

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

N236255249

| | | |
|--|--|----------------------------------|
| FACILITY: Pyramid Peak Coatings, LCC | | SRN / ID: N2362 |
| LOCATION: 630 S Chestnut Street, OWOSSO | | DISTRICT: Lansing |
| CITY: OWOSSO | | COUNTY: SHIAWASSEE |
| CONTACT: Ted Hundich , Quality Assurance Manager | | ACTIVITY DATE: 09/22/2020 |
| STAFF: Daniel McGeen | COMPLIANCE STATUS: Non Compliance | SOURCE CLASS: SM OPT OUT |
| SUBJECT: Scheduled inspection of opt-out source which was last inspected in 2015. | | |
| RESOLVED COMPLAINTS: | | |

On 9/22/2020, the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD) conducted a scheduled inspection of Pyramid Peak Coatings, LLC, in Owosso. This was a Partial Compliance Evaluation (PCE) activity, conducted as part of a Full Compliance Evaluation (FCE). Additionally, a second PCE activity, review of records and operational logs, is also documented in this activity report.

Environmental contact:

Theodosi Hundich, Jr., Quality Assurance Manager; 248-226-6010; thundich@xcelpaint.com

Summary of plant operations:

This facility is a coating operation, which primes and paints facias, which are exterior parts, for the auto industry.

Emission units:

| Emission Unit* ID | Emission Unit description | Permit to Install (PTI) No. or applicable rule | Status, during inspection |
|----------------------------|---|--|--|
| EUPAINTLINE | A plastic and metal parts coating line consisting of seven dry filter spray coating booths including two Primer Booths (No. 0 and No. 1), three Basecoat Booths (Nos. 2, 3, and 4), and two Clearcoat Booths (Nos. 5 and No. 6); numerous flash-off areas between booths and ovens; two natural gas-fired ovens to bake/cure coatings; and purge and cleanup solvent usage. The booths are identified in the PTI as Nos. 1-7, instead of 0-6. | PTI No. 30-07B | Noncompliance for exceedance of adhesion promoter lb/gal VOC content limit |
| Wash process | An aqueous parts washer utilizing an alkaline solution, and water rinses, followed by a natural gas-fired drying oven. This replaced an earlier exempt unit. | Rule 281(2)(e) | Compliance |
| Sanding and polishing area | Small area where parts are sanded and/or polished, to remove any imperfections; exhausts to general, in-plant environment. | Rule 285(2)(i)(vi)(B) | Compliance |
| Boiler | Natural gas-fired boiler | Rule 282(2)(b)(i) | Compliance |

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

Regulatory applicability:

The facility's original Permit to Install (PTI), No. 30-07, was a synthetic minor permit, which limited the Potential to Emit (PTE) of Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs). The purpose was to keep the facility from becoming a major source. This permit was revised as PTI No. 30-07B, which is an opt-out permit that also has permit restrictions for EUPAINTLINE. This revision allowed for modifications to the process, and to their emission limits.

The opt-out PTI No. 30-07B keeps the facility below major source thresholds, to opt out of any applicable National Emission Standards for Hazardous Air Pollutants (NESHAPs), and the Renewable Operating Permit (ROP) Program. Thus, the facility is not subject to 40 CFR Part 63, Subpart PPPP, the *NESHAP for Surface Coating of Plastic Parts and Products*, nor 40 CFR Part 63, Subpart MMMM, the *NESHAP for Surface Coating of Miscellaneous Metal Parts and Products*.

The facility is not subject to 40 CFR Part 63, Subpart HHHHHH, the *NESHAP for Paint Stripping and Miscellaneous Surface Coating at Area Sources*, which is also known as the area source Maximum Achievable Control Technology (MACT) for coating operations. They have indicated to the AQD Permit Section that they do not spray coatings containing the HAPs (compounds of cadmium, chromium, lead, nickel, and manganese) which are targeted by the area source MACT.

