

October 12, 2023

Michelle Luplow
EGLE
AQD
Lansing District,
Constitution Hall,
525 West Allegan, Lansing District Office, First Floor South,
Lansing, Michigan 48909

RE: September 19, 2023 Violation Notice

Greetings Michelle,

The September 19, 2023 Violation Notice, states that:

“During the June 10, 2022, inspection, it was noted that Great Lakes Composite had commenced operation of unpermitted processes at this facility: using a non-gelcoat paint for coating the animal boats (these activities were also conducted, unpermitted, inside the FGGELCOAT booths), and conducting gelcoat patch and repair activities. The AQD staff advised Great Lakes Composite on June 10, 2022, that these processes are required to be permitted under Rule 201 of the administrative rules promulgated under Act 451. “

Within the DEQ’s Activity Report marked (Draft – 3/20/2019), excerpted below it states,

Source Description:

Owosso Composite, LLC manufactures fiberglass paddleboats, fiberglass boat components and other fiberglass components using open and closed molding techniques. They produce traditional paddleboats along with paddleboats that are duck, dragon, and swan shaped. The facility can paint components using an existing coating line, but to date (since start of facility production) have not used the coating line. Owosso Composites also manufactures boat parts for other boat manufacturers such as Crest Marine Pontoons in Owosso, and makes some fiberglass parts for John Deere and coats fan blade wheels with resin for a local air pollution control company.

The third statement acknowledges that the facility can paint components using an existing coating line, but to date (since start of facility production) have not used the coating line.

The existing coating line referred to in this statement was the permitted Paint Spray Booth and Oven found in Permit No. 352-95 issued to Nero Plastics, Inc., where Nero Plastics, Inc. was originally founded at the 401 S Delaney Road, Owosso, Michigan in 1980. A copy of Permit No. 352-95 is attached.

This existing coating line was identified in the Facility Map for PTI Application 129-16, which has also been attached. As shown on the map, this spray booth would be the existing booth and oven at the facility that is currently described as EUEXTRABOOTH and EUFLASHOFFOVEN in our current Operating Permit MI-ROP-N2430-2019b, and exists today as an operational asset.

Under the Regulatory Overview of the earlier referenced DEQ Activity Report, excerpted below it states,

Regulatory Overview:

Owosso Composite is a major source of hazardous air pollutants (HAPs) with the issuance of PTI 129-16A and a minor source of criteria pollutants. PTI 129-16A contains equipment from PTI 55-07A, PTI 352-95, and new equipment for the expansion in manufacturing capacity. The facility is now subject to the Renewable Operating Permit (ROP) program as a major 40 CFR 70 source. An initial ROP application was due 12-months from the start of facility operations. Commercial operation started in May 1, 2017 so the initial ROP application was due May 1, 2018. The initial ROP application was submitted on May 1, 2018. PTI 129-16A was revised on August 29, 2018 to address compliance issues and to line up the PTI with what was installed.

The statement that “Commercial operation started in May 1, 2017, so the initial ROP application was due May 1, 2018”, appears to be accurate in context of the ROP application due date, however, existing permitted fiberglass composite and painting operations regulated under 40CFR63 Subparts WWWW and PPPP, respectively, were in operation under Permit No. 352-95. A more accurate representation may be to state that the new project permitted under PTI 129-16A, reclassified the existing (area) source to a Title V major source on May 1, 2017, where the initial ROP application was due May 1, 2018.

Additionally, under the Regulatory Overview, excerpted below it states,

40 CFR 63, Subpart PPPP, National Emission Standard for Hazardous Air Pollutants for Surface Coating of Plastic Parts - The facility falls under this subpart as it is a major HAP source that performs surface coating of plastic parts (40 CFR 63.4481(b)). The requirements of this subpart are included in FGMACTPPPP of the permit. The coating line is considered existing under 40 CFR 63, Subpart PPPP.

40 CFR 63, Subpart VVVV, National Emission Standard for Hazardous Air Pollutants for Boat Manufacturing – The facility falls under this subpart as it is a major HAP source that is a boat manufacturing facility (40 CFR 63.5683(a)). The requirements of this subpart are included in FGMACTVVVV of the permit. The applicant has agreed to comply with reconstructed/new requirements.

40 CFR 63, Subpart WWWW, National Emission Standard for Hazardous Air Pollutants for Reinforced Plastic Composites Production - The facility falls under this subpart as it is a major HAP source that is a reinforced plastic composites production facility (40 CFR 63.5785(a)). The requirements of this subpart are included in FGMACTWWWW of the permit. The applicant has agreed to comply with reconstructed/new requirements.

