



**Environmental
Protection Agency**

Ted Strickland, Governor
Lee Fisher, Lt. Governor
Chris Korfeski, Director

August 24, 2010

RE: **NOTICE OF VIOLATION
HIGH PRIORITY FACILITY GC7**

CERTIFIED MAIL

Mr. Randolph Turk, Site Manager
BASF Catalysts LLC
120 Pine Street
Elyria, OH 44035

RE: Division of Air Pollution Control Compliance Evaluation for the operations located at 120 Pine Street, Elyria, Ohio - DAPC Facility ID No. (02-47-04-0195)

Dear Mr. Turk:

This letter serves as a follow-up to our 5/11/10 and 5/24/10 inspections and provides you with information on the Division of Air Pollution Control (DAPC) program requirements. I appreciate the time and courtesy shown by Mr. Jeff Baker, Senior Environmental Specialist, to me during my inspection. As we requested, additional information was submitted on 5/14/10 and 6/03/10 and has been reviewed by this office. An electronic copy of the inspection report will be e-mailed to you.

OAC Rule 3745-110-03(I) "RACT Study for Stationary Sources"

By a letter dated February 11, 2010, Ohio EPA approved of the Reasonably Available Control Technology (RACT) study submitted by BASF on December 15, 2009. A condition of the approved RACT study requires BASF to conduct nitrogen oxides (NO_x) emissions testing for all five calciners (i.e., P009, P010, P080, P102 and P103) within 120 days of receipt of said letter and to submit an "Intent to Test" notification 30 days prior to the proposed test date. The purpose of the NO_x emissions testing is to establish a NO_x emissions limitation and document the control efficiencies of the selective catalytic reducer (SCR) and Tri-Mer scrubber. To date, there has been no submittal of an Intent to Test (ITT) form for NO_x emissions testing regarding the affected calciners. During our recent site visits, Mr. Jeff Baker said that BASF was considering the submittal of a letter to the Director to request an extension on the deadline to conduct the exhaust gas testing. To Ohio EPA's knowledge, no extension request has yet been submitted.

Currently, the only violation associated with this rule is the late submittal of the NO_x RACT study. Per OAC rule 3745-110-04(A)(2), the RACT study was required to be submitted by December 22, 2008. To avoid any additional violations Ohio EPA requests the following information:

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1. By **9/28/10**, please submit a response with the submittal of an ITT form to have NO_x emissions testing conducted at the affected calciners (P009, P010, P080, P102 and P103) within 30 days (**by 10/27/10**); or submit an ITT form with a "to be determined" in the proposed date line and a letter to Mr. Alan Harness, Ohio EPA Central Office, DAPC, P.O. Box 1049, Columbus, OH 43216-1049, requesting an extension of time to conduct the required emissions testing.

One copy of a completed ITT form must be submitted to Ms. Christine McPhee at the Northeast District Office and to Mr. Alan Harness, DAPC, Central Office at the following address: P.O. Box 1049, Columbus, OH 43216-1049. If you choose to request an extension of time to conduct the required NO_x emissions testing, please send a copy of the request to me, Ms. Christine McPhee, at the Ohio EPA, Northeast District Office.

Malfunction Reporting

The other purpose of this letter is to provide a follow-up to the inspection. We found compliance with most permit requirements at this time. However, there was a violation of the immediate malfunction reporting requirements, as specified in Part I., section A.2. of the current Title V Operating Permit, issued on 7/26/01. According to the semiannual deviation report for the 1/01/10 – 6/31/10 period, BASF failed to promptly report a malfunction of the SCR unit, which was caused by a malfunction of the aqueous ammonia feed pump, serving (P103) #3 Rotary Calciner on 5/18/10. The Northeast District Office was made aware of the 5/18/10 malfunction by a 5/18/10 citizen complaint of a yellowish plume. The deviation report stated that the corrective actions were that operators were trained in proper reporting requirements. A subsequent malfunction of the SCR was called in to our office on the date it occurred, 6/03/10. A more detailed e-mail, which describes the malfunction and notes the corrective actions, was sent on 6/04/10, and complies with the immediate malfunction reporting requirement.

