

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:)
)
IMCO Recycling, Inc.) NOTICE OF VIOLATION
Coldwater, Michigan)
) EPA-5-01-MI-02
)
Proceedings Pursuant to)
Section 113(a)(1) of the)
Clean Air Act, 42 U.S.C.)
§ 7413(a)(1))

NOTICE OF VIOLATION

The Administrator of the United States Environmental Protection Agency (U.S. EPA) is issuing this Notice of Violation under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). U.S. EPA finds that IMCO Recycling, Inc. (IMCO) is violating the Michigan State Implementation Plan (SIP), as follows:

Statutory and Regulatory Background

1. On August 7, 1980, the "Prevention of Significant Deterioration of Air Quality" rules (PSD, or 40 C.F.R. §52.21) were incorporated into the federally-enforceable SIP for Michigan. 45 Fed. Reg. 52741.
2. 40 C.F.R. §52.21(i)(1) prohibits a major stationary source from constructing a modification without first obtaining a PSD permit, if the modification is major in that it will result in a significant net increase in emissions of a regulated pollutant and if the source is located in an area which has achieved the National Ambient Air Quality Standard (NAAQS) for that pollutant.
3. On May 6, 1980, U.S. EPA approved Michigan Rule R 336.1201 (Rule 201) as part of the federally enforceable SIP for Michigan. 45 Fed. Reg. 29790.
4. Rule 201 provides that a person shall not install, construct or modify any process or process equipment that emits an air contaminant without first obtaining a permit to install.
5. On June 11, 1992, U.S. EPA approved Michigan Rule R 336.1331 (Rule 331) as part of the federally enforceable SIP for Michigan. 57 Fed. Reg. 24752.
6. Rule 331 (1)(c) states that it is unlawful for a person to cause or allow the emission of particulate matter from any process or process equipment in excess of an allowable maximum emission rate specified as a condition of a permit to install or a permit to operate.

Factual Background

7. IMCO owns and operates contiguous secondary metal production facilities at (1) the Alchem Aluminum, Inc., located at 368 Garfield Avenue, Coldwater, Michigan (Alchem Unit), and (2) the IMCO Recycling of Michigan LLC Unit, located at 267 North Fillmore Road, Coldwater, Michigan (IMCO Michigan Unit).
8. The table below describes some of the Alchem Unit's Permits to Install equipment with particulate emissions and is intended to demonstrate when the U.S. EPA considered the Alchem Unit subject to PSD, 40 C.F.R. § 52.21(b)(23)(i).

PTI* Date	PTI No.	Process Equipment and Description	Permit (TPY)	Actual (TPY) per Stack Testing	PTE (TPY)	Total PM for PSD (TPY)
3/8/79	257-75	60,000# Furnace #7, 20,000 CFM	39.4	N/A	39.4	39.4
7/17/79	491-79	Ajax Metal & Dross System	43.1	N/A	43.1	82.5
7/25/79	304-79	60,000# Furnace #8, 15,000 CFM	29.6	N/A	29.6	112.1
7/25/79	305-79	Rotary Chip Dryer #1, 6,000 CFM	11.8	N/A	11.8	123.9
4/3/91**	257-75A	Modified Furnace #7	5.9	N/A	49.3	133.8
4/3/91***	304-79A	Modified Furnace #8	5.9	N/A	56.4	160.6
4/3/91****	1280-90	Rotary Chip Dryer #2	11.7	2.2	11.7	172.3
N/A*****	491-79	Ajax Metal & Dross System removed	43.1	N/A	43.1	129.2
4/3/91	No Permit	Shredder, 11,000 SCFM	20	4.4	4.4	149.2
4/3/91	79-91	Install Furnaces #1 and #2	7.4	35.8	35.8	185.0
3/13/92	1277-91	Chip Dryer #3	19.8	N/A	N/A	204.8
4/12/94	1277- 91A	Chip Dryer #3 w/control	23.0	17.6	17.6	208.8
10/29/97	115-97	Renewable Operating Permit Opt-Out Permit	10.0	N/A	N/A	N/A

* PTI date is the permit issuance date for the Alchem Unit process equipment and may not necessarily correspond to the actual date the equipment was installed or modified.