The facility is not subject to 40 CFR Part 63, Subpart JJJJJJ, the *NESHAP for Industrial, Commercial, and Institutional Boilers Area Sources*. The AQD does not have delegation of authority from the U.S. EPA to enforce this regulation. Section 63.11237 provides a definition of *gas-fired boiler*, and Section 63.11195(e) exempts gas-fired boilers at an area source from the MACT.

Fee status:

This facility is considered Category E fee-subject, because it has an opt-out/synthetic minor permit. Like other opt-out/synthetic minor sources, this facility is required to report annually to the Michigan Air Emission Reporting Systems (MAERS). This helps ensure that the facility is aware of their emissions in relation to the permitted limits.

Location:

The immediate surroundings of Pyramid Peak Coatings are mostly industrial and/or commercial. There is a large warehouse 350 feet to the north, with vacant land between them. To the south is a large commercial or industrial site. Also, there is an industrial park located 500 feet to the west. About 750 feet to the south and to the southeast are residential properties. To the immediate east and northeast are industrial and/or commercial facilities. The AQD has never received any air pollution complaints about Pyramid Peak Coatings, since it began operating.

History:

This plant had previously been owned by Vaungarde. Pyramid Peak Coatings purchased the facility in November or December of 2007. In March, 2008, they began to operate, but in October 2008 the plant closed, upon loss of a major customer. The plant was mothballed, but the company kept their original Permit to Install (PTI) No. 30-07 active, in the hope of resuming operations. The plant began production again, on 11/29/2010.

The AQD 2013 and 2015 inspections here found no instances of noncompliance.

Safety apparel required:

I was wearing steel-toed boots and safety glasses with side shields. Additionally, due to the COVID-19 pandemic, I was wearing a disposable paper mask. Pyramid Peak Coatings recommends that employees and visitors socially distance, and wear masks where social distancing of 6 feet cannot be maintained.

Arrival:

During the current COVID-19 pandemic, EGLE guidance to inspectors on conducting inspections is as follows:

- pre-arrange inspections with facilities, to facilitate a plan to conduct the inspection while adhering to facility guidelines for safety,
- wear a mask, where social distancing of at least 6 feet is not possible, and
- ask if there have been any recent confirmed cases of COVID-19 at regulated facilities, upon arrival.

This inspection was therefore arranged in advance.

Prior to arrival at the site, I drove through the surrounding area, including residential neighborhoods, and attempted to get downwind. There were no odors detected from the plant. On Chestnut Street, I was able to barely detect a faintly septic odor from an industry to the south of Pyramid Peak Coatings. The facility to the south appears to be a plastic extrusion company.

I arrived at Pyramid Peak Coatings at 12:58 PM. No visible emissions were observed from the facility. Weather conditions were partly sunny, hazy, humid, and 73 degrees F, with winds out of the west southwest at 5-10 miles per hour (mph).

There were no odors from Pyramid Peak Coatings in the parking lot by the office. I was met outside by Ted Mr. Hundich, Jr. Quality Assurance Manager.

Upon entering the building, I underwent a temperature check, and filled out a health questionnaire, as part of the facility's screening visitors to reduce the spread of coronavirus. I asked, per EGLE current procedure, if there had been any recent diagnoses of COVID-19 at the plant, and was informed that there had not. Although mask wearing would not be required in places where social distancing could be maintained, I wore a mask at all times, as an additional precaution against the spread of COVID-19.

Pre-inspection meeting:

We discussed changes at the plant. Mr. Hundich explained that the company recently had a customer end a contract with them, because the customer was now doing their own coating application. The loss of this contract represented 80% of their business, I was told, and the plant could not stay open, unless a new contract could be obtained. He explained that they began working with a marine industry, who wanted them to use an adhesion promoter with less solids and a higher volatile content than other adhesion promoters. The customer reportedly wanted it to be used above a primer, as a base coat.

