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EGLE Kalamazoo District Office: 7014 1820 0002 3902 8795

July 17, 2019



Mr. Cody Yazzie
Michigan Department of Environment, Great Lakes and Energy
7953 Adobe Road
Kalamazoo, MI 49009-5025

**Re: Response to Letter of Violation 11-7-2018
BASF Toda America LLC (BTA). Battle Creek, MI**

Dear Mr. Yazzie;

Provided for review is an update to the responses to the allegations presented in a Letter of Violation received by BTA LLC on November 7, 2018. BTA LLC will provide below a response to each allegation individually as request by the Michigan Department of Environment, Great Lakes and Energy (EGLE) Air Quality Division (AQD).

On March 7, 2018, BASF Corporation and Toda America Inc.(TAI) entered into a collaboration creating BASF Toda America LLC (BTA). BASF Corporation retains majority ownership of the collaboration and initiated a comprehensive review of the Battle Creek facility's environmental compliance programs. During that review BASF determined TAI had failed to implement the applicable requirements of the Chemical Manufacturing Area Source rule 40CFR63 Subpart VVVVVV (CMAS). This discovery resulted in the submission by BTA of a Notice of Compliance Status Report on July 30, 2018 describing the discovery and deviations revealed by that discovery.¹ At this time, BTA continues to evaluate process equipment and determine corrective actions necessary to bring the facility into compliance with the CMAS NESHAP. Responses to the allegations below will shed light on those activities both completed and planned.

1. *Failure to submit an initial NOCSR within 180 days of startup (facility commenced operations on 12/6/2010) of the affected source. 40CFR 63.11501(b).*

Response

¹ On July 30, 2018, prior to submitting the NOCSR, BTA and BASF Corporation submitted a proposed New Owner Voluntary Audit Notice and Agreement to US EPA, Region 5. The New Owner Voluntary Audit Notice and Agreement disclosed the same items contained in the NOCSR.

The Initial Notice Compliance Status Report was required to be submitted on or before June 4, 2011 by TAI. The first Notice of Compliance Status Report was submitted by BTA on July 30, 2018. Since BTA staff do not have access to TAI staff or their consultants, the cause of the failure to submit the required notice is not understood.

Corrective Action

BTA will leverage the use of an electronic compliance task management system to ensure critical compliance dates are not missed in the future. Installation of the system is expected to be completed by the end of February 2019.

Status

The facility has completed its applicability review and task assignment process for the implementation of our compliance task management system.

2. *Failure to submit semi-annual compliance reports during periods where any events described in paragraphs (d)(1) through (d)(7) of this section occurred during the reporting period. 40CFR 63.11501(d)(1-7).*

Response

The period of non-compliance occurred during TAI's ownership and operation of the facility beginning June 4, 2011 and ending on January 31, 2018. BTA submitted a NOCSR on July 30, 2018 according to the requirements specified in 40CFR 63.11501(d) (1-7).

Corrective Action

BTA will leverage the use of an electronic compliance task management system to ensure critical compliance dates are not missed in the future. Installation of the system is expected to be completed by the end of January 2019.

Status

The facility has completed its applicability review and task assignment process for the implementation of our compliance task management system.

3. *Failure to submit a Renewable Operating Permit Application no later than 12/21/2013. Any area source that installed a federally enforceable control device on an affected CMPU is required to obtain a permit under 40 CFR Part 70, if the control device on the affected CMPU is necessary to maintain the source's emissions at area source levels. Based on potential to emit calculations for single and combined Hazardous Air Pollutant (HAP) submitted with the Facility's permit to install application No. 70-10, uncontrolled emissions exceed major source thresholds for both single and combined HAPs. 40CFR63.11494(e).*

Response

The requirement to develop and submit an administratively complete Renewable Operating Permit (ROP) was TAI's responsibility to complete on or before 12/21/2013.

Corrective Action

BTA and ERM, BTA's consultant are in the process of developing application package for submittal to EGLE. BTA anticipates this application will be submitted on or before March 31, 2019. BTA is currently implementing process engineering changes necessary to install the Continuous Monitoring System (CMS) and Bag Leak Detection Systems (BLDS). Once the changes are completed the application can be completed and submitted to the agency.

Status

An ROP application has been submitted to EGLE AQD on April 30, 2019. The application is currently under review and additional requests for information are being evaluated and developed for agency review.

