

**MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
AIR QUALITY DIVISION**

August 21, 2024
REVISED October 3, 2024

PERMIT TO INSTALL
364-78B

ISSUED TO
Kalamazoo Metal Recyclers Inc.

LOCATED AT
1525 King Highway
Kalamazoo, Michigan 49048

IN THE COUNTY OF
Kalamazoo

STATE REGISTRATION NUMBER
N1373

The Air Quality Division has approved this Permit to Install, pursuant to the delegation of authority from the Michigan Department of Environment, Great Lakes, and Energy. This permit is hereby issued in accordance with and subject to Section 5505(1) of Article II, Chapter I, Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Pursuant to Air Pollution Control Rule 336.1201(1), this permit constitutes the permittee's authority to install the identified emission unit(s) in accordance with all administrative rules of the Department and the attached conditions. Operation of the emission unit(s) identified in this Permit to Install is allowed pursuant to Rule 336.1201(6).

DATE OF RECEIPT OF ALL INFORMATION REQUIRED BY RULE 203: June 7, 2024	
DATE PERMIT TO INSTALL APPROVED: August 21, 2024	SIGNATURE:
DATE PERMIT VOIDED:	SIGNATURE:
DATE PERMIT REVOKED:	SIGNATURE:

PERMIT TO INSTALL

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COMMON ACRONYMS

AQD	Air Quality Division
BACT	Best Available Control Technology
CAA	Clean Air Act
CAM	Compliance Assurance Monitoring
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
COMS	Continuous Opacity Monitoring System
Department/department/EGLE	Michigan Department of Environment, Great Lakes, and Energy
EU	Emission Unit
FG	Flexible Group
GACS	Gallons of Applied Coating Solids
GC	General Condition
GHGs	Greenhouse Gases
HVLP	High Volume Low Pressure*
ID	Identification
IRSL	Initial Risk Screening Level
ITSL	Initial Threshold Screening Level
LAER	Lowest Achievable Emission Rate
MACT	Maximum Achievable Control Technology
MAERS	Michigan Air Emissions Reporting System
MAP	Malfunction Abatement Plan
MSDS	Material Safety Data Sheet
NA	Not Applicable
NAAQS	National Ambient Air Quality Standards
NESHAP	National Emission Standard for Hazardous Air Pollutants
NSPS	New Source Performance Standards
NSR	New Source Review
PS	Performance Specification
PSD	Prevention of Significant Deterioration
PTE	Permanent Total Enclosure
PTI	Permit to Install
RACT	Reasonable Available Control Technology
ROP	Renewable Operating Permit
SC	Special Condition
SCR	Selective Catalytic Reduction
SNCR	Selective Non-Catalytic Reduction
SRN	State Registration Number
TBD	To Be Determined
TEQ	Toxicity Equivalence Quotient
USEPA/EPA	United States Environmental Protection Agency
VE	Visible Emissions

*For HVLP applicators, the pressure measured at the gun air cap shall not exceed 10 psig.

POLLUTANT / MEASUREMENT ABBREVIATIONS

acfm	Actual cubic feet per minute
BTU	British Thermal Unit
°C	Degrees Celsius
CO	Carbon Monoxide
CO ₂ e	Carbon Dioxide Equivalent
dscf	Dry standard cubic foot
dscm	Dry standard cubic meter
°F	Degrees Fahrenheit
gr	Grains
HAP	Hazardous Air Pollutant
Hg	Mercury
hr	Hour
HP	Horsepower
H ₂ S	Hydrogen Sulfide
kW	Kilowatt
lb	Pound
m	Meter
mg	Milligram
mm	Millimeter
MM	Million
MW	Megawatts
NMOC	Non-Methane Organic Compounds
NO _x	Oxides of Nitrogen
ng	Nanogram
PM	Particulate Matter
PM ₁₀	Particulate Matter equal to or less than 10 microns in diameter
PM _{2.5}	Particulate Matter equal to or less than 2.5 microns in diameter
pph	Pounds per hour
ppm	Parts per million
ppmv	Parts per million by volume
ppmw	Parts per million by weight
psia	Pounds per square inch absolute
psig	Pounds per square inch gauge
scf	Standard cubic feet
sec	Seconds
SO ₂	Sulfur Dioxide
TAC	Toxic Air Contaminant
Temp	Temperature
THC	Total Hydrocarbons
tpy	Tons per year
µg	Microgram
µm	Micrometer or Micron
VOC	Volatile Organic Compounds
yr	Year