As stated under § 63.5698 (c) The open molding emission limit is the same for both new and existing sources. Hence our agreement (or concession) to comply with Subpart VVVV as a “reconstructed/new requirements” is a distinction without difference.

Excerpted from p.3 of the DEQ’s Activity Report, it states,

No FG FACILITY on PTI 129-16B but FG PLASTIC PARTS applies source-wide. However, see note below as emission units in FG PLASTIC PARTS were not installed.

Review of Working Draft ROP

Conditions from PTI 129-16B were incorporated into the ROP with the exception of EU COATING LINE, FGMACTPPPP, and FG PLASTIC PARTS. EU COATING LINE was re-permitted on PTI 129-16A which was issued March 15, 2017. The line has not been used in 18-months since facility startup, and is effectively null and void. (This was confirmed with Diane Gagnier (source contact) on 1/24/2018.) Since this was the only process that could coat plastic parts, and no coating of plastic parts is happening in the facility, the conditions for FGMACTPPPP, and FG PLASTIC PARTS are not applicable.

The statement "The line has not been used in 18-months since the facility startup, and is effectively null and void." It appears that this statement or understanding is in error, as:

- 1) Allegation in the current Violation Notice identifies "...using a non-gelcoat paint for coating the animal boats..",
- 2) Representative paints associated with the Paddle Wheeler project are found within the supporting Rule 227 TAC Analyses for PTI 129-16A,
- 3) Physical booth assets EUEXTRABOOTH and EUFLASHOFFOVEN in our current Operating Permit MI-ROP-N2430-2019b exist today and remain in good working order, and
- 4) Permitted Paint Spray Booth and Oven was an existing source installed under Permit No. 352-95, under prior ownership.

In consideration of the above findings, and after numerous discussions, as cited in your letter, it appears that the administrative permitting practices currently in place are so comingled since the adoption of the Title V Permit Program authorized under the Clean Air Act Amendments of 1990, whereby it seems that we are unable to exercise the use historically allowed exemptions, or submittal additional information for consideration under an open PTI Application (i.e. PTI 129-16E).

As an example, EUADHESIVEDISPISING permit provisions which is limited to 1 TpY of VOC emissions.

It appears that PTI 129-16E Application was filed to change provision 3. c) to this excerpted below.

3. The permittee shall keep the following information on a monthly basis for EUADHESIVEDISPING:
 - a) The identity and amount (in pounds) of each material used.
 - b) The VOC content (including styrene) of each material used.
 - c) VOC mass emission calculations determining the monthly emission rate in tons per calendar month, and 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 the records using an emission factor of 0.5% of the total VOCs in the adhesive, mass balance, or an alternative format acceptable to the AQD District Supervisor. The permittee shall keep all records on file make them available to the Department upon request. (R 336.1225(2), R 336.1702(a))

Where provision 3. c) existed under PTI 129-16B as shown below.

3. The permittee shall keep the following information on a monthly basis for EUADHESIVEDISPING:
 - a) The identity and amount (in pounds) of each material used.
 - b) The VOC content (including styrene) of each material used.
 - c) The appropriate emission factors for each raw material used. (The Unified Emission Factors (UEF) Table 1 for Open Molding of Composites from the American Composites Manufacturers Association (ACMA), October 2009 may be used, or an alternate factor approved by the AQD District Supervisor.)
 - d) VOC mass emission calculations determining the monthly emission rate in tons per calendar month, and 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 the records using mass balance, or an alternative format acceptable to the AQD District Supervisor. The permittee shall keep all records on file make them available to the Department upon request. (R 336.1225(2), R 336.1702(a))

Historically this administrative change would have been addressed as a line-item change to the Operating Permit, and not through the filing of PTI application program that was originally established for New Source Review.

Michelle Luplow
EGLE AQD
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Another historical permit practice that was attempted by us was to submit supplemental information to the open PTI 129-16E application with information regarding repairs and other miscellaneous materials of concern that may be used at all our National Composites' facilities. In two other open and concurrent PTI Applications filed on our behalf, this supplemental information was integrated these permits, and not into the recently issued PTI 129-16E.

As noted in your letter, we filed a PTI application to have this supplemental information considered though it was rejected by the Permit Section on grounds of not having the requisite NSR information (i.e. BACT, and T-BACT).

