

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings
against the **SAGINAW METAL CASTING
OPERATIONS OF GENERAL MOTORS,
LLC**, a corporation organized under the laws
of the State of Delaware and doing business
at 1629 North Washington Street in the City
of Saginaw, County of Saginaw, State of
Michigan

AQD No. 2022-11

SRN: B1991

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STIPULATION FOR ENTRY OF FINAL ORDER
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD) against the Saginaw Metal Casting Operations of General Motors, LLC (Company), a corporation organized under the laws of the State of Delaware and doing business at 1629 North Washington Street, City of Saginaw, County of Saginaw, State of Michigan, with State Registration Number (SRN) B1991. EGLE alleges that the Company is in violation of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.5501 *et seq.*; Rule 201, Rule 331, and Rule 702 of the Michigan Air Pollution Control Rules, Mich Admin Code, R. 336.1201, R 336.1331, and R 336.1702; and the conditions of the Company's Renewable Operating Permit (ROP) No. MI-ROP-B1991-2021 and Permit to Install (PTI) No. 36-12L. Specifically, EGLE alleges that the Company, at the Facility, failed to account for volatile organic compound (VOC) emissions from the core sand in the initial PTI 36-12 for EU-PSANDPROCESS and EU-SPMPROCESSAND; exceeded the VOC emission limit from EU-PSANDSH (formerly EU-PSANDSCCASH), and exceeded the particulate matter (PM) emission limit from EU-SPMPROCESSAND, as cited herein and in the Violation Notices dated June 24, 2021, October 29, 2021, and January 7, 2022. The Company and EGLE stipulate to the termination of this proceeding by entry of a Stipulation for Entry of a Final Order by Consent (Consent Order).

The Company and EGLE stipulate as follows:

1. The Natural Resources and Environmental Protection Act (NREPA) MCL 324.101 *et seq.*, is an act that controls pollution to protect the environment and natural resources in this State.

2. Article II, Pollution Control, Part 55 of the NREPA (Part 55), MCL 324.5501 *et seq.*, provides for air pollution control regulations in this State.
3. Executive Order 2019-06 renamed the Michigan Department of Environmental Quality as EGLE, and EGLE has all statutory authority, powers, duties, functions, and responsibilities to administer and enforce all provisions of Part 55.
4. The EGLE Director has delegated authority to the Director of the AQD (AQD Director) to enter into this Consent Order.
5. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55, MCL 324.5528, is proper and acceptable.
6. The Company and EGLE agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated.
7. This Consent Order becomes effective on the date of execution (effective date of this Consent Order) by the AQD Director.
8. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

THE FACILITY'S COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

9. Permit

A. On and after the effective date of this Consent Order, the Company shall comply with the VOC emission limit for EU-PSANDSH as specified in Condition I.4 of MI-ROP-B1991-2021b, as amended.

B. On and after the effective date of this Consent Order, the Company shall comply with the VOC emission limits for EU-PSANDPROCESS and EU-SPMPROCESSAND as specified in Condition I.9 of MI-ROP-B1991-2021b, as amended, for each emission unit.

C. On and after the effective date of this Consent Order, the Company shall comply with the PM emission limit for EU-SPMPROCESSAND as specified in Condition I.6 of MI-ROP-B1991-2021b, as amended.

10. Testing

A. PM Emissions from EU-SPMPROCESSAND at the Facility

1. Between twenty-four (24) and thirty (30) months after the effective date of this Consent Order, the Company shall conduct performance testing for PM emissions from EU-SPMPROCESSAND as specified in MI-ROP-B1991-2021b, as amended, and in accordance with methods and procedures approved by the AQD Bay City District Supervisor. The performance testing shall demonstrate compliance with the PM emission limit for EU-SPMPROCESSAND as specified in Condition I.6 of MI-ROP-B1991-2021b, as amended.

2. No later than thirty (30) days before testing, the Company shall submit to the AQD Bay City District Supervisor and the AQD Technical Programs Unit Supervisor, for review and approval, a test plan for PM for EU-SPMPROCESSAND that meets the requirements specified in Exhibit A of this Consent Order.

3. Not less than seven (7) days prior to testing, the Company or its authorized agent, shall notify the AQD Bay City District Supervisor and the AQD Technical Programs Unit Supervisor, in writing, of the time and place of the tests and who shall conduct them. A representative of the AQD shall have the opportunity to witness the tests.

4. No later than sixty (60) days after a completed test, the Company shall submit to the AQD Bay City District Supervisor and the AQD Technical Programs Unit Supervisor a test report, which includes the test data and results, in accordance with the requirements specified in Exhibit A.

