

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection**

A356949722

FACILITY: Axalta Coating Systems, LLC- Mt Clemens Plant		SRN / ID: A3569
LOCATION: 400 GROESBECK HWY., MOUNT CLEMENS		DISTRICT: Southeast Michigan
CITY: MOUNT CLEMENS		COUNTY: MACOMB
CONTACT: Rodney Maier , Environmental Health Safety & Security Manager		ACTIVITY DATE: 03/06/2019
STAFF: Adam Bognar	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MAJOR
SUBJECT: Scheduled Inspection		
RESOLVED COMPLAINTS:		

On Wednesday, March 6, 2019, Michigan Department of Environment, Great Lakes, and Energy-Air Quality Division (EGLE-AQD) staff, I, Adam Bognar, Remilando Pinga, and Kaitlyn Leffert, conducted a scheduled inspection of Axalta Coating Systems, LLC (Axalta or the "facility") located at 400 North Groesbeck Highway, Mount Clemens, MI 48043. The purpose of this inspection was to determine the facility's compliance status with the Federal Clean Air Act; Article II, Part 55, Air Pollution Control of Natural Resources and Environmental Protection Act, 1994 Public Act 451; Michigan Department of Environment, Great Lakes, and Energy, Air Quality Division (EGLE-AQD) rules; 40 CFR Part 63, Subpart CCCCCC – National Emission Standards for Area Sources (HAPS): Paints and Allied Products Manufacturing; 40 CFR Part 63, Subpart ZZZZ – National Emission Standards for Stationary Reciprocating Internal Combustion Engines; 40 CFR Part 60, Subpart IIII – Standards of Performance for Stationary Compression Ignition Internal Combustion Engines; and ROP No. MI-ROP-A3569-2017a.

Axalta has a potential to emit Volatile Organic Compounds (VOC) greater than 100 tons per year making the facility subject to the Clean Air Act of 1990, Title V, Renewable Operating Permit (ROP) program. In addition, the facility is a synthetic minor (area) source for Hazardous Air Pollutants (HAPs).

In regard to the National Ambient Air Quality Standards (NAAQS), this facility is located in Macomb county which is currently designated as non-attainment for ozone. Macomb County is designated as attainment for CO, lead, NOx, and PM. The facility is adjacent to a number of commercial businesses and residential properties.

On January 15, 2019, Axalta submitted an application for an opt-out permit to install to limit VOC emissions below major source thresholds. Axalta is working to demonstrate that their VOC potential to emit (PTE) is below 100 tons per year and thus not subject to Title V requirements. AQD is working to process this permit in a timely manner.

Contact: Rodney Maier ("RJ"), Environmental Health Safety & Security Manger

Office phone: (586)-468-9323

Mobile Phone: (586)-549-3011

Rodney.maier@axaltacs.com

Axaltacoatingsystems.com

We arrived at the facility at around 9 am. We entered the facility and met with Mr. Rodney Maier, EHS&S Manager (Goes by "RJ"). We had planned to meet with Ms. Molly Dwinells today, the normal facility contact person, but Mr. Maier informed me that she was out sick that day. Ms. Molly Dwinells left me a voicemail on Friday, March 8, 2019 to inform me that she is no longer working for Axalta.

The departure of Ms. Molly Dwinells made this inspection more difficult because, according to Mr. Maier, she was in charge of coordinating much of the recordkeeping requirements of Axalta's ROP. It appears that for the time being, Mr. Rodney Maier is the facility contact for Air Quality and ROP concerns. At the time of this inspection, Axalta is interviewing candidates to fill the position formerly held by Ms. Dwinells. Update – As of May 2019, Mr. Bryan Duryee (Bryan.Duryee@axalta.com) was hired as the new air environmental specialist at Axalta Mount Clemens.

Mr. Maier escorted us to a conference room where we met with Mr. Matthew Navea, North America Regional Manager – Environment, Health, Safety and Security, Amelia Adkins, Global Environmental, and Eric Sturm, Environmental Consultant. We identified ourselves, provided credentials, and stated the purpose of the inspection. We held a pre-inspection meeting where we discussed current facility operations and introduced ourselves. After the pre-inspection meeting, we performed an inspection of the facility.

Axalta is a Tier 1 automotive coating manufacturer. A majority of manufactured coatings are used at automotive assembly plants. There are approximately 580 employees that operate this plant continuously during three shifts.

Coating manufacturing at Axalta is a batch process. Axalta manufacturers epoxy, urethane, and acrylic resins in five reactors. Additionally, the facility manufacturers dispersions, intermediates, and other coating constituents. To prepare the final product, constituents of a paint/coating mixture are blended in one of the many mixing tanks. Finished products are generally in the form of e-coat, basecoat, primer, color coat, or clear coat. Both solvent-based and water-based coatings are produced.

March 28, 2019 – Record Review

I conducted an additional inspection on March 28, 2019 to verify compliance with the recordkeeping requirements of the ROP, collect additional information, and collect samples of two coatings for analysis. I met with Mr. Maier and Ms. Adkins.

To demonstrate compliance with the recordkeeping requirements of the ROP, Axalta provided me with a binder that includes each section of the ROP, the compliance method for each section, and copies of the records required in each section. All recordkeeping discussion in this report are referring to records created/kept after January 1, 2017 until December 31, 2018. I did not evaluate recordkeeping/emissions before January 1, 2017. Preparing this binder was a considerable effort for the facility. Going forward this may not be how records are submitted to the AQD. I explained that, in general, our normal record review procedure is to review and confirm compliance with all recordkeeping requirements while on-site and collect copies of records selected at random.

I collected samples of two coatings for EPA Method 24 analysis. One sample is Axalta's highest produced solvent-based coating, RCS27726 Acrylosilane Resin, the other sample is their highest produced water-based coating, RC-49125 Acrylic Dispersion Resin – WBBC. On March 29, 2019 these samples were sent to Geo-Tech Polymers located at 423 Hopewell Road, Waverly, Ohio 45690.

Opt-Out Application

Axalta is currently in the process of voiding their ROP and obtaining an opt-out permit to install. An application for an opt-out permit was submitted to the AQD on January 15, 2019. Mr. Paul Schleusener, AQD permit engineer, has been tasked with processing the application. In the application, Axalta requested that research & development operations be treated as a separate stationary source. The southeast Michigan district denied this request. The district determined that research and development operations support the primary activity at Axalta, are located on the same site (contiguous), and are under common ownership.

2018 MAERS Submittal

Axalta submitted their 2018 Michigan Air Emission Reporting System (MAERS) report on time; however, in several cases, Axalta did not provide a basis for the reported emissions. Upon my request, Axalta attached supporting documents to their MAERS report that provide a basis for the reported emissions.

Some of these supporting documents and the corresponding reported emissions contradict the records submitted to me during my inspection. Axalta stated that the emission values submitted to MAERS are correct and the emission values submitted to me in the binder represent the "historical worst-case scenario" emission factors. I explained that the emission values reported in the 2018 MAERS should be the same as the 2018 emission records maintained on-site.

