

STATEMENT OF BASIS

Madison Metal Processing, LLC – OSP-2 Steel Center
MTMUS Campus, Huntsville, Limestone County, Alabama
Facility Permit No. 7-08-P423-Z001
Initial Issuance

DESCRIPTION OF PERMITTING ACTION

In August 2022, the City of Huntsville Department of Natural Resources and Environmental Management (DNREM) received an application for initial issuance of a Title V Major Source Operating Permit (MSOP) for the Madison Metal Processing, LLC (MMP) steel center located at 9000 Greenbrier Parkway #55 in Huntsville, Limestone County, AL 35756. The facility is an on-site support facility (On-Site Partner or OSP) located on the Mazda Toyota Manufacturing U.S.A., Inc., (MTMUS) automotive manufacturing campus (“MTMUS Campus” or “Campus”) approximately four (4) miles west of the Huntsville, Alabama, airport. The Campus is generally bounded on the east by Powell Road and fields (near the intersection of the railroad tracks and Old US Hwy 20), the north by fields (near the intersection of Powell Road), the west by fields (near the intersection of Limestone Creek), and on the south by Old US Highway 20.

BACKGROUND

MMP constructed, owns, and operates the steel center on the MTMUS Campus and slits and blanks metal sheets for other facilities on the Campus. MMP operates under SIC 3711 (Motor Vehicles and Passenger Car Bodies) and NAICS 336111 (Automobile Manufacturing) and 336112 (Light Truck and Utility Vehicle Maintenance). MMP uses rust preventive oils and cleaners in the steel sheet metal slitting and blanking operations and emits pollutants associated with natural gas combustion in HVAC units.

All activities conducted on the MTMUS Campus support the manufacturing of automobiles only on the MTMUS Campus and are located on property under the common control of MTMUS. Therefore, DNREM considers the entire MTMUS Campus to be a single source of air pollution for purposes of Prevention of Significant Deterioration (PSD) of Air Quality applicability determinations and any required Best Available Control Technology (BACT) analyses or Air Quality Impact Analyses (AQIAs) performed.

PERMITTING HISTORY

The original permitting effort for the entire MTMUS Campus in 2018 resulted in three (3) PSD permits being issued by DNREM to MTMUS for the Steel Center in December of 2018. These permits covered the use of rust preventative oils and cleaners in the steel blanking process (originally defined in the permits as “stamping”) and natural gas combustion in HVAC units at the facility. At the time of initial PSD permitting, the entity that would ultimately construct, own, and operate the Steel Center had not yet been determined.

As previously stated, for regulatory applicability purposes, the main assembly plant and all on-site support facilities are under the common control of MTMUS and are considered one major

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stationary emission source for the purposes of PSD applicability and any required BACT analyses or AQIAs performed. In the initial permitting process, the MTMUS Campus was deemed a major source under PSD since the potential to emit (PTE) volatile organic compounds (VOCs) was greater than 250 tons per year (TPY). Particulate matter (PM), carbon monoxide (CO), and nitrogen oxides (NO_x) potential emissions were also estimated to exceed the 10 TPY (for PM_{2.5}), 100 TPY, and 40 TPY de minimis levels, respectively. BACT was required to be installed and/or implemented on all significant sources of VOC, PM, CO, NO_x, and greenhouse gases (GHGs) in accordance with the City of Huntsville Air Pollution Control Rules and Regulations (COH APC RAR) Section 3.5.4. Therefore, all significant sources of these pollutants underwent BACT analyses, and limitations and good work practices were incorporated into the permits issued to the various facilities on the MTMUS Campus as applicable.

In accordance with COH APC RAR Sections 3.5.5 through 3.5.9., an AQIA was performed and submitted with the initial application for construction of the Campus, and the impact of the Campus potential emissions on air quality, visibility, soils, and vegetation was assessed. The predicted ambient impacts of the source were projected to be in the immediate area of the source and were relatively minor, so no discernible impacts were expected. As the Campus was to be located less than 100 km (at 58.6 km) from the nearest Class I area (Sipsey Wilderness in northwest Alabama), the facility was also evaluated to determine if it would adversely affect visibility in this area in accordance with COH APC RAR Section 3.5.10. Reports from the Federal Land Manager (FLM) indicated there was no need for further evaluation.

MTMUS Campus Revision Request #1 (MTMUS-RR-1, November 2019):

- HVAC burners at MMP underwent reevaluation of NO_x BACT limitations.
- The number of HVAC units and respective burner ratings were updated for the MMP facility.

MTMUS Campus Administrative Amendments (MTMUS-AA-1, March 2020):

The on-site support facilities on the MTMUS Campus were originally referred to as On-Site Suppliers (OSSs). MTMUS elected to change reference to these facilities to On-Site Partners (OSPs). In addition, DNREM elected to restructure the permit numbering system for the OSPs to better group together the permits associated with each individual entity. These changes were accomplished under MTMUS-AA-1 for the OSP permits that were not undergoing revisions associated with the Campus revision request that follows, and this was the case for the Steel Center, which is also referred to as OSP-2.

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MTMUS Campus Revision Request #2 (MTMUS-RR-2, July 2020):

- Addition of one (1) PSD permit to cover planned emergency equipment on site at the Steel Center facility.

Name Change from MTMUS to Each OSP (August & September 2020)

Once the owner of the OSP facilities were selected to construct and operate the support facilities on the Campus, applications by these entities were made for a change in ownership, and the permits were reissued in the entities' names. Application was made by MMP, and the PSD permit was reissued to "Madison Metal Processing, LLC. (MMP) – OSP-2."

Administrative Amendment (MMP-AA-1, October 2023):

- Voidance of one (1) PSD permit for emergency equipment that was never installed (and not planned to be installed) at MMP.

