

State Registration Number

N2430

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number

MI-ROP-N2430-2019b

**National Composites
Owosso Composite, LLC**

State Registration Number (SRN): N2430

Located at

401 South Delaney Road, Owosso, Shiawassee County, Michigan 48867

Permit Number: MI-ROP-N2430-2019b

Staff Report Date: April 1, 2019

Amended Dates: April 13, 2021
November 29, 2021

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) of the administrative rules promulgated under Act 451, requires that the Michigan Department of Environment, Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

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RENEWABLE OPERATING PERMIT

APRIL 1, 2019 - STAFF REPORT

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; and Michigan's Administrative Rules for Air Pollution Control promulgated under 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:	Owosso Composite, LLC 401 South Delaney Road Owosso, Michigan 48867
Source Registration Number (SRN):	N2430
North American Industry Classification System (NAICS) Code:	811490
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Initial Issuance
Application Number:	201800057
Responsible Official:	Mr. Patrick May, Owner 989-723-8997
AQD Contact:	Ms. Julie Brunner, Senior Environmental Engineer 517-275-0415
Date Application Received:	May 1, 2018
Date Application Was Administratively Complete:	May 1, 2018
Is Application Shield in Effect?	Yes
Date Public Comment Begins:	April 1, 2019
Deadline for Public Comment:	May 1, 2019

Source Description

Owosso Composite, LLC (Owosso Composite) manufactures fiberglass paddleboats, fiberglass boat components and other fiberglass components using open and closed molding techniques. They produce traditional paddleboats along with paddleboats that are duck, dragon, and swan shaped. Owosso Composite also manufactures boat parts for other boat manufacturers such as Crest Marine Pontoons in Owosso and makes some fiberglass parts for John Deere and coats fan blade wheels with resin for a local air pollution control company. The facility consists of the following process equipment: three (3) open molding spray layup booths, two (2) gelcoat spray booths, one (1) spray booth for resin application to metal and plastic parts, resin transfer molding (RTM) operations, compression molding press and electric pre-form oven used to manufacture thermoset plastic parts, glue adhesive filling station with mechanical guns for adhesive application, polyurethane foam application processes, and miscellaneous grinding/buffing and cleanup activities.

Owosso Composite moved from a smaller facility at 403 South State Street (N0598) in Owosso to the building that contained Wausaukee Composites. The building and the assets for Wausaukee Composites were purchased by Owosso Composite. The move greatly expanded the manufacturing capacity for Owosso Composite.

Owosso Composite is now located in an industrial park on the west side of the City of Owosso. The facility is surrounded by commercial and industrial properties. To the north and south are agricultural and residential properties.

Owosso Composite is a major source of hazardous air pollutants (HAPs) with the issuance of Permit to Install (PTI) 129-16A and a minor source of criteria pollutants. The facility is now subject to the Renewable Operating Permit (ROP) program. An initial ROP application was due 12-months from the start of facility operations. Commercial operation started May 1, 2017. PTI 129-16A was revised August 29, 2018, to resolve compliance issues, and revised PTI 129-16B was incorporated into this initial ROP.

As a major source of HAPs, Owosso Composite is subject to the following Title 40 of the Code of Federal Regulations (CFR) Part 63, National Emission Standards for Hazardous Air Pollutants:

- 40 CFR Part 63, Subpart VVVV, National Emission Standard for Hazardous Air Pollutants for Boat Manufacturing – The facility falls under this subpart as a major HAP source that is a boat manufacturing facility as defined in 40 CFR 63.5683(a). The requirements of this subpart are included in the flexible group FGMACTVVVV of the permit. The permittee complies using emissions averaging per 40 CFR 63.5710.
- 40 CFR Part 63, Subpart WWWW, National Emission Standard for Hazardous Air Pollutants for Reinforced Plastic Composites Production - The facility falls under this subpart as a major HAP source that is a reinforced plastic composites production facility as defined in 40 CFR 63.5785(a). The requirements of this subpart are included in the flexible group FGMACTWWWW of the permit. The permittee complies by demonstrating that on average the individual organic HAP emissions limits for each combination of operation type and resin application method or gelcoat type are met.

