

State Registration Number
N2610

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-N2610-2023

Toefco Engineered Coating Systems, Inc.

State Registration Number (SRN): N2610

Located at

1220 North 14th Street, Niles, Berrien County, Michigan 49120

Permit Number: MI-ROP-N2610-2023

Staff Report Date: December 12, 2022

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, Great Lakes, and Energy (EGLE), 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

December 12, 2022 - STAFF REPORT

ROP Number

MI-ROP-N2610-2023

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:	Toefco Engineered Coating Systems, Inc. 1220 North 14th Street Niles, Michigan 49120
Source Registration Number (SRN):	N2610
North American Industry Classification System (NAICS) Code:	332812
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	202100096
Responsible Official:	Artie McElwee III, President 800-555-6495
AQD Contact:	Rachel Benaway, Environmental Quality Analyst 269-3702170
Date Application Received:	June 23, 2021
Date Application Was Administratively Complete:	June 23, 2021
Is Application Shield in Effect?	Yes
Date Public Comment Begins:	December 12, 2022
Deadline for Public Comment:	January 11, 2023

Source Description

Toefco Engineered Coating Systems, Inc. (Facility) applies coating materials to a wide variety of components ranging in size from o-rings to automotive/heavy equipment exhaust systems. The Facility specializes in coating formulations intended for applications with high-temperature, high-performance, chemical-resistance, and/or corrosion-resistance requirements. The Facility has multiple coating booths and drying oven combinations, from job shop operations for individual parts, chain-on-edge lines for multiple small parts, and overhead conveyer lines for large components. Emissions from the two largest overhead conveyer coating lines are captured and controlled by a regenerative thermal oxidizer (RTO), unless operating in RTO by-pass mode. The RTO is used for the destruction of volatile organic compounds (VOCs) and hazardous air pollutants (HAPs).

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System (MAERS) for the year **2021**.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Particulate Matter (PM)	0.02
Sulfur Dioxide (SO ₂)	0.005
Volatile Organic Compounds (VOCs)	12.70

The following table lists Hazardous Air Pollutant emissions as calculated for the year 2021 by the facility:

Individual Hazardous Air Pollutants (HAPs) **	Tons per Year
Styrene	0.00
Ethylbenzene	0.55
Methyl Isobutyl Ketone (Hexone)	1.28
Total Hazardous Air Pollutants (HAPs)	1.83

**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 Berrien 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 Title 40 of the Code of Federal Regulations (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 VOC was less than 250 tons per year.

EU-METALCOAT and the emissions units listed under the flexible groups FG-GENERALPERMIT and FG-RULE287C at the stationary source are subject to the National Emission Standard for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Products promulgated in 40 CFR Part 63, Subparts A and M. Amendments made to the Subpart in 2020 include revising requirements for periods of start-up, shutdown, and malfunction (SSM), requiring electronic reporting of performance test results, and requiring 5-year emission capture and control performance testing for facilities using the emission rate with add-on controls compliance option.

The AQD's Rules 287 and 290 were revised on December 20, 2016. FG-RULE287(2)(c) and FG-RULE290 are flexible group tables created for emission units subject to these rules. Emission units installed before December 20, 2016, can comply with the requirements of Rule 287 and Rule 290 in effect at the time of installation or modification as identified in the tables. However, emission units installed or modified on or after December 20, 2016, must comply with the requirements of the current rules as outlined in the tables.

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.

The following table lists all individual PTIs that were incorporated into previous ROPs. PTIs issued after the effective date of ROP No. MI-ROP-N2610-2017 are identified in Appendix 6 of the ROP.

PTI Number			
32-01B	225-07C	214-03	222-03
223-03	224-03		

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.

PTI Exempt Emission Unit ID	Description of PTI Exempt Emission Unit	Rule 212(4) Citation	PTI Exemption Rule Citation
EUTUBEHEATERS	10 natural gas-fired, infrared tube heaters; largest unit 0.175 MMBTU/hr	Rule 212(4)(c)	Rule 282(b)(i)

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 EGLE, 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 Rex Lane, 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.

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RENEWABLE OPERATING PERMIT
January 27, 2023 - STAFF REPORT ADDENDUM

ROP Number
MI-ROP-N2610-2023

Purpose

A Staff Report dated December 12, 2022, 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:	Artie McElwee III, President 800-555-6495
AQD Contact:	Rachel Benaway, Environmental Quality Analyst 269-370-2170

Summary of Pertinent Comments

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

Changes to the December 12, 2022 Draft ROP

No changes were made to the draft ROP.

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RENEWABLE OPERATING PERMIT
March 16, 2023 - STAFF REPORT ADDENDUM

ROP Number
MI-ROP-N2610-2023

Purpose

A Staff Report dated December 12, 2022, 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 45-day EPA comment period as described in Rule 214(3). In addition, this addendum describes any changes to the proposed ROP resulting from these pertinent comments.

General Information

Responsible Official:	Artie McElwee III, President 800-555-6495
AQD Contact:	Rachel Benaway, Environmental Quality Analyst 269-370-2170

Summary of Pertinent Comments

No pertinent comments were received during the 45-day EPA comment period.

However, comments were received from USEPA in another ROP regarding a lack of recordkeeping for material contents to demonstrate compliance on the AQD Cold Cleaner template which also affected this ROP.

Changes to the January 27, 2023 Proposed ROP

Due to the comment received from USEPA on the AQD Cold Cleaner template, the following change has been made to the flexible group conditions for FG-COLDLEANERS:

In Section VI Monitoring/Recordkeeping, added the following special condition as the third condition:

“The permittee shall maintain a current listing from the manufacturer of the chemical composition of each material, including the weight percent of each component, used in each cold cleaner. The data may consist of Safety Data Sheets, manufacturer’s formulation data, or both as deemed acceptable by the AQD District Supervisor. The permittee shall keep all records on file and make them available to the Department upon request. **(R 336.1213(3))**”