
**Flakeboard America Limited, dba ARAUCO North America
Grayling, Michigan**

RESPONSE TO COMMENTS DOCUMENT

May 9, 2017

PERMIT No. 59-16A



Rick Snyder, Governor

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I. PUBLIC PARTICIPATION PROCESS

Permit to Install (PTI) application No. 59-16A, for Flakeboard America Limited, dba ARAUCO North America (Arauco), is for proposed changes to the not yet installed medium density particleboard plant located at 5851 Arauco Road, Grayling, Michigan. The public participation process involved providing information for public review including a Fact Sheet, a proposed project summary, proposed permit terms and conditions, a public comment period, the opportunity for a public hearing, and the receipt of written and verbal public comments on staff's analysis of the application and the proposed permit.

On March 30, 2017, copies of the Notice of Air Pollution Comment Period and Public Hearing, the Fact Sheet, the proposed project summary, and the draft terms and conditions were placed on the Michigan Department of Environmental Quality (MDEQ), Air Quality Division (AQD) Home Page (<http://www.michigan.gov/air>). Also on that date, the AQD sent eight letters to persons potentially interested in the project. In addition, a notice announcing the public comment period and public hearing was placed in the *Crawford County Avalanche*. The notice provided pertinent information regarding the proposed action; the locations of available information; a telephone number to request additional information; the date, time, and location of the Public Hearing; the closing date of the Public Comment Period; and the address where written comments were being received.

No public hearing was held because the AQD did not receive any written requests for one. One commenter provided written comments during the Public Comment Period.

The remainder of this document is a listing of the significant comments received during the public comment period regarding the proposed permit and the AQD's response. The first section discusses the comments received that resulted in changes to the final permit terms and conditions and the basis for each change. The last section discusses the AQD's response to all other significant comments that did not result in changes to the final permit.

II. SUMMARY OF COMMENTS RESULTING IN CHANGES TO THE PERMIT

Comment

On page 55, Special Condition (SC) V.2 states that the permittee may be required to verify emissions from "one or both engines in FGRICE." Please update this condition to reflect that there are now three engines in FGRICE so that compliance can be assured for all three engines.

AQD Response

The AQD agrees that this condition should be revised. In addition, the AQD corrected typographical errors in the emission unit description for EUENERGY on page 11 and SC VI.6 on page 56.

Condition Change

The condition in question has been revised to replace "one or both engines in FGRICE" with "one, two, or all three engines in FGRICE."

III. SUMMARY OF SIGNIFICANT COMMENTS

Comment

The fact sheet does not provide an explanation for the change in operation limit for the emergency generator. In the issued PTI 59-16, the emergency generator could be operated for no more than 200 hours per year on a 12-month rolling basis, but in the draft permit 59-16A, which has two emergency generators, the generators are limited to 500 hours per year on a 12-month rolling basis. Please explain the change in operation hours and the associated changes in the emission limits for the emergency generator so that the permit record can be complete.

AQD Response

The 200 hours per year limit for the emergency generator engine in PTI 59-16 was used in the National Ambient Air Quality Standards (NAAQS) and Prevention of Significant Deterioration (PSD) increment modeling analysis.

For PTI 59-16A, the 500 hours per year limits for the emergency generator engines were used in the NAAQS and PSD increment modeling analysis.

The emission limits for the emergency generator engines were revised to reflect the expected emissions from each new engine. With the exception of greenhouse gases (GHG), the emission limits for the engines are short term, either pounds per hour or grams per kilowatt-hour. The GHG emission limits, as carbon dioxide equivalents, increased from 223 tons per year to 297 tons per year (total for both engines). This increase reflects both the increase in operating hours and the increase in the size of the engines, from 1,600 kilowatts to a total of 2,000 kilowatts.

The increases in annual emissions resulting from the change in the operating hours limit and the increased size of the engines were included in the dispersion modeling analysis as well as the PSD best available control technology analysis.

Comment

For the new or changed emission limits on pages 7, 20, 26, 29, 41, 42, 48, 52, and 53, a test protocol is listed under time period/operating scenario. The US Environmental Protection Agency (US EPA) has commented on the lack of specific test methods in previous PTI. US EPA understands that MDEQ will be addressing this concern in future PTI permits and US EPA will continue to work with MDEQ to ensure that the permits are practically enforceable.

AQD Response

The permit requires Arauco to submit test plans to the AQD for approval prior to conducting emission testing. In this way, the AQD ensures that the averaging time used in the emissions testing will correspond to the averaging time used to determine compliance with the emission limits and that the most up to date and appropriate test methods will be used in order to properly determine compliance with the emission limits.

Test methods vary in the time period needed to do the test, and not all of them are easily quantifiable. In these cases, specifying an averaging time in the permit conditions that may not match the sampling time of the test method being used, especially for new facilities such as the Arauco facility, would lead to an inability to determine compliance with the emission limit on the averaging time specified in the permit conditions.

In addition, test methods change over time and some specific situations require that alternate test methods be used.

Specifying test methods and averaging times in the permit conditions could lead to a situation where a company has to modify the permit in order to change the averaging time to match the test method being used or to use a better test method. This could result in non-compliance if the permit modification cannot be processed in time for the test to be conducted within the specified timeframe.

The AQD is reevaluating including specific test methods and specific emission limit averaging times in permit conditions and flexible language that will address US EPA's concerns.

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