11. Operations and Maintenance

A. Within 365 days of the effective date of this Consent Order, the Company shall complete the installation of a Bag Leak Detection System (BLDS) for the EU-SPMPROCESSAND fabric filter collector at the Facility and notify the AQD Bay City District Supervisor in writing of the date the installation of the BLDS was complete.

B. The Company shall meet the following conditions at the Facility:

1. The BLDS shall be certified by the manufacturer to be capable of detecting emissions of PM at concentrations of 10 milligrams per actual cubic meter (0.0044 grains per actual cubic foot) or less.

2. The BLDS sensor must provide output of relative PM loadings and the Facility shall continuously record the output from the BLDS using a strip chart recorder, data logger, or other means when EU-SPMPROCESSAND is operating.

3. The BLDS must be equipped with an alarm that will notify when an increase in relative particulate loadings is detected over the alarm set point established in the Malfunction Abatement Plan (MAP), and the alarm must be located where it can be heard or observed by the appropriate plant personnel.

4. The initial adjustment of the system must, at minimum, consist of establishing the baseline output by adjusting the sensitivity or range and the averaging period of the device, and establishing the alarm set points. If the system is equipped with an alarm delay time feature, the alarm delay time must also be adjusted.

5. Following the initial adjustment, the sensitivity or range, averaging period, alarm set point, and alarm delay time shall not be adjusted more than once per quarter. Once per quarter, the sensitivity of the BLDS may be adjusted to account for seasonable effects including temperature and humidity according to the procedures in the MAP.

6. The bag leak detector sensor must be installed downstream of the baghouse.

7. Where multiple detectors are required, the system's instrumentation and alarm may be shared among detectors.

C. After the completion of installation of the BLDS, the Company shall not operate EU-SPMPROCESSAND unless the BLDS is installed, maintained, and operated in a satisfactory manner and in accordance with the Malfunction Abatement Plan (MAP).

D. In the event that the BLDS alarm is triggered, the Company shall initiate corrective action to determine the cause of the alarm within one hour of the alarm, initiate corrective action to correct the cause of the problem within 24 hours of the alarm, and complete corrective action as soon as practicable. The Facility shall record the date and time of each alarm, the corrective action taken, and the date on which corrective action was completed.

12. Malfunction Abatement Plan

A. The Facility shall implement the Malfunction Abatement Plan (MAP) for Fabric Filter Collectors, dated March 15, 2022, as approved by the AQD and as required by MI-ROP-B1991-2021b, as amended, with respect to EUSPMPROCESSAND and maintain the records and procedures demonstrating the plan is being implemented according to its terms and conditions. The MAP and any subsequent revision to the MAP relating thereto shall be incorporated by reference into this Consent Order and shall be made an enforceable part of this Consent Order.

B. No later than sixty (60) days after the installation of the BLDS, the Facility shall submit a revised MAP that incorporates the operation of the BLDS. The revisions to the MAP shall include:

1. A procedure for the initial and periodic adjustments of the BLDS, including how the alarm set-point will be established.
2. Quality assurance procedures for the operation of the BLDS.
3. A procedure for maintenance of the BLDS, including a routine maintenance schedule and spare parts inventory list.
4. How the BLDS output will be recorded and stored.
5. Procedures for determining what corrective actions are necessary in the event of a bag leak detection alarm.

C. Upon written request from the AQD Bay City District Supervisor to revise the MAP or the Facility proposes revisions to the MAP, the Facility shall submit a revised MAP to the AQD Bay City District Supervisor, within 30 days of receipt of the request or notice of the proposed changes. Within 30 days of receiving the revised MAP, the AQD will in writing: (1) approve, in whole or in part, the submission; (2) approve, in whole or in part, the submission upon specified conditions; (3) disapprove, in whole or in part, the submission, requiring the Facility correct the deficiencies. The Facility shall, within 30 days or such longer time as specified by the AQD in such notice, address the requested changes or deficiencies and resubmit the plan for approval. Upon approval, the revised MAP shall be incorporated into and enforceable under this Consent Order; and the Facility shall take any action required by the revised MAP in accordance with the schedules and requirements specified therein.

GENERAL PROVISIONS

13. On and after the effective date of this Consent Order, except as otherwise provided by the administrative rules of Part 55, the Company shall not install, construct, reconstruct, relocate, alter, or modify any process or process equipment at the Facility including control equipment pertaining thereto, which may emit an air contaminant, unless a permit to install which authorizes such action is issued by EGLE pursuant to Rule 201, the Company is issued a waiver pursuant to Rule 202, or the change is exempt from the requirements of Rule 201.

14. This Consent Order in no way affects the Company's responsibility to comply with any other applicable state, federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 *et seq.*, Part 55, or their rules and regulations, or to the State Implementation Plan.

15. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

16. Within thirty (30) days after the effective date of this Consent Order, the Company shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and mailed to the Michigan Department of Environment, Great Lakes, and Energy, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$462,200.00, which includes the AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days after the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the "Payment Identification Number AQD40286" on the front of the check and/or in the cover letter with the payment. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

17. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 9.C or 10.A.1 of this Consent Order at the Facility, the Company is subject to a stipulated fine of up to \$5,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 9.A, 9.B, 11.A, 11.C, 11.D, 12.A, or 12.B of this Consent Order at the Facility, the Company is subject to a stipulated fine of up to \$2,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 10.A.2, 10.A.3, 10.A.4, 11.B, or 12.C of this Consent Order at the Facility, the Company is subject to a stipulated fine of up to \$1,000.00 per violation per day. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of EGLE. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days after written demand and shall be mailed to the Michigan Department of Environment, Great Lakes, and Energy, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the "Payment Identification Number AQD40286-S" on the front of the check and/or in the cover letter with the payment. Payment

of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

18. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or EGLE administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

19. To ensure timely payment of the settlement amount assessed in paragraph 16 and any stipulated fines assessed pursuant to paragraph 17 of this Consent Order, the Company shall pay an interest penalty to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest payment shall be determined at a rate of interest that is equal to one percent (1%) plus the average interest rate paid at auctions of 5-year United States treasury notes during the six months immediately preceding July 1 and January 1, as certified by the state treasurer, compounded annually, using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of an interest penalty by the Company shall be made to the State of Michigan in accordance with paragraph 16 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest penalty owed by the Company before any remaining balance is applied to subsequent payment amount or interest penalty.

20. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 16. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 17 of this Consent Order but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by EGLE of stipulated fines is made. In addition, the Company agrees that said fines have not been assessed by EGLE pursuant to Section 5529 of Part 55, MCL 324.5529, and therefore are not reviewable under Section 5529 of Part 55.

21. This compliance program is not a variance subject to the 12-month limitation specified in Section 5538 of Part 55, MCL 324.5538.

22. This Consent Order shall remain in full force and effect for a period of at least three (3) years. Thereafter, this Consent Order shall terminate only upon written notice of termination issued by the AQD Director. Prior to issuance of a written notice of termination, the Company shall submit a request, to the AQD Director at the Michigan Department of Environment, Great Lakes, and

Energy, Air Quality Division, P.O. Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Company has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Bay City District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Director.

23. In the event the Saginaw Metal Casting Operations of General Motors, LLC sells or transfers the facility, with SRN B1991, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Bay City District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, Saginaw Metal Casting Operations of General Motors, LLC must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Bay City District Supervisor within thirty (30) days after assuming the obligations of this Consent Order.

24. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, MCL 324.5511 and MCL 324.5528(3), the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

25. Section 5530 of Part 55, MCL 324.5530, may serve as a source of authority but not a limitation under which this Consent Order may be enforced. Further, Part 17 of the NREPA, MCL 324.1701 *et seq.*, and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

26. The Company hereby stipulates that entry of this Consent Order is a result of an action by EGLE to resolve alleged violations of its facility located at 1629 North Washington, City of Saginaw, County of Saginaw, State of Michigan. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not

discharged. The Company, during and after any future bankruptcy proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law.

The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it.

SAGINAW METAL CASTING OPERATIONS OF GENERAL MOTORS, LLC

JOHN W. LANCASTER SAGINAW METAL CASTING PLANT DIRECTOR
Print Name and Title

[Signature]
Signature

7/19/22
Date

Subscribed and sworn to by the above signatory before me on this 19th day of

July, 2022.

[Signature]
Notary Public Signature

JODY MEAGHER
Notary Public Printed Name

May 31, 2027
My Commission Expires
Approved as to Form:

Approved as to Content:

[Signature]
Mary Ann Dolehanty, Director
AIR QUALITY DIVISION
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES,
AND ENERGY
Dated: 7-28-2022


[Signature]
Margaret Bettenhausen, Asst. Attorney General
AIR AND WATER SECTION
ENVIRONMENT, NATURAL RESOURCES,
AND AGRICULTURE DIVISION
DEPARTMENT OF ATTORNEY GENERAL
Dated: 7-27-22

FINAL ORDER

The Director of the Air Quality Division having had opportunity to review this Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environment, Great Lakes, and Energy pursuant to the provisions of Part 55 of the NREPA and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that this Consent Order is approved and shall be entered in the record of EGLE as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY


Mary Ann Dolehanty, Director
Air Quality Division

Effective Date: 7-28-2022