GENERAL CONDITIONS

1. The process or process equipment covered by this permit shall not be reconstructed, relocated, or modified, unless a Permit to Install authorizing such action is issued by the Department, except to the extent such action is exempt from the Permit to Install requirements by any applicable rule. **(R 336.1201(1))**
2. If the installation, construction, reconstruction, relocation, or modification of the equipment for which this permit has been approved has not commenced within 18 months, or has been interrupted for 18 months, this permit shall become void unless otherwise authorized by the Department. Furthermore, the permittee or the designated authorized agent shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Environment, Great Lakes, and Energy, P.O. Box 30260, Lansing, Michigan 48909-7760, if it is decided not to pursue the installation, construction, reconstruction, relocation, or modification of the equipment allowed by this Permit to Install. **(R 336.1201(4))**
3. If this Permit to Install is issued for a process or process equipment located at a stationary source that is not subject to the Renewable Operating Permit program requirements pursuant to Rule 210 (R 336.1210), operation of the process or process equipment is allowed by this permit if the equipment performs in accordance with the terms and conditions of this Permit to Install. **(R 336.1201(6)(b))**
4. The Department may, after notice and opportunity for a hearing, revoke this Permit to Install if evidence indicates the process or process equipment is not performing in accordance with the terms and conditions of this permit or is violating the Department's rules or the Clean Air Act. **(R 336.1201(8), Section 5510 of Act 451, PA 1994)**
5. The terms and conditions of this Permit to Install shall apply to any person or legal entity that now or hereafter owns or operates the process or process equipment at the location authorized by this Permit to Install. If the new owner or operator submits a written request to the Department pursuant to Rule 219 and the Department approves the request, this permit will be amended to reflect the change of ownership or operational control. The request must include all of the information required by subrules (1)(a), (b), and (c) of Rule 219 and shall be sent to the District Supervisor, Air Quality Division, Michigan Department of Environment, Great Lakes, and Energy. **(R 336.1219)**
6. Operation of this equipment shall not result in the emission of an air contaminant which causes injurious effects to human health or safety, animal life, plant life of significant economic value, or property, or which causes unreasonable interference with the comfortable enjoyment of life and property. **(R 336.1901)**
7. The permittee shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant which continue for more than one hour in excess of any applicable standard or limitation, or emissions of any air contaminant continuing for more than two hours in excess of an applicable standard or limitation, as required in Rule 912, to the Department. The notice shall be provided not later than two business days after start-up, shutdown, or discovery of the abnormal condition or malfunction. Written reports, if required, must be filed with the Department within 10 days after the start-up or shutdown occurred, within 10 days after the abnormal conditions or malfunction has been corrected, or within 30 days of discovery of the abnormal condition or malfunction, whichever is first. The written reports shall include all of the information required in Rule 912(5). **(R 336.1912)**
8. Approval of this permit does not exempt the permittee from complying with any future applicable requirements which may be promulgated under Part 55 of 1994 PA 451, as amended or the Federal Clean Air Act.
9. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.
10. Operation of this equipment may be subject to other requirements of Part 55 of 1994 PA 451, as amended and the rules promulgated thereunder.

11. Except as provided in subrules (2) and (3) or unless the special conditions of the Permit to Install include an alternate opacity limit established pursuant to subrule (4) of Rule 301, the permittee shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of density greater than the most stringent of the following. The grading of visible emissions shall be determined in accordance with Rule 303 (R 336.1303). **(R 336.1301)**
 - a) A six-minute average of 20 percent opacity, except for one six-minute average per hour of not more than 27 percent opacity.
 - b) A visible emission limit specified by an applicable federal new source performance standard.
 - c) A visible emission limit specified as a condition of this Permit to Install.
12. Collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency. The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air. Transport of collected air contaminants in Priority I and II areas requires the use of material handling methods specified in Rule 370(2). **(R 336.1370)**
13. The Department may require the permittee to conduct acceptable performance tests, at the permittee's expense, in accordance with Rule 1001 and Rule 1003, under any of the conditions listed in Rule 1001. **(R 336.2001)**

EMISSION UNIT SPECIAL CONDITIONS

EMISSION UNIT SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Emission Unit ID	Emission Unit Description (Including Process Equipment & Control Device(s))	Installation Date / Modification Date	Flexible Group ID
EUSHREDDER	A 50-ton per hour scrap metal shredder (hammer mill) equipped with a water injection system, followed by a rotary drum magnetic separator, a Z-Box (a separation device) with two cyclones, wet scrubber, and associated conveyors, material storage, and process activities including but not limited to management of materials associated with the shredding operations.	1978	NA

Changes to the equipment described in this table are subject to the requirements of R 336.1201, except as allowed by R 336.1278 to R 336.1291.

