

Michigan Department of Environmental Quality  
Air Quality Division

State Registration Number

N1470

**RENEWABLE OPERATING PERMIT  
STAFF REPORT**

ROP Number

MI-ROP-N1470-2011

**REC BOAT HOLDINGS, L.L.C. - SPORT AND ENGINEERING**

SRN: N1470

Located at

925 Frisbie Street, Cadillac, Wexford County, Michigan 49601

Permit Number: MI-ROP-N1470-2011

Staff Report Date: August 29, 2011

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) 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**

**AUGUST 29, 2011, STAFF REPORT 3**

**OCTOBER 3, 2011 STAFF REPORT ADDENDUM 7**

Michigan Department of Environmental Quality  
Air Quality Division

State Registration Number  
N1470

**RENEWABLE OPERATING PERMIT**

ROP Number  
MI-ROP-N1470-2011

**AUGUST 29, 2011, STAFF REPORT**

**Purpose**

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with a ROP pursuant to Title V of the federal Clean Air Act of 1990 and Michigan's Administrative Rules for air pollution control pursuant to 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 report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft permit terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft permit 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:	Rec Boat Holdings, L.L.C. - Sport and Engineering 925 Frisbie Street Cadillac, Michigan 49601
Source Registration Number (SRN):	N1470
North American Industry Classification System (NAICS) Code:	336612
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	201000098
Responsible Official:	Mr. Rick Videan, Vice President of Operations 231-779-2352
AQD Contact:	Mr. Shane Nixon, Senior Environmental Engineer 231-876-4413
Date Permit Application Received:	October 7, 2010
Date Application Was Administratively Complete:	October 13, 2010
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	August 29, 2011
Deadline for Public Comment:	September 28, 2011

## Source Description

The Rec Boat Holdings, L.L.C - Sport and Engineering facility is located within the city of Cadillac. This plant builds small "sport" boats manufactured by Four Winns, Glastron, and Wellcraft and also includes the Engineering Plant where research and development activities occur. Processes at the facility that emit air contaminants include the open and closed molding processes which involving the application of gelcoats and resin to construct fiberglass boat parts, cleanup activities utilizing acetone and the use of adhesives in the boat assembly process.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System in the **2010** submittal.

### TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	0
Lead (Pb)	0
Nitrogen Oxides (NO <sub>x</sub> )	0
Particulate Matter (PM)	0
Sulfur Dioxide (SO <sub>2</sub> )	0
Volatile Organic Compounds (VOCs)	2.7
<b>Individual Hazardous Air Pollutants (HAPs) **</b>	
Styrene	<b>2.2</b>
Methyl methacrylate	<b>0.2</b>
<b>Total Hazardous Air Pollutants (HAPs)</b>	<b>2.4</b>

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

In addition to the pollutants listed above that have been reported in MAERS, the potential to emit of Greenhouse Gases is tons per year of CO<sub>2</sub>e is less than 100,000. CO<sub>2</sub>e is a calculation of the combined global warming potentials of six Greenhouse Gases (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride).

See Parts C and D in the draft 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 located in Wexford County, which is currently designated by the U.S. Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants.

The stationary source is subject to Title 40 of the Code of Federal Regulations (CFR), Part 70, because the potential to emit volatile organic compounds exceeds 100 tons per year and the potential to emit of any single HAP regulated by the federal Clean Air Act, Section 112, is more than 10 tons per year and/or the potential to emit of all HAPs combined is more than 25 tons per year.

The stationary source is considered a "synthetic minor" source in regards to the Prevention of Significant Deterioration regulations of 40 CFR, Part 52.21 because the stationary source accepted legally

enforceable permit conditions limiting the potential to emit of volatile organic compounds to less than 250 tons per year.

ROP No. MI-ROP-N1470-2006a contained flexible group named FGRTM for the resin transfer molding (RTM) operations in the Sport Plant and Engineering Plant. The RTM process was never installed in the Engineering Plant. More than 18 months have passed since the issuance of the Permit to Install that allowed installation of the process; therefore, the facility no longer has the option to install the process. AQD staff removed the FGRTM from the current ROP and replaced it with EURTM which only includes the RTM process in the Sport Plant. The emission limits will not change because the toxics review, BACT review, and modeling performed were based on the assumption that all 21.9 tons per year of VOC emissions were to be emitted from the stacks located at the Sport Plant.

ROP No. MI-ROP-N1470-2006a also contained emission units EUVEC1, EUVEC2, EUVEC3, EUVEC4, EUVECPAINT1, and EUVECPAINT2. These emission units were never installed; therefore, the emission units and their associated flexible groups (FGVECMOLDING and FGVECPAINT) were removed from the ROP.

EULAMINATION1, EULAMINATION2, EUGELCOAT1, and EUGELCOAT2 at the stationary source are subject to the Maximum Achievable Control Technology Standards for Hazardous Air Pollutants for Boat Manufacturing promulgated in 40 CFR, Part 63, Subparts A and VVVV.

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 are subject to the federal Compliance Assurance Monitoring rule under 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. are identified in Appendix 6 of the ROP.

PTI Number			
313-08			

**Streamlined/Subsumed Requirements**

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

### **Non-applicable Requirements**

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

### **Processes in Application Not Identified in Draft ROP**

There were no processes listed in the ROP application as exempt devices under Rule 212(4). Exempt devices are not subject to any process-specific emission limits or standards in any applicable requirement.

### **Draft ROP Terms/Conditions Not Agreed to by Applicant**

This permit 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 DEQ**

The AQD proposes to approve this permit. 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 U.S. Environmental Protection Agency (USEPA) is allowed up to 45 days to review the draft permit 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 Janis Denman, Cadillac District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the permit 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.

State Registration Number

N1470

**RENEWABLE OPERATING PERMIT**

ROP Number

MI-ROP-N1470-2011

**OCTOBER 3, 2011 STAFF REPORT  
ADDENDUM**

**Purpose**

A Staff Report dated August 29, 2011, was developed in order to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by R 336.1214(1). 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 R 336.1214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

**General Information**

Responsible Official:	Mr. Rick Videan, Vice President of Operations 213-779-2352
AQD Contact:	Mr. Shane Nixon, Senior Environmental Engineer 231-876-4413

**Summary of Pertinent Comments**

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

**Changes to the August 29, 2011 Draft ROP**

No changes were made to the draft ROP.