

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION

FY2015 Insp

ACTIVITY REPORT: Self Initiated Inspection

P060329909

FACILITY: ENERGY POWER SYSTEMS, LLC		SRN / ID: P0603
LOCATION: 2000 CENTERPOINT PARKWAY, PONTIAC		DISTRICT: Southeast Michigan
CITY: PONTIAC		COUNTY: OAKLAND
CONTACT:		ACTIVITY DATE: 06/11/2015
STAFF: Iranna Konanahalli <i>IK</i>	COMPLIANCE STATUS: Compliance	SOURCE CLASS:
SUBJECT: FY 2015 inspection - Energy Power Systems, LLC, 2000 Centerpoint Parkway, Pontiac, Michigan 48341-3128. . Energy Power Systems leased 150,000 sq. ft. of 1.2 million square feet at 2000 Centrpoint Parkway (Central) for battery manufacturing.		
RESOLVED COMPLAINTS:		

P0603 - SAR - 2015 06 11

Pontiac West, LLC (N1294) (fka PCC West Engineering)
MMP Group Assembly, LLC (B4031), former Pontiac East Assembly Plant
Pontiac Central, LLC (A5261) (fka PCC Central Office, fka GM Truck and Bus)
Michigan Motion Picture Productions, LLC, fka PCC East
Energy Power Systems, LLC (P0603) – Battery production to begin in 2016 – one
150,000 sq. ft. unit of 1.2 million sq. ft. space of Pontiac Central
HP (Hewlett Packard), fka PCC North

PCC = Pontiac Centerpoint Campus

Ownership changes: General Motors (GM) (GM Bankruptcy bad asset transfer to MLC)
→ Motors Liquidation Company (MLC) (March 31, 2011 transfer to RACER) → RACER
Trust, LLC → MMP Group Assembly, LLC (B4031), Pontiac West, LLC (N1294) &
Pontiac Central, LLC (A5261)

Both corporations, Pontiac West, LLC (N1294) and Pontiac Central, LLC (A5261), are
owned by Industrial Realty Group (IRG) and managed by IRG Realty Advisors, LLC.
RACER Trust = Revitalizing Auto Communities Environmental Response Trust. About
March 2011, RACER was established by US Bankruptcy Court to cleanup, renovate and
sell GM's bad assets that are not part of new (good) GM.

Fees: Cancel all air quality fees: Invoice No. 898976 (B4031, January 14, 2015) and
Billable Emissions Estimate (B4031, 06/15/2015, MAERS RY 2014)

Invoices cancelled (2011): Invoice Nos. 674069 (B4031) and 67301 (N1294) per AQD
Chief Hellwig letter dated March 31, 2011. The cancellation was based upon approval of
ROP opt-out PTI No. 204-10 for six boilers.

PTI to be voided: ROP opt-out PTI No. 204-10 for four large (48 MM BTU / Hour at
Pontiac East Assembly, 2100 S. Opdyke Road) two small (12.6 MM BTU / Hour at
Pontiac Central, LLC, fka PCC Central, 2000 Centerpoint Parkway, incorrectly written as
660 South Blvd. East in PTI No. 204-10) boilers. The permit may be voided because four
large boilers are removed from former Pontiac East Assembly Plant, which is now
demolished, and existing two small (12.6 MM BTU / Hour) natural gas fired boilers for
space heating at Pontiac Central, LLC are exempt from Rule 336.1201 (Permit-to-Install)
pursuant to Rule 336.1282(b).

PTIs voided (01/04/2004): PTI Nos. 13-99, 15-96, 1275-90C & 621-84B upon rolling into
ROP No. MI-ROP-B4031-2004

Mark all files and databases for A5261: GM Truck and Bus Assembly Plant shutdown and converted to office space known as PCC Central (2000 Centerpoint) in early 1990s. Now (FY 2015) known as Pontiac Central, LLC. Two 12.6 MM BTU / Hour natural gas fired NSPS Dc boilers are present for space heating. One of the units (150,000 sq. ft. out of 1.2 million sq. ft. at Central) is rented out to Energy Power Systems, LLC (P0603).

Mark all files and databases for B4031: Pontiac East Assembly Plant, 2100 S. Opdyke Road, four 48 MM BTU / hour boilers removed and the building demolished.

Mark all files and databases for N1294: PCC West Engineering, now (FY 2015) known as Pontiac West, LLC, 660 Blvd. East Road, all process equipment removed and the building is being renovated as a rental property. Boilers were never located in this building and errors were made in PTI 204-10 regarding location of two 12.6 MM BTU / hour boilers, which are actually located at Pontiac Central, fka PCC Central (2000 Centerpoint Parkway).