EUSHREDDER EMISSION UNIT CONDITIONS

DESCRIPTION

A 50-ton per hour scrap metal shredder (hammer mill) equipped with a water injection system, followed by a rotary drum magnetic separator, a Z-Box (a separation device) with two cyclones, wet scrubber, and associated conveyors, material storage, and process activities including but not limited to management of materials associated with the shredding operations.

Flexible Group ID: NA

POLLUTION CONTROL EQUIPMENT

- Water injection system on the shredder (hammer mill)
- Cyclone/wet scrubber system on conveyor belt
- Closed loop cyclone system on the Z-Box

I. EMISSION LIMIT(S)

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Monitoring / Testing Method	Underlying Applicable Requirements
1. PM	0.05 lbs per 1,000 lbs of dry exhaust gases	Hourly	Cyclone/Scrubber portion of EUSHREDDER	SC V.1, SC IV.3	R 336.1331(1)(c)
2. PM10	1.5 pph	Hourly	Cyclone/Scrubber portion of EUSHREDDER	SC V.1	40 CFR 52.21 (c) and (d)
3. PM2.5	1.0 pph	Hourly	Cyclone/Scrubber portion of EUSHREDDER	SC V.1	40 CFR 52.21 (c) and (d)
4. VOC	18.8 tpy	12-month rolling time period as determined at the end of each calendar month	Shredder portion of EUSHREDDER	SC VI.7	R 336.1702(a)

5. Visible emissions from all areas of EUSHREDDER shall not exceed a six-minute average of 10 percent opacity. **(R 336.1301(1)(c), R 336.1303, 40 CFR 52.21(c) and (d))**

II. MATERIAL LIMIT(S)

1. The permittee shall not process more than 438,000 tons of material (scrap metal and auto scrap) through EUSHREDDER per 12-month rolling time period as determined at the end of each calendar month. **(R 336.1224, R 336.1225(1) and (2), R 336.1702(a), 40 CFR 52.21(c) and (d))**
2. The permittee shall not process more than 175,200 tons of auto scrap through EUSHREDDER per 12-month rolling time period as determined at the end of each calendar month. **(R 336.1224, R 336.1225(1) and (2), R 336.1702(a), 40 CFR 52.21(c) and (d))**
3. The permittee shall not process any asbestos tailing or waste materials containing asbestos in EU-SHREDDER pursuant to the National Emission Standards for Hazardous Air Pollutants, 40 CFR Part 61, Subpart M. **(R 336.1224, R 336.1225, 40 CFR Part 61 Subpart M)**

4. The permittee shall not process batteries in EUSHREDDER.¹ **(R 336.1224, R 336.1225)**
5. The permittee shall not process any gas tanks in EUSHREDDER unless they are flattened or punctured. **(R 336.1225, R 336.1702(a))**

III. PROCESS/OPERATIONAL RESTRICTION(S)

1. The permittee shall not operate EU-SHREDDER unless a written plan demonstrating compliance with SC II.3, SC II.4, SC II.5, SC III.2, SC III.3, SC III.4, SC III.5, and SC III.6 is implemented and maintained. The permittee shall submit any amendments to the written plan to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of submittal, the written plan shall be considered approved. **(R 336.1224, R 336.1702(a), R 336.1901)**
2. The permittee shall remove and properly dispose of all fluids from materials to be shredded, materials including but not limited to vehicles, appliances, and industrial machinery (or inspect and/or document that removal has been performed). Fluids shall include, at a minimum, gasoline, motor oil, antifreeze, transmission oil, brake oil, power steering fluid, hydraulic fluid, and differential fluid. **(R 336.1224, R 336.1225, R 336.1702(a))**
3. The permittee shall remove and properly dispose of freon or other chlorofluorocarbons/halogenated chlorofluorocarbons (CFCs/HCFCs) from materials to be shredded as specified in the plan in SC III.6 (or inspect and/or document that removal has been performed). As specified in the written plan for the management of materials, materials include but are not limited to air conditioning units in vehicles, appliances, and industrial machinery.¹ **(R 336.1224, R 336.1225)**
4. The permittee shall remove and properly dispose of mercury-containing devices from materials to be shredded as specified in the plan in SC III.6 (or inspect and/or document that removal has been performed). As specified in the written plan for the management of materials, materials include but are not limited to vehicles, appliances, and industrial machinery ¹ **(R 336.1224, R 336.1225)**
5. The permittee shall store all non-metal and automotive shredder residue (e.g., fluff) generated by EUSHREDDER in a bunker with a minimum of three sides, the total volume of which shall not exceed 7,200 cubic yards.¹ **(R 336.1901)**
6. All fluids, non-metal, and waste materials generated by the EUSHREDDER shall be contained and disposed of or recycled in an acceptable manner in compliance with all applicable state and federal rules and regulations. **(R 336.1224, R 336.1225, R 336.1702(a))**
7. The permittee shall not operate EUSHREDDER unless the water injection system is installed, maintained, and operated in a satisfactory manner as described in the MAP. **(R 336.1224, R 336.1225, R 336.1331, R 336.1901, R 336.1910, 40 CFR 52.21(c) and (d))**
8. The permittee shall not operate EUSHREDDER unless a malfunction abatement plan (MAP) as described in Rule 911(2) is submitted within 90 days of permit issuance and is implemented and maintained. The MAP shall, at a minimum, specify the following:
 - a) A complete preventative maintenance program including identification of the supervisory personnel responsible for overseeing the inspection, maintenance, and repair of air-cleaning devices, a description of the items or conditions that shall be inspected, the frequency of the inspections or repairs, and an identification of the major replacement parts that shall be maintained in inventory for quick replacement.
 - b) An identification of the source and air-cleaning device operating variables that shall be monitored to detect a malfunction or failure, the normal operating range of these variables, and a description of the method of monitoring or surveillance procedures.
 - c) A description of the corrective procedures or operational changes that shall be taken in the event of a malfunction or failure to achieve compliance with the applicable emission limits.

