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DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Self Initiated Inspection

B488439356

FACILITY: Padnos Lansing Division		SRN / ID: B4884
LOCATION: 1900 W WILLOW, LANSING		DISTRICT: Lansing
CITY: LANSING		COUNTY: INGHAM
CONTACT: Nathan Hoard , Yard Manager		ACTIVITY DATE: 04/12/2017
STAFF: Daniel McGeen	COMPLIANCE STATUS: Compliance	SOURCE CLASS: Minor
SUBJECT: Self-initiated inspection, done as additional follow up to a recent PEAS complaint investigation.		
RESOLVED COMPLAINTS:		

On 4/12/2017 the Michigan Department of Environmental Quality (DEQ), Air Quality Division (AQD) conducted an unannounced, self-initiated inspection of the Lansing facility of Padnos Summit Steel.

Environmental contacts:

Nathan Hoard, Yard Manager; 517-372-6600; nathan.hoard@padnos.com

Facility description:

This facility is a metal recycling facility, one of a number owned and operated by Padnos, in Michigan.

Purpose:

The purpose of the inspection was to do further follow up on a recent complaint, and to check compliance with Michigan Air Pollution Control Rules and the permit for the company's metal shredder.

Emission units:

Emission units*	Emission unit description	Permit number or exemption rule	Compliance status
Metal shredder	Metal shredder with spray system, crane, and various conveyors	Permit to Operate No. 52-75	Not operating
Torch cutting	Torch cutting for scrap metal recycling; performed outdoors, uncontrolled	Rule 285(2)(j)	Not operating

*An *emission unit* is any part of a stationary source which emits or has the potential to emit an air contaminant.

Regulatory overview:

This facility is not classified as a major or minor source in the Michigan Air Compliance Enforcement System (MACES) database used by the AQD, but is most likely a minor source. A *major source* has the potential to emit (PTE) of 100 tons per year (TPY) or more, of one of the criteria pollutants. *Criteria pollutants* are those for which a National Ambient Air Quality Standard exists, and include carbon monoxide, nitrogen oxides, sulfur dioxide, volatile organic compounds, lead, particulate matter smaller than 10 microns, and particulate matter smaller than 2.5 microns. It is considered a minor or *area source* for Hazardous Air Pollutants (HAPs), because it is not considered to have a PTE of 10 TPY or more for a single HAP, nor to have a PTE of 25 TPY or more for combined HAPs.

The facility has an active Permit to Operate (PTO), No. 52-75, for their metal shredder. Over the years, torch cutting has been done at Padnos, as exempt from the requirement of Rule 201 to obtain a permit to install (PTI), under Rule 285(j). It is my understanding that in April, 2017, a letter was sent by the AQD Grand Rapids District to the main office of Padnos, in Holland. This letter explained that the torch cutting exemption, Rule 285(j), has been revised, as of 12/20/2016. The amended Rule 285(2)(j) states that the requirement of Rule 201 to obtain a permit to install (PTI) does not apply to any of the following:

- (j) Portable torch cutting equipment that does not cause a nuisance or adversely impact surrounding areas

and is used for either of the following:

- (i) Activities performed on a non-production basis, such as maintenance, repair, and dismantling.
- (ii) Scrap metal recycling and/or demolition activities that have emissions that are released only into the general in-plant environment and/or that have externally vented emissions equipped with an appropriately designed and operated enclosure and fabric filter.

Fee status:

This facility is not considered fee-subject, for the following reasons. Because it is not a major source for criteria pollutants, it is not classified as Category I. Additionally, because it is not a major source for Hazardous Air Pollutants (HAPs), and is not subject to federal New Source Performance Standards, it is not classified as Category II. Finally, because it is not subject to federal Maximum Achievable Control Technology standards, it is not classified as Category III. The facility is not required to submit an annual air emissions report via the Michigan Air Emissions Reporting System (MAERS).

Location:

This facility is located in an industrial and commercial area, with a residential area immediately to the east of the property. To the immediate west of the site office is a restaurant. The Lansing Wastewater Treatment Plant is west of the northern portion of the site. To the south are commercial and/or industrial properties.

Recent history:

This facility was last inspected by the AQD on 3/30/2015, and no instances of noncompliance were found. On 11/30/2015, AQD responded to an odor complaint received that day, the first AQD has received about Padnos since 1997. Padnos staff identified the odor source as a "hot spot" in the fluff bin of their metal shredder. A second complaint was received on 12/1/2015. The company subsequently reported that the material with the hot spot was physically removed from the site on 12/2/2015.

The AQD received a Pollution Emergency Alert System (PEAS) complaint of open burning very recently, on 4/5/2017. A complaint investigation conducted on 4/5 was inconclusive, as the facility had closed for the day by the time I arrived. I spoke with an office employee, and provided a copy of the January 2017 edition of the *Permit to Install Exemption Handbook*, which contains the amended Rule 285(2)(j) torch cutting exemption.

