



October 2, 2023

Via E-Mail and U.S. Mail

Ms. April Lazzaro
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RE: Louis Padnos Iron & Metal – Turner Avenue Facility (SRN: A2457)
Company Response to AQD’s September 11, 2023 Violation Notice

Ms. Lazzaro:

On behalf of the company, this letter timely responds to AQD’s September 11, 2023 Violation Notice (“VN”) concerning the Padnos facility at 2001 Turner Avenue NW in Grand Rapids, Michigan. The issues raised by AQD stem from a series of site inspections in August 2023, including an inspection by EPA and AQD staff on August 3, a follow-up AQD inspection on August 22, and another AQD inspection on August 30. The VN requested certain information by October 11, which the company plans to provide separately, but also requested Padnos’ response to three allegations of air-related noncompliance by October 2, 2023. Padnos addresses each of those allegations in turn below.

The first allegation concerns the stack for EU-FERROUSZBOX, which AQD noted was broken during the August 22 inspection. The stack was fixed within 24 hours and, as the VN also notes, EGLE confirmed the repair at AQD’s follow-up inspection on August 30.

The second allegation does not allege a violation of PTI #278-06A, but rather a violation of Air Rule 370 “for failure to properly collect and dispose of air contaminants.” While it remains unclear whether the facts support AQD’s allegation, the company has taken affirmative steps to address AQD’s concerns.

Regarding the alleged deficiency based on Rule 370:

- AQD presumably refers to Rule 370(1) because Rule 370(2) addresses the minimum requirements “in priority I and II areas listed in tables 33 and 34,” which do not include Kent County.
- The first sentence of Rule 370(1) states: “*Collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency.*” AQD, however, did not allege an issue with maintaining “the equipment at the required operating efficiency,” so the allegation presumably rests on the second sentence of Rule 370(1).



- The second sentence of Rule 370(1) states: *“The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air.”* AQD’s interpretation of this 1981 rule, however, is unclear given several factors, including (without limitation):
 - The shredder operation and related conveyances are not completely enclosed for various reasons, including the health, safety, and visibility of operators, technicians, inspectors, and first responders.
 - Absent a total enclosure, the shredding of a vehicle, appliance, or other bulk scrap for recycling is impractical without some degree of airborne material around the equipment.
 - It is unclear whether airborne material automatically constitutes an “air contaminant” given that the company operates a scrap yard and attempts to maximize the amount of material recycled.
 - Any airborne material presumably fell to the ground around the equipment and was properly addressed by company personnel as needed, e.g., via recycling or disposal.
 - Nothing suggests that the airborne material landed offsite.
 - AQD did not allege an associated opacity or Rule 901 violation.

Taken together, it seems unclear whether a Rule 370 violation took place.

Nevertheless, the company takes seriously AQD’s concerns and therefore undertook an internal review of the situation observed on August 22. Specifically, Padnos reviewed the relevant operations and identified areas where additional shielding could restrict the generation of airborne material without compromising the “required operating efficiency” of the equipment or creating a danger. As a result, Padnos is working internally to engineer more shielding that will address any potential airborne material.

The third allegation rests on improvements purportedly made to the nonferrous separation system, including the replacement of a single cyclone with two cyclones. AQD alleges that this change required a PTI under Rule 201, but without consideration of whether a PTI exemption applied.

As you know, when a regulated entity claims the applicability of a PTI exemption (or possibly more than one), Rule 278a applies. Specifically, under Rule 278a(2), the exemption demonstration is due to AQD “within 30 days of a written request from the department,” which is the VN in this case. Thus, the company proposes to provide at least one PTI exemption analysis within 30 days of the VN, along with the other files requested by AQD for submission by October 11, 2023.



Subject to the company's follow-up planned by October 11, I believe that this letter addresses the VN. That said, please contact me with any questions.

Thanks,

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