

Michigan Department of Environmental Quality  
Air Quality Division

State Registration Number  
A6175

**RENEWABLE OPERATING PERMIT  
STAFF REPORT**

ROP Number  
MI-ROP-A6175-2014b

**NEXTEER AUTOMOTIVE CORPORATION**

SRN: A6175

Located at

3900 Holland Road, Saginaw, Saginaw County, Michigan 48601

Permit Number:	MI-ROP-A6175-2014b
Staff Report Date:	June 2, 2014
Amended Dates:	July 3, 2014; September 22, 2015, May 16, 2016

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).

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**RENEWABLE OPERATING PERMIT**

ROP Number

MI-ROP-A6175-2014

**June 2, 2014 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:	Nexteer Automotive Corporation 3900 Holland Road Saginaw Michigan 48601
Source Registration Number (SRN):	A6175
North American Industry Classification System (NAICS) Code:	336330
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	201300141
Responsible Official:	Douglas Owenby, Vice President 3900 Holland Road Saginaw, Michigan 48601 Phone: 989-757-4419
AQD Contact:	Ben Witkopp, Environmental Engineer 989-894-6219
Date Permit Application Received:	August 23, 2013
Date Application Was Administratively Complete:	August 23, 2013
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	June 2, 2014
Deadline for Public Comment:	July 2, 2014

## Source Description

Nexteer Automotive Corporation (hereinafter "Nexteer") is located at 3900 Holland Road in Saginaw, Michigan. The property is bordered to the west by Interstate 75, north and across the street is the now closed Buena Vista High School. East of the facility there is farmland while directly south of the facility and across Hess Road are residential properties.

Nexteer consists of six plants, designated as Plants 1, 3, 4, 5, 6, and 7 and a Powerhouse. The facility encompasses approximately 400 acres. This facility is principally engaged in the design and manufacture of steering columns, shafts, integral steering gears, rack and pinion steering gears, power steering pumps, advanced steering systems and complete steering modules with anti-theft features for various vehicle manufacturers.

The plants engage in typical manufacturing operations such as assembling, machining, and grinding. Remaining operations at Nexteer involves material handling, product packaging, maintenance activities and other miscellaneous support operations.

Additionally, a Powerhouse produces heat and steam to the various plants and office complex. A few changes have occurred since the previous renewable operating permit was issued. Boiler 1, a small coal fired boiler, was removed. Boiler 3, which was a 150 MMBTU/hr coal fired boiler, was converted to burn natural gas and has a low NO<sub>x</sub> burner. Boilers 4, 5, and 6 remain as coal fired units.

Add-on control equipment used at the facility includes wet scrubbers to control particulate from various finishing operations, and multi-cyclonic collectors to control particulate emissions from Boilers 4, 5, and 6 all of which have fly ash reinjection. With regard to boiler nos. 4, 5 and 6, baghouses are employed in series after each unit's cyclonic collector.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System in the **2013** submittal.

### **TOTAL STATIONARY SOURCE EMISSIONS**

<b>Pollutant</b>	<b>Tons per Year</b>
Carbon Monoxide (CO)	73
Nitrogen Oxides (NO <sub>x</sub> )	179
Particulate Matter (PM)	69
Sulfur Dioxide (SO <sub>2</sub> )	357
Volatile Organic Compounds (VOCs)	28
<b>Individual Hazardous Air Pollutants (HAPs) **</b>	
Hydrogen Chloride (HCl)	17
<b>Total Hazardous Air Pollutants (HAPs)</b>	<b>17</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 in tons per year of CO<sub>2</sub>e is 788,485. 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 Saginaw 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 CO, SO<sub>2</sub>, VOC, and PM exceeds 100 tons per year. Additionally, the potential to emit of any single HAP regulated by the federal Clean Air Act, Section 112, is equal to or more than 10 tons per year and/or the potential to emit of all HAPs combined is more than 25 tons per year. Lastly, the potential to emit of Greenhouse Gases is 100,000 tons per year or more calculated as carbon dioxide equivalents (CO<sub>2</sub>e) and 100 tons per year or more on a mass basis.

EUBR02 and EUBR03 at the stationary source are not currently subject to the Prevention of Significant Deterioration (PSD) 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 each criteria pollutant was less than 250 tons per year.

EU's BR04 - 6 at the stationary source are not currently subject to the Prevention of Significant Deterioration (PSD) regulations of Part 18, Prevention of Significant Deterioration of Air Quality of Act 451 or 40 CFR, Part 52.21 because the process equipment was constructed/installed prior to June 19, 1978, the promulgation date of the PSD regulations.

EUBR04 was installed prior to August 15, 1967. As a result, this equipment is considered "grandfathered" and is not subject to New Source Review (NSR) permitting requirements. However, future modifications of this equipment may be subject to NSR.

EUEMGRICE 1-15 at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines promulgated in 40 CFR, Part 63, Subparts A and ZZZZ. The only requirements for EUEMGEN 16-21 are to truly operate the engines as emergency units.

