

Michigan Department of Environmental Quality
Air Quality Division

State Registration Number
B1678

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-B1678-2015

Graphic Packaging International, Inc.

SRN: B1678

Located at

1421 and 1500 North Pitcher Street, Kalamazoo, Kalamazoo County, Michigan 49007

Permit Number: MI-ROP-B1678-2015

Staff Report Date: January 26, 2015

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

January 26, 2015 STAFF REPORT	3
February 26, 2015 STAFF REPORT ADDENDUM	7

Michigan Department of Environmental Quality
Air Quality Division

State Registration Number

RENEWABLE OPERATING PERMIT

ROP Number

B1678

January 26, 2015 STAFF REPORT

MI-ROP-B1678-2015

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:	Graphics Packaging International, Inc. Section 1: 1500 North Pitcher Street Section 2: 1421 North Pitcher Street Kalamazoo, Michigan 49007
Source Registration Number (SRN):	B1678
North American Industry Classification System (NAICS) Code:	Section 1: 322130 Section 2: 322212
Number of Stationary Source Sections:	2
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	201400127
Responsible Official:	Section 1: Scott LeBeau, Mill Manager 269-383-5183 Section 2: Scott Headley, Carton Plant Manager 269-383-5054
AQD Contact:	Dorothy Bohn, EQA 12 269-567-3552
Date Application Received:	August 6, 2014
Date Application Was Administratively Complete:	August 25, 2014
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	January 26, 2015
Deadline for Public Comment:	February 25, 2015

Source Description

Graphic Packaging International (Facility) consists of two divisions that specialize in recycled coated paperboard production and carton printing; therefore, the Facility is divided into two sections. Section 1 of the ROP consists of the Paperboard Mill Division. The Paperboard Mill Division operates the Facility's three industrial boilers and two paperboard machines with paperboard coating and converting processes, which includes several refrigerant containing chillers and air dryers. There are also several cold cleaners, a fire pump, and a gas tank.

Section 2 of the ROP consists of the Carton Plant Division. The Carton Plant Division includes six lithographic web press lines, each with an in-line flexographic coater, refrigerant chillers, and air dryers. There are also seven adhesive lines and cold cleaners in the Carton Plant Division.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System (MAERS) for the year **2013**.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	89.7
Nitrogen Oxides (NO _x)	102.7
Particulate Matter (PM)	8.9
Sulfur Dioxide (SO ₂)	0.72
Volatile Organic Compounds (VOC)	44.9

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

In addition to the pollutants listed above that have been reported in MAERS, the potential to emit of Greenhouse Gases (GHG) in tons per year of CO₂e (carbon dioxide equivalents) is greater than 100,000. The company reports actual CO₂e emissions of 145,941.4 tons for 2013. The CO₂e is a calculation of the combined global warming potentials of six GHG (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride).

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 Kalamazoo 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 CO, NO_x, SO₂, and VOC exceeds 100 tons per year, and the potential to emit of GHG is 100,000 tons per year or more calculated as CO₂e and 100 tons per year or more on a mass basis.

The stationary source is considered to be a "synthetic minor" source in regards to hazardous air pollutant (HAP) emissions because the stationary source accepted a legally enforceable permit condition limiting the potential to emit of any single HAP regulated by the federal Clean Air Act, Section 112, to less than 10 tons per year and the potential to emit of all HAP combined to less than 25 tons per year.

EUBOILER#9 at the stationary source was subject to review under the Prevention of Significant Deterioration regulations of 40 CFR, 52.21, because at the time of New Source Review permitting the potential to emit of NO_x was greater than 100 tons per year.

At this time, there are no GHG applicable requirements to include in the ROP. The mandatory GHG Reporting Rule under 40 CFR, Part 98, is not an ROP applicable requirement and is not included in the ROP.