- ** Furnace # 7 was modified in 1984 and operated unpermitted with a PM PTE of 49.3 TPY resulting in PM net emissions increase of 9.9 TPY. It was permitted in 1991 with allowed PM of 5.9 TPY.
- *** Furnace # 8 was modified in 1987 and operated unpermitted with a PM PTE of 56.8 TPY resulting in PM net emissions increase of 26.8 TPY. It was permitted in 1991 with allowed PM of 5.9 TPY.
- **** Chip Dryer #2 was installed in 1982 and operated unpermitted with a PM PTE of 11.7 TPY. It was permitted in 1991 with allowed PM of 11.7 TPY.
- ***** Ajax System was removed sometime prior to a MDEQ inspection of the Alchem Unit in 1990

9. As shown in the table above, as of July 25, 1979, the Alchem Unit was a major stationary source of emissions which emits or had the potential to emit over 100 tons per year of pollutant subject to 40 C.F.R. §52.21 (b)(1)(i)(a). The Alchem Unit is within one of the twenty eight (28) categories that must include fugitive emissions for the purposes of determining whether it is a major stationary source subject to §52.21 (b)(1)(i)(c)(iii).
10. The Alchem Unit was required to obtain a PSD air use permit prior to the modification of Furnace #8 in 1987 and the installations of Furnaces 1 and 2 in 1991.
11. Stack testing was conducted at various processes at the Alchem Unit and the IMCO Michigan Unit, between August 29, 1997, and October 6, 1998.
12. On June 3, 1998, Chip Dryer #3 of the Alchem Unit was tested for particulate emissions.
13. The Alchem Unit test results from Chip Dryer #3 determined particulate emissions to be 17.56 pounds per hour. Particulate emissions from Chip Dryer #3 exceeded the significant threshold level of 15 tons per year and Chip Dryer #3 is subject to PSD, 40 C.F.R. §52.21 (b)(23)(i).
14. The Alchem Unit was a major stationary source and had a potential to emit over 100 tons per year of particulate matter emissions, prior to the installation of Chip Dryer #3. The Alchem Unit was required to obtain a PSD air use permit prior to constructing Chip Dryer #3.
15. IMCO's contiguous secondary metal production facilities are subject to the following emission and production limits, under Rule 201(3):

IMCO Michigan Unit		
Process	Permit Condition	Permit Limit
Rotary Furnaces	#321-96A Condition #6	1.70 lbs/hr volatile organic compounds
Chip Dryer/Reverbatory Furnace	#321-96A Condition #6	0.62 lbs/hr particulate
Chip Dryer/Reverbatory Furnace	#321-96A Condition #6	1.65 lbs/hr volatile organic compounds
Chip Dryer	#321-96A Condition #8	production rate of 22,500 tons per year

Alchem Unit		
Process	Permit Condition	Permit Limit
Aluminum Melting Furnace #7	#115-97 Condition #13	0.01 lb particulate per 1000 lbs dry gas
Aluminum Melting Furnace #8	#115-97 Condition #13	0.01 lb particulate per 1000 lbs dry gas
Aluminum Melting Furnace #1/2	#115-97 Condition #26	0.01 lb particulate per 1000 lbs dry gas
Chip Dryer #3	#115-97 Condition #34	4.53 lbs/hr particulate
Chip Dryer #3	#115-97 Condition #36	0.10 lb particulate per 1000 lbs dry gas
Aluminum Melting Furnaces #7 and #8	#115-97 Condition #15	0.96 lbs/hr chlorine
Aluminum Melting Furnaces #7 and #8	#115-97 Condition #14	0.96 lbs/hr HCl
Facility Wide	#115-97 Condition #50	2.28 lbs/hr particulate
Facility Wide	#115-97 Condition #52	0.09 lbs/hr sulfur dioxide
Facility Wide	#115-97 Condition #53	5.71 lbs/hr volatile organic compounds

PSD Violations

16. PSD permits were not obtained for the Alchem Unit prior to modifying Furnace #8 in 1987 and installing Furnaces #1 and #2 in 1991 and chip dryer #3 in 1992. These are violations of 40 C.F.R. §52.21 (i) (1).

