

September 15, 2015

Michigan Department of Environmental Quality
Air Quality Division
350 Ottawa Ave NW # 10,
Grand Rapids, Michigan 49503



Attn.: Eric Grinstern, Environmental Quality Specialist

Re: SRN B7013: Blue Diamond Steel Casting, Inc., and Huron Casting Inc.
125 Sturm Road,
Pigeon, Michigan
Violation Notice dated August 11, 2015

Dear Mr. Grinstern:

This letter is submitted in response to the Michigan Department of Environmental Quality (MDEQ) violation notice dated August 11, 2015 issued to Huron Casting Inc. and Blue Diamond Steel Casting, Inc. Below are the cited violations and our planned action of remediation for each facility:

Blue Diamond Steel Casting, Inc.

Federal Prevention of Signification Deterioration (PSD) 40 CR 52.21

Failure to obtain a PSD permit prior to construction and operation

Due to the lack of specific emission factors for carbon monoxide (CO) that would apply to facility operations (iron versus steel manufacturing), it is not yet established that this facility is a major source of criteria pollutants, or hazardous air pollutants (HAPs). Blue Diamond Steel Casting, Inc. would like to request the MDEQ to allow the facility to perform stack testing in order to establish process-specific emission factors for CO. If stack testing reveals the applicability of PSD permitting, Blue Diamond Steel Casting, Inc. will file a PSD permit application with the MDEQ.

Title V Renewable Operating Permit (ROP) Program Rule 336.1210

Failure to obtain and maintain an ROP

Due to the lack of specific emission factors for carbon monoxide (CO) that would apply to facility operations (iron versus steel manufacturing), it is not yet established that this facility is a major source of criteria pollutants, or hazardous air pollutants (HAPs). Blue Diamond Steel Casting, Inc. would like to request the MDEQ to allow the facility to perform stack testing in order to establish process-specific emission factors for CO. If stack testing reveals the applicability of a Renewable Operating Permit (ROP), Blue Diamond Steel Casting, Inc. will file a ROP permit application with the MDEQ.

PTI No. 129-08C Special Condition (SC) VI.2; 40 CFR 63.10900(b)

Failure to submit an initial notification

Blue Diamond Steel Casting, Inc. will conduct a records review to search for this document (EQP 3550). If necessary, the notification will be filled out retroactively and submitted to the MDEQ with a letter of explanation within 30 days of the submission of this letter.

PTI No. 129-08C, Special Condition (SC) IX.1; 40 CFR 63.10899(d)

Failure to submit notification of facility classification

Blue Diamond Steel Casting, Inc. will conduct a records review to search for this document (EQP 3550). If necessary, the notification will be filled out retroactively and submitted to the MDEQ with a letter of explanation within 30 days of the submission of this letter.

PTI No. 129-08C, Special Condition (SC) VI.5; 40 CFR 63.10900(b)

Failure to submit Notification of Compliance Status Report

Blue Diamond Steel Casting, Inc. will conduct a records review to search for this document (EQP 3550). If necessary, the notification will be filled out retroactively and submitted to the MDEQ with a letter of explanation within 30 days of the submission of this letter.

PTI No. 129-08C, Special Condition (SC) IX.1; 40 CFR 63.10899(c)

Failure to submit semiannual certifications (January-June 2011, January-June 2012, July-December 2014)

Blue Diamond Steel Casting, Inc. will conduct a records review to search for this document (EQP 3589). If necessary, the certification forms will be filled out retroactively and submitted to the MDEQ with a letter of explanation within 30 days of the submission of this letter.

PTI No. 129-08C, Special Condition (SC) IX.1; 40 CFR 63.10898(i)

Failure to conduct most recently required fugitive opacity testing

A fugitive opacity test is scheduled for December 2015. If MDEQ requires one to be conducted at an earlier date, Blue Diamond Steel Casting, Inc. can make arrangements to have the test conducted in October 2015.

PTI No. 129-08C, Special Condition (SC) VI.2

Failure to maintain temperature records

Blue Diamond Steel Casting, Inc. has installed a temperature reader on the Calciner, and is currently maintaining temperature records to comply with the abovementioned permit stipulation.

PTI No. 129-08C, Special Condition (SC) VI.1; 40 CFR 63.10895(b)

Failure to install, maintain, and operate a capture system that meets acceptable engineering standards

Blue Diamond Steel Casting, Inc. continuously strives to improve the efficiency of the capture system installed on its furnaces. However, due to the nature and the high heat associated with the processes, there are some limitations on the design of the capture system. Blue Diamond Steel Casting, Inc. will continue to reengineer and redesign its capture system to improve the capture efficiency.

PTI No. 129-08C, Special Condition (SC) V.1; 40 CFR 63.10898

Failure to conduct an acceptable initial performance test due inadequate capture

Following the installation of the capture system, Blue Diamond Steel Casting, Inc. did conduct a performance test to ensure adequate capture of the new system. At the onset, it may appear that the emissions are not being captured by the ventilation system due to the nature of the system. However, process emissions eventually do get routed through the capture hoods based on the pollutant loads removed from the baghouses associated with the capture system.

Rule 336.1201

Failure to obtain a permit to install prior to starting installation (electric arc ladle furnace, vacuum degassing unit)

It was our understanding that these pieces of equipment were exempt from Rule 201. MDEQ was informed regarding the exemption status of the equipment. However, based on the most recent MDEQ inspection, it appears that the agency does not agree with the exemption status and therefore, Blue Diamond Steel Casting, Inc. will apply for an air permit. The permit application will be submitted by October 2015.

Huron Casting, Inc.

PTI No. 129-08C Special Condition (SC) IX.1; 40 CFR 63.10899(c)

Failure to submit semiannual certification for July-December 2014

Huron Casting Inc. will conduct a records review to search for this document (EQP 3589). If necessary, the certification forms will be filled out retroactively and submitted to the MDEQ with a letter of explanation within 30 days of the submission of this letter.

PTI No. 129-08C, Special Condition (SC) IX.1; 40 CFR 63.10898(i)

Failure to conduct most recently required fugitive opacity testing

A fugitive opacity test is scheduled for December 2015. If MDEQ requires one to be conducted at an earlier date, Huron Casting, Inc. can make arrangements to have the test conducted in October 2015.

40 CFR part 63, Subpart ZZZZZ 63.10895(b)

Failure to install, maintain, and operate a capture system that meets acceptable engineering standards

Huron Casting, Inc. continuously strives to improve the efficiency of the capture system installed on its furnaces. However, due to the nature and the high heat associated with the

processes, there are some limitations on the design of the capture system. Huron Casting, Inc. will continue to reengineer and redesign its capture system to improve the capture efficiency.

40 CFR Part 63, Subpart ZZZZZ 63.10898

Failure to conduct an acceptable initial performance test due inadequate capture (EUpouringA and EUpouringB)

Following the installation of the capture system, Blue Diamond Steel Casting, Inc. did conduct a performance test to ensure adequate capture of the new system. At the onset, it may appear that the emissions are not being captured by the ventilation system due to the nature of the system. However, process emissions eventually do get routed through the capture hoods based on the pollutant loads removed from the baghouses associated with the capture system.

PTI No. 129-08C, SC VIII.1

Discharge of emissions directly to the atmosphere

This violation was episodic and has been corrected since then.

Should you have any questions, please call me at 989-453-6500 ext. 418. For any technical questions, please contact Mr. Biplab Roy, Senior Project Manager of Advanced Environmental Management Group at 734-354-9070.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Peterson", written in a cursive style.

Mike Peterson
Plant Engineer