The following table lists stationary source emission information as estimated by AQD staff for the 8-months of operation in 2017.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Volatile Organic Compounds (VOCs)	9.1
Acetone	1.7

The following table lists Hazardous Air Pollutant emissions as estimated by AQD staff for the 8-months of operation in 2017:

Individual Hazardous Air Pollutants (HAPs) **	Tons per Year
Styrene	7.6
Methyl Methacrylate	1.3
Total Hazardous Air Pollutants (HAPs)	8.9

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

See Parts C and D in the ROP for summary tables of all processes at the stationary source that are subject to process-specific emission limits or standards.

Regulatory Analysis

The following is a general description and history of the source. Any determinations of regulatory non-applicability for this source are explained below in the Non-Applicable Requirement part of the Staff Report and identified in Part E of the ROP.

The stationary source is in Shiawassee County, which is currently designated by the United States Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants.

The stationary source is subject to 40 CFR Part 70, because the potential to emit of any single HAP regulated by Section 112 of the federal Clean Air Act, is equal to or more than 10 tons per year and/or the potential to emit of all HAPs combined is equal to or more than 25 tons per year.

No emission units at the stationary source are currently subject to the Prevention of Significant Deterioration regulations of Part 18, Prevention of Significant Deterioration of Air Quality of Act 451, because at the time of New Source Review permitting the potential to emit of each criteria pollutant was less than 250 tons per year.

The emission units at the stationary source were subject to a Best Available Control Technology (BACT) review for new sources of VOC emissions under Rule 702. It was determined to be not economically feasible to control emissions of VOC and acetone from the subject emission units. Dry filters will be used in EUGELCOAT and FGOPENMOLDING to control particulate emissions due to overspray. Particulate emissions are not anticipated from other emission units.

EUOPENMOLDING1, EUOPENMOLDING2, EUOPENMOLDING3, EUGELCOAT1, EUGELCOAT2, EURTM, EUFOAM, and EUCLEANUP at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Boat Manufacturing promulgated in 40 CFR Part 63, Subparts A and VVVV. The affected source includes open molding resin and gelcoat operations including production resin, tooling resin, pigmented gelcoat, clear gelcoat, and tooling gelcoat, closed molding resin operations, resin and gelcoat mixing operations, and resin and gelcoat application equipment cleaning operations.

EUOPENMOLDING1, EUOPENMOLDING2, EUOPENMOLDING3, EUGELCOAT1, EUGELCOAT2, EUBLADE, EURTM, EUPRESS, EUOVEN, and EUCLEANUP at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Reinforced Plastic Composites Production promulgated in 40 CFR Part 63, Subparts A and WWWW. Reinforced plastic composites production is defined in 40 CFR 63.5785 and also includes associated activities, such as cleaning, mixing, HAP-containing materials storage, and repair operations associated with the production of plastic composites.

The monitoring conditions contained in the ROP are necessary to demonstrate compliance with all applicable requirements and are consistent with the "Procedure for Evaluating Periodic Monitoring Submittals."

No emission units have emission limitations or standards that are subject to the federal Compliance Assurance Monitoring rule pursuant to 40 CFR Part 64, because all emission units at the stationary source either do not have a control device or those with a control device do not have potential pre-control emissions over the major source thresholds.

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

Source-Wide Permit to Install (PTI)

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

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

There were no processes listed in the ROP Application as exempt devices under Rule 212(4). Exempt devices are not subject to any process-specific emission limits or standards in any applicable requirement.

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 DEQ, 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 Mr. Brad Myott, Lansing 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.

State Registration Number
N2430

RENEWABLE OPERATING PERMIT
MAY 7, 2019 - STAFF REPORT ADDENDUM

ROP Number
MI-ROP-N2430-2019

Purpose

A Staff Report dated April 1, 2019, was developed to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by Rule 214(1) of the administrative rules promulgated under Act 451. 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 Rule 214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

Responsible Official:	Patrick May, Owner 989-723-8997
AQD Contact:	Julie L. Brunner, Senior Environmental Engineer 517-275-0415

Summary of Pertinent Comments

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

Changes to the April 1, 2019 Draft ROP

No changes were made to the draft ROP.

State Registration Number
N2430

RENEWABLE OPERATING PERMIT
APRIL 13, 2021 - STAFF REPORT FOR RULE 216(2)
MINOR MODIFICATION

ROP Number
MI-ROP-N2430-2019a

Purpose

On July 1, 2019, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), approved and issued Renewable Operating Permit (ROP) No. MI-ROP-N2430-2019 to National Composites, Owosso Composite, LLC pursuant to Rule 214 of the administrative rules promulgated under Act 451. Once issued, a company is required to submit an application for changes to the ROP as described in Rule 216. The purpose of this Staff Report is to describe the changes that were made to the ROP pursuant to Rule 216(2).

