

State Registration Number
B2363

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-B2363-20XX

STANDARD COATING INC.

State Registration Number (SRN): B2363

Located at

32565 Dequindre Road, Madison Heights, Oakland County, Michigan 48071

Permit Number: MI-ROP-B2363-20XX

Staff Report Date: May 13, 2024

This Staff Report is published in accordance with Sections 5506 and 5511 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Specifically, Rule 214(1) of the administrative rules promulgated under Act 451, requires that the Michigan Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

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Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with an ROP pursuant to Title V of the federal Clean Air Act; and Michigan’s Administrative Rules for Air Pollution Control promulgated under Section 5506(1) of Act 451. Sources subject to the ROP program are defined by criteria in Rule 211(1). The ROP is intended to simplify and clarify a stationary source’s applicable requirements and compliance with them by consolidating all state and federal air quality requirements into one document.

This Staff Report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft ROP terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft ROP pursuant to Rule 212(5), and any determination made pursuant to Rule 213(6)(a)(ii) regarding requirements that are not applicable to the stationary source.

General Information

Stationary Source Mailing Address:	Standard Coating Inc. 32565 Dequindre Road Madison Heights, Michigan 48071
Source Registration Number (SRN):	B2363
North American Industry Classification System (NAICS) Code:	332813
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	202300158
Responsible Official:	Jeff Mertz, Owner 248 416 4177
AQD Contact:	Sebastian Kallumkal, Environmental Quality Specialist 586 201 0175
Date Application Received:	November 10, 2023
Date Application Was Administratively Complete:	November 10, 2023
Is Application Shield in Effect?	Yes
Date Public Comment Begins:	May 13, 2024
Deadline for Public Comment:	June 12, 2024

Source Description

On June 29, 2018, Standard Coating Inc. (Standard Coating) purchased equipment and operations from Howard Finishing LLC.

Standard Coating Inc. conducts surface coating of various metal parts and fasteners. Equipment at the facility includes one automated electro-deposition coating line (EULINE9), two natural gas-fired boilers each with a heat input of less than 10 MMBTU/hour (EUBOILER2 and EUBOILER5), and several natural gas-fired space heaters each with a heat input of 0.1 MMBTU/hour.

EULINE9, an electro-deposition coating operation includes a phosphate pretreatment system, rinsing process and coating process with two dip tanks and natural gas-fired curing oven.

Industrial and commercial businesses surround Standard Coating's property. The closest residential area is approximately 0.4 miles east of Standard Coating. Red Oaks Waterpark, Red Oaks Dog Park, and Red Run Drain (part of the Clinton River Watershed) are located approximately 0.5 miles south of Standard Coating. No process changes occurred after 2019 ROP issuance.

The following table lists stationary source emission information as reported to the Michigan air emissions reporting system for the year **2023**.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	1.19
Lead (Pb)	NA
Nitrogen Oxides (NO _x)	2.27
PM10*	0.17
Sulfur Dioxide (SO ₂)	0.014
Volatile Organic Compounds (VOCs)	6.61

* Particulate matter (PM) that has an aerodynamic diameter less than or equal to a nominal 10 micrometers.

The following table lists Hazardous Air Pollutant emissions (which are estimated as equivalent to VOC emissions) for the year 2023 by Standard Coating Inc.:

Individual Hazardous Air Pollutants (HAPs) **	Tons per Year
Total Hazardous Air Pollutants (HAPs)	34.9

**As listed pursuant to Section 112(b) of the federal Clean Air Act.

Previously, Standard Coating had the potential to emit more than 10 tons per year of a single HAP (2-Butoxyethanol, Chemical Abstract Service (CAS) No. 111-76-2). EPA amended the list of HAP, effective November 29, 2004, removing the compound 2-Butoxyethanol (CAS 111-76-2) from the group of glycol ethers. With the delisting of 2-Butoxyethanol, facility's single/aggregate emissions are below HAP major source threshold. However, Standard Coating considers the VOC limit of 34.9 TPY as the HAP limit and thus wants to classify itself as a major source of HAPs.

See Parts C and D in the ROP for summary tables of all processes at the stationary source that are subject to process-specific emission limits or standards.

Regulatory Analysis

The following is a general description and history of the source. Any determinations of regulatory non-applicability for this source are explained below in the Non-Applicable Requirement part of the Staff Report and identified in Part E of the ROP.

The stationary source is in Oakland County, which is currently designated by the United States Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants except as follows: Oakland County is located in southeast Michigan which is currently designated by USEPA as attainment/maintenance area regarding 2015 Ozone standard.