Correct Permit Cards: PTI No. 663-83 for Texas Instruments, Inc. (Central Lake, Antrim County) has nothing to do with A5261.

Voided about January 2011: ROP renewal applications for N1294 (MI-ROP-N1294-2004, ROP Application No. 200900030 dated January 30, 2009) and B4031 (MI-ROP-B4031-2004, ROP Application No. 200800085 dated January 23, 2008) based upon issuance of ROP opt-out PTI 204-10 for four large (48 MM BTU / Hour at Pontiac East Assembly) two small (12.6 MM BTU / Hour at PCC Central, 2000 Centerpoint Parkway, incorrectly written as 660 South Blvd. East in PTI 204-10) boilers.

Two Centerpoint Parkway (of six, two 12.6 MM BTU / Hour at PCC Central, 2000 Centerpoint Parkway are operating for space heating and, of six, four at Pontiac East Assembly Plant, 2100 S. Opdyke, are removed) boilers are subject to: New Source Performance Standards (NSPS Dc) for Small Industrial-Commercial-Institutional Steam Generating Units (40 CFR, Part 60, Subpart Dc). Two operating boilers (two Bryan Flexible Tube Boiler Nos. 1 and 2 installed in 1994, after June 9, 1989 [NSPS Dc]) are located at 2000 Centerpoint Parkway (not at 660 South Blvd. East).

Two (2000 Centerpoint Parkway) steam boilers (natural gas only) may be subject to: NESHAP / MACT 6J, 40 CFR Part 63, Subpart JJJJJJ / 6J National Emission Standards for Hazardous Air Pollutants for Area Sources: Industrial, Commercial, and Institutional Boilers, Page 15554, Federal Register / Vol. 76, No. 54 / Monday, March 21, 2011 / Rules and Regulations / Final rule. This rule does NOT apply to boilers that burn only gaseous fuels or any solid waste.

On December 04, 2014 and June 11 & 16, 2015, I conducted a level-2 **scheduled** / self-initiated inspection of formerly Motors Liquidation Company, LLC (MLC) and subsequently RACER Properties, LLC, located at:

1. **N1294:** Pontiac West, LLC, fka PCC West, General Motors Corp Truck & Bus, General Motors West Engineering, MLC Pontiac Centerpoint Campus (PCC) West Engineering, RACER Trust, LLC, 660 South Boulevard East Road, Pontiac, Michigan 48341-3128. About one half million square feet space to rent.

2. **B4031:** MMP Group Assembly, LLC, fka MLC Pontiac East Assembly Plant, RACER Trust, LLC, 2100 S. Opdyke Road, Pontiac, Michigan 48341-3155.
3. **A5261:** Pontiac Central, LLC, fka PCC Central, General Motors Corp Truck & Coach Division, MLC Truck and Bus Group, RACER Trust, LLC, 2000 Centerpoint Parkway, Pontiac, Michigan 48341-3128. 1.2 million sq. ft. space. MAPR list had the address of 660 South Boulevard East Road, which is incorrect for this SRN.
4. **U-63-15-05333:** Michigan Motion Picture Productions, LLC, fka PCC East, 1999 Centerpoint Parkway, Pontiac, Michigan 48341. Over 0.5 million sq. ft. space for motion picture studios.
5. **P0603:** Energy Power Systems, LLC, 2000 Centerpoint Parkway, Pontiac, Michigan 48341-3128. Since there will be many units in this building, former assembly plant, which was developed as office space for GMC TPC (aka GMC PCC Central) in 1990s, according to Mr. Ronald Radcliffe (Cell: 313-316-3095), an agent of Pontiac Central, LLC, each unit will have its own address upon approval by City of Pontiac and US Post Office. Hence, this address for this SRN P0603 may change. As of June 18, 2015, Mr. Radcliffe is pursuing this approach with the city. AQD must the address change for this SRN. Energy Power Systems leased 150,000 sq. ft. of 1.2 million square feet at 2000 Centerpoint Parkway (Central) for battery manufacturing.
6. **U-63-15-05332:** Hewlett Packard (HP), fka PCC North, 585 South Blvd East, Pontiac, Michigan 48341-3163. Appears to be only office space for HP.

The inspections were conducted to determine compliance with the Federal Clean Air Act; Article II, Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994, PA 451; Michigan Department of Natural Resources and Environment, Air Quality Division (MDNRE-AQD) administrative rules.