Mr. Hundich explained that the company and their consultant, Mr. Patrick Moquin, worked with their paint supplier, PPG, and developed a new adhesion promoter which satisfied their new customer. It is my understanding that it has a lower xylene content than other similar coatings but a higher VOC content in lbs/gal than the current opt-out PTI 30-07B allows. This new adhesion promoter has a 6.09 lbs/gal VOC content as delivered, and as applied. This exceeds the 5.8 lbs/gal (minus water) as applied limit in PTI No. 30-07B SC II. MATERIAL LIMITS 1.

They began using the new adhesion promoter at the plant, I was told, and began conducting modeling at about the same time, to be used for a permit application. A shutdown due to the COVID-19 pandemic delayed the permit application, I was told, but AQD received it in August. The Permit Section was reviewing this application, as of the 9/22/2020 date of the inspection. Approval of the pending permit would allow for this new coating.

Use of the new adhesion promoter is not in compliance with the existing permit, because of the higher VOC lb/gal content. However, it has not resulted in any emissions exceedances, I was told. Therefore, the facility has not exceeded major source thresholds. This instance of noncompliance will be resolved upon issuance of the pending PTI. Although the compliance status of this inspection report is identified as "Non Compliance," AQD is choosing not to send a Violation Notice.

The other change at the plant since 2015 is removal of a small paint spray booth, which was used in the past for research and development. Use of this booth had become increasingly infrequent, I learned during prior inspections. Because it was operated under the Rule 287 exemption for coating operations with throughput less than 200 gallons, minus water, per month, there is no permit to be voided.

Inspection:

PTI No. 30-07B gives Pyramid Peak Coatings the option to coat metal parts, as well as plastic parts. For years they did not do any metal part coating here, I was informed, but they now do a large amount of metal part coating for an automotive customer. The substrate for their marine customer is sheet moulding compound, or SMC. The plastic parts they have been coating here are made of Thermal Polyolefin (TPO), ABS, ABSPC, or Rapid Reaction Injection Molding (RRIM) plastics. The plant is operating with one shift per day, I was informed.

Wash process; Rule 281(e):

The wash process uses a solution of a surfactant, whose pH is 6.87, in water. They also use a soap material called Bonderite 2595, which is mildly acidic, with a pH of 4.2. The Rule 281(e) exemption applies to the following:

(e) Equipment used for washing or drying materials, where the material itself cannot become an air contaminant, if no volatile organic compounds that have a vapor pressure greater than 0.1 millimeter of mercury at standard conditions are used in the process and no oil or solid fuel is burned.

We observed the washing process in operation. The stages of the unit are as follows:

- Stage 0: pre-wash, with water from the City of Owosso, at ambient temperature.
- Stage 1: Polyprep cleaner 2595, with city water, at 135-153 degrees F.
- Stage 2: rinse water, with city water, at ambient temperature.
- Stage 3: reverse osmosis rinse water, at ambient temperature, with Bonderite M-PT Dx Aid Post Treatment, to help remove water from parts.
- Stage 4: reverse osmosis Halo rinse water, also at ambient temperature, and with Bonderite M-PT Dx Aid Post treatment.

It is my understanding that a series of air knives blows the excess water off of the cleaned parts, before they enter the drying oven. The drying oven has a natural gas-fired burner, with an exhaust stack. Outside the plant, steam could be seen from this exhaust stack, but there were no visible emissions, otherwise. This process is exempt, and has no opacity limit in the PTI; therefore, it is subject to the 20% visible emission limit specified by Rule 301. While approaching the plant on Chestnut Street prior to the inspection, I had seen no visible emissions from the facility exhaust stacks.

EUPAINTLINE; PTI No. 30-07B:**a.) paint mixing room:**

I observed their paint mixing room, or paint kitchen. It is my understanding that agitators are used, to mix paints with reducers and/or catalysts, as needed. All containers were sealed.

