



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JUL 17 2006

REPLY TO THE ATTENTION OF

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kathyrn Cunningham
Environmental Manager
Holcim (US) Inc.
15215 Day Road
Dundee, MI 48131

Re: Notice of Violation
Finding of Violation
Holcim (US) Inc.
Dundee, MI

Dear Ms. Cunningham:

The United States Environmental Protection Agency (U.S. EPA) is issuing the enclosed Notice of Violation (NOV)/Finding of Violation (FOV) to Holcim (US) Inc. located in Dundee, Michigan (you). The NOV/FOV is being issued under Section 113(a)(1) and (a)(3) of the Clean Air Act (the Act), 42 U.S.C. 7413(a)(1) and (a)(3). We find that you have violated your Title V permit at your Dundee, Michigan facility by exceeding the opacity limit set forth in the Michigan State Implementation Plan (SIP) as well as exceeding the baghouse inlet temperature limit as specified by the Portland Cement National Emission Standards for Hazardous Air Pollutants (NESHAP). Specifically, we find that the following has been violated at your facility:

1. Title V, Section 502(a) of the Act, 42 U.S.C. § 7661a(a), and applicable regulation at 40 C.F.R. § 70.7(b);
2. General Provisions of the NESHAP, 40 C.F.R. § 63.4(a)(1); and
3. Visible emissions provisions contained in R336.1301 of the Michigan SIP.

Section 113 of the Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action. The options we select may depend on, among other things, the length of time you take to achieve and demonstrate continuous compliance with the rules cited in the NOV/FOV.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The U.S. EPA contact in this matter is Monica Onyszko. You may call her at (312) 353-5139 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely yours,



Cheryl D. Newton, Acting Director
Air and Radiation Division

Enclosure

cc: Tom Hess
Compliance and Enforcement Section Supervisor
Michigan Department of Environmental Quality

William Presson
Jackson District Office Acting Environmental Manager
Michigan Department of Environmental Quality

Michael Maillard
Senior Environmental Engineer
Michigan Department of Environmental Quality

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**United States Environmental Protection Agency
Region 5**

IN THE MATTER OF:)
)
Holcim (US) Inc.) **NOTICE OF VIOLATION AND**
Dundee, MI) **FINDING OF VIOLATION**
)
Proceedings Pursuant to) **EPA-5-06-07-MI**
Section 113(a)(1) and (3) of)
the Clean Air Act, 42 U.S.C.)
§ 7413(a)(1) and (a)(3))

NOTICE OF VIOLATION AND FINDING OF VIOLATION

The United States Environmental Protection Agency (U.S. EPA) is issuing this Notice of Violation (NOV)/Finding of Violation (FOV) under Section 113(a)(1) and (a)(3) of the Clean Air Act (the Act), 42 U.S.C. §§ 7413(a)(1) and (a)(3). U.S. EPA finds that Holcim (US) Inc. (Holcim) has violated their Title V permit at their Dundee, Michigan facility by exceeding the opacity limit set forth in the Michigan State Implementation Plan (SIP) as well as exceeding the baghouse inlet temperature limit as specified by the Portland Cement National Emission Standards for Hazardous Air Pollutants (NESHAP). Specifically, the facility has violated the following:

- Title V, Section 502(a) of the Act, 42 U.S.C. § 7661a(a), and applicable regulation at 40 C.F.R. § 70.7(b);
- General Provisions of the NESHAP, 40 C.F.R. § 63.4(a)(1); and
- Visible emissions provisions contained in R336.1301 of the Michigan SIP.

Regulatory Authority

Title V

1. Title V of the Act, 42 U.S.C. §§ 7661a-7661f, establishes an operating permit program for certain sources, including "major sources." Pursuant to Section 502(b) of the Act, 42 U.S.C. § 7661a(b), on July 21, 1992, U.S. EPA promulgated regulations establishing the minimum elements of a permit program to be administered by any air pollution control

agency. 57 Fed. Reg. 32295. These regulations are codified at 40 C.F.R. Part 70.

2. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), states that, after the effective date of any permit program approved or promulgated under Title V of the Act, no source subject to Title V may operate the source except in compliance with its Title V permit.
3. 40 C.F.R. § 70.7(b) states that, no source subject to Title V may operate the source except in compliance with a Title V permit.
4. U.S. EPA granted full approval to the Michigan Title V operating permit program on December 4, 2001. 66 Fed. Reg. 62949. The program became effective on November 30, 2001.
5. Michigan Department of Environmental Quality (MDEQ) issued Renewable Operating Permit (Title V permit) No. MI-ROP-B1743-2004 to Holcim with an effective date of April 27, 2004.
6. Table F-1.8 FG008 of Holcim's Title V permit states that visible emissions from the kilns shall not exceed a 6-minute average of 15 percent opacity in the stack based on the continuous opacity monitoring system. When there is a detached plume from the kilns during, but not limited to, visible emission monitoring outages, malfunction and/or calibrations, the visible emissions shall not exceed a 6-minute average of 20 percent opacity at the stack. See also, Permit to Install No. 60-71H, R336.1301(1)(c) and R336.1201.
7. Table F-1.8 FG008 of Holcim's Title V permit states that the kiln opacity emission limitations shall not be applicable during periods of startup and shutdown. Startup shall be defined as the period of time when only natural gas, fuel oil or used oil is put into the burner pipe for the purpose of heating up the kiln and no other raw materials or alternative fuels and materials are being introduced. Shutdown shall be described as a halting of the production. See also, Permit to Install No. 60-71H, paragraph 35.
8. Table F-1.8 FG008 of Holcim's Title V permit states that Holcim must operate their kilns such that the temperature of the gas at the inlet to the kiln particulate matter control device (PMCD) does not exceed the average of the run average temperature calculated for each run as determined during performance tests. See also, 40 C.F.R. § 63.1344(b).

National Emission Standards for Hazardous Air Pollutants

9. The U.S. EPA may promulgate regulations establishing NESHAPs under Section 112 of the Act, 42 U.S.C. § 7412.
10. Under Section 112 of the Act, the U.S. EPA promulgated the NESHAP for the Portland Cement Manufacturing Industry at 40 C.F.R §§ 63.1340 et seq. (Portland Cement NESHAP or Subpart LLL) on June 14, 1999. 64 Fed. Reg. 31868.
11. Subpart LLL applies to each new and existing Portland cement plant which is a major source or an area source, as defined in 40 C.F.R. § 63.2. 40 C.F.R. § 63.1340(a).
12. A "major source" is defined as any stationary source that ". . . emits or has the potential to emit considering controls, in the aggregate, 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants . . .". 40 C.F.R. § 63.2.
13. The NESHAP, at 40 C.F.R. § 63.4(a)(1), provides that no owner or operator subject to the provisions of the NESHAP shall operate any affected source in violation of the requirements except under an applicable extension of compliance.
14. The NESHAP for Portland cement at 40 C.F.R. § 63.1351(a) states that the compliance date for an owner or operator of an existing affected source subject to the provisions of the subpart is June 14, 2002.
15. 40 C.F.R. § 63.1343(d), which regulates dioxin/furan (D/F) emissions, states the following:

Existing, reconstructed, or new brownfield/area sources. No owner or operator of an existing, reconstructed, or new brownfield kiln or an existing, reconstructed or new brownfield in-line kiln/raw mill at a facility that is an area source subject to the provisions of this subpart shall cause to be discharged into the atmosphere from these affected sources any gases which contain D/F in excess of:

- (1) 0.20 nanograms per dry standard cubic meter (ng per dscm) (8.7×10^{-11} grams per dry standard cubic foot (gr per dscf)) (toxic equivalent (TEQ)) corrected to seven percent oxygen; or

- (2) 0.40 ng per dscm (1.7×10^{-10} gr per dscf) (TEQ) corrected to seven percent oxygen, when the average of the performance test run average temperatures at the inlet to the particulate matter control device is 204 °C (400 °F) or less.

See also, Title V Permit No. MI-ROP-B1743-2004, Table F-1.8 FG008.

16. 40 C.F.R. § 63.1344(a) states that the owner or operator of a kiln subject to a D/F emission limitation under 40 C.F.R. § 63.1343 must operate the kiln such that the temperature of the gas at the inlet to the kiln PMCD and alkali bypass PMCD, if applicable, does not exceed the applicable temperature limit specified in paragraph 40 C.F.R. § 63.1344(b). See also, Title V Permit No. MI-ROP-B1743-2004, Table F-1.8 FG008.
17. 40 C.F.R. § 63.1344(b)(3)(iv) states that initial compliance to the D/F emission limit of 40 C.F.R. § 63.1343(d) shall be demonstrated by conducting a performance test using U.S. EPA Method 23, 40 C.F.R. Part 60, Appendix A. The owner or operator of an in-line kiln shall demonstrate initial compliance by conducting separate performance tests while the raw mill of the in-line kiln is under normal operating conditions and while the raw mill of the in-line kiln is not operating. The run average temperature must be calculated for each run, and the average of the run average temperatures must be determined and included in the performance test report and will determine the applicable temperature limit in accordance with 40 C.F.R. § 63.1344(b). See also, Title V Permit No. MI-ROP-B1743-2004, Table F-1.8 FG008.