During the inspections, Mr. Ronald Radcliffe (Phone: 330-659-4060-ext. 1112; Cell: 313-316-3095; E-mail: RRadcliffe@IRGRA.com) Property Manager, Mr. Randy Romero (Phone: 330-659-4060-ext. 1220; Cell: 248-770-3260; E-mail: RRomero@IRGRA.com) Operations Manager, assisted me. Also, Ms. Laura B. Curtis (Phone: 810-225-1903; Cell: 810-922-9012; Fax: 810-229-8837; E-mail: Laura.Curtis@arcadis-us.com), Senior Regulatory Specialist, of Arcadis US, Inc., Brighton, Michigan, assisted me.

Pontiac Centerpoint Campus (PCC) consisted of:

1. PCC Central Office Building (formerly an assembly plant known as Pontiac Central Manufacturing and Assembly Plant for GM Truck and Bus [A5261]) located at 2000 Centerpoint Parkway. Two NSPS Dc boilers are located in this building. PCC Central is now emptied (i.e., per June 2009, June 2010 and June 2015 inspections, unoccupied). This building is now (June 2015) owned by Pontiac Central, LLC.

2. PCC West Engineering (R&D and testing) – GM removed process equipment per June 2010 inspection. This building is now (June 2015) owned by Pontiac West, LLC.
3. PCC North sold to EDS in 2007 and HP now owns it. HP (Hewlett Packard) is located at 585 South Blvd, Pontiac, Michigan 48341-3163. This is only office space.
4. PCC East located at 1999 Centerpoint Parkway is owned by Michigan Motion Picture Productions, LLC. GM sold this building before bankruptcy (about 2008).

The Pontiac Assembly Center (B4031), aka Pontiac East Assembly Plant, produced, until CY 2009, full-size pickup trucks for General Motors. The stationary source consisted of the assembly plant and a powerhouse. The building is demolished and the property (land) is owned by MMP Group Assembly, LLC. In September 2011, Racer Properties LLC sold the former truck assembly plant site to MMP Group-Assembly LLC for \$4.4 million. MMP Group assembly is a subsidiary of Modern Metals Processing Inc. Challenge Manufacturing Co., LLC (founded in 1981) is expected to build 400,000 sq. ft. stamping and welded assemblies plant.

Pontiac West, LLC (N1294) is trying to renovate former GM West Engineering and find suitable tenants.

In August 1990, manufacturing operations at former Pontiac Central Manufacturing and Assembly Plant (A5261) were discontinued and the area was redeveloped during 1991-95 as the GMC Truck Product Center (TPC) Central, the hub of Centerpoint Business Campus. GMC PCC Central (now Pontiac Central, LLC) was an office building developed from former Pontiac Central Assembly Plant. Pontiac Central, LLC is redeveloping this office building (1.2 million square feet) as multi-unit industrial manufacturing building. Each unit will have its own address.

Industrial Realty Group (IRG) owns both Pontiac West, LLC (N1294) and Pontiac Central, LLC (A5261). Currently (June 2015), both buildings are vacant; Energy Power Systems, LLC, a battery manufacturer, will occupy one of many units (150,000 sq. ft.) at Pontiac Central (1.2 million sq. ft.).

Michigan Motion Picture Productions, LLC, 1999 Centerpoint Parkway, owns the building. According to Mr. Scott Dougherty (Cell: 248-836-8813), there is no manufacturing in this building and facility is used as motion picture studios. About 2008, before bankruptcy, GM sold this building. One stack that is visible is present. He stated that about 2011, hot water (not steam) boilers were installed for space heating. Mr. Dougherty was not cooperative for onsite inspection. A search warrant is deemed unnecessary at this time based upon Mr. Dougherty's statements.

About 2007, GM sold PCC North building to EDS. HP now (June 2015) owns it. HP (Hewlett Packard) is located at 585 South Blvd, Pontiac, Michigan 48341-3163. I deem it unnecessary to conduct onsite inspection at the building.

There is no manufacturing activity in any of the buildings except future manufacturing by Energy Power Systems, LLC (P0603) at Pontiac Central. Energy Power Systems, LLC, 2000 Centerpoint Parkway, will have new address upon approval by City of Pontiac. Commercial scale production of batteries at 150,000 sq. ft. facility will begin about 2016.