Another point of concern is our inability to use permit exemptions based on the present District's interpretation of R 336.1278 (2) *The exemptions specified in R 336.1280 to R 336.1291 do not apply to the construction of a new major source of hazardous air pollutants or reconstruction of a major source of hazardous air pollutants, as defined in 40 C.F.R. §63.2 and subject to §63.5(b)(3), national emission standards for hazardous air pollutants, adopted by reference in R 336.1902.* As presently understood, we are unable to utilize any exemptions, since we are a New Source subject to 40 CFR 63, Subpart VVVV. Considering the earlier referenced Regulatory Overview regarding the Coating Line, the stated position was "The coating line is considered existing under 40 CFR 63, Subpart PPPP."

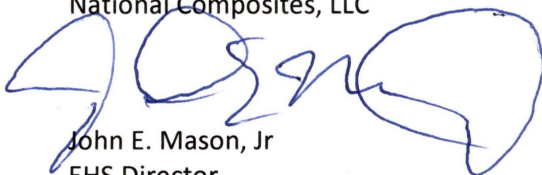
Under our current ROP, our administratively complete ROP Renewal Application is due by no later than January 1, 2024. With this application, there appears to be a need to prepare a potential to emit calculations in this application. Our preferred approach would be to address and integrate these issues within this application.

Next week, I would like to arrange with the District and Permit Section a meeting to address the permitting issues raised in this letter.

Thank you for your patience and understanding.

Sincerely

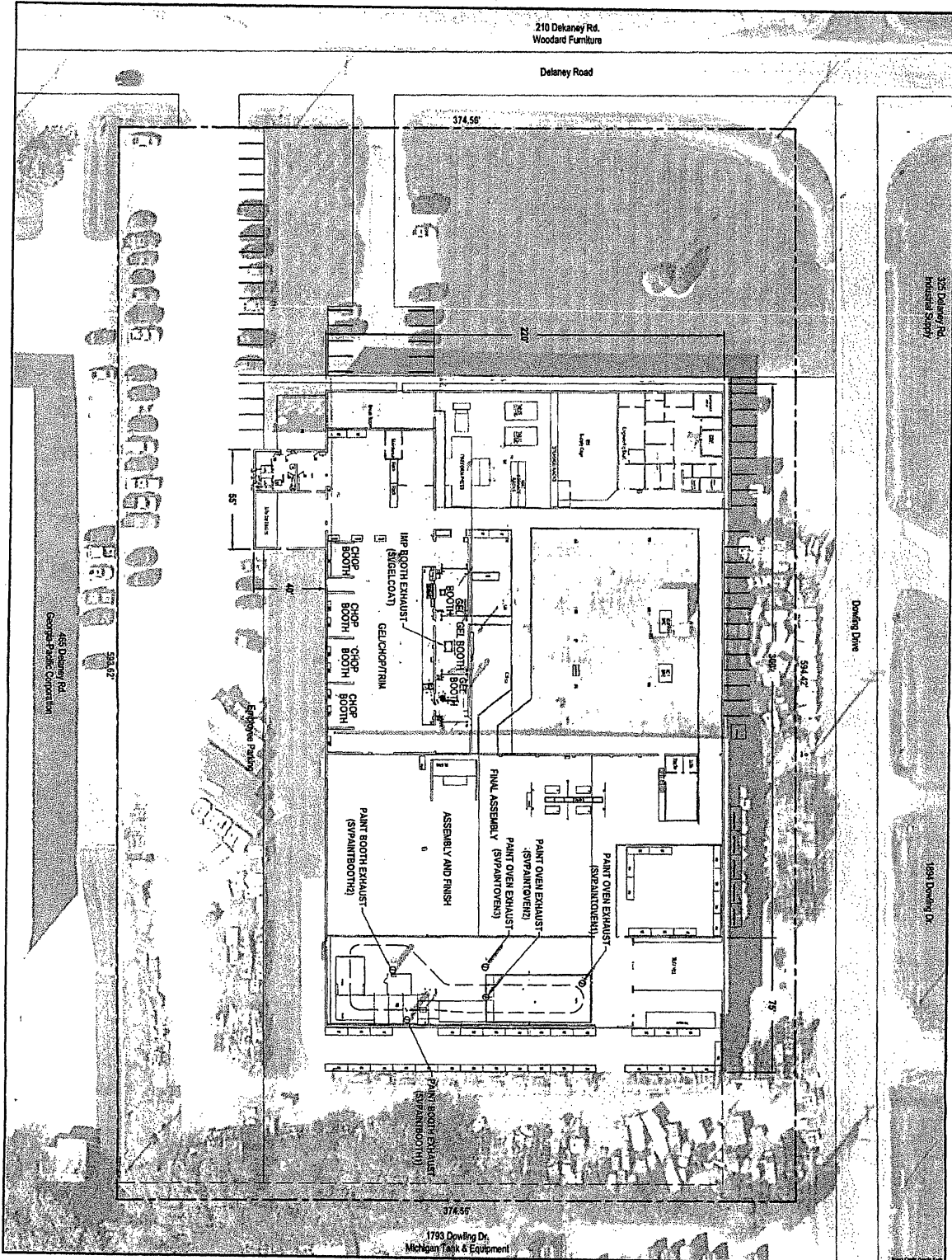
National Composites, LLC

A handwritten signature in blue ink, appearing to read "John E. Mason, Jr.", is written over the typed name and title.

