

Michigan Department of Environmental Quality
Air Quality Division

State Registration Number
N1328

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-N1328-2016

REC BOAT HOLDINGS L.L.C. - CRUISER

SRN: N1328

Located at

609 13th Street, Cadillac, Wexford County, Michigan 49601

Permit Number: MI-ROP-N1328-2016

Staff Report Date: April 18, 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).

TABLE OF CONTENTS

APRIL 18, 2016 - STAFF REPORT	3
MAY 19, 2016 - STAFF REPORT ADDENDUM	7

Michigan Department of Environmental Quality
Air Quality Division

State Registration Number

N1328

RENEWABLE OPERATING PERMIT

APRIL 18, 2016 - STAFF REPORT

ROP Number

MI-ROP-N1328-2016

Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with an 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 Staff Report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft ROP terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft ROP 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. - Cruiser 609 13th Street Cadillac, Michigan 49601
Source Registration Number (SRN):	N1328
North American Industry Classification System (NAICS) Code:	366612
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	201500187
Responsible Official:	Rick Videan, Vice President of Operations 231-779-2601
AQD Contact:	Rebecca Radulski, Environmental Engineer 989-705-3404
Date Application Received:	October 30, 2015
Date Application Was Administratively Complete:	October 30, 2015
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	April 18, 2016
Deadline for Public Comment:	May 18, 2016

Source Description

Rec Boat Holdings, L.L.C. - Cruiser is located within the City of Cadillac and manufactures boats of various sizes and types. Processes at the facility that emit air contaminants include the spray application, open and closed mold application of gelcoats and resin to construct fiberglass boat parts, clean-up 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 (MAERS) for the year **2014**.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	0
Lead (Pb)	0
Nitrogen Oxides (NO _x)	0
Particulate Matter (PM)	0
Sulfur Dioxide (SO ₂)	0
Volatile Organic Compounds (VOCs)	150.5

The following table lists Hazardous Air Pollutant emissions as calculated for the year 2014 by Rec Boat Holdings, L.L.C.:

Individual Hazardous Air Pollutants (HAPs) **	Tons per Year
Methyl Methacrylate (MMA)	11.5
Styrene	133.1
Total Hazardous Air Pollutants (HAPs)	144.6

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

See Parts C and D in the 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 of 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 equal to or more than 10 tons per year and/or the potential to emit of all HAPs combined is equal to or 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 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.

EULAMINATION, EUGELCOAT, EURESINMIXING, EUGELCOATMIXING, EUADHESIVE, EUVOC CLEANUP AND EUACETONE CLEANUP at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Boat Manufacturing promulgated in 40 CFR Part 63, Subparts A and VVVV.

EUGRINDCUTBOOTH was installed under PTI 101-07A and is included in the current ROP. EUGRINDCUTBOOTH is controlled by a dust collector, which emits its exhaust to in-plant environment. The booth could be exempt under Rule 285(l)(vi) as the fiberglass is considered a plastic (specifically a reinforced plastic) under 40 CFR Part 63, Subpart WWWW – Reinforced Plastic Composites Production; however it was determine that the permittee could not use the exemption due to Rule 278.

EUSPACEHTR at the stationary source are not subject to the National Emission Standard for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters promulgated in 40 CFR Part 63, Subparts A and DDDDD because these natural gas heaters are used for space heat and do not meet the definition of process heater as defined in this subpart.

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. MI-ROP-N1328-2011 are identified in Appendix 6 of the ROP.

PTI Number			
1240-91D	296-02	292-03	101-07A
196-10			

Streamlined/Subsumed Requirements

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

Non-applicable Requirements

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

Exempt Emission Unit ID	Description of Exempt Emission Unit	Rule 212(4) Exemption	Rule 201 Exemption
EUSPACEHTR	8 natural gas heaters, each less than 50,000,000 Btu/hr	212(4)(b)	282(b)(i)

Draft ROP Terms/Conditions Not Agreed to by Applicant

This draft ROP 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, AQD

The AQD proposes to approve this ROP. 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 ROP 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 Ransom, Cadillac District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the ROP 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.

Michigan Department of Environmental Quality
Air Quality Division

State Registration Number

RENEWABLE OPERATING PERMIT

ROP Number

N1328

MAY 19, 2016 - STAFF REPORT ADDENDUM

MI-ROP-N1328-2016

Purpose

A Staff Report dated {DATE}, 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:	Rick Videan, Vice President of Operations 231-779-2601
AQD Contact:	Rebecca Radulski, Environmental Engineer 989-705-3404

Summary of Pertinent Comments

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

Changes to the April 18, 2016 Draft ROP

No changes were made to the draft ROP.