As I was told in the 2015 inspection, coatings were once manually added in the paint room, but that process is now automated, to ensure greater accuracy. Once paints are mixed, or catalyzed, they have a shelf life, and their characteristics change, over time. They can generally be in paint pots for 2-2.5 hours. It is my understanding that they keep Daily Paint Traceability and Daily Paint Usage logs, where they document which coatings are mixed, used, and are not used (designated as "scrap"). If there are any problems with a finished coating, they would be able to identify what date and time it was sprayed, the temperature of the spray booth, and other variables which could help diagnosis a problem.

b.) coating booths:

In 2015, 100% of the parts they coated were plastic, Mr. Hundich explained. In January 2020, however, metal parts started coming in from the auto industry. These parts are made of galvanized steel, and include service parts and a rear bumper. As part of the permit application undergoing review by the Permit Section, they did not ask for an increase in the allowed TPY from coating metal parts. They do not believe an increase in allowed VOC TPY will be needed. In the existing PTI, the coating of metal parts is regulated under the flexible group FGFACILITY. In the new permit currently being drafted, the coating of metal parts will be regulated by a flexible group for EGLE AQD Michigan Air Pollution Control Rule 621. This will be consistent with how AQD has written other recent permits referencing metal parts coating.

There are seven paint booths at the site, Nos. 0 through 6. Originally there were booths Nos. 1 through 6, with No. 1 being a primer booth, Nos. 2 through 4 being basecoat booths, and Nos. 5 and 6 being clearcoat booths. They later installed another primer booth, and designated it as booth No. 0, rather than No. 7, because it is used prior to the basecoat and clearcoat booths. However, PTI No. 30-07B refers to the booths as Nos. 1 through 7, which could potentially cause confusion.

Note: this inspection report will refer to the booths as they are numbered at the site itself.

The spray booths are cross draft paint booths, with filters on the sides. There are visibly two stages of filter media, the first of which is described as a honey comb-like material. It is my understanding that this is changed daily, while the second media is a fiber layer, which lasts longer, before it needs to be changed. Prior to my arrival at the plant today, I had seen no emissions from plant exhaust stacks.

The coating applicators are said to be hand-held and electrostatic, High Volume /Low Pressure (HVLP) paint spray guns.

We observed booth No. 1 (identified as booth No. 2 in the existing PTI), where primer was being applied. The filter material on the walls of the booth appeared to be in good condition. Primer was also being applied in booth No. 0 (identified as booth No. 1 in the existing PTI), but we did not enter that booth, at this time

We entered the 2 basecoat booths, referred to onsite as booths Nos. 2 and 3 (identified in the permit as booths Nos. 3 and 4). We entered booth No. 2, as the operators were on break. The filter material in the booth appeared to be in good condition. The lid on a purge pail for cleaning spray gun equipment had been left off, but this was the only instance of such that I saw onsite. The spray equipment is purged with solvents, as I understand it, and the collected purge solvents are sent offsite for recycling.

Some booths coat the front side of parts, while other booths are used to coat the back sides of the parts. Booth No. 4 (No. 5 in the existing permit) is a back side clearcoat booth, I was informed. It was not operating today, and was said to rarely be used.

We observed clearcoat being applied, in the clearcoat booths, #5 and 6 (booths #6 and 7, in the PTI). The filters looked new in booth #5, and looked good in #6. I noted the sealed purge buckets for these booths.

After being coated in a spray booth, the parts enter a flash off area. This allows solvents to volatilize, before parts enter the curing ovens. If solvents are not given enough time to flash off, this can cause bubbles to appear in the paint finish, or can cause an orange peel effect, as I understand it.

Opt-out PTI No. 30-07B Special Condition EUPAINTLINE V. 1 requires the permittee to determine the VOC content, water content, and density of any coating, as applied and as received, using federal reference Test Method 24. With prior written approval by the AQD District Supervisor, the permittee may determine VOC content from manufacturer's formulation data. On 3/22/2011, Pyramid Peak Coatings sent a letter to the AQD Lansing District Supervisor, asking for approval to use manufacturer's formulation data in lieu of Reference Test Method 24. On 7/21/2011, AQD sent an approval letter, approving the request.

c.) curing oven:

EUPAINTLINE has a paint curing ovens with two zones; one upper, and one lower. PTI No. 30-07B requires them to keep the temperature of the bake/cure oven portions of EUPAINTLINE at or below 194 degrees F. Therefore, their coatings are classified as air-dried or "low bake" coatings. Curing at temperatures above 194 degrees F would mean that a company is using "high bake" coatings, which would subject them to a different set of VOC regulations. Mr. Hundich explained that in the coating industry now, the threshold for high bake coatings is considered to be well above 194 degrees F, different than in years past.