EUBR04, 05, and 06 at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for 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."

EUBR04, EUBR05, and EUBR06 at the stationary source are subject to the federal Compliance Assurance Monitoring (CAM) rule under 40 CFR, Part 64. Each emission unit has a control device and potential pre-control emissions of particulate matter greater than the major source threshold level. The monitoring for the control device is a continuous opacity monitor. The opacity monitor was chosen as opacity is an indication of particulate emissions which could result from poor boiler performance or problems with the particulate control system. The monitor has the added benefit of multiple readings each hour and electronic storage of accumulated data.

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-A6175-2009 are identified in Appendix 6 of the ROP.

PTI Number			
236-07	83-79A	633-81	661-78
143-02	629-94	341-81	618-78
367-01	469-89B	1044-80	321-77
366-01	522-79	625-79	82-75
281-98	503-91	624-79	203-72
484-91A	186-89	607-79	53-69
176-98	657-88	587-79	
175-98	498-86	575-79	
174-98	332-86	545-79	
166-98	44-86	31-79	
96-98	634-81	663-78	

**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**

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.

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.

Exempt Emission Unit ID	Description of Exempt Emission Unit	Rule 212(4) Exemption	Rule 201 Exemption
EUNATGASFNS	27 natural gas fired furnaces	212(4)(b)	282(a)(i)
EUNATGASOVS	2 natural gas fired ovens	212(4)(b)	282(a)(i)
EUNATGASSHS	40 natural gas fired space heaters	212(4)(b)	282(b)(i)
EUNATGASIDFNS	2 natural gas indirect fired furnaces	212(4)(b)	282(b)(i)

EUCLNRTANKS	2 tanks in tank farms of voc or noncarcinogenic liquids <40,000gal and <1.5psia	212(4)(c)	284(i)
EUGRINDERS	21 non-production grinders, drills, etc., that vent outside	212(4)(d)	285(l)(vi)(A)
EUDV420da	1 production blaster vents thru fabric filter outside	212(4)(d)	285(l)(vi)(C)
EUADHLINES	14 adhesive coating lines	212(4)(e)	287(a)
EUPROPANETANK	1 propane tank used for emergency backup to power the radio tower at Plant 5	212(4)(c)	284(b)

**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 at the time of issuance of the ROP except for requirements listed in Appendix 2 of the draft ROP. The table in Appendix 2 contains a Schedule of Compliance developed pursuant to Rule 119(a)(i). The applicant must adhere to this schedule and provide the required certified progress reports at least semiannually or in accordance with the schedule in the table. A Schedule of Compliance for any applicable requirement that the source is not in compliance with at the time of permit issuance is supplemental to, and shall not sanction non-compliance with, the applicable requirements on which it is based.

**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 Mr. Chris Hare, Saginaw Bay 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.

**Purpose**

A Staff Report dated June 2, 2014, 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:	Douglas Owenby, Vice President Phone: 989-757-4419
AQD Contact:	Ben Witkopp, Environmental Engineer 989-894-6219

**Summary of Pertinent Comments**

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



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**September 22, 2015 STAFF REPORT FOR RULE  
216(2) MINOR MODIFICATION**

MI-ROP-A6175-2014a

**Purpose**

On August 20, 2014, the Department of Environmental Quality, Air Quality Division (AQD), approved and issued Renewable Operating Permit (ROP) No. MI-ROP-A6175-2014 to Nexteer Automotive Corporation pursuant to R 336.1214. Once issued, a company is required to submit an application for changes to the ROP as described in R 336.1216. The purpose of this Staff Report is to describe the changes that were made to the ROP pursuant to R 336.1216(2).

**General Information**

Responsible Official:	Douglas Owenby, Vice President
AQD Contact:	Kirsten S. Clemens, P.E., Environmental Engineer
Application Numbers:	201500116; 201500121
Date Applications For Minor Modification Were Submitted:	July 13, 2015; July 24, 2015

**Regulatory Analysis**

The AQD has determined that the change requested by the stationary source meets the qualifications for a Minor Modification pursuant to R 336.1216(2).

**Description of Changes to the ROP**

Application No. 201500116:

Bar Mill #2 is located in Plant 4 and is identified as EUBL04 which is included with EUBL11 as FGDL91. The DVC fabric filter control will be replaced with a baffled setting chamber followed by a wet scrubber. Replacement of the existing fabric filter with the baffled setting chamber followed by the wet scrubber is exempt under Rule 336.1285(d).

Application No. 201500121:

Powerhouse boiler conversion to natural gas only for EUBR03, EUBR05 and EUBR06, as allowed by PTI No. 175-14.

**Compliance Status**

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements associated with the emission unit(s) involved with the change as of the date of approval of the Minor Modification to the ROP.