The emission values discussed in this report are based on what was submitted to me during this inspection. I will be working with Axalta to ensure that consistent and accurate records are kept.

ROP No. MI-ROP-A3569-2017a

Source Wide Conditions: Axalta has source-wide conditions limiting each individual HAP to less than 9 tpy and aggregate HAPs to less than 22.5 tpy. VOC emissions from coating lines (spray booths) are limited to 30 tpy for plastic parts, and 30 tpy for metal parts. Based on the record I reviewed, Axalta's emissions are below these limits.

The spray booths are generally used to spray coatings on metal or plastic square panels for R&D or quality control purposes. Axalta does not currently differentiate between metal and plastic panels. Mr. Maier estimates that 90% of the spraying is done on metal panels. Mr. Maier agreed to begin recording what is sprayed on metal panels versus what is sprayed on plastic panels.

Section V – S.C. 1: Requires Axalta to perform Method 24 testing on each coating as applied, or, alternatively, get written approval from the AQD district supervisor to use manufacturers data in lieu of Method 24. Axalta appears to comply with this condition.

I collected samples during my inspection of the most produced VOC coating and the most produced waterborne coating. AQD sent these samples to Geo-Tech Polymers (formerly ATOM Testing Labs LLC.) to perform an EPA Method 24 Analysis. See binder under R&D Booths for the test results. The results show that the VOC Based RCS27726 Acrylosilane Resin has a VOC content of 3.01 lbs/gallon and the waterborne RC-49125 has a VOC content of 1.26 lbs/gallon. The results of this test match the VOC contents reported from Axalta.

Section VI – S.C. 1,2,3,4: Specifies source wide recordkeeping requirements. For each coating used, Axalta must keep records of the gallons used, the VOC content, and the corresponding monthly and 12-month rolling VOC emission rate. Additionally, each coating used must be categorized as either metal part spraying or plastic part spraying. Update – On Friday, May 17, 2019, Axalta submitted records for December 2018 that detail the total amount of coating sprayed, the type of coating, the booth the spraying was performed in, and whether the coating was sprayed on metal or plastic.

Axalta must also keep monthly and 12-month rolling records of both individual and aggregate HAP emissions. These records are maintained. See binder for copies.

EU-RESIN-REACT-4: Also known as Reactor 4. This reactor is used to manufacture acrylic resin for automotive topcoats. This process consists of a 2500-gallon reactor, a monomer weigh tank, a catalyst weight tank, a quench tank, a decanter, a feed tank, a receiver, a charge tank, and a thin tank. The basic process in this reactor is to load the reactants into the reactor and feed tanks, heat the reactor to polymerization temperature, add reactants to build acrylic resin, cool resin in thin tank, then filter the resin and send it to storage tanks. The reactor has an integral condenser for process control but does not have a condenser specifically for emission control.

Section I – Special Condition (S.C.) 1,2: Limits VOC emissions from Reactor 4 to 4.5 tons per 12-month rolling period. There is also a VOC limit for each batch produced of 0.50 lbs of VOC emitted per 1000 lbs of completed resin produced. Based on the records I reviewed Axalta meets these emission limits. The highest reported VOC emissions were in the 12-month period ending in January 2018 at 1.502 tons. The highest reported VOC/batch was 0.48 lbs VOC per 1000 lbs completed resin.

Section III – S.C. 1: States that Axalta shall not splash solvents during loading of the reactor. Personal who load the reactor utilize either a "J-Tube" or another device that minimizes splashing by causing liquids to enter the reactor near the bottom at a 45-degree angle instead of falling straight down into the reactor.

Section III – S.C. 2: Requires that cleaning of paint manufacturing equipment and shipping containers be done by methods and materials that minimize VOC emissions. Organic solvent is used to clean organic solvent manufacturing equipment/containers. Equipment is kept sealed during cleaning to minimize emissions. Manufacturing equipment/containers that contain waterborne materials are cleaned using hot water. The water used is always kept below 140°F for safety reasons.

The organic solvent used for cleaning at Axalta is KH-10630. KH-10630 is also used in all cold cleaners at the facility. The solvent consists of 100% VOC and 1% HAPs (Cumene). Axalta provided me the SDS for this solvent (see binder under Cold Cleaners). Emissions from equipment cleaning is currently accounted for as fugitive emissions in MAERS. Axalta has requested that an EU-CLEANING table be created and included with the opt-out permit application that is currently being processed by the AQD.

Section III – S.C. 3: Requires wash solvent to be stored in closed containers. Wash solvent is stored in sealed totes.

Section IV – S.C. 1: Requires all stationary and portable mixing tanks and high-speed dispersion mills be equipped with tight fitting covers. All tanks appeared to have tight fitting covers. The covers were closed during my inspection.

Section VI – S.C. 1,2,3: Specifies recordkeeping requirements for Reactor 4. Axalta must keep records of the VOC emission factor used, the amount of resins produced per calendar month, and the 12-month rolling VOC emission rate. These records are kept on the shared drive at the facility. See associated binder for copies.

EU-RESIN-REACT-5: Also known as Reactor 5. This reactor is used to manufacture urethane cross linkers and other intermediates for automotive cathodic primer. This emission unit consists of a 2,500-gallon reactor, two raw material tanks, a decanter, a receiver tank, and a thin tank. The typical process is to load reactants into the reactor and feed tanks, heat the reactor to polymerization temperature, add reactants to build resin, cool resin in thin tank, then filter the resin and send it to storage tanks. There is an integral condenser for process control. VOC emissions from the reactor vents are controlled by a knock-out tank and a -35°C "MACT condenser".

Section I – S.C. 1,2: Limits VOC emissions from Reactor 5 to 2 tons per 12-month rolling period. There is also a VOC limit for each batch produced of 0.22 lbs of VOC emitted per 1000 lbs of completed resin produced. Based on the records I reviewed Axalta meets these emission limits. The highest reported VOC emissions were in the 12-month period ending in August 2017 at 0.733 tons. The highest reported VOC/batch was 0.163 lbs VOC per 1000 lbs completed resin.

Section III – S.C. 1: States that Axalta shall not splash solvents during loading of the reactor. Personal who load the reactor utilize either a "J-Tube" or another device that minimizes splashing by causing liquids to enter the reactor on a 45-degree angle instead of falling straight down into the reactor.

Section III – S.C. 2: Requires that cleaning of paint manufacturing equipment and shipping containers be done by methods and materials that minimize VOC emissions. Organic solvent is used to clean manufacturing equipment/containers. Equipment is kept sealed during cleaning to minimize emissions.

Section III – S.C. 3: Requires wash solvent to be stored in closed containers. Wash solvent is stored in sealed totes.

Section IV – S.C. 1: Requires emissions from Reactor 5, the weigh tank, the decanter tank, and the thin tank to be vented to the condenser system. All of these tanks appeared to be vented to the condenser system.

Section IV – S.C. 2: Requires all stationary and portable mixing tanks and high-speed dispersion mills be equipped with tight fitting covers. All tanks appeared to have tight fitting covers. The covers were closed during my inspection.