Michigan SIP

18. Section 165(a)(1) of the Act, 42 U.S.C. § 7475(a)(1), states that a facility shall comply with emission limitations within permits issued under, and conforming with, the requirements of Part C.
19. 40 C.F.R. § 52.21 prohibits the construction of a major stationary source or major modification unless the source receives a construction permit (i.e., permit to install) that includes specific requirements, including meeting each applicable limitation under the State Implementation Plan and each applicable emission standard and standard of performance

under 40 C.F.R. Parts 60 and 61. 40 C.F.R. § 52.21(i) and (j).

20. U.S. EPA approved R336.1201 as part of the federally enforceable SIP for Michigan on May 6, 1980. The rule became effective on May 6, 1980. 45 Fed. Reg. 29790.
21. R336.1201 states, among other things, a person shall not construct, reconstruct, or install any process which may be a source of an air contaminant, until a permit to install is issued by the commission. An application for a permit to install may be approved subject to any condition, specified in writing, necessary to assure compliance with applicable regulations.
22. U.S. EPA approved R336.1301 as part of the federally enforceable SIP for Michigan on June 11, 1992. The rule became effective on July 13, 1992. 57 Fed. Reg. 24752.
23. R336.1301 provides standards for the density of emissions. Specifically, R336.1301(1)(c) states that a person shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of a density greater than a limit specified as a condition of a permit to install or permit to operate.
24. Permit To Install No. 60-71H was approved for the Holcim facility by the MDEQ on April 29, 1994.
25. Permit To Install No. 60-71H, paragraph 16, incorporates the standard for the density of emissions in R336.1301(1)(c).
26. Permit To Install No. 60-71H, paragraph 16, states that visible emissions from the kilns shall not exceed a 6-minute average of 15 percent opacity in the stack based on the continuous opacity monitoring system. When there is a detached plume from the kiln(s) during, but not limited to, visible emission monitoring outages, malfunction and/or calibrations, the visible emissions shall not exceed a 6-minute average of 20 percent opacity at the stack.
27. Permit To Install No. 60-71H, paragraph 16, shall not be applicable during periods of startup and during periods of shutdown. Startup is defined as between the time when any fuel is put to the burner pipe and no later than sixteen hours after coal is put into the burner pipe. Shutdown shall be defined as a halting of the production process.

Enforcement

28. Section 113(a)(1-3) of the Act, 42. U.S.C. § 7413(a)(1-3), authorizes the Administrator to initiate an enforcement action whenever, on the basis of any available information, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of, among others, any implementation plan or permit, Title I or Title V of the Act, or any rule promulgated, issued or approved under Title I or Title V of the Act.
29. 40 C.F.R. § 52.23 states that, among other things, failure to comply with any provisions of this part, any approved regulatory provision of a State Implementation Plan, any permit condition, or with any permit limitation or condition contained within an operating permit, renders the person or governmental entity so failing to comply in violation of a requirement and subject to enforcement action under Section 113 of the Act.

Holcim Facility

30. Holcim manufactures Portland cement in its facility located at 15215 Day Road in Dundee, MI.
31. Holcim operates two wet-process rotary kilns, Kiln 1 and Kiln 2.
32. Each kiln is equipped with a baghouse for particulate emission control. On each kiln, the baghouse is either used in conjunction with an activated carbon injection system or with a limestone slurry scrubber-packed tower/regenerative thermal oxidizer system.
33. The effluent streams from the two kilns are combined in a common exhaust duct and are discharged through the main stack, which is approximately 350 feet in height.
34. Holcim is subject to Title V permit no. MI-ROP-B1743-2004, issued by the MDEQ and effective April 27, 2004 until April 27, 2009.
35. A Thermo 400B continuous opacity monitor was installed in the main kiln stack in the early 1980s. This equipment was used for the continuous monitoring of opacity from the two kilns and associated air pollution control equipment. The opacity monitor vendor has begun phasing out support for the 400B monitor, making it more difficult to procure replacement

parts in the event of a monitor malfunction.

36. By October 30, 2005, a Teledyne Monitor Labs Inc. LightHawk Model 560 opacity/dust monitor was installed and operating in the main kiln stack in the same location that previously held the Thermo 400B continuous opacity monitor. MDEQ approved the use of the LightHawk Model 560 opacity monitor on January 17, 2006.

