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November 27, 2018

Ms. Mary Douglas  
Michigan Department of Environmental Quality  
Air Quality Division  
7953 Adobe Road  
Kalamazoo, MI 49009-5025



**Re: Response to Letter of Violation 11-7-2018  
BASF Toda America LLC (BTA). Battle Creek, MI**

Dear Ms. Douglas:

This letter is in response to the Michigan Department of Environmental Quality's (MDEQ) Letter of Violation received by BASF Toda America LLC (BTA) on November 7, 2018. Before responding to each allegation in the letter, BTA would like to inform MDEQ that it has entered into a New Owner Audit Agreement with USEPA, the scope of which includes the same items disclosed in BTA's initial NOCSR, which is now the basis of MDEQ's November 7<sup>th</sup> letter.

By way of background, on March 7, 2018, BASF Corporation and Toda America Inc. (TAI) entered into a collaboration forming BTA. BTA is a subsidiary of BASF with BASF having the majority ownership in the collaboration. Upon formation of BTA, BASF and BTA initiated a comprehensive audit of the Battle Creek facility's environmental compliance programs. During the audit, BTA determined that TAI had failed to implement the applicable requirements of the Chemical Manufacturing Area Source rule 40CFR63 Subpart VVVVV (CMAS) during its time of operation. This discovery resulted in the submission by BTA of a Notice of Compliance Status Report on July 30, 2018 describing the discovery and deviations revealed by that discovery. At this time, BTA is continuing its audit to evaluate the process equipment and determine corrective actions necessary to bring the facility into compliance with the CMAS NESHAP. The below responses to MDEQ's November 7<sup>th</sup> letter will shed light on those activities both completed and planned.

*1. Failure to submit an initial NOCSR within 180 days of startup (facility commenced operations on 12/6/2010) of the affected source. 40CFR 63.11501(b).*

Response

The Initial NOCSR was required to be submitted on or before June 4, 2011 by TAI. The first NOCSR was submitted by BTA on July 30, 2018. BTA cannot speak to why TAI failed to submit the required notice.

#### Corrective Action

BTA will use an electronic compliance task management system to ensure critical compliance dates are met. Installation of the system is expected to be completed by the end of February 2019.

*2. Failure to submit semi-annual compliance reports during periods where any events described in paragraphs (d)(1) through (d)(7) of this section occurred during the reporting period. 40CFR 63.11501(d)(1-7).*

#### Response

The period of non-compliance began June 4, 2011 and ended on January 31, 2018, which is prior to BTA's operation of the facility. Again, BTA cannot speak to TAI's failures. BTA timely submitted a NOCSR on July 30, 2018 according to the requirements specified in 40CFR 63.11501(d)(1-7).

#### Corrective Action

BTA will use an electronic compliance task management system to ensure critical compliance dates are met in the future. Installation of the system is expected to be completed by the end of January 2019.

*3. Failure to submit a Renewable Operating Permit Application no later than 12/21/2013. Any area source that installed a federally enforceable control device on an affected CMPU is required to obtain a permit under 40 CFR Part 70, if the control device on the affected CMPU is necessary to maintain the source's emissions at area source levels. Based on potential to emit calculations for single and combined Hazardous Air Pollutant (HAP) submitted with the Facility's permit to install application No. 70-10, uncontrolled emissions exceed major source thresholds for both single and combined HAPs. 40CFR63.11494(e).*

#### Response

The requirement to develop and submit an administratively complete Renewable Operating Permit (ROP) was TAI's responsibility to complete on or before 12/21/2013. BTA discovered the failure and properly disclosed it.

#### Corrective Action

BTA is in the process of developing an application package for submittal to the MDEQ. BTA anticipates this application will be submitted on or before March 31, 2019. BTA is currently implementing process engineering changes necessary to install the Continuous

Monitoring System (CMS) and Bag Leak Detection Systems (BLDS). Once the changes are completed, the application can be finalized and submitted to the agency.

*4, 5. Failure to conduct quarterly inspections of each CMPU between calendar year 2011 and the first quarter of calendar year 2018. 40CFR63.11495(a)(3). Failure to prepare a monitoring plan containing the information required in paragraphs (f)(3)(i)(A) through (E) of this section, including an operation maintenance plan for the control device and continuous monitoring system. 40CFR63.11496(f)(3)(i) and (f)(5).*

#### Response

The monitoring plan as required by the rule should have been in place at the time of start-up (December 16, 2010). As stated above, BTA cannot answer for the failures of TAI. However, BTA is doing all that it can to address compliance issues it has discovered including disclosing them to the agency.

#### Corrective Action

BTA is developing a monitoring plan consistent with the requirements specified in 40CFR63.11496(f)(3)(i) and (f)(5). BTA anticipates this plan will be completed and implemented on or before January 31, 2019.

*6. Failure to conduct a performance test or an engineering assessment for each CMPU subject to a HAP metals emission limit in Table 4 of the Subpart. 40CFR63.11496(f)(3)(ii).*

#### Response

It was TAI's responsibility to initiate and complete necessary testing of the baghouse and dust collectors employed to control metal HAP emissions within 180 days of start-up of the affected source (December 16, 2010). BTA completed a review of the baghouses and dust collector systems once it took over operations at the facility and determined the testing of the systems was not feasible based on the installation of the equipment. BTA implemented an engineering assessment to identify means and methods to re-route many of the small bin vent dust collectors to the primary dust collector systems. This assessment has been completed and it is expected work will begin on the re-routing of these systems as described in BTA's October 15, 2018 submittal to the MDEQ Kalamazoo District office.

#### Corrective Action

BTA will schedule testing of the primary baghouse systems once the specified work has been completed on or before January 31, 2019. BTA anticipates it will complete the testing of the 10 baghouses by July 31, 2019.

7. Failure to install, operate, and maintain a bag leak detection system on all baghouses used to comply with the HAP metals emission limit in Table 4 of this Subpart. 40CFR63.11496(f)(4).

Response

TAI was responsible for installing the required BLDS as specified in 40CFR63.11496(f)(4). The design of the vent system as found by BTA after March 7, 2018 would not have supported the installation of BLDS for multiple bin vent discharges.

Corrective Action

As stated above, BTA has implemented an engineering assessment to re-route these small bin vents to the primary baghouses. The BLDS will be installed as part of this project to re-route the vent lines to the primary baghouses. BTA anticipates completion of this project on or before January 31, 2019.

We trust this letter provides the necessary information requested.

Sincerely,



Ivor Bull

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