**Action Taken by the DEQ**

The AQD proposes to approve a Minor Modification to ROP No. MI-ROP-A6175-2014a, as requested by the stationary source. A final decision on the Minor Modification to the ROP will not be made until any affected states and the U.S. Environmental Protection Agency (USEPA) has been allowed 45 days to

review the proposed changes to the ROP. The delegated decision maker for the AQD is the District Supervisor. The final determination for approval of the Minor Modification 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 requirements, and resolution of any objections by any affected states or the USEPA.

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**November 9, 2015 STAFF REPORT ADDENDUM  
FOR RULE 216(2) MINOR MODIFICATION**

MI-ROP-A6175-2014a

**Purpose**

A Staff Report dated September 22, 2015, was developed in order to set forth the applicable requirements and factual basis for the proposed Minor Modification to the Renewable Operating Permit's (ROP) terms and conditions as required by R 336.1216(2)(c). The purpose of this Staff Report Addendum is to summarize any significant comments received on the proposed ROP modification during the U.S. Environmental Protection Agency's (USEPA) 45-day comment period as described in R 336.1216(2)(c). In addition, this addendum describes any changes to the proposed ROP Minor Modification resulting from these pertinent comments.

**General Information**

Responsible Official:	Douglas Owenby, Vice President
AQD Contact:	Kirsten S. Clemens, P.E., Environmental Engineer

**Summary of Pertinent Comments**

No pertinent comments were received during the USEPA's 45-day comment period.

**Changes to the September 22, 2015 Proposed ROP Minor Modification**

No changes were made to the proposed ROP Minor Modification.

Michigan Department of Environmental Quality  
Air Quality Division

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**RENEWABLE OPERATING PERMIT**

ROP Number

A6175

**May 16, 2016 - STAFF REPORT FOR RULE 216(2)  
MINOR MODIFICATION**

MI-ROP-A6175-2014b

**Purpose**

On November 9, 2015, the Department of Environmental Quality, Air Quality Division (AQD), approved and issued Renewable Operating Permit (ROP) No. MI-ROP-A6175-2014a to Nexteer Automotive Corporation pursuant to R 336.1214. Once issued, a company is required to submit an application for changes to the ROP as described in R 336.1216. The purpose of this Staff Report is to describe the changes that were made to the ROP pursuant to R 336.1216(2).

**General Information**

Responsible Official:	Douglas Owenby, Vice President
AQD Contact:	Caryn E. Owens, Environmental Quality Analyst 231-876-4414
Application Number:	201600009
Date Application For Minor Modification Was Submitted:	December 21, 2015

**Regulatory Analysis**

The AQD has determined that the change requested by the stationary source meets the qualifications for a Minor Modification pursuant to R 336.1216(2).

**Description of Changes to the ROP**

Remove Source-wide conditions and EUBR04 from the ROP since coal is no longer used at the facility and modify "Testing/Sampling" and "Other Requirements" conditions for EUBR03, EUBR05, and EUBR06 to be more consistent with EUBR02.

On April 18, 2016, Nexteer requested to modify the "Testing/Sampling" language so boilers EUBR02, EUBR03, EUBR05, and EUBR06 all contained consistent language and timelines for performance testing. Compliance testing was completed for Boiler's EUBR05 and EUBR06 on November 30, 2015, for EUBR03 on December 1, 2015, and EUBR02 on December 2, 2015. The Boiler's were in compliance with the emission limits.

**Compliance Status**

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements associated with the emission unit(s) involved with the change as of the date of approval of the Minor Modification to the ROP.

**Action Taken by the DEQ**

The AQD proposes to approve a Minor Modification to ROP No. MI-ROP-A6175-2014b, as requested by the stationary source. A final decision on the Minor Modification to the ROP will not be made until any affected states and the U.S. Environmental Protection Agency (USEPA) has been allowed 45 days to review the proposed changes to the ROP. The delegated decision maker for the AQD is the District

Supervisor. The final determination for approval of the Minor Modification 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 requirements, and resolution of any objections by any affected states or the USEPA.

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ROP Number

A6175

**July 11, 2016 - STAFF REPORT ADDENDUM FOR  
RULE 216(2) MINOR MODIFICATION**

MI-ROP-A6175-2014b

**Purpose**

A Staff Report dated May 16, 2016, was developed in order to set forth the applicable requirements and factual basis for the proposed Minor Modification to the Renewable Operating Permit's (ROP) terms and conditions as required by R 336.1216(2)(c). The purpose of this Staff Report Addendum is to summarize any significant comments received on the proposed ROP modification during the U.S. Environmental Protection Agency's (USEPA) 45-day comment period as described in R 336.1216(2)(c). In addition, this addendum describes any changes to the proposed ROP Minor Modification resulting from these pertinent comments.

**General Information**

Responsible Official:	Douglas Owenby, Vice President
AQD Contact:	Caryn E. Owens, Environmental Quality Analyst 231-876-4414

**Summary of Pertinent Comments**

No pertinent comments were received during the USEPA's 45-day comment period.

**Changes to the May 16, 2016 Proposed ROP Minor Modification**

No changes were made to the proposed ROP Minor Modification.