If at any time the MAP fails to address or inadequately addresses an event that meets the characteristics of a malfunction, the permittee shall amend the MAP within 45 days after such an event occurs. The permittee shall also amend the MAP within 45 days, if new equipment is installed or upon request from the District Supervisor. The permittee shall submit the MAP and any amendments to the MAP to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of submittal, the MAP or amended MAP shall be considered approved. Until an amended plan is approved, the permittee shall implement corrective procedures or operational changes to achieve compliance with all applicable emission limits. **(R 336.1224, R 336.1225, R 336.1301, R 336.1331, R 336.1702(a), 336.1910, R 336.1911, 40 CFR 52.21(c) and (d))**

8. The permittee shall prevent fires from starting in the pile of non-metal and automotive shredder residue (e.g., fluff) through regular and frequent applications of water as needed. **(R 336.1901)**
9. The permittee shall not operate EUSHREDDER unless the nuisance minimization plan for fugitive dust for all plant roadways, the plant yard, all material storage piles, and all material handling operations specified in Appendix A has been implemented and is maintained. **(R 336.1901)**

IV. DESIGN/EQUIPMENT PARAMETER(S)

1. The permittee shall not operate EUSHREDDER unless the water injection system is installed, maintained, and operated in a satisfactory manner. Satisfactory manner means operating the Smart Water Injection System in accordance with the MAP required in SC III.7. **(R 336.1224, R 336.1225, R 336.1301, R 336.1331, R 336.1910, 40 CFR 52.21(c) and (d))**
2. The permittee shall install, calibrate, maintain and operate, in a satisfactory manner, devices to monitor the water injection rate for the water injection system and the shredder motor current on a continuous basis on the shredder (hammer mill) portion of EUSHREDDER. **(R 336.1224, R 336.1225, R 336.1301, R 336.1331, R 336.1910)**
3. The permittee shall not operate the EU-SHREDDER unless the cyclone/wet scrubber system is installed, maintained, and operated in a satisfactory manner. Satisfactory manner means operating the cyclone/wet scrubber system in accordance with the MAP required in SC III.7. **(R 336.1224, R 336.1225, R 336.1301, R 336.1331, R 336.1910, 40 CFR 52.21(c) and (d))**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. Upon request of the AQD District Supervisor, the permittee shall verify the PM, PM10, and PM2.5 emission rates from the cyclone/wet scrubber system portion of EUSHREDDER and/or visible emissions from all emission points on EUSHREDDER by testing at owner's expense, in accordance with Department requirements. Testing shall be performed using an approved EPA Method listed in the table below.