- 4. Failure to conduct quarterly inspections of each CMPU between calendar year 2011 and the first quarter of calendar year 2018. 40CFR63.11495(a)(3).*

Corrective Action

All non-compliance occurred during TAI's ownership and operation. An inspection process has been implemented. The quarterly inspection conducted in March of 2019 determined that efforts to resolve leaks from the roller crushers and sagger dumping stations were ineffective. This equipment was placed in Delay of Repair (DOR). The DOR status will be reflected in the July 2019 Notice of Compliance Status Report. The roller crushers and sagger dumping systems continue to leak fine particulate despite repeated efforts to correct the sealing surfaces. The facility has implemented routine cleaning of the area by operators as a means of controlling the accumulation of particulate matter released by the equipment in to the work environment.

BTA has identified a means of containing the particulate generated by the roller crushers and sagger dumping stations. Containment structures for the referenced equipment will be connected to the plant process vent system and will control particulate emanating from the equipment sealing surfaces.

- 5. Failure to prepare a monitoring plan containing the information required in paragraphs (f)(3)(i)(A) through (E) of this section, including an operation maintenance plan for the control device and continuous monitoring system. 40CFR63.11496(f)(3)(i) and (f)(5).*

Response

The monitoring plan as required by the rule should have been put in place by TAI at the time of start-up, 12/6/2010.

Corrective Action

BTA and ERM are developing a monitoring plan consistent with the requirements specified in 40CFR63.11496(f)(3)(i) and (f)(5). BTA anticipates this plan will be completed and implemented on or before January 31, 2019.

Status

Completed and implemented.

6. *Failure to conduct a performance test or an engineering assessment for each CMPU subject to a HAP metals emission limit in Table 4 of the Subpart. 40CFR63.11496(f)(3)(ii).*

Response

TAI was responsible to initiate and complete necessary testing of the baghouse and dust collectors employed to control metal HAP emissions within 180 days of start-up of the affected source, 12/6/2010. BTA completed a review of the baghouses and dust collector systems and determined the testing of the systems was not feasible based on the installation of the equipment. BTA implemented an engineering assessment to identify means and methods to re-route many of the small bin vent dust collectors to the primary dust collector systems. This assessment has been completed and it is expected work will begin on the re-routing of these systems as described in an October 15, 2018 submittal to EGLE Kalamazoo District office.

Corrective Action

BTA and ERM will schedule testing of the primary baghouse systems once the specified work has been completed on or before January 31, 2019. BTA anticipates it will complete the testing of the 10 baghouses by July 31, 2019.

Status

Testing of the baghouses is currently underway and the Line #1 sampling has been completed as of June 28, 2019. Testing of the Line #2 sources will commence on July 8, 2019.

7. *Failure to install, operate, and maintain a bag leak detection system on all baghouses used to comply with the HAP metals emission limit in Table 4 of this Subpart. 40CFR63.11496(f)(4).*

Response

TAI was responsible to install the required BLDS as specified in 40CFR63.11496(f)(4). The design of the vent system as found by BTA on March 7, 2018 would not have supported the installation of BLDS for multiple bin vent discharges.

Corrective Action

As stated above BTA has implemented an engineering assessment to re-route these small bin vents to the primary baghouses. The BLDS will be installed as part of this project to re-route the vent lines to the primary baghouses. BTA anticipates completion of this project on or before January 31, 2019.

Status

The BLDS have been installed and are operating as intended. The small bin vent devices have been rerouted to the primary dust collection system.

8. Additional Actions:

BTA has identified the potential for the release of fugitive emissions from the general building ventilation system. Sampling of the air flow entering several accessible discharge vents was undertaken in May of 2019. BTA is also evaluating the design of the general building ventilation system to understand building air flows. These data will be used as a means of estimating the mass of fugitive emissions emanating from the building.

BTA will implement engineering project to replace the current water scrubber systems supporting the Line #1 and #2 kilns with cartridge type dust collectors.

BTA will submit a PTI application for the Line #1 pack out room later in the third quarter of 2019. Emissions from this source are controlled by A1-DF-030 currently, but the filtered air is returned to the work space.

BTA will submit an NSR application to administratively modify PTI 70-10A to reflect current conditions for the process vents located at the facility. This application will memorialize the changes outlined in a Rule 285 determination communicated to the agency in October of 2018.

The attached table provides a summary of the compliance plan described in this letter along with anticipated completion dates. BTA from time to time may request additional time associated with the proposed compliance deadline as some of the actions are engineering projects still in early stages of development.