Section VI – S.C. 1,2,3,4: Specifies recordkeeping requirements for Reactor 5. Axalta must keep records of the VOC emission factor used, the amount of resins produced per calendar month, and the 12-month rolling VOC emission rate. These records are kept on the shared drive at the facility. See associated binder for copies.

EU-RESIN-REACT-6: Also known as Reactor 6. This reactor is used to manufacture acrylic resin for automotive topcoats. This emission unit consists of a 2,500 gallon reactor, a monomer weigh tank, a catalyst weigh tank, a quench tank, a decanter, a feed tank, a charge tank, and a thin tank. VOC emissions from the reactor, weigh tank, quench tank, feed tank, and charge tanks are vented to a catch tank. The typical process is to load the reactants into the reactor and feed tanks, heat the reactor to polymerization temperature, add reactants to build resin, cool resin in the thin tank, then filter the resin and send it to storage tanks.

Section I – S.C. 1,2,3: Limits VOC emissions from Reactor 6 to 5.4 tons per 12-month rolling period. There is also a VOC limit for each batch produced of 0.50 lbs of VOC emitted per 1000 lbs of completed resin produced. T-butyl peroxyacetate emissions are limited to 0.475 lbs per hour. Based on the records I reviewed Axalta meets these emission limits. The highest reported VOC emissions were 1.316 tons in the 12-month rolling period ending in August 2017. The highest reported VOC/batch was 0.48 lbs VOC per 1000 lbs completed resin.

Section II – S.C. 1. Usage of t-butyl peroxyacetate is limited to 6694 lbs per 12-month rolling time period. Based on the records I reviewed Axalta meets these emission limits. In 2018, T-butyl peroxyacetate usage was reported at 5331 lbs.

Section III – S.C. 1: States that Axalta shall not splash solvents during loading of the reactor. Personal who load the reactor utilize either a "J-Tube" or another device that minimizes splashing by causing liquids to enter the reactor on a 45-degree angle instead of falling straight down into the reactor.

Section III – S.C. 2: Requires that cleaning of paint manufacturing equipment and shipping containers be done by methods and materials that minimize VOC emissions. Organic solvent is used to clean manufacturing

equipment/containers. Equipment is kept sealed during cleaning to minimize emissions.

Section III – S.C. 3: Requires wash solvent to be stored in closed containers. Wash solvent is stored in sealed totes.

Section IV – S.C. 1: Requires all stationary and portable mixing tanks and high-speed dispersion mills be equipped with tight fitting covers. All tanks appeared to have tight fitting covers. The covers were closed during my inspection.

Section VI – S.C. 1,2,3,4: Specifies recordkeeping requirements for Reactor 6. Axalta must keep records of the VOC emission factor used, the amount of resins produced per calendar month, the 12-month rolling VOC emission rate, and the t-butyl peroxyacetate usage on a 12-month rolling basis. These records are kept on the shared drive at the facility. See associated binder for copies.

EU-RESIN-REACT-7: Also known as Reactor 7. This reactor is used to manufacture epoxy "grind and backbone resins" for automotive cathodic primer. This emission unit consists of a 5,000-gallon reactor, three reactor weigh tanks, a charge tank, a stripper shared with the Reactor 8 process, and two thin tanks. Vents from the reactor, three weigh tanks, and the charge tank go to the catch tank and then through a -35°C "MACT condenser" for VOC emission control. The basic process is to load the reactants to the reactor and feed tanks, heat the reactor to polymerization temperature, add the reactants to build resin, cool resin in the thin tank, then filter the resin and send it to storage tanks. In-plant dust from this process is controlled by a dust collector (DC-8).

Section I – S.C. 1,2: Limits VOC emissions from Reactor 7 to 2 tons per 12-month rolling period. There is also a VOC limit for each batch produced of 0.5 lbs of VOC emitted per 1000 lbs of completed resin produced. Based on the records I reviewed Axalta meets these emission limits. The highest reported VOC emissions were in the 12-month period ending in January 2017 at 0.894 tons. The highest reported VOC/batch was 0.13 lbs VOC per 1000 lbs completed resin.

Section III – S.C. 1: States that Axalta shall not splash solvents during loading of the reactor. Personal who load the reactor utilize either a "J-Tube" or another device that minimizes splashing by causing liquids to enter the reactor on a 45-degree angle instead of falling straight down into the reactor.

Section III – S.C. 2: Requires that cleaning of paint manufacturing equipment and shipping containers be done by methods and materials that minimize VOC emissions. Organic solvent is used to clean manufacturing equipment/containers. Equipment is kept sealed during cleaning to minimize emissions.

Section III – S.C. 3: Requires wash solvent to be stored in closed containers. Wash solvent is stored in sealed totes.

Section III – S.C. 4: States that Axalta shall not operate Reactor 7, the three weight tanks, and/or charge tank unless the catch tank is installed, maintained, and operated in a satisfactory manner. I observed that the catch tank was in place during my inspection.

Section III – S.C. 5: Requires Axalta to perform the annual inspection of the catch tank as described in the preventative maintenance plan kept at the facility. This inspection is performed at least once per month when the catch tank is drained.

Section IV – S.C. 1: Requires all stationary and portable mixing tanks and high-speed dispersion mills be equipped with tight fitting covers. All tanks appeared to have tight fitting covers. The covers were closed during my inspection.

Section VI – S.C. 1,2,3,4: Specifies recordkeeping requirements for Reactor 7. Axalta must keep records of the VOC emission factor used, the amount of resins produced per calendar month, and the 12-month rolling VOC emission rate. These records are kept on the shared drive at the facility. See associated binder for copies.

EU-RESIN-REACT-8: Also known as Reactor 8. This reactor is used to manufacture epoxy "backbone resin" for automotive cathodic primer. This emission unit includes a 5,000 gallon reactor, two reactor weigh tanks, four charge tanks, two receiver tanks, and one 12,500-gallon thin tank. The typical process is to load reactants into the reactor and feed tanks, heat the reactor to polymerization temperature, add reactants to build resin, emulsify the resin, cool resin in thin tank, "strip" VOC from resin, then transfer the resin to the cathodic blend tank. The

vents for all Reactor 8 tanks are manifolded together to a catch tank then to a -35°C "MACT condenser" for VOC reduction. A dust collector (DC-8) is used to control in-plant dust.

Section I – S.C. 1,2: Limits VOC emissions from Reactor 8 to 6.9 tons per 12-month rolling period. There is also a VOC limit for each batch produced of 0.5 lbs of VOC emitted per 1000 lbs of completed resin produced. Based on the records I reviewed Axalta meets these emission limits. The highest reported VOC emissions were in the 12-month period ending in July 2017 at 2.157 tons. The highest reported VOC/batch was 0.09 lbs VOC per 1000 lbs completed resin.

Section III – S.C. 1: States that Axalta shall not splash solvents during loading of the reactor. Personal who load the reactor utilize either a "J-Tube" or another device that minimizes splashing by causing liquids to enter the reactor on a 45-degree angle instead of falling straight down into the reactor.