Mr. Hundich showed me the temperature control panel for the oven. The lower zone was currently at 179-180 degrees F, while the upper zone was 184 degrees F. The lower zone has a high temperature limit of 191 degrees F, which will activate an alarm, while the upper zone has a high temperature limit of 224 degrees F, which will activate an alarm. It is my understanding that they have no interest in operating at such high temperatures.

The PTI requires them to continuously monitor and record the temperature of the bake/cure oven portions of EUPAINTLINE. Mr. Hundich showed me the circular chart recorder, which was operating.

Each circular chart covers an entire week. Red ink represents one oven zone, while green represents the other, I was told.

Parts go into the 2-story oven at the bottom, and exit at the top, on a continuous conveyor. The oven was operating during the inspection. From outside the plant, no visible emission had been seen as I approached the plant prior to arrival.

Sanding and polishing area; Rule 285(l)(vi)(b):

The sanding and polishing of plastic parts is exhausted into the general, in-plant environment. This satisfies the criteria for the Rule 285(l)(vi)(B) exemption, which is for:

(vi) Equipment for carving, cutting, routing, turning, drilling, machining, sawing, surface grinding, sanding, planing, buffing, sand blast cleaning, shot blasting, shot peening, or polishing ceramic artwork, leather, metals, graphite, plastics, concrete, rubber, paper stock, wood, or wood products which meets any of the following:
(B) Equipment has emissions that are released only into the general in-plant environment.

There is a Finesse Department, where parts are checked for any flaws.

Boiler; Rule 282(2)(b)(i):

A new boiler was installed after the 2013 inspection, but before the 2015 inspection. The new boiler is rated at 150,000 Btu/hr, and heats the paint kitchen, as I understand it. The boiler therefore appears to satisfy the exemption criteria for Rule 282(b)(i), which became Rule 282(2)(b)(i) on 12/20/2016. This exempts:

(b) Fuel-burning equipment which is used for space heating, service water heating, electric power generation, oil and gas production or processing, or indirect heating and which burns only the following fuels:

(i) Sweet natural gas, synthetic gas, liquefied petroleum gas, or a combination thereof and the equipment has a rated heat input capacity of not more than 50,000,000 Btu per hour.

40 CFR Part 63, Subpart JJJJJJ, the NESHAP for Industrial, Commercial, and Institutional Boilers Area Sources is also known as the Boiler MACT. As mentioned earlier in this report, the AQD does not have delegation of authority from the U.S. EPA to enforce this regulation. Section 63.11237 provides a definition of *gas-fired boiler*, and Section 63.11195(e) exempts gas-fired boilers at an area source from the MACT. The new natural gas-fired boiler at Pyramid Peak Coatings, therefore, is not subject to Subpart JJJJJJ.

Review of facility recordkeeping:

It is my understanding that in the facility's paint kitchen are the raw recordkeeping forms, indicating how much paints are mixed, used, or end up as scrap. These records are subsequently entered into a spreadsheet.

Mr. Hundich copied their current recordkeeping spreadsheet onto an AQD flash drive for me, because it would be quite cumbersome to work with, in hard copy form. It covered the time period from 2018 through the present., and included a summary of yearly recordkeeping back to 2014.

Following the inspection, I reviewed 2020 records. The records indicated compliance with permitted limits in PTI No. 30-07B, except for the lbs/gal VOC content in the black adhesion promoter. Please see summary tables below. The adhesion promoter exceedance is referenced in Table 6.