Pollutant	Test Method Reference
PM	40 CFR Part 60, Appendix A; Part 10 of the Michigan Air Pollution Control Rules
PM10, PM2.5	40 CFR Part 51, Appendix M
Visible Emission	40 CFR Part 51, Appendix M; 40 CFR Part 60, Appendix A

An alternate method, or a modification to the approved EPA Method, may be specified in an AQD-approved Test Protocol. No less than 30 days prior to testing, the permittee shall submit a complete test plan to the AQD Technical Programs Unit and District Office. The AQD must approve the final plan prior to testing, including any modifications to the method in the test protocol that are proposed after initial submittal. The permittee must submit a complete report of the test results to the AQD Technical Programs Unit and District Office within 60 days following the last date of the test. **(R 336.1224, R 336.1225, R 336.1301, R 336.1303, R 336.1331, R 336.2001, R 336.2003, R 336.2004, 40 CFR 52.21(c) and (d))**

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations in a format acceptable to the AQD District Supervisor and make them available by the last day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1224, R 336.1225(1) and (2), R 336.1301, R 336.1331, R 336.1702(a), R 336.1910, 40 CFR 52.21(c) and (d))**
2. The permittee shall record (when operating) and keep, in a satisfactory manner, daily records of the water injection rate for the Smart Water Injection System and the shredder motor current on EUSHREDDER. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1224, R 336.1225, R 336.1301, R 336.1331, R 336.1910, 40 CFR 52.21(c) and (d))**
3. The permittee shall monitor EUSHREDDER to verify compliance with the opacity limit by taking visible emission readings utilizing EPA's Method 9, a minimum of once per calendar week when the equipment is operating. If visible emissions are observed the permittee shall take corrective action as described in the MAP and document the corrective action taken. **(R 336.1301, R 336.1303, 40 CFR 52.21(c) and (d))**
4. The permittee shall keep, in a satisfactory manner, weekly records of all visible emission readings. At a minimum, records shall include the date, time, name of observer/reader, whether the reader is certified, status of visible emissions (percent opacity), and any corrective action taken. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1301, R 336.1303, 40 CFR 52.21(c) and (d))**
5. The permittee shall keep daily records of the total volume of non-metal material and fluff staged. The records shall be kept in a format acceptable to the AQD District Supervisor. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1224, R 336.1225, R 336.1901, 40 CFR 52.21(c) and (d))**
6. The permittee shall keep, in a satisfactory manner, records of the amount of material (scrap metal and auto scrap) processed in EUSHREDDER in tons per month and 12-month rolling time period as determined at the end of each calendar month. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1224, R 336.1225(1) and (2), R 336.1702(a), 40 CFR 52.21(c) and (d))**
7. The permittee shall keep the following information on a monthly basis for EUSHREDDER:
 - a) VOC emission factor, in lb VOC/ton of material processed. The permittee shall use an emission factor of 0.086 lb VOC/ton of material processed unless an alternate emission factor has been approved by the AQD District Supervisor.
 - b) VOC mass emission calculations determining the monthly emission rate in tons per calendar month.
 - c) VOC mass emission calculations determining the annual emission rate in tons per 12-month rolling time period as determined at the end of each calendar month.

The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1702(a))**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTION(S)

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter / Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SV001 (Cyclone/Scrubber Stack)	24	49.25	R 336.1225, 40 CFR 52.21(c) and (d)

IX. OTHER REQUIREMENT(S)

NA

Footnotes:

¹ This condition is state only enforceable and was established pursuant to Rule 201(1)(b).

APPENDIX A

Nuisance Minimization Plan Fugitive Dust

I. Plant

The drop distance at each transfer point throughout the plant shall be reduced to the minimum the equipment can achieve.

II. Truck Traffic

On-site vehicles shall be loaded to prevent their contents from dropping, leaking, blowing or otherwise escaping. This shall be accomplished by loading so that no part of the load shall come in contact within six (6) inches of the top of any sideboard, side panel or tailgate. Otherwise, the truck shall be tarped.

III. Site Roadways and Plant Yard

- a) The dust on the site roadways and the plant yard shall be controlled by applications of water, calcium chloride or other acceptable and approved fugitive dust control compounds. Applications of dust suppressants shall be done as often as necessary to meet an opacity limit of five (5) percent.
- b) All paved roadways/plant yard shall be swept, as needed, between applications of dust suppressants.
- c) A record of all applications of dust suppressants, and roadway and the plant yard sweepings shall be kept on file for a period of five years and be made available to the AQD upon request.

IV. Storage Piles

- a) Stockpiling of all nonmetallic materials shall be performed to minimize drop distance and control potential dust problems.
- b) Stockpiles shall be watered on an as needed basis in order to meet an opacity limit of five (5) percent. Equipment to apply water or dust suppressant shall be available at the site, or on call for use at the site, within a given operating day.
- c) A record of all watering shall be kept on file for a period of five years and be made available to the AQD upon request.

V. AQD/EGLE Inspection

The provisions and procedures of this plan are subject to adjustment by written notification from the AQD, if following an inspection, the AQD finds the fugitive dust requirements and/or the permitted emission limits are not being met.