Section III – S.C. 2: Requires that cleaning of paint manufacturing equipment and shipping containers be done by methods and materials that minimize VOC emissions. Organic solvent is used to clean manufacturing equipment/containers. Equipment is kept sealed during cleaning to minimize emissions.

Section III – S.C. 3: Requires wash solvent to be stored in closed containers. Wash solvent is stored in sealed totes.

Section III – S.C. 4: States that Axalta shall not operate Reactor 8, the two weight tanks, and/or charge tanks unless the catch tank is installed, maintained, and operated in a satisfactory manner. I observed that the catch tank was in place during my inspection.

Section III – S.C. 5: Requires Axalta to perform the annual inspection of the catch tank as described in the preventative maintenance plan kept at the facility. This inspection is performed at least once per month when the catch tank is drained.

Section IV – S.C. 1: Requires all stationary and portable mixing tanks and high-speed dispersion mills be equipped with tight fitting covers. All tanks appeared to have tight fitting covers. The covers were closed during my inspection.

Section VI – S.C. 1,2,3,4: Specifies recordkeeping requirements for Reactor 8. Axalta must keep records of the VOC emission factor used, the amount of resins produced per calendar month, and the 12-month rolling VOC emission rate. These records are kept on the shared drive at the facility. See associated binder for copies.

EU-WBI: Waterborne Intermediate paint manufacturing consisting of dispersions making and intermediates making process. Colored or pigmented materials go through a mechanical process to disperse the particles for waterborne paint manufacturing using mills and portable tanks. There are no stacks associated with this process. The intermediates process blends resins, solvent, and aluminum paste or mica pearls, or laponite into one of five process tanks. A dust collector (DC-06) is used to control emissions during powder loading.

Section I – Limits VOC emissions from this emission unit to 3.8 tons per 12-month rolling time period. Based on the records I reviewed, the VOC emissions are below this limit. The highest reported VOC emissions were 1.747 tons during the 12-month rolling period ending in January 2017.

Section II – Limits the amount of product manufactured in EU-WBI to 4,500,000 gallons per 12-month rolling time period. Axalta is in compliance with this limit based on the records I reviewed. The highest reported production in this emission unit is 2,055,872 gallons during the 12-month rolling time period ending in January 2017.

Section VI – S.C. 1,2,3: Specifies recordkeeping requirements for EU-WBI. Axalta must keep, in a format acceptable to the AQD district supervisor, monthly and 12-month rolling records of the gallons of product produced and VOC emission rates. These records are kept at the facility. See attached binder for copies.

EU-IMP: Also known as Improved Manufacturing Process. This emission unit is an automated system designed to produce pigmented solvent-borne products. The system consists of seven 500-gallon dosing tanks, three 250-gallon dosing tanks, four solvent viscosity adjustment tanks, two 3000-gallon blend tanks, two storage tanks, two fill heads, and a mix head. The system is equipped with a manifold venting system that reduces VOC emission from the blend tanks, wash tanks, and product damper tanks. This system reduces emissions because as one tank fills, others simultaneously empty. This allows VOC laden vapors leaving the tank being filled to enter the tanks being emptied via a common vent manifold. For emergency release purposes, there is a valve

that opens if the manifold over fills/pressurizes. The actual emission calculations for EU-IMP do not factor in any control efficiency from this manifold system.

Section I – Limits the VOC emitted from EU-IMP to 30 tons per 12-month rolling time period. Axalta is in compliance with this limit based on the records I reviewed. The highest reported VOC emissions were during the 12-month period ending in February 2017.

Section II – Limits the amount of product produced in EU-IMP to 2,400,000 gallons per 12-month rolling time period. Based on the records I reviewed Axalta is in compliance with this limit. The highest reported production in EU-IMP was 1,169,673 gallons during the 12-month rolling period ending in January 2017.

Section III – S.C. 1: States that Axalta shall not operate EU-IMP unless the manifold venting system is installed, maintained and operated in a satisfactory manner. The IMP manifold appears to be installed, maintained, and operated in a satisfactory manner.

Section III – S.C. 2: Requires that cleaning of paint manufacturing equipment and shipping containers be done by methods and materials that minimize VOC emissions. Organic solvent is used to clean manufacturing equipment/containers. Equipment is kept sealed during cleaning to minimize emissions.

Section III – S.C. 3: States that Axalta shall not splash solvents during loading of the reactor. Personal who load the reactor utilize either a "J-Tube" or another device that minimizes splashing by causing liquids to enter the reactor on a 45-degree angle instead of falling straight down into the tanks.

Section III – S.C. 4: Requires Axalta to perform an annual inspection of the manifold venting system. Preventative maintenance (PM) activities are conducted on EU-IMP on a regular basis (at least annually). See binder under EU-IMP for copies of PM logs.

Section IV – S.C. 1: Requires all stationary and portable mixing tanks and high-speed dispersion mills be equipped with tight fitting covers. All tanks appeared to have tight fitting covers. The covers were closed during my inspection.

Section VI – S.C. 1,2,3,4,5: Specifies recordkeeping requirements for EU-IMP. Axalta must keep monthly and 12-month rolling records of gallons of product produced and calculations of VOC emission rates from EU-IMP. Additionally, one time only, Axalta must monitor the VOC concentration before and after the manifold venting system via Tedlar bag sampling and maintain the results of this sampling on file. This testing was performed in 2007; although only a summary of the results of this test exists in the AQD file. It is unclear in the summary if Tedlar bags were utilized in the test; however, the inlet and outlet concentrations were tested for VOC content. Axalta appears to comply with the recordkeeping conditions of EU-IMP.

EU-MEL-UNLOAD: This emission unit is a melamine resins unloading operation. The facility receives melamine resins from off-site via 5000-gallon tank wagons. The melamine is unloaded to the stationary tanks located at the resin storage area.

Section I – S.C. 1,2: Limits formaldehyde emissions from EU-MEL-UNLOAD to 0.28 lbs/hr and 0.24 tons per 12-month rolling time period. Based on the records I reviewed Axalta is in compliance with these emission limits. See binder for copies of emission records.

Section III – S.C. 1: States that Axalta shall not off-load formaldehyde containing resins for more than 1752 hours per 12-month rolling time period. Based on the records I reviewed Axalta is in compliance with this limit. The records indicate that Axalta off-loaded formaldehyde containing resins for 362 hours in 2017 and 346 hours in 2018.

Section VI – S.C. 1,2,3: Specifies recordkeeping requirements for EU-MEL-UNLOAD. Axalta must keep records of the number of tank wagons unloaded per month and the throughput of formaldehyde containing resins (melamine) per month based on the number of tank wagons per month and the capacity of each tank wagon. Axalta must also compute the hours of operation based upon the number of tanks unloaded and use AQD approved emission factors (or mass balance techniques) to calculate formaldehyde emissions each calendar month. These records are kept (see binder under MEL UNLOAD for copies).

EU-S-MEDIA-MILLS (1-4): This emission unit is comprised of four "small media mills". Dispersions are manufactured in this equipment. The process for each mill/premix tank system is the same. There is no

chemical reaction in these processes, only mixing and mechanical grinding to disperse pigment in binder and solvent. A dust collector (DC-06) is used to control emissions during powder loading.

