

State Registration Number
N7679

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-N7679-2023

Rack Processing Michigan, LLC

State Registration Number (SRN): N7679

Located at

3513 Lousma Drive SE, Wyoming, Kent County, Michigan 49548

Permit Number: MI-ROP-N7679-2023

Staff Report Date: May 8, 2023

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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May 8, 2023 - STAFF REPORT

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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:	Rack Processing Michigan, LLC 3513 Lousma Drive SE Wyoming, Michigan 49548
Source Registration Number (SRN):	N7679
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:	202200202
Responsible Official:	D. Kevyn Coy, President 937-294-1911
AQD Contact:	April Lazzaro, Senior Environmental Quality Analyst 616-558-1092
Date Application Received:	November 9, 2022
Date Application Was Administratively Complete:	November 9, 2022
Is Application Shield in Effect?	Yes
Date Public Comment Begins:	May 8, 2023
Deadline for Public Comment:	June 7, 2023

Source Description

Rack Processing LLC located in Wyoming, Michigan fabricates and repairs metal part racks for the plating and surface coating industry. The facility is located in a light industrial zone with residential homes approximately 1,000 feet to the west. The metal racks are fabricated by welding steel components and then coated in plastisol. Racks are returned by customers to have the plastisol coating removed, metal repaired, and recoated in plastisol. The facility consists of one natural gas-fired burn-off oven with afterburner controls used to remove plastisol coatings from metal parts, one primer dip tank with associated pre-heat oven, one plastisol dip tank with associated curing oven, a sandblasting booth, and various metal fabrication equipment including welding units. Chlorine is released during the burn-off process, which forms hydrogen chloride (HCl) in the afterburner and is emitted from the stack. The primary pollutants from the facility consist of volatile organic compounds and hazardous air pollutants in the form of hydrogen chloride. In 2022, the existing burn-off oven was replaced with a similar new unit. There are minor changes to the emission unit description to reflect the size of the new unit, however, there were no emission limit changes.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System (MAERS) for the year **2022**.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	0.11
Lead (Pb)	0.00
Nitrogen Oxides (NO _x)	0.13
PM10*	0.01
Sulfur Dioxide (SO ₂)	0.00
Volatile Organic Compounds (VOCs)	3.97

* Particulate matter (PM) that has an aerodynamic diameter less than or equal to a nominal 10 micrometers.

The following table lists Hazardous Air Pollutant emissions as calculated for the year 2022 by the facility.

Individual Hazardous Air Pollutants (HAPs) **	Tons per Year
Hydrogen Chloride	8.93
Total Hazardous Air Pollutants (HAPs)	8.93

**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 Kent 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 each criteria pollutant was less than 100 tons per year.

For EUBURNOFF, specific hydrogen chloride limits exist to meet the 1-hour Initial Threshold Screening Level for Hydrogen Chloride (HCl) under Michigan Air Pollution Control Rule 225. Stack testing is used to verify compliance with HCl emission rates.

FGCOATING is permitted under a General Permit to Install for Surface Coating Processes. The VOC emission limits apply to the coating line and associated ovens on an individual and facility-wide basis.

The stationary source is not subject to any Standards of Performance promulgated in 40 CFR Part 60, National Emission Standard for Hazardous Air Pollutants promulgated in 40 CFR Part 61 or 40 CFR Part 63, at this time.

Administrative Consent Order No. 36-2014, which was entered by the facility for exceeding hydrogen chloride emission limits, was terminated in March 2018 because the company met all the requirements contained in the order and had fully paid the applicable penalty. Therefore, no consent order requirements are contained in the ROP.

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."

EUBURNOFF and EUACOATING do not have emission limitations or standards that are subject to the federal Compliance Assurance Monitoring rule pursuant to 40 CFR Part 64, because the units do not have potential for pre-control criteria pollutant emissions over the major source thresholds or are state enforceable only.

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-N7679-2018 are identified in Appendix 6 of the ROP.

PTI Number			
3-11C	300-06		

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
EU-BLAST	Sand blasting booth, internally exhausted	Rule 214(4)(e)	Rule 285(2)(l)(vi)(c)
EU-SPACEHTRS	Natural gas-fired space heaters, 5 units at 175,000 BTU/hr each	Rule 214(4)(c)	Rule 282(2)(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 Heidi Hollenbach, Grand Rapids 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
June 8, 2023 - STAFF REPORT ADDENDUM

ROP Number
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Purpose

A Staff Report dated May 8, 2023, 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:	D. Kevyn Coy, President 937-294-1911
AQD Contact:	April Lazzaro, Senior Environmental Quality Analyst 616-558-1092

Summary of Pertinent Comments

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

Changes to the May 8, 2023 Draft ROP

No changes were made to the draft ROP.