

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: On-site Inspection

U79200388969993

FACILITY: Canapa Valley Farms		SRN / ID: U792003889
LOCATION: 700 E. Huron Ave., Vassar		DISTRICT: Bay City
CITY: Vassar		COUNTY: Tuscola
CONTACT: Joe Denardo , General Manager		ACTIVITY DATE: 11/30/2023
STAFF: Adam Shaffer	COMPLIANCE STATUS: Compliance	SOURCE CLASS:
SUBJECT: Scheduled unannounced inspection.		
RESOLVED COMPLAINTS:		

An onsite inspection and records review was conducted by Air Quality Division (AQD) staff Adam Shaffer (AS) of the Canapa Valley Farms (CF) site located at 700 E. Huron Avenue Vassar, MI. An in-person inspection was completed on November 30, 2023. Applicable records were later requested to verify compliance with air pollution control rules.

Facility Description

CF is a cannabis growing company. At this time the facility is a true minor source for all criteria pollutants and does not operate under any air quality permits.

Compliance Evaluation

AQD staff AS arrived in the area at approximately 9:48am on November 30, 2023. Weather conditions at the time were mostly sunny skies, temperatures in the high 30's degrees Fahrenheit and winds to the north / northeast at 10-15mph. While offsite, a mixture of plant and skunk like odors were noted to the north of the site. This area has historically received odor complaints regarding cannabis odors. Upon arriving onsite, AS met with Mr. Joe Denardo, General Manager, of CF who provided a tour of the site, answered site specific questions, and later provided requested records. Additional onsite staff helped answer site specific questions during the site inspection.

As mentioned above, CF is a cannabis grow company. The various onsite processes were reviewed during the inspection and will be discussed further below.

Observations

Upon first speaking with Mr. Denardo, a list of applicable exemptions was provided to AQD staff AS for onsite equipment that had been previously provided from their consultant. It was also determined that sections of the facility (processing, cultivation, and the state lab) have come online and began operating in 2023.

The various stages of the cannabis grow operation and processing were observed during the site inspection.

The facility completes oil extraction to remove the oils from the cannabis plants onsite. CF has one solvent extraction unit that was observed. The solvent used during extraction is butane, propane, and isobutane. CF believes the solvent extraction unit is exempt per Rule 290 and records were requested and later provided. To meet the Rule 290 exemption, CF keeps track of monthly usage rates and assumes 100 percent emitted. CF has two scales that weigh out solvents before they are added (used) in the process. Some solvent is recovered during operations but after speaking with company staff would be placed back in the containers at the start to be reused. Any solvent added is kept track of and is used when determining emissions. Based on this, it appears that CF is overestimating emissions

which is acceptable. Upon review of the records provided, the highest monthly emissions reported is 752.7 lbs in October 2023, which is below the 1,000 lb monthly emission limit. After further review, it appears that the one solvent oil extraction unit is exempt per Rule 290. CF has a second oil extraction unit; however, this extraction unit utilizes no solvents and would not appear to have any reportable emissions.

The facility is connected to a substation for electrical power from the local utility company (DTE). CF does have two new emergency generators on site that are used for emergency purposes. CF believes the two emergency generators are exempt per Rule 285(2)(g) or Rule 282(2)(b)(ii). Based on the size of the emergency generators the Rule 285(2)(g) exemption appears applicable. The emergency generators are potentially subject to 40 CFR Part 63 Subpart ZZZZ – National Emission Standards for Hazardous Air Pollutants (HAPs) for Stationary Reciprocating Internal Combustion Engines. Since CF is an area source for HAPs, this standard applies, however, the AQD has not been delegated enforcement of this standard by the EPA. Additionally, the two emergency generators are subject to 40 CFR Part 60 Subpart JJJJ – New Source Performance Standards (NSPS) for Stationary Spark Ignition Internal Combustions Engines. Certificates of conformity were provided for both engines. Each generator was equipped with an hour's meter. Based on observations made and speaking with company staff, one of the emergency generators at this point has not been utilized. The second emergency generator read 5.4 hours. On a weekly basis the emergency generator turns on for maintenance purposes. After further review, the two emergency generators appear to be in compliance with NSPS Subpart JJJJ.

The facility has several boilers and various heating units that CF stated to appear to be exempt per Rule 282(2)(b)(i). After further review this exemption appears applicable.

Onsite in one of the buildings is a separate tenant (state testing lab service) that had various laboratory equipment. CF provided several applicable exemptions for this part of the process such as Rule 283(2)(a)(i). After further review, no issues were noted.

CF has partnered with a composting facility to dispose of composted materials.

Conclusion

Based on the facility walkthrough, observations made, and records received, CF appears to be in compliance with applicable air pollution control rules.

NAME Adam J. Smith

DATE 02/09/24

SUPERVISOR C. Paul