Section I – S.C. 1: Limits VOC emissions from EU-S-MEDIA-MILLS to 25.0 tpy. Based on the records I reviewed Axalta is in compliance with this limit. The highest reported VOC emissions were 9.851 tons during the 12-month period ending in September 2018.

Section II – S.C. 1: Limits the amount of material produced in EU-S-MEDIA-MILLS to 147,000 gallons per month. Based on the records I reviewed this limit has not been exceeded. The highest reported monthly production volume is 68,758 gallons in March 2018.

Section III – S.C. 1: Requires that the cleaning of equipment in EU-S-MEDIA-MILLS be done using methods and materials that minimize VOC emissions. Organic solvent is used to clean manufacturing equipment/containers. Equipment is kept sealed during cleaning to minimize emissions. Manufacturing equipment/containers that contain waterborne materials are cleaned using hot water. Some smaller parts and components are hand wiped down with solvent. Used solvent rags are kept in closed bins located throughout the plant. Wash solvent is stored in closed containers pursuant to Section III – S.C. 2.

Section IV – S.C. 1: Requires all mills to be equipped with tight fitting covers. All tanks appeared to have tight fitting covers except for openings just large enough to accommodate the mixing shaft. The covers were closed during my inspection.

Section IV – S.C. 2: Requires Axalta to equip and maintain each mill in EU-S-MEDIA-MILLS with equipment to monitor the temperature of the mill's contents during processing and to stop the milling process if temperatures exceed 150°F. I reviewed the facilities records for December 2018. The temperatures are recorded every 15 minutes. Reported temperatures do not exceed 150°F. The highest reported temperature is approximately 120°F. During my inspection on March 28, 2019 the temperatures were: Mill 13 - 71°F, Mill 28 - 77°F, Mill 14 - 70°F. One of the four mills was not operating during this inspection.

Section VI – S.C. 1,2,3,4,5: Specifies recordkeeping requirements for EU-S-MEDIA-MILLS. Axalta must keep records of the temperature of each mill every 15 minutes for at least 90% of operating time, the monthly and 12-month rolling VOC emission rate, the volume of material produced, and records of any exceedances of the maximum mill temperature. These records are maintained on-site. See associated binder for copies of these records.

EU-WBSB: This emission unit consists of small (50-500 gallon) batch waterborne paint manufacturing used to make OEM paint products. Tanks vent to the manufacturing building room and fugitive emissions leave via building ventilation.

Section I – S.C. 1: Limits VOC emissions from EU-WBSB to 2.4 tpy. Based on the records I reviewed this limit has not been exceeded. The highest reported emissions is 0.288 tons during the 12-month period ending in December 2018.

Section II – S.C. 1: Limits the material produced in EU-WBSB to 58,333 gallons per month. Based on the records I reviewed this limit has not been exceeded. The highest reported monthly production rate is 36,849 gallons in September 2018.

Section IV – S.C. 1: Requires all production vessels in EU-WBSB to be equipped with tight fitting covers. All tanks appeared to have tight fitting covers except for openings just large enough to accommodate the mixing shaft. The covers were closed during my inspection.

Section VI – S.C. 1,2,3: Specifies recordkeeping requirements of EU-WBSB. Axalta must keep records of the monthly and 12-month rolling VOC emission rate as well as records of the volume of material produced in EU-WBSB. These records are maintained on-site. See associated binder for copies of these records.

Section IX – S.C. 1: States that Axalta shall comply with all provisions of 40 CFR Part 63 Subparts A and CCCCCC, National Emission Standards for Hazardous Air Pollutants for Area Sources: Paints and Allied Products Manufacturing. Based on the records I reviewed, Axalta is in compliance with these regulations. Axalta maintains a document that lists the applicable Subpart CCCCCC requirement and the corresponding method that Axalta uses to comply with the requirement. See binder for a copy of this document.

FG-RESIN-CATHODIC: This flexible group refers to the previously mentioned -35°C "MACT condenser" system that controls VOC/HAP emissions from reactors 1,5,7, and 8. VOC/HAPs are vented from the process vessels and collected in a common vent header. The vent header transports the emissions to a pre-condenser which condenses and removes water vapor and some solvents. The emissions then proceed to two condensers (in parallel) to reduce VOC/HAP emissions. Only one of the two condensers are run at any one time. While one condenser is functioning as a condenser, the other condenser is in a defrost cycle. The condensers are controlled by a refrigeration unit. The remaining emissions proceed through an induction fan and are exhausted through a stack. Condensate is collected in one of two 500-gallon portable tanks. One 500-gallon tank is always in standby.

Section I – S.C. 1: Limits Toluene diisocyanate emissions from this flexible group to 0.002 lb/hr. According to the records submitted by Axalta Toluene diisocyanate was not used in 2018. Axalta appears to be in compliance with this emission limit.

Section III – S.C. 1: Requires FG-RESIN-CATHODIC MACT condenser system to be installed, maintained, and operated in a satisfactory manner. This includes maintaining the condenser system at a temperature not to exceed the maximum temperature specified in the malfunction abatement plan (MAP).

Axalta provided me with the MAP for the MACT condenser (see binder under RESIN CATHODIC). The MAP states that the normal operating range is 41°F-46.4°F for the water-cooled pre-condenser and -18°F for the Dynalene cooled condenser.

When reviewing real time operating temperatures/data, it is important to know which condenser is being referenced. While one condenser is operating in compliance with the MAP, the other condenser is in a defrost cycle and may have a much higher temperature than specified in the MAP. During the inspection it appeared that the condenser exhaust temperature was higher than what the MAP specifies, but after reviewing records it appears that the temperature I observed during the inspection was for the condenser in the middle of a defrost cycle. Close attention should be paid to the temperature and other important parameters of all regulated condensers.

Based on my inspection and the continuous temperature data I reviewed, the MACT condenser appears to be operating in compliance with the MAP.

Section III – S.C. 2: States that Axalta shall not use Toluene diisocyanate (TDI) in Reactor 5 and 7 at the same time. TDI shall not be used in Reactor 1 or Reactor 8. TDI was not used in any reactor in 2018. TDI may be used again based on customer demand. Operators are aware of the requirement to use TDI in only reactor 5 or 7 and not both at the same time. Axalta appears to comply with this condition.

Section IV – S.C. 1: States that Axalta shall not operate FG-RESIN-CATHODIC unless a MAP is implemented and maintained. Based on my inspection and the continuous temperature data I reviewed, the MACT condenser appears to be operating in compliance with the MAP.

Section IV – S.C. 2: Requires Axalta to equip the MACT condenser exhaust with a temperature monitor that records the exhaust temperature at least once every 15 minutes. The MACT condenser exhaust is equipped with a temperature monitoring device. This device reports to software that records and displays the temperature data on a continuous basis.

Section IV – S.C. 3: Requires Axalta to determine the maximum condenser exhaust temperature based on their most recent toluene diisocyanate emission rate test. The most recent TDI emission test was in 2017. The average temperature recorded during the most recent TDI test was 75°F. Based on the records I reviewed, Axalta maintains the condenser exhaust below this temperature.