Note: In April 2017, the main office of Padnos, in Holland, was sent a letter by AQD which explained that the Rule 285(j) exemption for torch cutting has been amended, as the Rule 285(2)(j) exemption. It referenced the exemption language, that production torch cutting must now exhaust into the general in-plant environment, and/or have externally vented emissions equipped with an appropriately designed and operated enclosure and fabric filter, in order to be exempt.

Arrival:

AQD was represented by Ms. Rebekah Banas of the Emissions Reporting & Assessment Unit, and by myself. We drove around the south, east, and west perimeter of the Padnos site, prior to arrival, to check for odors. Please see attached odor evaluation, map, and summary of weather data.

Summary of odor evaluation:

Weather conditions were mostly sunny and 57 degrees F, with winds out of the west, at 5-10 miles per hour.

- At approximately 2:18 PM, at the corner of W. Willow Street and Comfort Street, no odors were detected.
- At 2:19 PM, driving north on Comfort Street, there was a level 1 oily odor for several hundred feet, east of Padnos and Alro Steel. I could not see any visible emissions.
- At approximately 2:21 PM, I detected no odors, where Bassett Street dead ends, against the east

perimeter of Padnos.

- At 2:26 PM on Sunset Street, no odors were detected.

The 0 to 5 odor scale used by AQD is as follows:

Level	Description
0	Non-detect
1	Just barely detectable
2	Distinct and definite
3	Distinct and definite objectionable odor
4	Odor strong enough to cause a person attempt to avoid it completely
5	Odor so strong as to be overpowering and intolerable for any length of time

The barely detectable oily odor noted east of the site was determined to be insufficient to constitute a violation of Rule 901(b), which prohibits unreasonable interference with the comfortable enjoyment of life and property.

We arrived at the site office at 2:29 PM. We met with Mr. Nathan Hoard, who has become a yard manager, since I was last here in 2015. Mr. Tim Payne, a former yard manager, is no longer with the company, we were told. Mr. Kevin Whitehead is the other current yard manager here, but he was not available, at this time.

I provided my identification/credentials, per AQD procedure. We did not hand out a copy of the DEQ brochure, *Environmental Inspections: Rights and Responsibilities*, as that was undergoing revision at this time. I explained that we were here to conduct an inspection, as further follow up to a complaint of open burning received on 4/5/2017. I explained that on 4/5 I had arrived at the site only after the site was closed for the day.

Inspection:

The facility appeared to be organized by activity, and by material type. There were a number of areas near the office, where materials were sorted, such as gas or electric meters removed from homes. Incoming engine blocks were placed on a concrete pad, so that any leaking fluids could be captured and handled appropriately. North of the office building, I observed a number of refrigerators from which refrigerant had been captured /recovered, as evidenced by stickers which had been applied to the units.

We were joined by Charlie, a manager, while walking through the plant yard. We discussed the 4/5 open burning complaint. Both Charlie and Mr. Hoard expressed their belief that any burning which might have taken place on 4/5 would have been accidental. I was told that they use shears to cut any metal covered with coatings like vinyl or rubber. We were informed that they have a number of fire protection measures in place, to prevent fires, from a nearby water tote and 10,000 gallon water tank, to a water truck. It is my understanding that the water truck is also used to apply water to roadways before sweeping, to provide dust protection. I was unable to find any evidence of open burning in the plant yard.

Metal shredder, spray system, crane, and various conveyors; PTO No, 52-75:

The metal shredder was not operating, at the time of the inspection. My understanding, from the 2015 inspection, is that it runs about one day per week, and only processes clean industrial scrap. Shredded metal is shipped offsite by railcars. It is my understanding that they do not shred automobiles here, I was informed, and use ferrous shears to cut metal from autos.

Torch cutting; Rule 285(j):

Torch cutting was not taking place at this time. We observed their torch cutting area, an open area on the east side of the site, north of some of their onsite structures. Metal had recently been cut here, and there was additional metal waiting to be cut up. We were informed that fresh limestone had recently been put down on the ground around their torching area, for fire protection.

This area appeared to be what the confidential complainant had described to me as "the torch field." I could not identify any evidence that open burning had occurred. There was no burnt waste material, no ash, and no unusual discoloration to the ground.

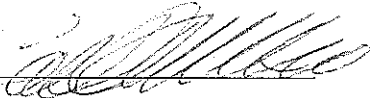
I explained the changes to the Rule 285(j) exemption, which became the Rule 285(2)(j) exemption on 12/20/2016, as discussed earlier in this report. I explained that this would require changes to their current approach to torch cutting done on site, if they wanted to qualify for exempt status. Because I had not actually observed torch cutting being done outdoors, uncontrolled, today, no instance of noncompliance was identified at this time. I provided a copy of the January 2017 edition of the *Permit to Install Exemption Handbook*, which includes Rule 285(2)(j).

AQD staff left the site at 3:20 PM.

Conclusion:

No instances of noncompliance could be found at this time. There were no visible signs of open burning, in regard to the 4/5/2017 PEAS complaint. AQD will respond to future complaints, as time and resources allow. The company has been advised of the amended torch cutting exemption, Rule 285(2)(j).

NAME



DATE

6/30/2017

SUPERVISOR