General Information

Responsible Official:	Adam Fenton, Vice President 800-367-3057
AQD Contact:	Caryn Owens, Environmental Engineer 231-878-6688
Application Number:	202100048
Date Application for Minor Modification was Submitted:	March 8, 2021

Regulatory Analysis

The AQD has determined that the change requested by the stationary source meets the qualifications for a Minor Modification pursuant to Rule 216(2).

Description of Changes to the ROP

Minor Modification Number 202100048 was to incorporate PTI 129-16D, which modifies the open molding spray layup operations (FGOPENMOLDING) and gelcoat application operations (FGGELCOAT). The PTI increased emission limits and material limits for FGOPENMOLDING and FGGELCOAT by adding an additional open molding spray layup (EUOPENMOLDING4), and three new gelcoat booths (EUGELCOAT3, EUGELCOAT4, EUEXTRABOOTH). The resin transfer molding operation (EURTM) is now in the same flexible group as the compression molding press (EUPRESS) and electric pre-form oven (EUOVEN) in new flexible group FGRTM/PRESS. The flexible group FGPRESS/OVEN, which previously contained EUPRESS and EUOVEN, was removed.

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements associated with the emission unit(s) involved with the change as of the date of approval of the Minor Modification to the ROP.

Action Taken by EGLE

The AQD proposes to approve a Minor Modification to ROP No. MI-ROP-N2430-2019, as requested by the stationary source. A final decision on the Minor Modification to the ROP will not be made until any affected states and the United States Environmental Protection Agency (USEPA) has been allowed 45

days to review the proposed changes to the ROP. The delegated decision maker for the AQD is the District Supervisor. The final determination for approval of the Minor Modification will be based on the contents of the permit application, a judgment that the stationary source will be able to comply with applicable emission limits and other requirements, and resolution of any objections by any affected states or the USEPA.

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RENEWABLE OPERATING PERMIT

**NOVEMBER 29, 2021 - STAFF REPORT FOR RULE
216(2) MINOR MODIFICATION**

ROP Number

MI-ROP-N2430-2019b

Purpose

On May 27, 2021, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), approved and issued Renewable Operating Permit (ROP) No. MI-ROP-N2430-2019a to National Composites, Owosso Composite, LLC pursuant to Rule 214 of the administrative rules promulgated under Act 451. Once issued, a company is required to submit an application for changes to the ROP as described in Rule 216. The purpose of this Staff Report is to describe the changes that were made to the ROP pursuant to Rule 216(2).

General Information

Responsible Official:	Adam Fenton, Vice President 800-367-3057
AQD Contact:	Caryn Owens, Environmental Engineer 231-878-6688
Application Number:	202100202
Date Application for Minor Modification was Submitted:	October 12, 2021

Regulatory Analysis

The AQD has determined that the change requested by the stationary source meets the qualifications for a Minor Modification pursuant to Rule 216(2).

Description of Changes to the ROP

This Minor Modification is to update the ROP based on the incorporation of PTI 129-16D. The resin transfer molding operation (EURTM) is now in the same flexible group as the compression molding press (EUPRESS) and electric pre-form oven (EUOVEN) in new flexible group FGRTM/PRESS. With EURTM now in the same flexible group of FGRTM/PRESS, the table with EURTM Conditions are now obsolete, this modification removes these obsolete Conditions.

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements associated with the emission unit(s) involved with the change as of the date of approval of the Minor Modification to the ROP.

Action Taken by EGLE

The AQD proposes to approve a Minor Modification to ROP No. MI-ROP-N2430-2019a, as requested by the stationary source. A final decision on the Minor Modification to the ROP will not be made until any affected states and the United States Environmental Protection Agency (USEPA) has been allowed 45 days to review the proposed changes to the ROP. The delegated decision maker for the AQD is the District Supervisor. The final determination for approval of the Minor Modification will be based on the contents of

the permit application, a judgment that the stationary source will be able to comply with applicable emission limits and other requirements, and resolution of any objections by any affected states or the USEPA.