

Michigan Department of  
Environment, Great Lakes, and Energy  
Air Quality Division

State Registration Number  
B2363

**RENEWABLE OPERATING PERMIT  
STAFF REPORT**

ROP Number  
MI-ROP-B2363-2019

**Standard Coating Inc.**

State Registration Number (SRN): B2363

Located at

32565 Dequindre , Madison Heights, Oakland, Michigan 48071

Permit Number: MI-ROP-B2363-2019

Staff Report Date: March 11, 2019

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 Environmental Quality (MDEQ), Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

## TABLE OF CONTENTS

<b>MARCH 11, 2019 - STAFF REPORT</b>	<b>3</b>
<b>APRIL 16, 2019 - STAFF REPORT ADDENDUM</b>	<b>7</b>
<b>JUNE 7, 2019 - STAFF REPORT ADDENDUM</b>	<b>8</b>

State Registration Number

B2363

**RENEWABLE OPERATING PERMIT**

**MARCH 11, 2019 - STAFF REPORT**

ROP Number

MI-ROP-B2363-2019

**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:	201800132
Responsible Official:	Jeff Mertz, Owner 248-416-4177
AQD Contact:	Kerry Kelly, Environmental Quality Analyst 586-506-9817
Date Application Received:	October 16, 2018
Date Application Was Administratively Complete:	October 16, 2018
Is Application Shield in Effect?	Yes
Date Public Comment Begins:	March 11, 2019
Deadline for Public Comment:	April 10, 2019

## Source Description

On June 29, 2018, Standard Coating Inc. (Standard Coating) purchased equipment and operations from Howard Finishing LLC. An Administrative Amendment to MI-ROP-B2363-2014, related to the change in ownership, is being processed with the renewal of MI-ROP-B2363-2014.

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.

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.

A permit to install (PTI 24-13A) for a decorative chrome electroplating tank (EUCHROME); one soak cleaner tank, one chrome strip tank, and one electro-cleaner tank (FGSOAKCLEANERSTRIP); and two nickel strip tanks, two nitric strip tanks, and two HCl dip tanks (FGNICKLENITRICSTRIP) was approved by the AQD on August 23, 2013. PTI 24-13A was included in renewable operating permit number MI-ROP-B2363-2014 and source-wide permit to install number MI-PTI-B2363-2014. EUCHROME, FGSOAKCLEANERSTRIP, and FGNICKLENITRICSTRIP were never installed at the facility. At the request of company, and pursuant to Rule 201(4), conditions pertaining to EUCHROME, FGSOAKCLEANERSTRIP, and FGNICKLENITRICSTRIP are considered void and have been removed from the source's ROP and source-wide PTI.

In addition, Standard Coating requested EUBOILER3, a <5 MMBtu/hour natural gas-fired boiler included in the flexible group FGBOILERS, be removed from the ROP because the equipment was decommissioned in the early 2000s. During a full compliance evaluation of Standard Coating conducted August 22, 2018, the AQD inspector verified EUBOILER3 is decommissioned. As a result, EUBOILER3 was removed from the facility's ROP.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System (MAERS) for the year 2017.

### TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	0.92
Lead (Pb)	NA
Nitrogen Oxides (NO <sub>x</sub> )	1.14
Particulate Matter (PM)	0.08
Sulfur Dioxide (SO <sub>2</sub> )	0.01
Volatile Organic Compounds (VOCs)	6.71

The following table lists Hazardous Air Pollutant emissions as calculated for the year 2017 by MAERS:

Individual Hazardous Air Pollutants (HAPs) **	Tons per Year
Total Hazardous Air Pollutants (HAPs)	< 1 ton

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

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.

Oakland County is currently designated by the United States Environmental Protection Agency (USEPA) as a non-attainment area with respect to the 8-hour ozone standard.

Standard Coating indicated in the ROP renewal application that 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.

On December 15, 2004, MDEQ received an Initial Notification from 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. The August 22, 2018 AQD inspection report indicates that, with the delisting of 2-Butoxyethanol, no organic HAPs are used at the facility.

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.

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.

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-B2363-2014 are identified in Appendix 6 of the ROP.

PTI Number			
186-06	24-13A*		

\*The equipment permitted in PTI 24-13A was never installed. Conditions originating in PTI 24-13A were removed from Standard Coating’s 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 in Application Not Identified in Draft ROP**

The following table lists processes that were included in the ROP Application as exempt devices under Rule 212(4). These processes are not subject to any process-specific emission limits or standards in any applicable requirement.

PTI Exempt Emission Unit ID	Description of PTI Exempt Emission Unit	Rule 212(4) Citation	PTI Exemption Rule Citation
EUNatGasHeaters	Ceiling-Mounted Radiant Heaters 20 - 0.1 MMBtu/Hr; 30 - 0.06 MMBtu/Hr; and 1 - 0.1253 MMBtu/hr	Rule 212(4)(c)	Rule 282(2)(b)(i)

**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 the MDEQ, 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 Ms. Joyce Zhu, Southeast Michigan 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.

Michigan Department of Environmental Quality  
Air Quality Division

State Registration Number  
B2363

**RENEWABLE OPERATING PERMIT**

ROP Number  
MI-ROP-B2363-2019

**APRIL 16, 2019 - STAFF REPORT ADDENDUM**

**Purpose**

A Staff Report dated March 11, 2019, was developed to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by Rule 214(1) of the administrative rules promulgated under Act 451. The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in Rule 214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

**General Information**

Responsible Official:	Jeff Mertz, Owner 248-416-4177
AQD Contact:	Kerry Kelly, Environmental Quality Analyst 586-506-9817

**Summary of Pertinent Comments**

No pertinent comments were received during the 30-day public comment period.

Michigan Department of  
Environment, Great Lakes, and Energy  
Air Quality Division

State Registration Number  
B2363

**RENEWABLE OPERATING PERMIT**

ROP Number  
MI-ROP-B2363-2019

**JUNE 7, 2019 - STAFF REPORT ADDENDUM**

**Purpose**

A Staff Report dated March 11, 2019, was developed to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by Rule 214(1) of the administrative rules promulgated under Act 451. The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 45-day EPA comment period as described in Rule 214(3). In addition, this addendum describes any changes to the proposed ROP resulting from these pertinent comments.

**General Information**

Responsible Official:	Jeff Mertz, Owner 248-416-4177
AQD Contact:	Kerry Kelly, Environmental Quality Analyst 586-506-9817

**Summary of Pertinent Comments**

No pertinent comments were received during the 45-day EPA comment period.