John E. Mason, Jr
EHS Director
1732 Crooks Rd.
Troy, MI 48084

Attachments

cc: Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD,
P.O. Box 30260, Lansing, Michigan 48909-7760



LEGEND
 --- Property Line

STATE OF MICHIGAN



JOHN ENGLER, Governor
DEPARTMENT OF ENVIRONMENTAL QUALITY

HOLLISTER BUILDING, PO BOX 30473, LANSING MI 48909-7973

RUSSELL J. HARDING, Director

June 5, 1996

REPLY TO:

AIR QUALITY DIVISION
PO BOX 30260
LANSING MI 48909-7760

Mr. Jerry Dedic, Vice President
Nero Plastics, Inc.
401 S. Delaney Road
Owosso, Michigan 48867

Dear Mr. Dedic:

This letter is in reference to your Permit to Install application for Title V opt-out Permit to Install located at 401 S. Delaney Road, Owosso, Michigan. This application, identified as No. 352-95, has been evaluated and approved by the Air Quality Division, pursuant to the delegation of authority from the Michigan Department of Environmental Quality.

This approval is based upon and subject to compliance with all administrative rules of the Department and conditions stipulated in the attached supplement. **Please review these conditions thoroughly so that you may take the actions necessary to ensure compliance with all of these conditions.**

You are advised that contaminants discharged to the surface waters and/or groundwaters; materials disposed of on land; hazardous waste storage, treatment, and disposal; and resource recovery facilities must be approved by other divisions of the Department of Environmental Quality. Additionally, your plant environment must be in compliance with all applicable requirements of the Departments of Public Health and Labor.

Approval of this permit does not constitute a waiver by the State of Michigan of its rights to bring appropriate legal action against the applicant for failing to obtain the required permit prior to the commencement of construction.

Also, Permit to Install No. 372-85, 372-85A, 667-91, 102-90A and 102-90B has been voided because the equipment is now covered by Permit to Install No. 352-95.

Please contact me if you have any questions regarding this permit.

Sincerely,

A handwritten signature in dark ink, appearing to read "William A. Presson".

William A. Presson, Supervisor
General Manufacturing Unit
Permit Section
Air Quality Division
517-373-7091

WAP:bcw

Enclosure

cc: Mr. Mike Korvio, District Supervisor
Mr. Robert Miller, EPA, Region 7
County of Shiawassee
City of Owosso

SUPPLEMENT TO PERMIT NO. 352-95

Nero Plastics, Inc.
Owosso, Michigan

May 14, 1996

GENERAL CONDITIONS

1. Rule 201(1) - The person to whom this permit was issued shall not reconstruct, alter, modify, or relocate this equipment unless plans, specifications, and an application for a Permit to Install are submitted to and approved by the Department, unless otherwise exempt from the permit requirements.
2. Rule 201(4) - If the installation, reconstruction, relocation, or alteration 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 person to whom this permit was issued, or the designated authorized agent, shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Natural Resources, P.O. Box 30260, Lansing, Michigan 48909, if it is decided not to pursue the installation, reconstruction, relocation, or alteration of the equipment allowed by this Permit to Install.
3. Rule 201(6)(a) - If this Permit to Install is issued for a process or process equipment located at a stationary source which has been issued a Renewable Operating Permit pursuant to Rule 210, trial operation is allowed if the equipment performs in accordance with the terms and conditions of this Permit to Install and until the appropriate terms and conditions of this Permit to Install have been incorporated into the Renewable Operating Permit as a modification pursuant to Rule 216 or upon renewal pursuant to Rule 217. Upon incorporation of the appropriate terms and conditions into the Renewable Operating Permit, this Permit to Install shall become void.
4. Rules 201(6)(b)(i) and 216(1)(a)(v)(A) - Not more than 30 days after completion of the installation, construction, reconstruction, relocation, alteration, or modification authorized by this Permit to Install, the person to whom this Permit to Install was issued, or the authorized agent pursuant to Rule 204, shall notify the District Supervisor, Air Quality Division, in writing, of the completion of the activity. Completion of the installation, construction, reconstruction, relocation, alteration, or modification is considered to occur not later than commencement of trial operation of the process or process equipment.
5. Rule 201(6)(b)(ii) - Except as provided in General Condition No. 3, not more than 18 months after completion of the installation, construction, reconstruction, relocation, alteration, or modification authorized by this Permit to Install, the person to whom this permit was issued, or the authorized agent pursuant to Rule 204, shall notify the District Supervisor, Air Quality Division, in writing, of the status of compliance of the process or process equipment with the terms and conditions of the Permit to Install. The notification shall include all of the following:

