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MAY 27 2014

Saginaw Bay

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May 19, 2014

Kathy L. Brewer
Air Quality Division
Department of Environmental Quality
Saginaw Bay District Office
401 Ketchum St., Suite B
Bay City, MI 48708

Subject: April 28, 2014 Violation Notice

Dear Ms. Brewer:

On May 1, 2014, the Hemlock Semiconductor Corporation, Hemlock Site (the "Hemlock Site") received the subject notice letter (the "VN"), alleging certain violations relating to operations at the site during the month of February 2014. The VN requests the Hemlock Site to respond and explain the actions taken to resolve the alleged violations and to prevent a reoccurrence.

February 28, 2014 Incident

As noted in the April 23, 2014 written deviation report submitted by the Hemlock Site, the scrubbers for Plant Vent 3 and Plant Vent 4 did not operate as intended for an approximately 7 hour period on February 28, 2014. There was essentially no water flow through the scrubbers during this period because the recirculation pumps shut down in response to a low level indicator and were not restarted until the start of the next shift. As a result, the calculated emissions of HCl from EUPLANTVENT3 for the month of February were 1,175 lbs., more than 90% of which occurred during this 7 hour period. Similarly, the calculated emissions of HCl from EUPLANTVENT4 for the month of February were 1,637 lbs., nearly 80% of which occurred during this 7 hour period.

HSC believes that it has good and effective systems in place to assure ongoing compliance with the Site ROP and applicable regulations. For example, EUPLANTVENT3 and EUPLANTVENT4 have operated for more than 10 years without emissions incident. This extraordinary incident, the result of a unique set of circumstances, did point out however the opportunity to make improvements in the operational design of and instrumentation for these units, as explained in the April 23 Report. It should be noted that there have been no reoccurrences since the February 28 incident.

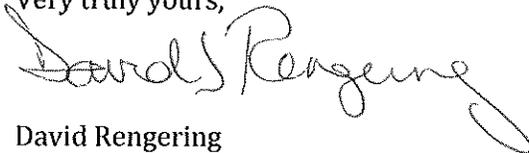
Corrective/Preventive Actions

In response to this incident, the Hemlock Site has identified and is in the process of implementing several corrective/preventive actions. First, the alarm systems will be upgraded to assure that operators will be aware of and respond timely to low level conditions. Under the new system, audible and visible alarms will repeat every 5 minutes until the low level condition is addressed. Second, the recirculation pumps will no longer shut off automatically at the first indication of low level. There will be a short delay (perhaps 5 minutes) before the pumps shut off. This will give operators an opportunity to confirm actual water level or determine if the low level indication is a false-positive reading due to salt accumulation on the level dip tubes and not require a manual restart every time there is a low level indication. Third, scrubber liquid flow is being added to the control process screen as a key process indicator, thereby enabling the operators to better monitor and assess the operation of the scrubbers. Finally, the Hemlock Site will install and maintain a flow of city water to the top nozzle of the scrubber, thereby assuring some scrubbing action even if the recirculation pumps shut down. It is estimated that this action will provide a scrubbing efficiency of approximately 60% until such time as the scrubbers are returned to normal operation or venting is stopped.

The Hemlock Site is confident these actions will be effective in preventing any reoccurrences of emissions like the ones experienced on February 28, 2014. The first three changes have been or will be completed by the end of this month, May 31st. The fourth item will require some piping changes. It is currently anticipated that this work will be completed by the end of July.

In light of the unique circumstances of this incident and the actions described above, the Hemlock Site believes that this matter should be considered resolved and that no further action is necessary. We appreciate the opportunity to provide you with this additional information for your consideration. If you have any questions, please contact Gary Putt, Environmental Manager at (989) 301-5858.

Very truly yours,



David Renger
Hemlock Site Manager

cc: Gary Putt