Ohio EPA's 5/24/10 investigation of the 5/18/10 malfunction verified that the corrective action, a replacement of the ammonia "B" pump, had occurred. The 6/03/10 SCR malfunction during an 18-minute period that began at 4:32 PM, 6/03/10 was caused by an electrical trip of the ammonia feed pump serving P103. At 4:50 PM, 6/03/10 P103 calciner exhaust gases were routed to the Tri-mer scrubber for NO_x emissions control. The corrective action at 10:30 AM, 6/04/10 was to re-set the ammonia feed pump motor electrical overload protection at an appropriate level. Ohio EPA finds that each malfunction was corrected in a timely manner and that emissions were minimized during the equipment breakdown events.

Emissions Units Operational Status

(P025) Mineral materials mixer no. 4 (E-29) for catalyst intermediate products in bldg. 31 with a fabric filter and a wet scrubber to control PE; and
(P053) Ni tablet system (E-57) 2 DH mill ribbon blender, tablet machines

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2. Has either emissions unit (EU) been permanently shut down? If yes, please update the facility profile in Air Services of eBusiness and NEDO will delete the specific EU terms from section C. in the recommendation for a preliminary proposed Title V operating permit.

(P054) Iron room tablet (E-58);

(P056) Lunch room tablet (E-60);

(P058) CER color pulverizer (E-62); and

(P089) a direct gas-fired shuttle kiln no. 2 (E-92) for mineral pigment intermediate products in bldg. 24 with two fabric filters to control PE

3. The above listed EUs are classified as insignificant in term B.1. of the draft Title V operating permit renewal. If true, please update the facility profile to mark the Title V EU classification as "insignificant".

(Z021) Four Kewanee gas-fired boilers, rated at 8.6 mmBTU/hr each

4. Each boiler qualifies for a permit exemption in OAC rule 3745-31-03(A)(1)(a) and the EU needs to be listed as insignificant in term B.1. of the draft Title V operating permit renewal. Please update the facility profile to mark the Title V EU classification as "insignificant" and the exemption status as permit exempt.

Z999 Pill Machines

5. The entry for Z999 is incomplete, please update the facility profile as appropriate.

General Record Keeping Requirements

6. For clarification please make the following changes to the record forms required by the operating permit:
 - a. Include the OEPA EU Id No., i.e. P070;
 - b. NOP = not operating is indicated on many records. Please indicate in the form notes or instructions to make a distinction whether production equipment is running or whether air pollution control equipment is running or not.
 - c. The "weekly baghouse emissions checks electronic record for several EUs should include a note to state whether any VE were observed, as is done for (105) gravity bed separator and (P080) #5 RC dust collectors.

Status of Application for a Renewal Title V Operating Permit (# P0085293)

The Northeast District Office has made changes to the working copy of the preliminary proposed Title V operating permit. These changes are primarily clarifications to the terms and BASF's requested changes regarding air pollution control equipment operating parameters are included.

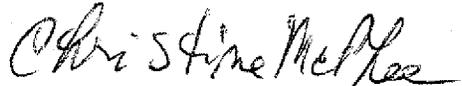
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The general requirements of the NO_x RACT rule, OAC 3745-110, will be written for the affected calciners (P009, P010, P080, P102 and P103) into the working copy of the preliminary proposed Title V permit. The revisions for these EUs will be given to BASF for review prior to submitting the recommendation for a preliminary proposed Title V Operating permit to our Central Office.

The receipt of the information, addressed in item nos. 2 - 5 and any other items that you wish to include, is requested by **9/01/10**. The receipt of an Intent to Test form, addressed in item no.1, is requested by **9/28/10**. If you are unable to respond to any part of this request within the time frame(s) discussed above, please inform this Agency.

This Notice of Violation in no way waives the right of the Ohio EPA or U.S. EPA to pursue enforcement action regarding the violations discussed in this notice, and/or any additional violations that may be found. Should you have any comments or questions about this correspondence, please do not hesitate to contact me at (330) 963-1205, or via e-mail at christine.mcphee@epa.state.oh.us.

Sincerely,



Christine McPhee
Environmental Specialist
Division of Air Pollution Control

CM:bo

cc: Tim Fischer, DAPC, Ohio EPA, NEDO
Tom Kalman, Enforcement Section, DAPC, Ohio EPA, CO
Lisa Holscher, U.S. EPA, Region V

ec: Misty Koletich, DAPC, Ohio EPA, NEDO
Alan Harness, Enforcement Section, DAPC, Ohio EPA, CO
Andrew Hall, DAPC, Ohio EPA, CO
Dave Morehart, DAPC, Ohio EPA, CO
Jeff Baker, BASF Catalysts LLC – Elyria, OH, Jeff.Baker@BASF.com