- A. The results of all testing, monitoring, and recordkeeping performed to determine the actual emissions from the process or process equipment and to demonstrate compliance with the terms and conditions of the Permit to Install.
 - B. A schedule of compliance for the process or process equipment as described in Rule 119(a).
 - C. A statement, signed by the person owning or operating the process or process equipment; that, based on information and belief formed after reasonable inquiry, the statements and information in the notification are true, accurate, and complete.
6. Rule 201(7) and Section 5510 of Act 451, P.A. 1994 - 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 Departments' rules or the Clean Air Act.
 7. Rule 219 - A new owner or operator of the process or process equipment covered by this Permit to Install shall immediately make a written request to the Department for a change of ownership or operational control. The request shall include all of the information required in Rule 219(1)(a), (b) and (c). If the request for a change in ownership or operational control is approved, the terms and conditions of this Permit to Install shall apply to the person or legal entity which hereafter owns or operates the process or process equipment for which this Permit to Install is issued. The written request shall be sent to the Supervisor, Permit Section, Air Quality Division, Michigan Department of Natural Resources, P.O. Box 30260, Lansing, Michigan 48909.
 8. Except as allowed by Rules 278 through 290, the person to whom this permit was issued shall not substitute any fuels, coatings, nor raw materials for those described in the application and allowed by this permit, nor make changes to the process or process equipment described in the application, without prior notification to and approval by the Air Quality Division.
 9. Rule 901 - 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.
 10. Rule 912 - The owner or operator of a source, process, or process equipment shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant in excess of standards for more than one hour, or of any air contaminant in excess of standards for more than two hours, as required in this rule, to the District Supervisor, Air Quality Division. 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 District Supervisor within 10 days, with the information required in this rule.

11. Approval of this permit does not exempt the person to whom this permit was issued from complying with any future regulations which may be promulgated under Part 55 of Act 451, P.A. 1994.
12. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.

SPECIAL CONDITIONS

13. The volatile organic compound (VOC) emission rate from the paint spray booth and the associated oven, hereinafter "spray coating process" shall not exceed 5.0 pounds per hour nor 12.9 tons per year based on a 12-month rolling average as determined at the end of each calendar month.
14. The total VOC, including styrene, emission rate from the gelcoat spray booth shall not exceed 2.1 pounds per hour nor 2.0 tons per year based on a 12-month rolling average as determined at the end of each calendar month.
15. The styrene emission rate from the gelcoat spray booth shall not exceed 1.9 pounds per hour nor 1.8 tons per year based on a 12-month rolling average as determined at the end of each calendar month.
16. The VOC (styrene) emission rate from the twelve (12) RTM machines shall not exceed 2.3 pounds per hour nor 5.7 tons per year based on a 12-month rolling average as determined at the end of each calendar month.
17. The VOC emission rate from the three (3) adhesive dispensing machines shall not exceed 1.0 pounds per hour nor 0.8 tons per year based on a 12-month rolling average as determined at the end of each calendar month.
18. The total VOC, including acetone, emission rate from the cleanup operations shall not exceed 6.0 pounds per hour nor 9.5 tons per year based on a 12-month rolling average as determined at the end of each calendar month.
19. The acetone emission rate from the cleanup operations shall not exceed 5.0 pounds per hour nor 8.5 tons per year based on a 12-month rolling average as determined at the end of each calendar month.
20. The hazardous air pollutants (HAP) as defined pursuant to section 112(b) of the Clean Air Act, shall be less than 10 tons per year for any individual HAP or 25 tons per year for any combination of HAPs at this facility. This annual limit shall be based upon a 12-month rolling average as determined at the end of each calendar month.
21. Visible emissions from all processes specified in this permit shall not exceed a 6-minute average of 0% opacity.