Permit Violations

17. The following are a list of exceedances of permitted emission and production limits at the IMCO Michigan and Alchem Units:

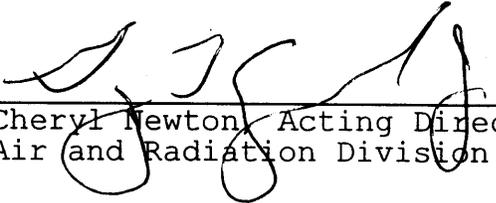
Stack Test Results for the IMCO Michigan Unit				
Process	Permit Condition	Date of Test	Permit Limit	Permit Exceedance
Salt Cake/Hot Dross Outlet	#321-96 Condition #18	8/29/97	0.03 lbs/hr particulate	0.396 lbs/hr particulate
Chip Dryer/Reverbatory Furnace	#321-96 Condition #18	7/17/98	0.62 lbs/hr particulate	1.44 lbs/hr particulate
Chip Dryer/Reverbatory Furnace	#321-96 Condition #18	7/17/98	1.65 lbs/hr volatile organic compounds	11.37 lbs/hr volatile organic compounds
Chip Dryer/Reverbatory Furnace	#321-96A Condition #6	7/17/98	0.62 lbs/hr particulate	1.44 lbs/hr particulate
Chip Dryer/Reverbatory Furnace	#321-96A Condition #6	7/17/98	1.65 lbs/hr volatile organic compounds	11.37 lbs/hr volatile organic compounds
Rotary furnaces	#321-96A Condition #6	7/17/98	1.70 lbs/hr volatile organic compounds	4.6 lbs/hr volatile organic compounds

Production rate for the IMCO Michigan Unit				
Process	Permit Condition	Record Review	Permit Limit	Permit Exceedance
Chip Dryer	#321-96A Condition #8	8/23/00	production rate of 22,500 tons/yr	production rate of 24,500 tons/yr

Stack Test Results for Alchem Aluminum, Inc.				
Process	Permit Condition	Date(s) of Test	Permit Limit	Stack Test Result
Aluminum Melting Furnace #7	#115-97 Condition #13 Rule 331	7/15/98	0.01 lb particulate per 1000 lbs dry gas	0.02 lb particulate per 1000 lbs dry gas
Aluminum Melting Furnace #8	#115-97 Condition #13 Rule 331	5/27/98	0.01 lb particulate per 1000 lbs dry gas	0.017 lb particulate per 1000 lbs dry gas
Aluminum Melting Furnace #1/2	#115-97 Condition #26 Rule 331	5/28/98	0.01 lb particulate per 1000 lbs dry gas	0.027 lb particulate per 1000 lbs dry gas
Chip Dryer #3	#115-97 Condition #34	6/3/98	4.53 lbs/hr particulate	22.66 lbs/hr particulate
Chip Dryer #3	#115-97 Condition #36 Rule 331	6/3/98	0.10 lb particulate per 1000 lbs dry gas	0.283 lb particulate per 1000 lbs dry gas
Aluminum Melting Furnaces #7 and #8	#115-97 Condition #15	5/27/98, 6/2/98, 7/14/98 and 7/15/98	0.96 lbs/hr chlorine	4.3 lbs/hr chlorine
Aluminum Melting Furnaces #7 and #8	#115-97 Condition #14	5/27/98, 6/2/98, 7/14/98 and 7,15,98	0.96 lbs/hr HCl	4.3 lbs/hr HCl
Facility Wide	#115-97 Condition #50	5/27/98 to 10/6/98	2.28 lbs/hr particulate	44.9 lbs/hr particulate
Facility Wide	#115-97 Condition #52	5/27/98 to 7/15/98	0.09 lbs/hr sulfur dioxide	4.08 lbs/hr sulfur dioxide
Facility Wide	#115-97 Condition #53	5/27/98 to 7/15/98	5.71 lbs/hr volatile organic compounds	14.92 lbs/hr volatile organic compounds

18. The exceedances of the permitted limits at the Alchem Unit and the IMCO Michigan Unit are violations under Michigan SIP Rule R 336.1201(3) and Rule R 336.1331 (1) (c).

4/27/01
Date

 FOR
Cheryl Newton, Acting Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Shanee Rucker, certify that I sent a Notice of Violation, No. EPA-5-01-MI-02, by Certified Mail, Return Receipt Requested, to:

Richard Kerr, President
IMCO Recycling, Inc.
5215 North O'Connor Boulevard
Irving, Texas 75039

I also certify that I sent copies of the Notice of Violation by first class mail to:

Timothy McGarry
Enforcement Unit Chief
Air Quality Division
Michigan Department of Environmental Quality
P.O. Box 30260
Lansing, Michigan 48909

Mary Douglas, District Supervisor
Plainwell District
Air Quality Division
Michigan Department of Environmental Quality
621 North 10th Street
P.O. Box 355
Plainwell, Michigan 49080

on the 1 day of May, 2001.

Shanee Rucker
Shanee Rucker, Secretary
AECAS, (MI/WI)

CERTIFIED MAIL RECEIPT NUMBER: 7099340000095813394