Violations

37. ATTACHMENT A, Table 1 and Table 2 to this notice provides a summary of excess emissions reported by Holcim as required by applicable regulations and its Title V permit.
38. Holcim reported a total of 16,104 minutes of opacity excess emissions in its quarterly excess emission reports during calendar years 2004 and 2005 for Kiln 1 and Kiln 2.
39. Holcim's failure to maintain continuous compliance with the applicable opacity emission limits at Kiln 1 and Kiln 2 during, at least, calendar year 2004 and 2005 is a violation of Holcim's Title V permit; Title V, Section 502(a) of the Act, and applicable regulation at 40 C.F.R. § 70.7(b); Michigan SIP R336.1301(1)(c); and Permit to Install No. 60-71H, Paragraph 16.
40. Holcim reported a total of 121.5 hours of baghouse inlet temperature exceedances in its quarterly excess emission reports during calendar years 2004 and 2005 for Kiln 1.
41. Holcim reported a total of 104.0 hours of baghouse inlet temperature exceedances in its quarterly excess emission reports during calendar years 2004 and 2005 for Kiln 2.
42. Holcim failed to operate Kiln 1 and Kiln 2 such that the temperature of the gas at the inlet to the kiln PMCD continuously met the applicable temperature limit specified in paragraph 40 C.F.R. § 63.1344(b). This is a violation of the Title V permit; Title V, Section 502(a) of the Act and the Portland Cement NESHAP, 40 C.F.R. § 63.1344(a).

7/17/06

Date


 FOR
 Cheryl L. Newton, Acting Director
 Air and Radiation Division

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ATTACHMENT A

Holcim (US), Inc., Dundee, MI

2004-2005, Quarterly Excess Emissions Summary for Kiln 1 and Kiln 2

Table 1: Excess Emissions Summary by Quarter and Process Unit

Unit	Quarter/Year	Excess Emissions (Minutes)	
		Opacity	
Kiln 1 and Kiln 2	Q1-2004		12,900
	Q2-2004		60
	Q3-2004		300
	Q4-2004		390
	Q1-2005		474
	Q2-2005		1,404
	Q3-2005		216
	Q4-2005		360
	2-Year Total		16,104

NOTES:

Opacity limit - 15 percent (6-minute average, MI SIP/Title V).

Raw data, when available, was used instead of summary table data to calculate totals.

Start-up, shut-down, calibration and QA/QC data was not used in calculating totals.

Table 2: Baghouse Inlet Temperature Exceedances by Quarter and Process Unit

Unit	Quarter/Year	Temperature Exceedances (Hours)	
Kiln 1	Q1-2004		28.1
	Q2-2004		10.1
	Q3-2004		8.9
	Q4-2004		14.3
	Q1-2005		17.5
	Q2-2005		0.2
	Q3-2005		10.2
	Q4-2005		32.2
	2-Year Total		121.5
Kiln 2	Q1-2004		27.7
	Q2-2004		19.0
	Q3-2004		11.3
	Q4-2004		8.5
	Q1-2005		21.2
	Q2-2005		0.0
	Q3-2005		4.7
	Q4-2005		11.6
	2-Year Total		104.0

NOTES:

Temperature limit - Varies based on performance test results (NESHAP/Title V).

Raw data was used instead of summary table data to calculate totals.

CERTIFICATE OF MAILING

I, Betty Williams, certify that I sent a Notice of Violation/Finding of Violation, No. EPA-5-06-07-MI, by Certified Mail, Return Receipt Requested, to:

Kathyrn Cunningham
Environmental Manager
Holcim (US) Inc.
15215 Day Road
Dundee, MI 48131

I also certify that I sent copies of the Notice of Violation/Finding of Violation, No. EPA-5-06-07-MI, by first class mail to:

Tom Hess
Enforcement Unit Supervisor
Michigan Department of Environmental Quality
Air Quality Division
525 W. Allegan
P.O. Box 30260
Lansing, Michigan 48909

William Presson
Jackson District Office Acting Environmental Manager
Michigan Department of Environmental Quality
Jackson State Office Building
301 E. Louis Glick Highway, 4th Floor
Jackson, MI 49201

Michael Maillard
Senior Environmental Engineer
Michigan Department of Environmental Quality
Jackson State Office Building
301 E. Louis Glick Highway, 4th Floor
Jackson, MI 49201

on the 18th day of July 2006.


Betty Williams, Secretary
AECAS(IL/IN)

CERTIFIED MAIL RECEIPT NUMBER:

7001 0320 0006 1455 0556