22. Rules 1001, 1003 and 1004 - Verification of VOC emission rates from all processes specified in this permit by testing, at owner's expense, in accordance with Department requirements, may be required for operating approval. Verification of emission rates includes the submittal of a complete report of the test results. If a test is required, stack testing procedures and the location of stack testing ports must have prior approval by the District Supervisor, Air Quality Division, and results shall be submitted within 120 days of the written requirement for such verification.
23. Applicant shall not operate the paint spray booth or gelcoat spray booth unless all exhaust filters are in place and operating properly.
24. Applicant shall not exceed the following material usage rates for the 12 RTM machines and gelcoat spray booth:

<u>Type</u>	<u>Hourly (lbs)</u>	<u>Every 12-Month Rolling Average Period (lbs)</u>
Resins	240	1,200,000
Gelcoat	21	40,000

25. The exhaust gases from the following processes shall be discharged unobstructed vertically upwards to the ambient air from stacks with maximum diameters of and with exit points above ground level not less than the following:

<u>Equipment</u>	<u>Maximum Diameter (inches)</u>	<u>Minimum Height (feet)</u>
Paint Spray Booth	30	30
Gelcoat Booth	24	30
12 RTM Machines	24	30
Paint Spray Booth Oven	12	30

26. Applicant shall keep a separate record for each of the following processes specified in this permit:
 - A. For each material used in the spray coating process and three adhesive dispensing machines record the following on a monthly basis:
 1. The identification and the coating or adhesive category for each coating or adhesive used.
 2. The VOC content in pounds per gallon of coating, catalyst, reducer, and adhesive (minus water) as received and as applied.
 3. The density in pounds of each coating, catalyst, reducer, and adhesive used.

4. The content, in pounds per gallon of each and all HAPs for all coatings, reducers, catalysts, and adhesives used.
 5. The amount in gallons and/or pounds of coating, adhesives, catalysts, and reducers used.
- B. For each material used in the twelve RTM machines and gelcoat spray booth record the following on a monthly basis:
1. The identification and the category for each coating or resin used.
 2. The total VOC content in pounds per pound of material for each coating, catalyst, and resin.
 3. The content in pounds per pound of material of each and all HAPs for all coatings and catalysts.
 4. The amount in pounds of coating or resin as applied.
- C. For all processes specified in this permit, monthly purge and clean-up solvent usage rate and disposal records.
- D. For all processes specified in this permit, monthly record of purchase orders and invoices for materials.
- E. For all processes specified in this permit, monthly calculations of the following for all HAPs:
1. Monthly calculation of each HAP emission rate in tons per month by process.
 2. Monthly calculation of aggregate HAPs emission rate in tons per month for all processes at the facility.
 3. Monthly calculation of HAPs determining a 12-month rolling average emission rate in tons per year.
- F. For all processes specified in this permit, monthly calculations of the following for VOCs:
1. Monthly calculation of VOC emission rate in tons per month by process.
 2. Monthly calculation of VOCs determining a 12-month rolling average emission rate in tons per year by process.

This information shall be kept on file for a period of at least two years and made available to the Air Quality Division and/or United States Environmental Protection Agency staff upon request

27. The VOC content, water content, density, solids weight, fraction, solids volume fraction of any coating and reducer as applied and as received shall be determined using federal Reference Test Method 24. Upon prior approval of the District Supervisor, Air Quality Division, VOC content, water content, density, solids weight, fraction, solids volume fraction of any coating and reducer may alternatively be determined from manufacturer's formulation data.
28. The disposal of waste solvents, coatings and exhaust filters shall be performed in a manner which minimizes the introduction of air contaminants to the outer air.
29. All purge solvents and coatings from all coating applicators used at this facility shall be captured and stored in closed containers and disposed in an acceptable manner in compliance with all applicable rules and regulations.
30. Applicant shall maintain a current listing of the chemical composition of each coating catalyst, adhesive, and reducer used at the facility, including the weight percent of each compound.

WAP:cmb

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: ROP Tech Review Notes

N243048134

FACILITY: Owosso Composites, LLC		SRN / ID: N2430
LOCATION: 401 S DELANEY RD, OWOSSO		DISTRICT: Lansing
CITY: OWOSSO		COUNTY: SHIAWASSEE
CONTACT: Diane Gagnier , Operations Manager		ACTIVITY DATE: 03/20/2019
STAFF: Julie Brunner	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MAJOR
SUBJECT: N2430 Owosso Composite, LLC - ROP Initial Application, Technical Review Notes (DRAFT - 3/20/19) Saved: S:\Air Quality Division\ROP\N2430\Peer Review Owosso Composites\N2430 Tech Review Notes_ceo additions.		
RESOLVED COMPLAINTS:		

**N2430 Owosso Composite, LLC - ROP Initial Application
Technical Review Notes
(DRAFT - 3/20/19)**

S-001 & 002 Stationary Source Information

Source Name: Owosso Composite, LLC

Owner Name: National Composites

Address:

