspection covered all 19 test cells, the external emissions stack, maintenance areas, the boiler room, and a visit to the groundwater remediation system at the former site of the now demolished foundry. All permitted equipment and exempt equipment such as boilers, plasma coaters, baghouses, and generators were observed during this inspection.

MI-ROP-A4302-2020A

MI-ROP-A4302-2020A is the currently active ROP for the facility. As discussed, it is broken into two sections. For clarity, the shared source-wide conditions will only be discussed once, followed by discussions of all flexible groups.

Source-Wide Conditions

There are two source-wide emission limits in this ROP that apply to all process equipment at the stationary source including equipment covered by other permits, grandfathered equipment, exempt equipment and any future equipment:

- 9.0 tpy of each individual HAP for each 12-month rolling annual time-period.
- 22.5 tpy of aggregate HAPs for each 12-month rolling annual time-period.

As discussed above, these limits qualify the facility as a synthetic minor facility for HAPs. Records demonstrating compliance with these limits are discussed below.

The facility is required to use manufacturer's formulation data to determine HAP content of all materials used. This was discussed and confirmed during the inspection. This data was used when determining emissions data.

The facility is required by the ROP to maintain the following records and have them ready to present by the 15th day of each calendar month:

- Individual and aggregate HAP emissions must be calculated using Mass Balance methodology.
- The following monthly records must be maintained:
 - Days of operation
 - Gallons or pounds of HAP containing material used.
 - HAP content of each HAP containing material used.
 - Monthly HAP emissions for individual and aggregate HAPs.
 - 12-month rolling annual HAP emissions for individual and aggregate HAPs.

The above records for the period of October 2023 through September 2024 were requested by SE and AK and reviewed in detail after the conclusion of the inspection. During this detailed review, the following was determined:

- Mass Balance methodology was used and could be reviewed.
- Standard facility operation is 9 hours per day, 5 days per week.
- The following was determined from the records:
 - Gasoline Usage peaked at ~1,600 gallons in April 2024, while Diesel usage peaked at ~3,300 gallons in March 2024.
 - HAP content is verifiable through manufacturer data sheet information maintained on site.
 - Monthly HAP Emissions were all significantly below 1 tpy as demonstrated by below annual records.
 - Annual HAP emission peaks:
 - 0.01 tpy individual HAP in multiple months during the time period.
 - 0.06 tpy aggregate HAPs in October 2023.

Copies of supplied records are included with this report.

This facility is required to submit semi-annual and annual ROP certification reporting regarding source-wide conditions pursuant to General Condition 23 of this ROP. The facility submitted two late reports and were issued violations for these in October of 2023 and April of 2024. Both violations were addressed, and the facility has since expressed an adjustment of internal procedures to prevent these late submissions from occurring again in the future. At this time, there are no unresolved violations.

FG-TESTCELLS (Section 1 of the ROP)

This flexible group encompasses EU-TestCell#14, EU-TestCell#15, EU-TestCell#16, EU-TestCell#17, EU-TestCell#18, EU-TestCell#19, EU-TestCell#20, and EU-TestCell#21, all of which are permitted to burn gasoline, compressed natural gas (CNG), liquefied petroleum gas (LPG), and diesel fuel.

The flexible group has the following emission limits:

- 0.15 lb. of NO_x per gallon of gasoline, CNG, or LPG per month.
- 0.138 lb. of NO_x per gallon of diesel fuel per month.
- 34.3 tpy of NO_x per 12-month rolling time period per month.
- 3.12 lbs. of CO per gallon of gasoline per month.
- 0.0137 lb. of CO per gallon of diesel fuel per month.
- 2.1 lbs. of CO per gallon of CNG per month.
- 2.5 lbs. of CO per gallon of LPG per month.
- 89.9 tpy of CO per 12-month rolling time period per month.

Regarding NO_x and CO content limits above, these limits were discussed and relevant documentation verifying the content in each material was reviewed through fuel composition documents provided by the fuel company with fuel deliveries. Spreadsheets containing this information for calculation of emission factors are maintained by the facility and can be reviewed as needed. Documentation verifying compliance with emissions limits is discussed later in this report.

The flexible group has the following material limits:

- 55,709 gallons of gasoline, CNG, and LPG per 12-month rolling time period per month.
- 437,000 gallons of diesel fuel per 12-month rolling time period per month.

Records demonstrating compliance with these limits are discussed further below.

The facility is required to maintain the following records for a period of no fewer than five years:

- Gasoline, CNG, LPG, and Diesel Fuel usage per 12-month rolling time period per month.
- NO_x emissions per month and per 12-month rolling time period per month.
- CO emissions per month and per 12-month rolling time period per month.

The above records for the time period of June 2020 to May 2021 were requested by SE and provided by MAHLE staff for detailed review. Review of these records showed the following:

- As discussed above along with HAP emissions, all fuel usage is recorded and reported as required.
 - Approximately 15,000 gallons of gasoline, CNG, and LPG were used from September 2022 to October 2023.
 - Approximately 15,000 gallons of diesel were used from September 2022 to October 2023.
- NO_x emissions were reported and had an annual peak at ~7.1 tpy in May 2024.
- CO emissions were reported and had an annual peak at ~25 tpy in September 2024.

Copies of the records are included with this report.

This facility is required to submit semi-annual and annual ROP certification reporting regarding this FG pursuant to General Condition 23 of this ROP. The facility submitted two late reports and were issued violations for these in October of 2023 and April of 2024. Both violations were addressed, and the facility has since expressed an adjustment of internal procedures to prevent these late submissions from occurring again in the future. At this time, there are no unresolved violations.