Section V – S.C. 1,2: Requires Axalta to perform emissions testing on the condenser system within 180 days of this permit issuance using an approved EPA method. Axalta performed this test on November 20-21, 2017. See binder for a summary of the test report (under "FG-THERMOX-MIXTANKS").

Section VI – S.C. 1,2,3,4,5,6,7: Specifies recordkeeping requirements for FG-RESIN-CATHODIC. Axalta must keep records of the exhaust gas temperature of the condenser system on a continuous basis, which is defined in this condition as one reading every 15 minutes. I observed during my inspection that this continuous monitoring system is in place and appeared to be functioning correctly. Axalta must also keep records of any bypass events and/or exceedances of the maximum allowed condenser exhaust temperature.

Axalta must calculate emissions from FG-RESIN-CATHODIC based on Appendix 7. No TDI is currently being used at the facility, therefore the TDI stack test information is not used to calculate emissions. Instead, emissions from the condenser are calculated by summing the emissions from each reactor connected to the

condenser. Summed reactor emissions are multiplied by the minimum control efficiency specified in the condenser MAP to calculate emissions. These records are kept. See binder for copies of reactor emissions.

AQD is currently working with Axalta to revise the method that reactor emissions are calculated.

FG-RESIN-DC8: This flexible group includes a dust collector, DC-8, that control particulate emissions from reactors 4,7, and 8 during powder loading.

Section I – S.C. 1: Limits particulate matter (PM) emissions from FG-RESIN-DC8 to 0.1 lbs/1000 lbs exhaust gas. This limit should be achieved based on satisfactory operation of the dust collector. The dust collector appeared to be functioning during my inspection.

Section IV – S.C. 1: Requires DC-8 to be equipped with a device to illuminate a visual alarm if the pressure drop across the filter exceeds 5.5" of water or falls below 0.3" of water. DC-8 is equipped with an alarm system. The pressure is monitored and recorded continuously in the IP-21 monitoring system. The pressure drop during my inspection on March 6, 2019 was approximately 1" water (observed on physical meter near DC-8). The pressure drop during my inspection on March 28, 2019 was 1.1" water (observed on digital meter).

Section VI – S.C. 1,2: Requires Axalta to install, calibrate, maintain and operate a pressure drop monitoring device on DC-8 on a continuous basis. DC-8 is equipped with a pressure drop monitoring device. Also, Axalta must perform and maintain records of monthly checks on DC-8 to ensure proper function. Operators of DC-8 record the pressure drop at the start of pigment loading and again at the end of pigment loading. Records of monthly checks are maintained. See binder for copies of these records.

FG-RULE 290: This flexible group includes any emission unit that emits air contaminants and is exempt from the requirements of Rule 201 pursuant to Rules 278, 278a, and 290. This flexible group includes (but is not limited to) the following emission units:

EU-SBI(1-11) – This emission unit includes 11 solvent borne intermediate paint mixing tanks. Resins, solvent, and aluminum paste or mica pearls to create intermediates. Combined emissions from these 11 mixing tanks are tracked pursuant to Rule 290 by multiplying total throughput by an emission factor (0.009 lbs VOC/gallon throughput). The highest reported emissions were during the 12-month period ending in April 2018 at 1.879 tons. See binder for copies of emission records. Included in this binder is a report for December 2018 that details the total emissions of all air contaminants (including toxic air contaminants (TAC)) and demonstrates that this emission unit complies with the initial threshold screening level and initial risk screening level of Rule 290.

EU-TSM – This emission unit includes the tandem Schold Mills 100, 200, 400, LMZ300 and associated premix tanks used to disperse pigmented materials for solvent borne paint manufacturing. Emissions are controlled by a dust collector (DC-06). Combined emissions from EU-TSM are tracked pursuant to Rule 290 by multiplying the total throughput of these units by an emission factor (0.013 lbs VOC/gallon throughput). The highest reported emissions were during the 12-month period ending in January 2017 at 0.417 Tons. See binder for copies of emission records. Included in this binder is a report for December 2018 that details the total emissions of all air contaminants (including toxic air contaminants (TAC)) and demonstrates that this emission unit complies with the initial threshold screening level and initial risk screening level emission limits of Rule 290.

EU-LMZ (1,3, and 4) – This emission unit includes three LMZ mills/pre-mixers. Pigmented materials go through a mechanical process to disperse the particles for solvent borne paint manufacturing. Powder loading emissions are controlled by two dust filters (LMZREDHP and LMZBLKHP). Combined emissions from EU-LMZ are tracked pursuant to Rule 290 by multiplying the total throughput of these units by an emission factor (0.017 lbs VOC/gallon throughput). The highest reported emissions were during the 12-month rolling period ending in July 2017 at 0.648 tons. See binder for copies of emission records. Included in this binder is a report for December 2018 that details the total emissions of all air contaminants (including toxic air contaminants (TAC)) and demonstrates that this emission unit complies with the initial threshold screening level and initial risk screening level emission limits of Rule 290.

EU-LMZ5 – This emission unit includes an intermediate mechanical paint making process consisting of one 10-liter mill and one 550-gallon portable tote. Combined emissions from EU-TSM are tracked pursuant to Rule 290 by multiplying the total throughput of these units by an emission factor (0.154 lbs VOC/gallon throughput in 2018). The highest reported monthly emissions were 0.335 tons in February 2018. See binder for copies of emission records. Included in this binder is a report for December 2018 that details the total emissions of all air contaminants (including toxic air contaminants (TAC)) and demonstrates that this emission unit complies with the initial threshold screening level and initial risk screening level emission limits of Rule 290.

EU-MBFFT – This emission unit includes 24 mill-base flow-through process tanks used to control mixing and filtration of intermediate millbase product for use in paint manufacturing when there is a recurring or intermediate flow of materials during process operation. Combined emissions from EU-TSM are tracked pursuant to Rule 290 by multiplying the total throughput of these units by an emission factor (0.0005 lbs VOC/gallon throughput in 2018). The highest reported emissions were 0.797 tons in the 12-month period ending in November 2017. See binder for copies of emission records. Included in this binder is a report for December 2018 that details the total emissions of all air contaminants (including toxic air contaminants (TAC)) and demonstrates that this emission unit complies with the initial threshold screening level and initial risk screening level emission limits of Rule 290.

Other FG-RULE 290 units – Records for other Rule 290 exempt units were not evaluated during my inspection; however, some of these records were provided in the 2018 MAERS report as supporting documents. 2018 MAERS supporting documents show how the emission factors are calculated for Rule 290 exempt units.

FG-DISP-TANKS: This flexible group includes emission units associated with dispersion premix tanks. The color or pigmented materials go through a mechanical process to disperse the particles for solvent borne paint manufacturing and associated premix tanks. A dust collector (DC-06) is used to control emissions during powder loading.