The stationary source is subject to Title 40 of the Code of Federal Regulations (CFR) Part 70 because the potential to emit of any single HAP regulated by Section 112 of the federal Clean Air Act is equal to or more than 10 tons per year and/or the potential to emit of all HAPs combined is equal to or more than 25 tons per year.

No emission units at the stationary source are currently subject to the Prevention of Significant Deterioration regulations of Part 18, Prevention of Significant Deterioration of Air Quality of Act 451, because at the time of New Source Review permitting the potential to emit of volatile organic compounds was less than 250 tons per year.

On December 15, 2004, EGLE (previously MDEQ) received an Initial Notification from the previous owner, Howard Finishing LLC, required in 40 CFR 63.3910(b), stating EULINE9 was subject to 40 CFR Part 63, Subparts A and MMMM because it had the potential to emit more than 10 tons per year of a single HAP (2-Butoxyethanol, Chemical Abstract Service (CAS) No. 111-76-2). EPA amended the list of HAP, effective November 29, 2004, removing the compound 2-Butoxyethanol (CAS 111-76-2) from the group of glycol ethers.

EULINE9 at the stationary source is subject to the National Emission Standard for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Coating promulgated in 40 CFR Part 63, Subparts A and MMMM.

EUBOILER2 and EUBOILER5 at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Institutional, Commercial, and Industrial Boilers and Process Heaters promulgated in 40 CFR Part 63, Subparts A and DDDDD.

The monitoring conditions contained in the ROP are necessary to demonstrate compliance with all applicable requirements and are consistent with the "Procedure for Evaluating Periodic Monitoring Submittals."

No emission units have emission limitations or standards that are subject to the federal Compliance Assurance Monitoring rule pursuant to 40 CFR Part 64, because all emission units at the stationary source either do not have a control device or those with a control device do not have potential pre-control emissions over the major source thresholds.

Please refer to Parts B, C and D in the draft ROP for detailed regulatory citations for the stationary source. Part A contains regulatory citations for general conditions.

Source-Wide Permit to Install (PTI)

Rule 214a requires the issuance of a Source-Wide PTI within the ROP for conditions established pursuant to Rule 201. All terms and conditions that were initially established in a PTI are identified with a footnote designation in the integrated ROP/PTI document.

The following table lists all individual PTIs that were incorporated into previous ROPs. PTIs issued after the effective date of ROP No. MI-ROP-B2363-2019 are identified in Appendix 6 of the ROP.

PTI Number			
186-08	24-13A (*)		

*The equipment permitted in PTI No. 24-13A was never installed. Conditions originating in PTI No. 24-13A were removed from Standard Coating’s 2019 ROP and Source-wide PTI pursuant to Rule 201(4).

Streamlined/Subsumed Requirements

This ROP does not include any streamlined/subsumed requirements pursuant to Rules 213(2) and 213(6).

Non-applicable Requirements

Part E of the ROP lists requirements that are not applicable to this source as determined by the AQD, if any were proposed in the ROP Application. These determinations are incorporated into the permit shield provision set forth in Part A (General Conditions 26 through 29) of the ROP pursuant to Rule 213(6)(a)(ii).

Processes Not in the Draft ROP

The following table lists PTI exempt processes that were not included in the Draft ROP pursuant to Rule 212(4). These processes are not subject to any process-specific emission limits or standards.

Emission Unit ID	Description of Emission Unit	Rule 212(4) Citation	PTI Exemption Rule Citation
EUNatGasHeaters	Ceiling-Mounted Radiant Heaters 20 heaters at 0.1 MMBTU/hr; 30 heaters at 0.06 MMBTU/hr; and 1 heater at 0.1253 MMBTU/hr. Total heat input rating is 3.9 MMBTU/hr.	R 336.1214(c)	R 336.1282(2)(b)(1)

Draft ROP Terms/Conditions Not Agreed to by Applicant:

This draft ROP does not contain any terms and/or conditions that the AQD and the applicant did not agree upon pursuant to Rule 214(2).

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements as of the effective date of this ROP.

Action taken by EGLE, AQD

The AQD proposes to approve this ROP. A final decision on the ROP will not be made until the public and affected states have had an opportunity to comment on the AQD’s proposed action and draft permit. In addition, the USEPA is allowed up to 45 days to review the draft ROP and related material. The AQD is not required to accept recommendations that are not based on applicable requirements. The delegated decision maker for the AQD is Joyce Zhu, Warren District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the ROP Application, a judgment that the stationary source will be able to comply with applicable emission limits and other terms and conditions, and resolution of any objections by the USEPA.