

MAY 11 2017

May 9, 2017

Mr. Nathan Hude
MDEQ-AQD
Lansing District Office
Constitution Hall
525 West Allegan
Lansing, Michigan 48909

Re: Response to Violation Notice Letter
Grupo Antolin (SRN: N2198)

Dear Mr. Hude:

This letter is in response to our April 20, 2017 receipt of a letter dated April 6, 2017 from you. Your letter itemizes a number of purported violations of Michigan Rule 201 as well as special conditions associated with emission unit EU-PAINT in permit-to-install (PTI #52-09B) based on a March 3, 2017 inspection of the Grupo Antolin Howell, Michigan facility. This letter is to serve as our response to your Violation Notice. Note, that all of the identified operations were installed prior to December 20, 2016. Therefore, our citations of the Michigan rules do not include the recently inserted sub-rule numbering system.

1. **FG-FORMINGLINE** – Your letter acknowledges that the process consists of two Reaction Injection Molding emission units. The purported violation is for the lack of a permit for the installation of a fabric filter controlled exhaust system.

The process, installed in calendar year 2000, spray applies a two component (polyol / MDI) material onto the surface of a fiberglass cloth prior to being inserted into a molding clam shell. The reaction of the MDI and polyol takes place within the clam shell and thus meeting the requirements of Michigan Rule R 336.1286(e) as being exempt from Michigan Rule R 336.1201.

The exemption rule does not exclude the installation of exhaust stacks or control equipment. The January 19, 1993 Karen Carlson memo speaks to the fact that the mixture of pre-polymers and any possible mold release agents will have solids. The fabric filter was installed as part of the process to control any particulate overspray that may occur at the application stage. This is simply good engineering practice. It is our assertion that the fabric filter controls, with external exhaust, is part of the process, which is appropriately exempt under Michigan Rule R 336.1286(e).

In addition, Michigan Rule R 336.1285(f) states:

The requirement of R 336.1201(1) to obtain a permit to install does not apply to:

(f) Installation or construction of air pollution control equipment for an existing process or process equipment if the control equipment itself does not actually generate a significant amount of criteria air contaminants as defined in R 336.1119(e) or a meaningful quantity of toxic air contaminants.

Fabric filter controls, in of themselves, do not generate emissions but instead reduce emissions which may be otherwise generated by a process. Therefore, it is our assertion that your claim of the failure to obtain an air permit, per Michigan Rule 201 is without cause and should be removed from the record.

2. **FG-WATERTRIM** – Your letter noted the existence of two (2) water trimming operations that are used to cut and trim formed fiberglass with MDI and plastic. The purported violation notes that R 336.1285(l)(vi)(C) requires that exhaust from a material working process must be equipped with a fabric filter collector that when working with metal must be preceded by a mechanical pre-cleaner.

The water trim process, installed in 2007, utilizes high pressure water, released from four robotic arms to cut holes and trim edges of rigid fiberglass pieces. The water from the cutting operation is collected into a catch basin below the cutting surface. The water and cut pieces are vacuumed from the catch basin and transported to a collection unit (cyclone) where the water and small pieces of fiberglass particles are removed. The process was initially vented into the general in-plant environment. In 2011, following concerns about the noise level within the plant, the exhaust was directed external to the building to abate the plant noise level.

We recognize the Department's position and the language specified under Michigan Rule R 336.1285(l)(vi)(C), therefore in response to your concern, Grupo Antolin pledges to install a fabric/metal filter control strategy before discharging the exhaust to the outside atmosphere, which would allow for the operation to comply with Michigan Rule R 336.1285(l)(vi)(B).

3. **EU-SKINLINE** – Your letter identified this emission unit as a multi-station device with four different stations venting separately through the roof. While you acknowledge that the process involves the application of a polyol and MDI mixture (components of RIM) your concern is about the installation of fabric filter controls without an air permit to install.

The process, installed in 2007, spray applies a two component (polyol / MDI) material onto the surface of a fiberglass cloth prior to being inserted into a molding clam shell. The reaction of the MDI and polyol takes place within the clam shell and thus meeting the requirements of Michigan Rule R 336.1286(e) as being exempt from Michigan Rule R 336.1201.

The exemption rule does not exclude the installation of exhaust stacks or control equipment. The January 19, 1993 Karen Carlson memo speaks to the fact that the mixture of pre-polymers and any possible mold release agents will have solids. The fabric filter was installed as part of the process to control any particulate overspray that may occur at the application stage. This is simply good engineering practice. It is our assertion that the fabric filter controls, with external exhaust, is part of the process, which is exempt under Michigan Rule R 336.1286(e).

Michigan Rule R 336.1285(f) states:

The requirement of R 336.1201(1) to obtain a permit to install does not apply to:

(f) Installation or construction of air pollution control equipment for an existing process or process equipment if the control equipment itself does not actually generate a significant amount of criteria air contaminants as defined in R 336.1119(e) or a meaningful quantity of toxic air contaminants.