As previously discussed in this report, the black adhesion promoter has a 6.09 lbs/gal VOC content as delivered, and as applied. This exceeds the 5.8 lbs/gal (minus water) as applied limit in PTI No. 30-07B SC II. **MATERIAL LIMITS** 1. However, because the company came forward with a permit application to revise their permit, and the company did not exceed major source emission thresholds, a Violation Notice (VN) is not being sent.

Table 1: Coating line 12-month rolling emissions in August 2020:

| Process | Pollutants | August 2020 12-month rolling emissions, in tons | Permit limits, TPY | Compliance? |
|---|--------------------------|---|--------------------|-------------|
| Primer booths 0 and 1 (1 and 2 in PTI) | VOC and acetone combined | 7.4 | 30 TPY | Yes |
| Basecoat booths 2-4 (3-5 in PTI) | VOC and acetone combined | 8.7 | 30 TPY | Yes |
| Clearcoat booths 5 and 6 (6 and 7 in PTI) | VOC and acetone combined | 7.9 | 30 TPY | Yes |

Table 2: EUPAINTLINE highest daily xylene value for each month YTD in 2020:

| Month | Xylene, in lbs | Limit | Compliance? |
|----------|----------------|-------------|-------------|
| January | 26.1 | 220 lbs/day | Yes |
| February | 23.4 | 220 lbs/day | Yes |
| March | 21.3 | 220 lbs/day | Yes |
| April | 0.0 | 220 lbs/day | Yes |
| May | 13.2 | 220 lbs/day | Yes |
| June | 23.8 | 220 lbs/day | Yes |
| July | 20.5 | 220 lbs/day | Yes |
| August | 16.5 | 220 lbs/day | Yes |

Table 3 A: EUPAINTLINE monthly emissions of cumene and naphthalene in 2020, YTD:

| Month | Cumene, in lbs | Napthalene, in lbs |
|-------------------|----------------|--------------------|
| January | 1.0 | 24.4 |
| February | 0.8 | 17.1 |
| March | 0.6 | 17.9 |
| April | 0.0 | 20.9 |
| May | 0.0 | 0.0 |
| June | 0.3 | 23.2 |
| July | 0.8 | 14.3 |
| August | 0.8 | 21.8 |
| Total lbs: | 4.3 | 139.6 |

Table 3 B. 12-month rolling cumene and naphthalene emissions, August 2020

| Process | Pollutant | Time period/operating scenario | 12-month rolling value | Limit | Compliance? |
|-------------|------------|--|------------------------|--------------|-------------|
| EUPAINTLINE | Cumene | 12-month rolling time period at end of each calendar month | 0.0 tons | 1,840 lbs/yr | Yes |
| EUPAINTLINE | Napthalene | 12-month rolling time period at end of each calendar month | 0.1 tons | 2,890 lbs/yr | Yes |

Table 4: EUPAINTLINE emissions for coating metal parts, YTD in 2020:

| Process | Pollutant | Time period/operating scenario | Value as of August 2020 | Limit | Compliance? |
|-----------------------------------|-----------|--|---|-----------------|-------------|
| Metal parts coated on EUPAINTLINE | VOC | 12-month rolling time period at end of each calendar month | 1.8 tons per 12-month rolling time period | 10.0 TPY | Yes |
| Metal parts coated on EUPAINTLINE | VOCs | Calendar month | 600 lbs | 2,000 lbs/month | Yes |

Table 5: Material VOC content compliance check on active (as of 2020) primers, basecoats, and clearcoats, as applied:

| Process | Time period/operating scenario | Range of VOC content, as applied, for active coatings; may be many coatings in each category | Lbs/gal VOC content limit as applied | Compliance? |
|--|--------------------------------|---|--|-------------|
| Plastic primer air-dried coating on EUPAINTLINE, other than red or black | Daily volume-weighted average | NA, as all non-red and non-black plastic primers are obsolete (no longer in use), historical range was 0.47-5.34 lb/gal | 4.8 lbs/gal (minus water)* | NA |
| Red and black plastic primer air-dried coating on EUPAINTLINE | Daily volume-weighted average | 3.67-5.49 lbs/gal | 4.8 X 1.15 lbs/gal (minus water)* = 5.52 | Yes |
| Plastic basecoat air-dried coating on EUPAINTLINE, other than red or black | Daily volume-weighted average | 3.37-5.05 lbs/gal | 5.0 lbs/gal (minus water)* | Yes |
| Red and black plastic basecoat air-dried coating on EUPAINTLINE | Daily volume weighted average | 4.33-5.67 lbs/gal | 5.0 X 1.15 lbs/gal (minus water) = 5.75 | Yes |
| Plastic clearcoat air-dried coating on EUPAINTLINE | Daily volume-weighted average | 4.03-4.59 lbs/gal | 4.5 lbs/gal (minus water)* | Yes |

*The phrase "minus water" shall also include compounds which are used as organic solvents and which are excluded from the definition of volatile organic compound.

Table 6. Material VOC content compliance check for adhesion promoters, as applied:

| Material | VOC content, as applied | Limit, as applied | Compliance? |
|-------------------------------------|-------------------------|---------------------------|-------------|
| New Black Adhesion Promoter W49900B | 6.09 lb/gal | 5.8 lb/gal (minus water)* | No |
| CMPP4100A Adhesion Promoter | 5.48 | 5.8 lb/gal (minus water)* | Yes |

*The phrase "minus water" shall also include compounds which are used as organic solvents and which are excluded from the definition of volatile organic compound.

Table 7. FGFACILITY emission limits:

| Equipment | Pollutant | 12-month rolling total for August 2020 | Limit | Time period/operating scenario | Compliance? |
|---|---------------------|---|------------------|---|----------------|
| FGFACILITY | Each individual HAP | 1.7 tons for xylene, the highest individual HAP | < 9 TPY | 12-month rolling time period at the end of each month | Yes |
| FGFACILITY | Aggregate HAPs | 2.9 tons | < 22.5 TPY | 12-month rolling time period at the end of each month | Yes |
| FGFACILITY | VOCs | 28.8 tons | Less than 90 TPY | 12-month rolling time period at the end of each month | Yes |
| All metal parts coating lines in FGFACILITY | VOCs | 1.8 tons | 30 TPY | 12-month rolling time period at the end of each month | Yes |

MAERS reporting for calendar year 2019:

The MAERS report for the 2019 operating year was received electronically, on 3/11/2020. It was received timely and complete. The decrease in emissions was consistent with the decrease in throughput. The reported VOC emissions of 37.35 tons were below the FGFACILITY permit limit of <90 TPY. The MAERS report successfully passed the audit.

Departure:

I left the plant at 3:00 PM. As I drove north on Chestnut Street, I detected a distinct and definite solvent or paint odor near the north perimeter of the site. The odor quickly faded as I drove north, and was not considered to be excessive.

Post-inspection update:

On 12/3/2020, PTI No. 30-07C was issued, resolving the temporary instance of noncompliance for use of the new coating material. On 1/4/2021, Mr. Hundich notified AQD in writing that on 12/22/2020, the three stacks SVBOOTH2, SVBOOTH3, and SVBOOTH4 were raised in height to 59.5 feet each. This was done well ahead of the 18-month deadline to increase stack height specified in PTI No. 30-07C, Special Condition EUPAINTLINE IX. 1.

Conclusion:

The only instance of noncompliance was the use of an adhesion promoter with a higher VOC content, 6.09 lbs/gal, over the 5.8 lbs/gal, as applied, limit. Pyramid Peak Coatings used this material to do work for a new customer, after the loss of their largest customer, I was told, and they began preparing a permit application to accommodate it. Because they came forward with a permit application, and this change did not result in an emissions exceedance, nor make the facility a major VOC or HAPs source, a VNwas not sent.

Note: Permit application No. 30-07C was approved by AQD on 12/3/2020 as PTI No. 30-07C, and this resolved the temporary instance of noncompliance described above. Pyramid Peak Coatings is now considered to be in compliance with its PTI.

NAME Danell M. Sen

DATE 1/04/2021

SUPERVISOR B.M.