Section I – S.C. 1,2,3: Establishes emission limits for FG-DISP-TANKS. PM emissions are limited to 0.10 lb/1000 lbs exhaust gases. VOC emissions from EU-DISP-TANK (1-11) are limited to 22.5 tons per 12-month rolling time period. VOC emissions from EU-ECOATSUP are limited to 6.9 tons per 12-month rolling time period. Based on the records I reviewed Axalta complies with these emission limits. The PM emission limit should be achieved through proper operation of the dust collector, DC-06. The highest reported VOC emissions from EU-DISP-TANK (1-11) is 10.784 tons in the 12-month period ending in January 2017. The highest reported emissions from EU-ECOATSUP was in the 12-month rolling period ending in February 2017 at 4.985 tons.

Section IV – S.C. 1,2,3: States that Axalta shall not operate FG-DISP-TANKS unless DC-06 is installed, maintained, operated in a satisfactory manner, and equipped with a visual alarm to notify personal if the pressure drop falls below 0.3" water column or climbs above 5" water column. Based on the pressure drop I observed, DC-06 appeared to be operating correctly during my inspection. DC-06 is equipped with a visual alarm. Pressure drop is monitored on a physical gauge and also digitally monitored in the IP-21 process monitoring system. The pressure drop during my inspection on March 28, 2019 was 2.2" water column (on digital gauge). Dust filters LMZREDHP and LMZBLKHP were equipped with pressure drop indicators.

Section VI – S.C. 1,2,3,4,5: Specifies recordkeeping requirements for FG-DISP-TANKS. Axalta must implement and maintain records of monthly routine checks on the dust collectors. Records of monthly routine checks are maintained. Axalta must keep records of the pressure drop of DC-06 and the two dust filters. Pressure drop readings from DC-06 is recorded every 15 minutes digitally. Pressure drop from the two dust filters is recorded before and after each batch of dispersion. Axalta must keep records of the VOC emission rate from EU-DISP-TANK and EU-ECOATSUP on a monthly and 12-month rolling basis. These records are kept. See binder associated with this report for copies of these records.

FG-THERMOX-MIXTANKS: This flexible group includes 29 product mix tanks. Vents from these tanks are manifolded together and vented to a thermal oxidizer for VOC control. Thermal oxidizer is engineered to achieve 95% destruction efficiency. The mixing process for each tank is the same – A clean tank, which has been kept blanketed with nitrogen, is charged with raw materials through a closed loading system. Vapors displaced from the tank exit through a conservation vent and are ducted to the oxidizer. Positive pressure is maintained in the tank with a nitrogen regulator. Once the batch is completed, the tank is cleaned with a wash solution, if necessary.

Section I – S.C. 1: Limits VOC emissions from these 29 mix tanks to 2.0 tons per 12-month rolling time period. Based on the records I reviewed and Axalta's 2018 MAERS submittal, Axalta appears to comply with this limit. Total VOC emissions for 2018 are reported at 86.2 lbs.

Section III – S.C. 1: Requires the thermal oxidizer to be installed, maintained, and operated in a satisfactory manner. Average temperature must be above 1500°F and instantaneous temperature must never fall below 1450°F. Retention time must be above 0.5 seconds. Based on the records I reviewed from December 2018, Axalta complies with these temperature requirements. During my inspection on March 28, 2019 the thermal oxidizer temperature was 1533°F.

Section III – S.C. 2: States that Axalta shall not splash solvents during loading of the mix tanks. Personal who load the tanks utilize either a "J-Tube" or another device that minimizes splashing by causing liquids to enter the

reactor on a 45-degree angle instead of falling straight down into the tanks.

Section IV – S.C. 1,2: Requires the thermal oxidizer to be equipped with a temperature measurement device and an interlock system so that if the temperature falls below the limits of Section III – S.C. 1, the mixing process is automatically stopped. I verified during my inspection that a temperature monitoring device is present. Personal at Axalta stated that there is an interlock system installed pursuant to this condition.

Section V – S.C. 1,2: Requires stack testing, using an approved EPA method listed in 40 CFR Part 60, Appendix A, at the owners expense every five years. A stack test was performed on the thermal oxidizer pursuant to this condition on November 20-21, 2017 by Derenzo Environmental Services. The results of this stack test indicate that VOC destruction efficiency is 100%.

Section VI – S.C. 1,2,3,4,5: Specifies recordkeeping requirements of FG-THERMOX-MIXTANKS. Axalta must keep records of the throughput, in gallons, of each coating type (clearcoat, solvent-borne basecoat, waterborne basecoat, ect.) on a monthly and 12-month rolling basis. Axalta is required to keep records of the VOC emissions based upon a properly determined VOC emission factor. The temperature monitoring device on the thermal oxidizer must be calibrated every six months. Axalta maintains these records. There have been no reported malfunctions in the time period I evaluated.

FG-RULE284TANKS: This flexible group includes any existing, new, or modified storage tanks that are exempt from Rule 201 requirements pursuant to Rule 284, and that are subject to 40 CFR Part 60.110 (a), (b), and 60.116 (b). This includes the following emission units: EU-STORAGE-SOLV (1-7, 9-12, 14-21), EU-STORAGE-MONOM(1-6), EU-STORAGE-RESIN(1-64), and EU-STORAGE-MISC(1-6).

Section IV – S.C. 1,2,3,4,5,6: Restates the requirements of EGLE-AQD Rule 284. Based on the records submitted and the information I have about these tanks. The tanks appear to be exempt pursuant to Rule 284.

Section VI – S.C. 1,2,3: Specifies recordkeeping requirements for FG-RULE284TANKS. For each storage vessel, Axalta must keep records of the tank ID name, location, capacity, date of installation/modification, type of material contained in the vessel, true vapor pressure of the material contained in the vessel at actual storage conditions, annual material throughput and VOC emissions as determined at the end of each calendar year, and the applicable requirements. For volatile organic liquid storage vessels larger than 10,560 gallons but smaller than 19,800 gallons Axalta must record the dimensions of each vessel and an analysis showing the capacity of the vessel and notify the district supervisor before constructing, reconstructing, or modifying a storage vessel of this size. Axalta maintains these records. See binder for copies.

FG-COLDCLEANERS: This flexible group includes any cold cleaner that is grandfathered or exempt from Rule 201 pursuant to Rule 278, 278a, and Rule 281(2)(h) or Rule 285(2)(r)(iv).

Section II – S.C. 1: States that Axalta shall not use cleaning solvents containing more than five percent by weight of certain halogenated compounds. The cleaning solvent used in all cold cleaners at this facility is an organic solvent blend known as KH10630. KH10630 does not contain any halogenated compounds. SDS is in binder under the "Cold Cleaners" tab.

Section III – S.C. 1,3: Requires cleaned parts to be drained for no less than 15 seconds or until dripping ceases and states that the permittee shall perform routine maintenance on each cold cleaner as recommended by the manufacturer. Axalta appears to comply with these requirements. Proper usage instructions were visibly posted near the cold cleaners I observed during my inspection.