As-Built Permitting Effort (MMP-RR-1 & MTMUS-CC-AB, August 2024):

MMP submitted an application for as-built revisions to their PSD Permits (MMP-RR-1), which included reclassifying their primary operations as "blanking" instead of "stamping," as the facility does not stamp the metal blanks and consolidation of the permitted two (2) lines (Toyota and Mazda lines) for blanking operations into one (1) line, as only one (1) line was installed.

While DNREM was compiling information from various other facilities on the MTMUS Campus to complete the Campus-wide as-built permitting effort (MTMUS-CC-AB), a review was conducted of the MMP rust preventative oil specifications and HVAC equipment numbers and specifications. This was done to ensure the VOC content of the rust preventative oil and the as-built HVAC burner ratings, and number of units, were accurately being accounted for in the PTE estimates.

Additionally, DNREM initiated review of the PSD permit associated with MMP's HVAC units (7-08-P391-Z203) and proposed removal of provisions that did not apply to the MMP facility as constructed. This consisted of removing language related to applicability of PSD-BACT limitations and National Emissions Standards for Hazardous Air Pollutants (NESHAPs) for Hazardous Air Pollutant (HAP) Emissions from Industrial, Commercial, and Institutional Boilers and Process Heaters (Subpart DDDDD).

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FEDERAL APPLICABLE REGULATIONS

Title V: All activities conducted on the MTMUS Campus support the manufacturing of automobiles only on the MTMUS Campus and are located on property under the common control of MTMUS. The MTMUS Campus as a whole is considered to be a single source of air pollution for the purposes of Title V. However, MMP independently does not have PTEs that would classify the facility as major for Title V and would on its own be considered a true minor source.

Prevention of Significant Deterioration (PSD) of Air Quality: All activities conducted on the MTMUS Campus support the manufacturing of automobiles only on the MTMUS Campus and are located on property under the common control of MTMUS. The MTMUS Campus as a whole is considered to be a single source of air pollution for purposes of Prevention of Significant Deterioration (PSD) of Air Quality applicability determinations and any required Best Available Control Technology (BACT) analyses or Air Quality Impact Analyses (AQIAs) performed. MMP independently does not have a PTE which would classify the facility as major for PSD and would on its own be considered a true minor source.

New Source Performance Standards (NSPS): The facility is not subject to any NSPSs.

National Emissions Standards for Hazardous Air Pollutants (NESHAP): The facility is not subject to any NESHAPs.

DNREM APPLICABLE REGULATIONS

Visible Emissions (COH APC RAR, Chapter 6.1): The HVAC burners are subject to visible emission (VE) limitations.

Particulate Emissions (COH APC RAR, Chapter 6.4): The HVAC burners are subject to the fuel burning equipment particulate matter (PM) emission limitations in Section 6.3.1.

WORK PRACTICES

MMP is required to utilize good work practices to minimize the use of rust preventative oils, cleaning materials, etc., as practical and economically feasible, in order to minimize emissions of VOCs. Requirements for handling and storing VOC-containing materials in such a way as to minimize emissions of VOCs is also required.

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MMP is limited to the use of natural gas as a fuel in the HVAC equipment and is required to utilize good work practices to reasonably minimize emissions of NO_x and other pollutants from the HVAC equipment. Periodic maintenance of each HVAC burner is required as recommended by the manufacturer, at a minimum.

MONITORING REQUIREMENTS

MMP is required to track, as percent by weight, the HAP and VOC content of all process materials.

MMP is required to observe each HVAC burner during operation at least once monthly for greater than normal visible emissions as determined from previous observations. Corrective actions are required upon observation of any visible emissions that are greater than normal.

REPORTING

As a source applicable to Title V, MMP has been required since starting operations to prepare and submit annual compliance certifications to both DNREM and EPA Region 4 indicating compliance status with all permit requirements, as well as semi-annual monitoring reports to DNREM detailing actual emissions, material and fuel usage. MMP is compliant with this requirement, and this requirement is included in the proposed initial MSOP for MMP.

RECORDKEEPING

Under the proposed MSOP, MMP will be required to keep all records required by the MSOP for no less than five (5) years.

MMP is required to keep records of VOC and/or HAP material usage, constituent makeup of VOC and/or HAP-containing materials, fuel usage, emission calculations, a logbook of monthly visible emissions observations, and compliance with applicable emissions limitations. MMP is compliant with these requirements.

REPORTING

Under the PSD permits issued to MMP, it was required that the facility prepare and submit quarterly reports to DNREM in addition to fulfilling the Title V semi-annual monitoring report and annual compliance certification requirements. It is proposed in the Draft MSOP that the

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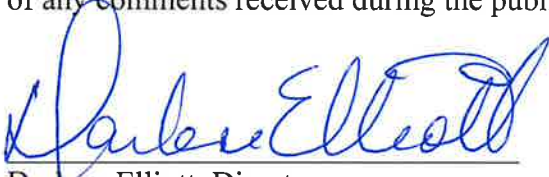
quarterly reporting requirement is dropped. The semi-annual monitoring reports and annual compliance certifications detail actual emissions, fuel usage, and compliance status with all permit requirements. MMP is in compliance with the reporting requirements to date.

PUBLIC NOTICE

The issuance of MMP's initial MSOP requires a thirty-(30)-day public comment period and a forty-five-(45)-day EPA review period (tandem comment period and EPA review period requested).

RECOMMENDATION

This Statement of Basis indicates that MMP will meet the requirements of all federal and City of Huntsville rules and regulations, as described. Therefore, I recommend that the Title V MSOP be issued to MMP pending the full receipt of fees associated with this permitting effort and resolution of any comments received during the public comment and EPA review periods described above.



Darlene Elliott, Director
Department of Natural Resources and Environmental Management
City of Huntsville