

Michigan Department of Environmental Quality  
Air Quality Division

State Registration Number  
B6619

**RENEWABLE OPERATING PERMIT  
STAFF REPORT**

ROP Number  
MI-ROP-B6619-2015

**Tiara Yachts Division of S2 Yachts**

SRN: B6619

Located at

725 East 40th Street, Holland, Allegan County, Michigan 49423-5392

Permit Number: MI-ROP-B6619-2015

Staff Report Date: October 6, 2014

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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**October 6, 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:	Tiara Yachts Division of S2 Yachts 725 East 40th Street Holland, Michigan 49423-5392
Source Registration Number (SRN):	B6619
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:	201400100
Responsible Official:	Robert Slikkers, President 616-392-7163
AQD Contact:	Dennis Dunlap, Environmental Quality Specialist 269-567-3553
Date Permit Application Received:	June 18, 2014
Date Application Was Administratively Complete:	June 25, 2014
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	October 6, 2014
Deadline for Public Comment:	November 5, 2014

## Source Description

Tiara Yachts Division of S2 Yachts (Facility) utilizes a variety of processes to manufacture large boats or other fiberglass reinforced plastic components. These processes include fiberglass spray layup and gelcoat spray layup for creating the hulls, decks, and various other fiberglass portions of the boats or other products. The fiberglass resin and gelcoat spray layup processes account for the majority of VOC emissions from the Facility. The Facility also includes a woodshop that manufactures the wooden portions of the boats and a cabinet shop where the boat interiors are hand constructed.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System (MAERS) in the **2014** submittal.

### TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	2.1
Nitrogen Oxides (NO <sub>x</sub> )	2.5
Particulate Matter (PM)	0.19
Volatile Organic Compounds (VOC)	36.9
<b>Individual Hazardous Air Pollutants (HAP) **</b>	
Styrene	21.4
<b>Total Hazardous Air Pollutants (HAP)</b>	<b>21.4</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 in tons per year of CO<sub>2</sub>e is less than 100,000. The 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 Allegan 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 VOC exceeds 100 tons per year and 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 HAP combined is more than 25 tons per year.

The stationary source is considered a 'synthetic minor' source in regards to Prevention of Significant Deterioration (40 CFR 52.21) regulations since the stationary source has accepted legally enforceable permit conditions limiting the potential to emit of VOC to below 250 tons per year.

FGMOLDINGEMISSIONS, EUENGINEERING, EUSOLVENT, and EUUPHOLSTRYADH at the stationary source are subject to the Maximum Achievable Control Technology (MACT) Standards for Boat Manufacturing promulgated in Title 40 of the CFR, Part 63, Subparts A and VVVV.

FGMOLDINGEMISSIONS, EUENGINEERING, and EUSOLVENT at the stationary source are subject to the MACT Standards for Reinforced Plastic Composites Production promulgated in 40 CFR, Part 63, Subparts A and WWWW, because some of the reinforced plastic composites manufacturing is used in the manufacturing of non-boat products.

The stationary source is not subject to the MACT Standards for Engine Test Cells/Standards promulgated in 40 CFR, Part 63, Subparts A and PPPPP, because the engines are tested after being installed in boats.

The stationary source is not subject to the National Emission Standard for Hazardous Air Pollutants for Wood Furniture Manufacturing Operations promulgated in 40 CFR, Part 63, Subparts A and JJ. The SIC code for the stationary source is not covered by the regulation.

EUWOODSHOP is subject to the Compliance Assurance Monitoring Rule (40 CFR 64) because EUWOODSHOP has a control device and pre-control emissions of particulate matter are greater than the major source threshold amount. The initial ROP application was received prior to April 20, 1998.

At the request of the Facility, the flexible groups FGLB2 and FGLB3 were deleted from the ROP, and the two emission units EULB2SOUTH and EULB3SANDCOAT were placed in a Rule 287 flexible group.

Appendix 3 was removed from the ROP because the Facility is no longer under Consent Order AQD No. 13-2008.

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."

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. The PTIs issued after the effective date of ROP No. MI-ROP-B6619-2010 are identified in Appendix 6 of the ROP.

PTI Number			
433-96	84-06	84-06A	

**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.

<b>Exempt Emission Unit ID</b>	<b>Description of Exempt Emission Unit</b>	<b>Rule 212(4) Exemption</b>	<b>Rule 201 Exemption</b>
EUAMU	Air make-up units.	Rule 212(4)(b)	Rule 282(b)(i)
EUHVAC	Heating, ventilating, and air conditioning units.	Rule 212(4)(b)	Rule 282(b)(i)
EUHEATERS	General building heaters.	Rule 212(4)(b)	Rule 282(b)(i)
EUBOILERS	Natural gas-fired boilers with a heat input rating of less than 50 MMbtu/hr.	Rule 212(4)(b)	Rule 282(b)(i)
EUTESTCELLS	Test cells for testing boat drive motors before shipping.	Rule 212(4)(d)	Rule 285(g)

### **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 MDEQ**

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 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 Ms. Mary Douglas, Kalamazoo 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.

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**NOVEMBER 12, 2014 STAFF REPORT  
ADDENDUM**

MI-ROP-B6619-2015

**Purpose**

A Staff Report dated October 6, 2014, was developed in order to set forth the applicable requirements and factual basis for the draft 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. Robert Slikkers, President 616-3927163
AQD Contact:	Dennis Dunlap, Environmental Quality Specialist 269-567-3553

**Summary of Pertinent Comments**

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

**Changes to the October 6, 2014 Draft ROP**

No changes were made to the draft ROP.