Fabric filter controls, in of themselves, do not generate emissions but instead reduce emissions which may be otherwise generated by a process. Therefore, it is our assertion that your claim of the failure to obtain an air permit, per Michigan Rule 201 is without cause and should be removed from the record. It should be noted that EU-SKINLINE has not operated since 2015.

4. **EUPACKAGETRAY** – Your letter identifies this emission unit, as part of an earlier permit (PTI 52-09A) but later removed as part of the modification under the current air permit (PTI 52-09B). Your letter states that the equipment was found to be still installed.

The process equipment that your letter attempts to identified as being requested for removal from PTI 52-09B was a flexible group FG-MOLDPRESS. FG-MOLDPRESS, consisted of three (3) reaction injection molding presses which utilized a stand-alone adhesive spray application station. In 2015, while working on the air permit modification to incorporate the new paint line, it was requested that FG-MOLDPRESS be removed, and it was granted.

What your letter failed to note was that the molding presses were actually removed in 2011, leaving only the spray application station. The spray application was re-designated EUPACKAGETRAY, and has been used to apply a water based glue. The re-designated process was installed and began operation in 2011 under Michigan Rule R 336.1290. Michigan Rule 290 states:

The requirement of R 336.1201(1) to obtain a permit to install does not apply to any of the emission units listed in (a) if the conditions listed in (b), (c), and (d) are met. Notwithstanding the definition in R 336.1121(a), for the purpose of this rule, uncontrolled emissions are the emissions from an emission unit based on actual operation, not taking into account any emission control equipment. Controlled emissions are the emissions from an emission unit based on actual operation, taking into account the control equipment.

(a) An emission unit which meets any of the following criteria:

(i) Any emission unit that emits only noncarcinogenic volatile organic compounds or noncarcinogenic materials which are listed in R 336.1122(f) as not contributing appreciably to the formation of ozone, if the uncontrolled or controlled emissions of air contaminants are not more than 1,000 or 500 pounds per month, respectively.

(ii) Any emission unit that the total uncontrolled or controlled emissions of air contaminants are not more than 1,000 or 500 pounds per month, respectively, and all of the following criteria are met:

(A) For noncarcinogenic air contaminants, excluding noncarcinogenic volatile organic compounds and noncarcinogenic materials which are listed in R 336.1122(f) as not contributing appreciably to the formation of ozone, with initial threshold screening levels greater than or equal to 2.0 micrograms per cubic meter, the uncontrolled or controlled emissions shall not exceed 1,000 or 500 pounds per month, respectively.

(B) For noncarcinogenic air contaminants, excluding noncarcinogenic volatile organic compounds and noncarcinogenic materials which are listed in R 336.1122(f) as not contributing appreciably to the formation of ozone, with initial threshold screening levels greater than or equal to 0.04 micrograms per cubic meter and less than 2.0 micrograms per cubic meter, the uncontrolled or controlled emissions shall not exceed 20 or 10 pounds per month, respectively.

(C) For carcinogenic air contaminants with initial risk screening levels greater than or equal to 0.04 micrograms per cubic meter, the uncontrolled or controlled emissions shall not exceed 20 or 10 pounds per month, respectively.

(D) The emission unit shall not emit any air contaminants, excluding noncarcinogenic volatile organic compounds and noncarcinogenic materials which are listed in R 336.1122(f) as not contributing appreciably to the formation of ozone, with an initial threshold screening level or initial risk screening level less than 0.04 micrograms per cubic meter.

(iii) Any emission unit that emits only noncarcinogenic particulate air contaminants and other air contaminants that are exempted under paragraphs (i) or (ii) of this subdivision if all of the following provisions are met:

(A) The particulate emissions are controlled by an appropriately designed and operated fabric filter collector or an equivalent control system which is designed to control particulate matter to a concentration of less than or equal to 0.01 pounds of particulate per 1,000 pounds of exhaust gases and which do not have an exhaust gas flow rate more than 30,000 actual cubic feet per minute.

(B) The visible emissions from the emission unit are not more than 5% opacity in accordance with the methods contained in R 336.1303.

(C) The initial threshold screening level for each particulate air contaminant, excluding nuisance particulate, is more than 2.0 micrograms per cubic meter.

(b) A description of the emission unit is maintained throughout the life of the unit.

(c) Records of material use and calculations identifying the quality, nature, and quantity of the air contaminant emissions are maintained in sufficient detail to demonstrate that the emissions meet the emission limits outlined in this rule.

(d) The records are maintained on file for the most recent 2-year period and are made available to the air quality division upon request.