401 South Delaney Road
Owosso, Michigan 48867

Responsible Official:

Mr. Patrick May, Owner
(address same as source address)

Source Description:

Owosso Composite, LLC manufactures fiberglass paddleboats, fiberglass boat components and other fiberglass components using open and closed molding techniques. They produce traditional paddleboats along with paddleboats that are duck, dragon, and swan shaped. The facility can paint components using an existing coating line, but to date (since start of facility production) have not used the coating line. Owosso Composites also manufactures boat parts for other boat manufacturers such as Crest Marine Pontoons in Owosso, and makes some fiberglass parts for John Deere and coats fan blade wheels with resin for a local air pollution control company.

Owosso Composite moved from a smaller facility at 403 South State Street (SRN N0598) to the building that contained Wausaukee Composites. The building and the assets for Wausaukee Composites were purchased by Owosso Composite. The move greatly expanded the manufacturing capacity for Owosso Composite.

The facility is located in an industrial park on the west side of Owosso. The facility is surrounded by commercial and industrial properties. To the north and south are agricultural and residential properties.

Regulatory Overview:

Owosso Composite is a major source of hazardous air pollutants (HAPs) with the issuance of PTI 129-16A and a minor source of criteria pollutants. PTI 129-16A contains equipment from PTI 55-07A, PTI 352-95, and new equipment for the expansion in manufacturing capacity. The facility is now subject to the Renewable Operating Permit (ROP) program as a major 40 CFR 70 source. An initial ROP application was due 12-months from the start of facility operations. Commercial operation started in May 1, 2017 so the initial ROP application was due May 1, 2018. The initial ROP application was submitted on May 1, 2018. PTI 129-16A was revised on August 29, 2018 to address compliance issues and to line up the PTI with what was installed.

As a major source of HAPs, Owosso Composites is subject to the following National Emission Standards for Hazardous Air Pollutants:

40 CFR 63, Subpart PPPP, National Emission Standard for Hazardous Air Pollutants for Surface Coating of Plastic Parts - The facility falls under this subpart as it is a major HAP source that performs surface coating of plastic parts (40 CFR 63.4481(b)). The requirements of this subpart are included in FGMACTPPPP of the permit. The coating line is considered existing under 40 CFR 63, Subpart PPPP.

40 CFR 63, Subpart VVVV, National Emission Standard for Hazardous Air Pollutants for Boat Manufacturing - The facility falls under this subpart as it is a major HAP source that is a boat manufacturing facility (40 CFR 63.5683(a)). The requirements of this subpart are included in FGMACTVVVV of the permit. The applicant has agreed to comply with reconstructed/new requirements.

40 CFR 63, Subpart WWWW, National Emission Standard for Hazardous Air Pollutants for Reinforced Plastic Composites Production - The facility falls under this subpart as it is a major HAP source that is a reinforced plastic composites production facility (40 CFR 63.5785(a)). The requirements of this subpart are included in FGMACTWWWW of the permit. The applicant has agreed to comply with reconstructed/new requirements.

ASC-001 Application Submittal and Certification

Compliance Statements: Company checked yes to all 3 compliance statements.

S-003 Source Requirement Information

1. MAERS: Emission units that weren't reported to MAERS are listed on an AI-001 form.
2. Source subject to Federal ozone-depleting substances: No.
3. Federal prevention of accidental release: Not subject.
4. Not a source category that is required to quantify fugitive emissions.
5. Source does not have the potential to emit (PTE) of greater than 100 tpy of any criteria pollutant.
6. Source has the PTE to emit HAPs above major source thresholds. PTE for HAPs, VOCs, and styrene in Table 1 (attached to AI-001 form).
7. No emission units subject to CAM.
8. No CO/CJ.
- 9/10. Not subject to CSAPR/Acid Rain.
11. No required plans (SSM, PMP, MAP, etc.).
12. No non-applicable requirements identified.

EU-001/002 PTI Exempt Emission Units

1. No emission units were listed in the ROP application under R 212(4) or meeting the criteria of Rules 281(2)(h), 285(2)(r)(iv), 287(2)(c), or 290.

EU-003 Emission Units with PTIs

All emission units on PTI 129-16B were listed with no changes requested for incorporation into the ROP

EU-004 OTHER EMISSION UNITS

All emission units with applicable requirements have been addressed on the EU-001, EU-002 and/or EU-003 Forms.

FG-001 Flexible Groups

Flexible groups as identified on PTI 129-16B.

