



Axalta Coating Systems, USA, LLC
400 N. Groesbeck Highway
Mt. Clemens, MI 48043

October 24, 2022

Adam Bognar, Environmental Engineer
EGLE – AQD – Warren District
27700 Donald Court
Warren, MI 48092-2793

**RE: Violation Notice dated October 3, 2022
Axalta Coating Systems, LLC, Mt Clemens Plant – SRN A3569**

Dear Mr. Bognar:

We are writing in response to the above-referenced Violation Notice (VN). In this VN, the Air Quality Division (AQD) identified alleged violations as described below. As you know, Axalta is committed to providing accurate and timely responses and working cooperatively with AQD to provide transparency and clarity in its reporting.

Axalta Coating System's response described below demonstrates the actions taken to improve and correct alleged recordkeeping and reporting deficiencies, and to prevent reoccurrence. Further, as described below these alleged recordkeeping deficiencies have been corrected.

FG-Rule 290 EU-CGM3500S

CGM3500S is one of 58 mix tanks used to manufacture intermediate and finished product OEM (Original Equipment Manufacturing) paints. As described in Axalta's Permit MI-ROP-A3569 FG-Rule 290 Section I – Special Condition 2a, a 20lb./mo. emission limit has been established for formaldehyde. Records provided to EGLE in April 2022 showed calculated "actual" formaldehyde emissions of 23.77 lbs., 25.22 lbs., and 20.92 lbs. for January, March, and April of 2021, respectively.

Axalta determined that earlier calculations had been overestimating formaldehyde emissions since formulation solids were inadvertently omitted from the calculations. Specifically, leaving solids out of the calculations of the mole fractions of the volatile constituents increased calculated emissions. The updated and more accurate emission calculations show formaldehyde below its 20 lb./month Rule 290 limit.

As shown in the updated Rule 290 EU-CGM reporting provided to EGLE on July 31, 2022, the actual formaldehyde emissions from CGM3500S are less than 20 lb./mo. for all of 2021. Therefore, there were no exceedances.



To reduce the recordkeeping burden and potential for similar errors, associated with demonstrating Rule 290 compliance for all 58 CGM mix tanks, Axalta is preparing a permit application that seeks to group all 58 CGM mix tanks into a single emission unit. Axalta believes the resulting recordkeeping will be limited to monthly and rolling 12-month VOC emissions and simplify reporting, data review, and compliance.

FG-R&D Booths EU-QA-15

Spray Booth EU-QA-15 is one of 18 spray booths used to spray metal and plastic parts in connection with quality and R&D activities. As described in Axalta's Permit MI-ROP-A3569 FG-R&D Booths Section A – Special Condition 3, a 2,000lb/mo./booth emission rate of VOCs when painting metal parts was established. Records provided to EGLE on April 6, 2022, reported VOC emissions for EU-QA-15 of 5,101.94 lbs. in November 2021.

Axalta reviewed the raw data for metal parts for EU-QA-15 for all of 2021. During this review it was discovered that that one of the lab technicians for EU-QA-15, was inadvertently over reporting the "amount sprayed" value in "grams" instead of "number of cartridges". For example, on November 24, 2021, the technician entered 375 (which represents the cartridge weight in grams) instead of 1 (which represents the number of cartridges) sprayed. As a result, 10 data points (in October, November, and December of 2021) related to EU-QA -15 were updated to identify the correct number of cartridges sprayed. The lab technician in question was hired in August of 2021 and was still in training when the entries were reported. Once the overestimated data entry was updated, Axalta calculated the following updated VOC emission values for metal and plastic parts for EU-QA-15 for November of 2021:

1. Metal parts VOC emissions: 1,275.66 lbs.
2. Plastic parts VOC emissions: 332.05 lbs.

As shown in the updated reporting provided to EGLE on August 31, 2022, the actual emissions from EU-QA-15 for metal parts are less than the 2,000 lb./mo. for each month in 2021. Therefore, there were no exceedances.

To improve this process going forward, Axalta is updating its spray booth operator training practices, and will review all other data entry records for 2022. Further, to improve recordkeeping, Axalta has updated its Total Spray Booth Emissions report to show both metal and plastic parts, Rolling 12-Month Emissions, and permit limits.



EU-RESIN-REACT-6

Resin Reactor 6 is used to manufacture acrylic resin for automotive topcoats. T-butyl peroxyacetate is used as an additive in production. As described in Axalta's Permit MI-ROP-A3569 EU-RESIN-REACT-6 Section II – Special Condition 1, the emissions limit for t-butyl peroxyacetate is 6,694 lbs. per rolling 12-month period.

Axalta provided EU-RESIN-REACT-6 records for 2021 on March 13, 2022, which included t-butyl peroxyacetate monthly usage and emissions. On August 15, 2022, Axalta provided updated EU-RESIN-REACTOR-6 records for 2021 to EGLE which included t-butyl peroxyacetate monthly usage, monthly emissions, and added 12-month rolling emissions.

According to Axalta records submitted to EGLE on March 13, 2022, and August 15, 2022, the annual 2021 usage of t-butyl peroxyacetate reported was 6,522 lbs. and 6,088 lbs. Based on the August 15, 2022, records which included the rolling 12-month emissions, the highest value reported was 6,464 lbs.

During review of the 2021 data, as provided on August 15, 2022, Axalta found that the amount of t-butyl peroxyacetate reported was overestimated. The t-butyl peroxyacetate content in the raw material changed from 75% to 70% since at least 2015; however, the higher 75% value continued to be used through the end of 2021. Therefore, Axalta updated the percent of t-butyl peroxyacetate to 70% for 2021 as shown in the August 15, 2022, records provided.

Based on the foregoing, Axalta's actual usage, emissions, and rolling 12-month emissions were lower than the 6,694 lbs. rolling 12-month period limit. Therefore, there was no exceedance.

To improve this process going forward, Axalta will review SDSs for raw materials that are critical to emissions calculations and air permit compliance on an annual basis to ensure that no changes have been made to SDS's or product formulations.



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Axalta Coating System's corrective actions to improve and correct recordkeeping and reporting and prevent reoccurrence are complete. Axalta Coating System's is committed to continually improving its operations, training, and internal auditing, and appreciates the support EGLE has offered as its transitions post Covid-19 to hire qualified staff and consultants dedicated to 100% compliance, data integrity, and consistent record keeping.

If you have any questions concerning this submittal, please let me know if I can be of further assistance.

Sincerely,

Axalta Coating Systems, LLC

A handwritten signature in black ink that reads 'Anthony J. Kashat'.

Anthony Kashat
EHS Specialist
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(586) 468-9053

attachment

cc: Jenine Camilleri, EGLE, AQD
Joseph Marecic; EHS&S Manager
Stephen Zervas; Trinity Consultants