5. **FG-REACTINMOLD** – The violation notice letter identifies this operation as consisting of two identical emission units where a mixture of polyol and MDI are spray applied. The violation notice did not appear to question the permit status of the process itself but was concerned about the lack of an air permit for the fabric filter controlled exhaust.

The twin emission units are similar to that of FG-FORMINGLINE and EU-SKINLINE in that the process, installed in 2013, spray applies a two component (polyol / MDI) material onto the surface of a fiberglass cloth prior to being inserted into a molding clam shell. The reaction of the MDI and polyol takes place within the clam shell under heat and pressure and thus meeting the requirements of Michigan Rule R 336.1286(e) as being exempt from Michigan Rule R 336.1201.

The exemption rule does not exclude the installation of exhaust stacks or control equipment. The January 19, 1993 Karen Carlson memo speaks to the fact that the mixture of pre-polymers and any possible mold release agents will have solids. The fabric filter was installed as part of the process to control any particulate overspray that may occur at the application stage. It is our assertion that the fabric filter controls, with external exhaust, is part of the process, which is exempt under Michigan Rule R 336.1286(e).

Michigan Rule R 336.1285(f) states:

The requirement of R 336.1201(1) to obtain a permit to install does not apply to:

(f) Installation or construction of air pollution control equipment for an existing process or process equipment if the control equipment itself does not actually generate a significant amount of criteria air contaminants as defined in R 336.1119(e) or a meaningful quantity of toxic air contaminants.

Fabric filter controls, in of themselves, do not generate emissions but instead reduce emissions which may be otherwise generated by a process. Therefore, it is our assertion that your claim of the failure to obtain an air permit, per Michigan Rule 201 is without cause and should be removed from the record.

6. **FG-RURTLINE** - The violation notice letter identifies this operation as consisting of two identical emission units where a mixture of polyol and MDI are spray applied. The violation notice did not appear to question the permit status of the process itself but was concerned about the lack of an air permit for the fabric filter controlled exhaust.

The twin emission units are similar to that of FG-FORMINGLINE, EU-SKINLINE, and FG-REACTINMOLD in that the process, installed in 2009, spray applies a two component (polyol / MDI) material onto the surface of a fiberglass cloth prior to being inserted into a molding clam shell. The reaction of the MDI and polyol takes place within the clam shell under heat and pressure and thus meeting the requirements of Michigan Rule R 336.1286(e) as being exempt from Michigan Rule R 336.1201.

The exemption rule does not exclude the installation of exhaust stacks or control equipment. The January 19, 1993 Karen Carlson memo speaks to the fact that the mixture of pre-polymers and any possible mold release agents will have solids. The fabric filter was installed as part of the process to control any particulate overspray that may occur at the application stage. It is our

assertion that the fabric filter controls, with external exhaust, is part of the process, which is exempt under Michigan Rule R 336.1286(e).

Michigan Rule R 336.1285(f) states:

The requirement of R 336.1201(1) to obtain a permit to install does not apply to:

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Fabric filter controls, in of themselves, do not generate emissions but instead reduce emissions which may be otherwise generated by a process. Therefore, it is our assertion that your claim of the failure to obtain an air permit, per Michigan Rule 201 is without cause and should be removed from the record.

7. **FG-LAMBDA967&968** – The violation notice identifies this flexible group as consisting of two (2) different emission units which spray apply a glue to the assembly parts for a door trim component. The violation notice did not appear to question the permit status of the process itself but instead was concerned about the lack of an air permit for the fabric filter controlled exhaust system.

The violation notice letter states that the “application rates exceed those allowed in permit exemption R 336.1287 and the previous use of exemption R 336.1286 is inappropriate for this part of the process.” It is our assertion that the flexible group FG-LAMBDA967&968 flexible group was installed in 2009 to spray apply adhesive to door trim components. We assert that the installation is covered under Michigan Rule R 336.1290.

We assert that the FG-LAMBDA967&968 flexible group meet the requirements of Michigan Rule 290. This process is scheduled to be relocated later in 2017.

8. **EU-C1** - The violation notice identifies an application similar to FG-LAMBDA967&968 which spray applies a glue in the process of assembling components. Once again, the violation notice did not appear to question the permit status of the process itself but instead was concerned about the lack of an air permit for the fabric filter controlled exhaust system. The violation notice also stated that the “application rates exceed those allowed in permit exemption R 336.1287 and the previous use of exemption R 336.1286 is inappropriate for this part of the process.”

It should be noted that EU-C1 was installed as a replacement for FG-LAMBDA967&968. While the process was placed in the plant on 2017, to date this unit has not operated and therefore the assertion that the usage rates exceed the exemption R 336.1287 are without merit. Also, while this unit has not been officially installed, it was never intended to be part of plastic processing equipment under Michigan Rule R 336.1286. Instead, the installation of this emission unit was done under Michigan Rule R 336.1290.

