



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
GRAND RAPIDS DISTRICT OFFICE



KEITH CREAGH  
DIRECTOR

March 23, 2016

Mr. Dennis Flanagan  
Alloy Resource Corporation  
2281 Port City Industrial Boulevard  
Muskegon, Michigan 49442

SRN: N7888, Muskegon County

Dear Mr. Flanagan:

**LETTER OF VIOLATION**

On February 1-2, 2016, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of Alloy Resource Corporation, located at 2281 Port City Industrial Boulevard, Muskegon, Michigan. The purpose of the inspection was to determine Alloy Resource Corporation's compliance with the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the administrative rules; and the conditions of Permit to Install (PTI) Number 340-07C.

Based upon the results of the inspection, as well as the review of records received on February 25, 2016, the following air pollution violations have been identified at your facility:

<b><u>Process Description</u></b>	<b><u>Rule or Permit Condition Violated</u></b>	<b><u>Comments</u></b>
EUALREVERB (80,000 lb. capacity reverberatory furnace)	PTI No. 340-07C Special Condition II.4	Failure to maintain the chlorine flux injection rate at or below the average rate established during the performance test.
		Failure to maintain the reactive flux rate at or below the average rate established during the performance test.
FGFURNACES	PTI No. 340-07C Special Condition IX.1 (40 CFR 63.1506(m)(5))	Failure to maintain the total reactive chlorine flux injection rate at or below the average rate established during the performance test.

<u>Process Description</u>	<u>Rule or Permit Condition Violated</u>	<u>Comments</u>
FGFURNACES	PTI No. 340-07C Special Condition II.1	Exceedance of the pound per hour aluminum throughput limit
	PTI No. 340-07C Special Condition IV.2	Failure to maintain the lime injection feed rate equal to or greater than the average rate established during the performance testing for HCL.
	PTI No. 340-07C Special Condition IX.1 (40 CFR 63.1506(m)(4))	Failure to maintain the lime injection feed rate equal to or greater than the average rate established during performance testing.
FGMACT-RRR	PTI No. 340-07C Special Condition VII. 4 (40 CFR 63.1516(b))	Failure to report excursions of operating parameter values in the semiannual reports for the time periods of January to June 2015 and July to December 2015.

Review of the supplied records, from May 2015 through December 2015, showed that the chlorine gas flux injection rate (pounds/ton of aluminum) was exceeded on 70 days. The solid flux rate (pounds/ton of aluminum) was exceeded on 134 days. The aluminum throughput limit of 12,000 pounds per hour was exceeded on August 5, 2015, while the maximum throughput rate established during performance testing for EUALREVERB was exceeded on 21 days. And the minimum lime injection rate was not met on 152 days.

Additionally, the cited Special Conditions are enforceable under Consent Order AQD No. 31-2015. Failing to comply with the requirements of Permit to Install No. 340-07C and 40 CFR Part 63, Subpart RRR subjects Alloy Resource Corporation to stipulated fines.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by April 12, 2016 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are

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Alloy Resource Corporation  
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proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If Alloy Resource Corporation believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above and for the cooperation that was extended to me during my inspection of Alloy Resource Corporation. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Eric Grinstern  
Environmental Quality Specialist  
Air Quality Division  
616-356-0266

cc: Ms. Prudy Blue, DEQ  
cc/via e-mail: Ms. Lynn Fiedler, DEQ  
Ms. Teresa Seidel, DEQ  
Ms. Heidi Hollenbach, DEQ  
Mr. Thomas Hess, DEQ