

KNAUF INSULATION

October 24, 2016

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Michigan Department of Environmental Quality
Kalamazoo District Office
Attn: Mr. Rex Lane
7953 Adobe Road
Kalamazoo, Michigan 49009-5025



Re: Knauf Insulation – Violation Notice SRN:B7205, Calhoun County

Dear Mr. Rex Lane,

On October 12, 2016, Knauf Insulation received the referenced Violation Notice following the completion and submittal of the 2016 Emission Compliance Reports. As the letter highlights there have been potential emission limit exceedances noted for PM₁₀ from the ML2 and WBWALBFORMING processes.

Knauf Insulation has recently completed an air permit modification to authorize the installation and modification of the processes to Knauf technologies. During this permitting process, emission factor estimates from similar sources and engineering design reviews indicated that the differences between the old Guardian technologies and the new Knauf technologies would be minimal. However, post installation emission testing is demonstrating that there potentially are some differences.

In response to the Notice, Knauf Insulation would like to offer the following actions as requested.

Date of violation: Emission testing was completed July 26-28, 2016 and the emission test report was submitted to MDEQ September 22, 2016.

Causes and duration of the violation: Reviews of the equipment and process are indicating that there are differences in the performance of the new technologies when added into the old Guardian processes. The WBW processes were a hybrid of both companies technologies and not a direct comparison to the units from which the emission factors were derived. At this time the potential for the emission exceedances still exist based on the process technology that was installed during the recent conversions/modifications.

Summary of Actions:

Current:

First, due to product allocations across the Knauf business, the ML1 manufacturing process is currently not in operation. Therefore, there are no emissions coming from these emission sources at this time, which is a reduction in the facility's overall potential emissions.

Second, discussions are already underway with the consulting firm that prepared the application for the recent modifications to review the most recent permit application as well as earlier permit applications to have a full understanding of the past permitting activities.

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Future:

Knauf Insulation is reviewing the following details as permitting options.

1. Demonstrate that the original BACT limit(s) were based on an analysis of filterable particulate only, such that one or more of the fiberization units are in compliance with the emission limits as demonstrated in the most recent stack tests;
2. Re-permit the new Knauf modifications using the emissions data acquired during the emission testing completed in July 2016. The full details of what this permitting process would consist of are currently under review; however, here is the intended approach.
 - a. Complete the review of permitting options.
 - b. Schedule meeting with MDEQ Permitting office to review permitting options and timing.
 - c. Completion of permitting options review is tentatively set for November 15, 2016. Meeting with MDEQ Permitting staff will be arranged during this time as well.
 - d. Permit application submittal date will be determined and provided to MDEQ once final permitting options are determined and associated required timing to prepare application are fully understood.

Knauf understands the importance of resolving this issue as expeditiously as possible, and is working to gather the necessary information to address the permitting items. If you would like to discuss this matter in more detail, please contact me or Chris Mahin. I can be reached at 517.630.2038 or Chris Mahin can be reached at 317.421.8561.

Respectfully submitted,



Kevin Keen
Plant Manager Albion

Cc: Chris Mahin, Regional HSE Mgr