FG-COLDCLEANERS (Section 1 of the ROP)

This flexible group pertains to any and all cold cleaners that are grandfathered or exempt from permitting requirements by Rule 278, Rule 278a, Rule 281(2)(h), and Rule 285(2)(r)(iv). There are two described emission units within the ROP: EU-Parts Washer1, EU-Parts Washer2

The ROP describes a material limit requiring that the facility shall not use cleaning solvents containing more than five percent by weight of methylene chloride, perchloroethylene, trichloroethylene, 1,1,1 trichloroethane, carbon tetrachloride, or chloroform. During the inspection, this was discussed and verified with safety data sheets that the mineral spirits cleaner used by the facility is compliant.

There are two described operational restrictions for this flexible group in the permit:

- Clean parts shall be drained for at least fifteen seconds or until dripping stops.
- Cold cleaners should be maintained by manufacturer specifications.

During the inspection, processes and maintenance procedures were discussed and the facility appeared to be compliant with the restrictions.

The cold cleaners are subject to many design parameters. During the inspection the cold cleaners were inspected and confirmed to be compliant with lids closed and all required design parameters.

The facility is required to keep records of the following items in regard to this flexible group:

- Once per week temperature monitoring of heated solvent for any new cold cleaner.
- Written procedures for operation of each cold cleaner.
- Record of solvent waste removal for any stored in open containers.
- The following info for all cold cleaners
 - Unique identifier such as serial or model number.
 - Installation, manufacture, or first operational date.
 - Surface area for all units claimed as exempt under Rule 281(2)(h)
 - Applicable exemption rules.
 - Reid vapor pressure of solvents used.
 - If applicable, the option chosen to comply with Rule 707(2)

During the inspection, the above records were reviewed. The following information was gathered for each unit through discussion and on-site records reviews to confirm compliance with the record keeping requirements:

- No solvent is heated for use.
- Procedures were written and available for each unit.
- All waste is contained in closed containers.
- Each cold cleaner had the required information available.

This facility is required to submit semi-annual and annual ROP certification reporting regarding this FG pursuant to General Condition 23 of this ROP. The facility submitted two late reports and were issued violations for these in October of 2023 and April of 2024. Both violations were addressed, and the facility has since expressed an adjustment of internal procedures to prevent these late submissions from occurring again in the future. At this time, there are no unresolved violations.

FG-RULE290 (Section 2 of the ROP)

This flexible group applies to every piece of equipment that emits air contaminants but is exempt from air permitting pursuant to Rule 278, Rule 278a, and Rule 290. At this facility that includes EU-TRAYSTRIPPER and EU-SVESYSTEM. It is notable that these two emissions units were installed prior to December 20, 2016, and are allowed to demonstrate compliance with Rule 290 at the time of installation or modification.

The facility is expected to maintain a list of all emission units that are exempt from permitting as described in Rule 290 as well as retain records that demonstrate exemption status as outlined in

Rule 290. During the inspection the list of exempt equipment was reviewed, and all equipment was confirmed through visual inspection. Below each unit is described along with verification of any and all records retained to confirm exempt status per Rule 290.

There is a soil vapor extraction unit at the facility that is exempt under Rule 290. This unit has one air stripper and three SVE Skids. In 2023, the unit emitted 3.18 lbs. of TCE and 30.48 lbs. of BTEX. From October 2023 through September of 2024, the unit emitted 1.32 lbs. of TCE and 18.16 lbs. of BTEX. These annual emission rates demonstrate compliance with Rule 290 limits of 20 lbs. of emissions per month.

This facility is required to submit semi-annual and annual ROP certification reporting regarding this FG pursuant to General Condition 23 of this ROP. The facility has submitted late reports. However, all were eventually submitted and appropriately covered all deviations as needed. At this time there are no outstanding errors or late reports.

Other Exempt Equipment

The facility has one active boiler on site. This is a 3.5 mmBtu, natural gas fired unit. It is exempt from permitting requirements by Rule 282(2)(b)(i) as it has a capacity of less than 50 mmBtu. It is not subject to New Source Performance Standards (NSPS) 40 CFR Part 60 Subpart Dc as it has a capacity of less than 10 mmBtu. It is not subject to National Emission Standards for Hazardous Air Pollutants (NESHAP) CFR 40 Part 63 Subpart JJJJJ as it is natural gas fired.

The facility has one plasma coater that is exempt from air permitting requirements by Rule 285(2)(i). This exempt unit is controlled by a baghouse that is exempt from air permitting requirements by Rule 285(2)(f) as it only controls a unit and does not generate emissions of its own.

The facility has one emergency generator on site. This generator has a capacity of 228 hp and is natural gas fired. It is exempt from air permitting requirements per Rule 285(2)(g) as it has a capacity of less than 10 mmBtu. This unit is not subject to NSPS 40 CFR Part 60 Subpart JJJJ as it was installed prior to January 1, 2009. This unit appears to be subject to NESHAP 40 CFR Part 60 Subpart ZZZZ. However, this NESHAP requires compliance with NSPS 40 CFR Part 60 Subpart JJJJ which does not impose further requirements due to the manufacture date. As this is the case, there are no further requirements to demonstrate compliance.

In the maintenance area of the facility are various pieces of equipment used for machining of various parts and components used throughout the facility. It was discussed that this equipment is only used when needed for specific parts and not in any production basis. This appears to be exempt from air permitting requirements by Rule 285(2)(l)(vi).

Annual Emissions Reporting

MAHLE staff submitted their most recent annual emissions report on March 7, 2024, through the MiEnviro portal as is required. The report was submitted completely and on time. A review found no issues with the reporting and the submission was approved for annual billing.

Conclusions

At the conclusion of the inspection, the facility appeared to be compliant with MI-ROP-A4302-2020A and all other applicable air quality regulations.

NAME Scott Evans

DATE 11/6/2024

SUPERVISOR 