AR-001 APPLICABLE REQUIREMENTS FROM MACT, NESHAP OR NSPS

All MACTS are identified on PTI 129-16B

AR-002 OTHER APPLICABLE REQUIREMENTS

No other applicable requirements identified.

AR-003 SOURCE-WIDE APPLICABLE REQUIREMENTS

No FGFACILITY on PTI 129-16B but FGPLASTICPARTS applies source-wide. However, see note below as emission units in FGPLASTICPARTS were not installed.

Review of Working Draft ROP

Conditions from PTI 129-16B were incorporated into the ROP with the exception of EU COATINGLINE, FGMACTPPPP, and FGPLASTICPARTS. EU COATINGLINE was re-permitted on PTI 129-16A which was issued March 15, 2017. The line has not been used in 18-months since facility startup, and is effectively null and void. (This was confirmed with Diane Gagnier (source contact) on 1/24/2018.) Since this was the only process that could coat plastic parts, and no coating of plastic parts is happening in the facility, the conditions for FGMACTPPPP, and FGPLASTICPARTS are not applicable.

Peer Review Comments – Completed by Caryn Owens 02-04-19

Staff Report –

- Recommended looking into the NAICS Code on Page 1. It is different than what is listed in MACES and MEARS, so one of them is incorrect and needs to be updated. JLB – Corrected MAERS
- It looks like the HAPs emissions were estimated by AQD staff, but since this is an Initial ROP, the HAPs have to be included with the Initial ROP Application and used in the HAP Emissions Table. JLB – PTE is in the application. Actuals are in the MAERS submittal which had issues for the 2017 reporting year. We could ask during company review of the Working Draft if the company could supply revised numbers.
- Additionally, there should be a paragraph of the TBACT and Toxics Analysis that was done during permitting. The Eval form has some good information that should be included after the PSD discussion, but before the NESHAP discussion. JLB – Toxics are state only and I don't recommend discussing. I could add Rule 702 BACT discussion for more information.

ROP –

- Updated the Table of Contents
- Majority of the acronyms are consistent with Appendix 1 or spelled out and used appropriately. The acronyms used here: (The Unified Emission Factors (UEF) Table 1 for Open Molding of Composites from the American Composites Manufacturers Association (ACMA)...” is spelled out in each EU / FG that it's mentioned, but MMA is not. MMA is spelled out in EUADHESIVEDISPING, but not initially in FGGELCOAT (SC II.1 or SC VI.3.c). Just mentioned to keep consistent throughout.
- For FGPRESS/OVEN SC III.2 talks about handling all VOC and HAP containing materials, but there are no HAP emission limits tied to this Flexible Group, or the associated Emission Units covered in the Flexible Group. JLB – The VOC is mainly HAP so the condition is accurate.
- For FGMACTVVVV, SC I.1 has a UAR of 63.5698 and uses SC VI.2 as the method to show compliance. But DSC VI.2 indicates the facility should show compliance using equation 1 of 63.5710, not equation 1 of 63.5698. Even though the equations are very similar, UAR 60 CFR 63.5710 has a specific note which may help to tie the two Conditions together. I recommended adding: “(Include terms in equation 1 of 40 CFR 63.5698 and equation 1 of 40 CFR 63.5710 for only those operations and materials included in the average.)” from 40 CFR 63.5710. JLB – Can't change a PTI condition. I looked at it and adding just a piece of language from 40 CFR 63.5710 makes it even more confusing.
- I fixed minor formatting. I added a 6pt space after the heading so the header of each page doesn't blend in with the Permitted Conditions. Not all secretaries fix this, so I made the change to bring attention to it.

Company Review of Working Draft – No comments

Email 3/18/19:

Hi,

Thank you for the opportunity to review the draft ROP for Owosso Composite. First, I wanted to thank you and Jeff again for the good job you did on the PTI as it made reviewing the ROP so much easier! As a result, Owosso Composite has no comments. We did notice you added reporting for 40 CFR Part 63, Subpart WWWW – but the facility had recognized this obligation and completed reporting earlier this

year for 2018. We also noticed you did not include the emission group EUCOATINGLINE and the flexible group FGPLASTICPARTS in the draft ROP. This equipment is currently located at the site and had been installed but is not currently in use. Owosso Composite has no current contracts requiring its use. Since it has no immediate plans for its use, Owosso has agreed that EUCOATINGLINE and FGPLASTICPARTS can be left out of the ROP. It might be appropriate going forward if the facility made use of the general permit for coating lines if the need to do this type of work in lieu of getting a source-specific permit anyway.

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NAME _____

DATE _____

SUPERVISOR _____