Sincerely,



Ivor Bull

COO BASF Toda America LLC & Director BASF Battery Materials North America

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Jenine Camilleri (EGLE)
Jillian Rountree, Esq. (USEPA)



RENEWABLE OPERATING PERMIT APPLICATION AI-001: ADDITIONAL INFORMATION

This information is required by Article II, Chapter 1, Part 55 (Air Pollution Control) of P.A. 451 of 1994, as amended, and the Federal Clean Air Act of 1990. Failure to obtain a permit required by Part 55 may result in penalties and/or imprisonment. Please type or print clearly. Refer to instructions for additional information to complete this form.

SRN: P-0089

Section Number (if applicable):

1. Additional Information ID
AI- 001

Additional Information

2. Is This Information Confidential?

Yes No

Revised proposed compliance plan to address deviations discovered during a New Owners Audit.

Item #	Compliance Requirement	Start Date	Completion Date	Status
1	Install Continuous Monitoring devices and data recording system for the following devices: Line #1 baghouses 010, 020, 210, 650, 720 and 030. Line #2 baghouses 010, 015, 020, 030, 650, 720.	11/8/2018	1/30/2019	Complete
2	Install Continuous Monitoring devices and data recording system for the following devices: Scrubber system for Line #1 Scrubber system for Line #2	11/8/2018	1/30/2019	Complete
3	Install Bag Leak Detection System and data recording system for the following devices: Line #1 baghouses 010, 020, 210, 650, 720 and 030. Line #2 baghouses 010, 015, 020, 030, 650, 720.	11/8/2018	1/30/2019	Complete
4	Submit Renewable Operating Permit Application	4/30/2019		EGLE is in need of additional information to stamp application Administratively Complete
5	Submit Permit to Install for Line #2 Pack out Room		12/27/2018	PTI Received
6	Submit Permit to Install for Line #1 Pack out Room	6/30/2019	8/15/2019	
7	Conduct performance testing of identified control devices.	6/17/2019	7/22/2019	
8	Develop and submit test report to EGLE.	7/22/2019	9/15/2019	
9	Determine presence and quantify mass of fugitive emissions from the process building.	5/29/2019	9/1/2019	
10	Install secondary containment structures to captures fugitive emissions from Line #1 & 2 roller crushers and sagger dump stations.	6/1/2019	12/15/2019	
11	Replace current scrubber systems servicing the kiln systems with cartridge type dust collectors.	4/1/2019	2/1/2020	Project is in the early engineering design phase.
12	Submit an Administrative NSR PTI for changes in emmision sources identified in the ROP application and in the R285 determination submitted in October 2018.	6/30/2019	8/15/2019	



Michigan Department of Environment, Great Lakes, and Energy - Air Quality Division

**RENEWABLE OPERATING PERMIT APPLICATION
C-001: CERTIFICATION**

This information is required by Article II, Chapter 1, part 55 (Air Pollution Control) of P.A. 451 of 1994, as amended, and the Federal Clean Air Act of 1990. Failure to provide this information may result in civil and/or criminal penalties. Please type or print clearly.

This form is completed and included as part of Renewable Operating Permit (ROP) initial and renewal applications, notifications of change, amendments, modifications, and additional information.

Form Type C-001	SRN P0089
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Stationary Source Name BASF Toda America, LLC	
City Battle Creek, MI	County Calhoun

SUBMITTAL CERTIFICATION INFORMATION	
1. Type of Submittal <i>Check only one box.</i>	
<input type="checkbox"/> Initial Application (Rule 210)	<input type="checkbox"/> Notification / Administrative Amendment / Modification (Rules 215/216)
<input type="checkbox"/> Renewal (Rule 210)	<input checked="" type="checkbox"/> Other, describe on AI-001
2. If this ROP has more than one Section, list the Section(s) that this Certification applies to <u>ASC-001</u>	
3. Submittal Media <input type="checkbox"/> E-mail <input type="checkbox"/> FTP <input type="checkbox"/> Disk <input checked="" type="checkbox"/> Paper	
4. Operator's Additional Information ID - Create an Additional Information (AI) ID that is used to provide supplemental information on AI-001 regarding a submittal. AI -001A	

CONTACT INFORMATION	
Contact Name David W. Sheaves	Title Expert, Environmental Protection
Phone number 734-324-6836	E-mail address david.sheaves@basf.com

This form must be signed and dated by a Responsible Official.				
Responsible Official Name Ivor Bull			Title Chief Operating Officer	
Mailing address BASF Toda America, LLC, 4750 West Dickman Road				
City Battle Creek, MI	State MI	ZIP Code 49037	County Calhoun	Country USA
As a Responsible Official, I certify that, based on information and belief formed after reasonable inquiry, the statements and information in this submittal are true, accurate and complete.				
 <hr/> Signature of Responsible Official			<u>7/11/2019</u> <hr/> Date	