Section IV – S.C. 1,2,3,4,5: Requires that the air/vapor interface of the cold cleaner is no more than 10 square feet. Based on the cold cleaners I observed and the records I reviewed, all cold cleaners are less than 10 square feet. Cold cleaners are equipped with a device for draining parts according to S.C. 2. All cold cleaners I observed were equipped with mechanically assisted covers that were closed during my inspection according to S.C. 3 and 4. The records I reviewed show that the freeboard ratio is above 0.7 (between 0.8 and 1.0) according to S.C. 5a.

Section VI – S.C. 1,2,3,4: Specifies record keeping requirements for FG-COLDCLEANERS. None of the cold cleaners are heated therefore S.C. 1 does not apply. Axalta keeps records, for each cold cleaner, of the name, date of installation, air/vapor interface, applicable Rule 201 exemption, Reid vapor pressure of solvent, and the chosen option to comply with Rule 702 (2) in accordance with S.C. 2. Proper operating procedures were posted on all cold cleaners I observed during my inspection pursuant to S.C. 3. All waste solvent is stored in closed containers therefore S.C. 4 does not apply. See binder associated with this report for a list of cold cleaners and

compliance data.

FG-R&DBooths: This flexible group includes eighteen plastic and metal paint spray booths used for research and development (R&D). Each spray booth is equipped with dry filter(s) to control particulate matter (PM) emissions.

Section A: Establishes emission limits for FG-R&DBooths. Axalta appears to comply with these limits based on the records submitted and Axalta's 2018 MAERS submittal. See binder under R&D booths for copies of records.

Section III – S.C. 1,2,3,4: Requires Axalta to dispose of coatings, paints, spent filters, and other paint waste products in accordance with applicable regulations. Also, all VOC/HAP containing materials must be handled/stored in a way that minimizes fugitive emissions. Waste coatings/filters are sent off-site for disposal. Axalta appears to comply with these conditions, although I did not enter the booths to verify these conditions.

Section IV – S.C. 1,2: Requires that booths are equipped with dry exhaust filters and HVLP applicators. Filters appeared to be in place in few of the booths, but I could not observe all of the booths without putting on coveralls. Axalta uses HVLP applicator technology.

Section V – S.C. 1: requires Axalta to perform EPA Method 24 analyses on any coating as applied and as received. These analyses are performed. See binder under R&D booths for Method 24 results.

Section VI – S.C. 1,2,3,4,5: Specifies recordkeeping requirements for FG-R&DBooths. Axalta must keep records of the chemical composition of each coating material, the type of applicators used, the type of parts painted (metal or plastic), gallons of each coating used, VOC content of each material used, and a 12-month rolling VOC emission rate for all booths combined. Additionally, Axalta is required to keep usage records of acetone and several specific HAPs on a 12-month rolling time period. These records are kept. See binder for copies.

FG-EMER-CI-RICE<500HP: This emission unit includes three existing (commenced construction or reconstruction before June 12, 2006), emergency use, <500 brake horsepower, compression ignition, reciprocating internal combustion fire pump engines. These engines are located at an area source of HAP emissions and subject to 40 CFR Part 63, Subpart ZZZZ.

Section II: Establishes a maximum sulfur content in fuel oil of 0.0015% sulfur by weight. The diesel fuel used in these pumps appears to comply with this limit based on the fuel supplier certification sheet provided to me by Axalta. See binder for copies of this certification.

Section III – S.C. 1,2,3,4,5,6,7,8: Specifies operational restrictions for FG-EMER-CI-RICE<500HP. Axalta appears to comply with these restrictions based on the records I reviewed. Each engine was operated for 24 hours during 2018 for maintenance purposes. Axalta keeps records of periodic inspections of the oil filter, air filter, hoses, and belts. No pollution control equipment is utilized. See binder for copies of these records.

Section IV – S.C. 1: All three engines are equipped with a non-resettable hour meter pursuant to this condition. During my inspection, the east pump house was 4981 hours and the west pump house engines were at 1492 and 769.

Section V – S.C. 1: Not applicable. Axalta changes the oil annually according to 40 CFR Part 63, Subpart ZZZZ.

Section VI – S.C. 1,2,3,4,5,6,7,8: Specifies recordkeeping requirements for FG-EMER-CI-RICE<500HP. Axalta appears to comply with these requirements. See binder for copies of records.

FG-NSPS-4I: This flexible group includes two diesel fueled fire pump engines manufactured (ordered) after July 1, 2006. Both are subject to NESHAP Subpart ZZZZ and NSPS Subpart IIII. Requirements of Subpart ZZZZ are met by complying with Subpart IIII. Both engines, EU-RESINFOAMPUMP and EU-FMF-FOAMPUMP, are used to pump fire fighting foam in case of a chemical fire.

The safety data sheet for the fire fighting foam is in the binder under the "NSPS 4I" tab. This is the foam that has been used for the past five years. The safety data sheet does not list any Poly/per fluoroalkyl substances (PFAS's) on the ingredient list. Axalta does not use fire fighting foam in fire drills.

Section I – S.C. 1,2,3: Establish emission limits for Non-methane hydrocarbons, NOx, CO, and PM. Based on the EPA Clean Air Act certification for these engines, these emission limits should be achieved. See binder for copies of these certificates

Section II – S.C. 1: States that Axalta shall only burn diesel fuel with a maximum sulfur content of 15 ppm by weight. The diesel fuel Axalta uses in these engines complies with this limit based on the records I reviewed. See binder for a fuel oil supplier certification.

Section III – S.C. 1,2,3,4,5,6,7,8: Requires Axalta to operate and maintain their certified engines according to the manufacturers related written instructions. Also, operation of these engines is limited to 100 hours per calendar year for maintenance purposes. Axalta appears to operate the engines in this manner. Each engine runs for less than six hours per year for maintenance purposes.

Section IV – S.C. 1: Requires that each engine of FGNSPS4I is equipped with a non-resettable hour meter. These engines are equipped with a non-resettable hour meter.

Section V – S.C. 1: Requires performance testing for non-certified engines. Both engines are certified for conformity with respect to the Clean Air Act.

Section VI – S.C. 1,2,3: Specifies recordkeeping requirements for FG-NSPS-4I. Axalta must keep records of the engine emission certification documents, the hours of operation in emergency and non-emergency service, and records demonstrating that the fuel used is compliant diesel. Axalta maintains these records. See binder for copies.

Reporting Requirements – Axalta appears to be in compliance with the reporting requirements of the ROP.

Stack Requirements – I did not verify stack parameters during my inspection. Stacks appeared to be discharged vertically unobstructed.

Compliance Determination

Axalta appears to be in compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); Michigan Department of Environment, Great Lakes, and Energy-Air Quality Division (EGLE-AQD) Administrative Rules; 40 CFR Part 63, Subpart CCCCCC – National Emission Standards for Area Sources (HAPS): Paints and Allied Products Manufacturing; 40 CFR Part 63, Subpart ZZZZ – National Emission Standards for Stationary Reciprocating Internal Combustion Engines; 40 CFR Part 60, Subpart IIII – Standards of Performance for Stationary Compression Ignition Internal Combustion Engines; and ROP No. MI-ROP-A3569-2017a.

NAME Adam Bogart

DATE 7/30/2019 SUPERVISOR SLC