As stated above, about January 2011 AQD voided ROP renewal applications for N1294 (MI-ROP-N1294-2004, ROP Application No. 200900030 dated January 30, 2009) and B4031 (MI-

ROP-B4031-2004, ROP Application No. 200800085 dated January 23, 2008)) based upon issuance of ROP opt-out PTI No. 204-10 for four large (48 MM BTU / Hour at Pontiac East Assembly Plant) two small (12.6 MM BTU / Hour at PCC Central, 2000 Centerpoint Parkway, incorrectly written as 660 South Blvd. East in PTI No. 204-10) boilers. Motors Liquidation Corporation (MLC) proposed to void both ROPs (MI-ROP-B4031-2004 and MI-ROP-N1294-2004a) and the corresponding renewal applications. MLC obtained ROP opt-out PTI No. 204-10 to replace the ROP permits (MI-ROP-N1294-2004 & MI-ROP-B4031-2004) only for six boilers located in two different buildings and not for other process equipment, which were removed. Four of six boilers located in former assembly plant (B4031) are removed and the building is demolished.

As stated above, AQD will void ROP opt-out PTI No. 204-10 as four boilers in former assembly plant (B4031) are removed and the building demolished. Two boilers (12.6 MM BTUR / Hour (each) Bryan Flexible Tube Boiler Nos. 1 and 2 at Pontiac Central, LLC, 2000 Centerpoint Parkway) will operate under Rule 336.1201 (Permit-to-Install) exemption pursuant to Rule 336.1282(b) for natural gas fired boilers. As stated above, two boilers (natural gas only) continue to be subject to NSPS Dc. The May 26, 2015 letter to AQD Permit Section from Mr. Ronald Radcliffe requested ownership transfer to Pontiac West, LLC.

As stated above, AQD will cancel all air quality fees (Invoice No. 898976, B4031, January 14, 2015), estimates (B4031, 06/15/2015, MAERS RY 2014), etc. In addition, via letter dated March 31, 2011, AQD Chief Hellwig cancelled Invoice Nos. 674069 (B4031) and 67301 (N1294). Hellwig's cancellation of fees was based upon approval of ROP opt-out PTI No. 204-10 for six boilers. Obviously, from this (or ROP opt-out permit approval) date onwards both facilities (B4031 & N1294) were not subject to the fees.

The February 16, 2012, letter from Mr. Dave Favero (217-741-6235), Deputy Cleanup Manager, RACER Trust, stated that the four large boilers be removed from the ROP opt-out permit (PTI No. 204-10) as the former assembly plant was demolished. The letter also stated RACER sold the property and new owner demolished the building. RACER Trust was established in March 2011 by the U.S. Bankruptcy Court to liquidate bad GM assets.

NSPS Dc and Boiler MACT Notifications

MDEQ-AQD has received Initial Notifications for NSPS Dc (40 CFR, Part 60, Subpart Dc; April 20, 2005, letter from Russell K. Brewster; the notification was due in 1994) and Boiler NESHAP / MACT DDDDD (40 CFR, Part 63, Subpart DDDDD; March 4, 2005, letter from Russell K. Brewster). These notifications are sufficient for Central Parkway boilers (2).

Ownership transfer

The June 02, 2011, letter to AQD Lansing from Grant Trigger (313-486-2908) stated that RACER Trust (Revitalizing Auto Communities Environmental Response Trust) obtained a transfer of ownership from MLC.

Boilers location confusion

GMC PCC Central Office Building (A5261) was contiguous and adjacent to GMC PCC West Engineering (N1294). Two Bryan Flexible Tube Boiler Nos. 1 & 2 of heat input capacity 12.6 million BTU per hour (installed in 1994) located in PCC Central were to be included in MI-ROP-N1294-2004. In response to April 20, 2005, letter from Sue Waldrop, MDEQ-AQD revised MI-ROP-N1294-2004 to MI-ROP-N1294-2004a dated October 3, 2005, and included

these boilers in Section 2 (PCC East, Central and North) of the ROP. ROP opt-out PTI No. 204-10 incorrectly stated that the two small boilers (Bryan 12.6 million BTU per hour) were located in PCC West Engineering, 660 South Boulevard East Road, Pontiac; they are actually located at 2000 Centerpoint Parkway. Four large boilers (48 MM BTU / Hour) were located in now demolished assembly plant (B4031, 2100 S. Opdyke).

Conclusion:

No manufacturing activity at this time. Energy Power Systems, LLC, will begin production of batteries about 2016. Former GMC buildings are not subject to air quality fees.

NAME *A. S. McNameahall*

DATE 06/24/2015 SUPERVISOR _____