EUBOILER#9 at the stationary source is subject to the Standards of Performance for Industrial Steam Generating Boilers promulgated in 40 CFR, Part 60, Subparts A and Db. EUBOILER#8 at the stationary source is subject to the Clean Air Interstate Rule NO_x Ozone Season Trading Program pursuant to Rules 802a, 803, and 821 through 826.

EUFIREFPUMP at the stationary source is subject to the National Emissions Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines (RICE) promulgated in 40 CFR, Part 63, Subparts A and ZZZZ (RICE area source maximum achievable control technology). EU01GASTANK at the stationary source is subject to the National Emission Standard for Hazardous Air Pollutants for Gasoline Dispensing Facilities promulgated in 40 CFR, Part 63, Subparts A and CCCCCC. The ROP contains special conditions provided by the Facility in their application for applicable requirements from 40 CFR, Part 63, Subparts A, CCCCCC, and ZZZZ. The AQD is not delegated the regulatory authority for these area source MACTs.

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."

The emission limitations or standards for NO_x from EUBOILER#9 at the stationary source are exempt from the federal Compliance Assurance Monitoring (CAM) regulation under 40 CFR, Part 64, because a NO_x CAM is used to calculate the NO_x limits. This meets the CAM exemption for a continuous compliance determination method. Therefore, EUBOILER#9 is exempt from CAM requirements for NO_x.

Please refer to Parts B, C, and D in the draft ROP for detailed regulatory citations for the stationary source. Part A contains regulatory citations for general conditions.

Source-wide Permit to Install (PTI)

Rule 214a requires the issuance of a Source-wide PTI within the ROP for conditions established pursuant to Rule 201. All terms and conditions that were initially established in a PTI are identified with a footnote designation in the integrated ROP/PTI document.

The following table lists all individual PTIs that were incorporated into previous ROPs. The PTIs issued after the effective date of ROP No. MI-ROP-B1678-2010 are identified in Appendix 6 of the ROP.

PTI Number			
Section 1:	423-91A	431-92A	61-03
Section 2:	122-82	71-89B	274-00
	196-08	196-08A	

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
Section 1:			
EU01NatGasHeater	Natural gas fired space heaters	Rule 212(4)(b)	Rule 282(b)(i)
EU10LockerBoiler	1.9 MMBtu/hr natural gas fired boiler	Rule 212(4)(b)	Rule 282(b)(i)
EUMaintBoiler	0.2 MMBtu/hr natural gas fired boiler	Rule 212(4)(b)	Rule 282(b)(i)
EURetAidTank7.5K	7,500 gallon retention aid tank	Rule 212(4)(c)	Rule 284(i)
EURetAidTank4K	4,000 gallon retention aid tank	Rule 212(4)(c)	Rule 284(i)
EUK1Latex1	10,000 gallon latex tank	Rule 212(4)(c)	Rule 284(i)
EUK1Latex2	10,000 gallon latex tank	Rule 212(4)(c)	Rule 284(i)
EUK3Latex	6,000 gallon latex tank	Rule 212(4)(c)	Rule 284(i)
EURoofUnits	Rooftop heating units	Rule 212(4)(b)	Rule 282(b)(i)
Section 2:			
EU02RoofUnits	Rooftop heating units	Rule 212(4)(b)	Rule 282(b)(i)
EUCartonBaghouse	Carton baghouse	Rule 212(4)(d)	Rule 285(l)(vi)(C)

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 Ms. Mary Douglas, Kalamazoo 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

B1678

February 26, 2015 STAFF REPORT ADDENDUM

MI-ROP-B1678-2015

Purpose

A Staff Report dated January 26, 2015, was developed in order to set forth the applicable requirements and factual basis for the draft ROP terms and conditions as required by R 336.1214(1). The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

Responsible Official:	Section 1: Scott LeBeau, Mill Manager 269-383-5183 Section 2: Scott Headley, Carton Plant Manager 269-383-5054
AQD Contact:	Dorothy Bohn, EQA 12 269-567-3552

Summary of Pertinent Comments

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

Changes to the January 26, 2015 Draft ROP

No changes were made to the draft ROP.