EU-PAINT

The Violation Notice letter makes several allegations against compliance with the requirements of EU-PAINT. The following is our response to allegations 9 – 14.

9. **Malfunction Abatement Plan (MAP)** – The violation notice letter alleges that the company failed to complete and submit a Malfunction Abatement Plan within 60 days of commencement of trial operation, per special condition III.3.

Grupo Antolin mis-interpreted special condition III.3 and thought that the condition stated “after completion of trial operation”, instead of “after commencement of trial operation” as is specified under special condition V.2. After recognizing the error, a copy of the Malfunction Abatement Plan was submitted on April 4, 2017 to the Lansing District Office.

10. **Differential Pressure at Natural Draft Openings (NDO)** – The violation notice purports that on the day of inspection the pressure drop across the NDO was reading 0.003” WC, in violation of special conditions III.4 and IV.5.

The letter did not clarify the fact that while reading 0.003 inches of water column, the pressure in the adjacent area outside the enclosure was actually greater than that inside the enclosure, making the actual reading -0.003” WC, which meets the requirement of special condition IV.5 that the PTE be operating at a pressure lower than adjacent areas.

Following the inspection, Grupo Antolin inspected the instrumentation and located a break in one of static lines short circuiting the reading across the booth opening. Once repaired, the differential pressure returned to levels greater than 0.007” WC, as required in special condition III.4. A photograph showing the current reading has been enclosed.

11. **HVLP Test Caps** – The violation notice purports that test caps were not available on the day of inspection. These caps are designed to verify the gun tip pressure of an HVLP applicator.

After the site inspection on March 3, 2017, HVLP test caps were ordered 5/5/2017 and arrived on site on 5/8/2017.

12. **Temperature Chart Recorder** – The violation notice states that on the day of testing the circular chart associated with the Regenerative Thermal Oxidizer (RTO) was found with the ink needle not installed in violation of special condition IV.4.

Special Condition IV.4 states: The permittee shall install, calibrate, maintain and operate in a satisfactory manner a temperature monitoring device in the combustion chamber of the RTO to monitor and record the temperature on a continuous basis, during operation of EUPAINT. (R 336.1205, R 336.1702(a), R 336.1910).

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It should be noted that the circular chart is not the primary recording device for the combustion temperature. The RTO is equipped with a data logger that stores a date/time stamp and the corresponding combustion zone temperature in digital format.

In addition, the RTO is equipped with an interlock system which shuts down the paint line and locks out the paint applicators should the combustion zone temperature should fall below 1450 °F. Therefore, while a temperature was not visibly available the data logger was recording temperature and the interlock system was activated to protect from a low combustion zone temperature.

A photo of a recent temperature data output is included with this response letter as an example of the type of report available.

- 13. Record Keeping** – The violation notice states that on the day of inspection records had not been created or made for the purpose of VOC tracking.

The company acknowledges that it had failed to develop the record keeping program to document compliance with EU-PAINT. We have since contracted with Environmental Partners, Inc. to develop a program to meet this requirement.

- 14. Recording of Differential Pressures at (NDO)** – The violation notice states that the company had not been recording the differential pressure at the NDOs as required by special condition VI.5

The company acknowledges that it failed to develop a protocol for collecting the differential pressure information. The company is currently seeking a data logging system to accommodate this requirement and hopes to have it installed by July 1, 2017.

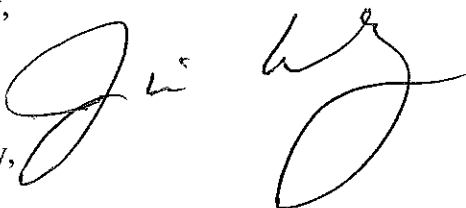
- 15. FG-FACILITY** – The violation notice states that the company has not documented the emission of hazardous air pollutants as required under FG-FACILITY.

Like the VOC record keeping (item #13 above), the company takes ownership of the failure to set up a proper record keeping program and has contracted with Environmental Partners, Inc. to develop the necessary compliance tool.

We believe that this letter addresses the concerns listed in your letter and corrected the record on the appropriate use of the permit exemptions under Michigan Rule 280 through 290. Should you have additional questions, please direct them to me either by e-mail at jim.ulrey@grupoantolin.com or by telephone at 517-672-0393.

Sincerely,

Jim Ulrey,

A handwritten signature in black ink, appearing to read 'Jim Ulrey', with a large, stylized loop at the end.

Mr. Nathan Hude, MDEQ-AQD

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EHS Manager

Grupo Antolin

cc: Ms. Lynn Fiedler, MDEQ-AQD
Ms. Mary Ann Dolehanty, MDEQ-AQD
Mr. Chris Ethridge, MDEQ-AQD
Mr. Thomas Hess, MDEQ-AQD
Mr. Brad Myott, MDEQ-AQD