



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



KEITH CREAGH
DIRECTOR

VIA E-MAIL

TO: Governor Rick Snyder
Members of the Michigan Legislature

FROM: Keith Creagh, Director

DATE: March 21, 2016

SUBJECT: Air Quality Division Annual Program Report - Fiscal Year 2015

In accordance with Section 5522(8) of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, attached is the Department of Environmental Quality's (DEQ) Air Quality Division (AQD) Annual Program Report for fiscal year 2015.

If you need further information, please contact Michael Jackson, Supervisor, Administration Section, AQD, at 517-284-6733; or you may contact me at 517-284-6700.

Attachment

cc/att: Ellen Jeffries, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
John Roberts, Director, State Budget Office
Jarrod Agen, Governor's Office
Dick Posthumus, Governor's Office
Angela Ayers, Governor's Office
Josh Sefton, Senate Fiscal Agency
Austin Scott, House Fiscal Agency
Jacques McNeely, State Budget Office
Jennifer Harrison, State Budget Office
Jim Sygo, Chief Deputy Director, DEQ
Madhu R. Anderson, Deputy Director, DEQ
Amy Epkey, Deputy Director, DEQ
Maggie Pallone, Deputy Director, DEQ
Sarah M. Howes, Legislative Liaison, DEQ
Lynn Fiedler, DEQ
Teresa Seidel, DEQ
Michael Jackson, DEQ

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION ANNUAL PROGRAM REPORT - FISCAL YEAR 2015**

This year-end report from the Department of Environmental Quality (DEQ), Air Quality Division (AQD), is required to detail Emissions Control Fund appropriations. The information is organized as directed by Section 5522(8) of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

A) A total of 116.7 full-time equated positions performed compliance, enforcement, and permitting activities. From that total, 62.0 full-time equated positions performed these activities in the Title V Program as defined in Section 5501 of Act 451. The other 54.7 full-time equated positions performed compliance, enforcement, and permitting activities in the non-Title V Program.

B) Permits to Install:

i. There were 458 permit-to-install (PTI) applications received in fiscal year (FY) 2015.

ii.

Permits to Install - Final Actions	Total Number
Final action taken on applications and permits.	1,004
Applications approved.	411
Applications denied.	0
Applications and permits voided (63 of which were due to issuance of Renewable Operating Permits).	625

iii.

Approved Permits to Install	Total Number
Number required to complete public participation before final action.	21
Number not required to complete public participation before final action.	390

iv. The average number of final permit actions per reviewer (full-time equated) is 64.

	Permits to Install	Percentage	Total Number
v.	Applications reviewed for administrative completeness within 10 days of receipt by the DEQ.	97%	400
vi.	Applications reviewed for technical completeness within 30 days of receipt by the DEQ.	99%	405
vii.	Applications submitted to the DEQ that were administratively complete as received.	96%	394
viii.	Applications for which a final approval was taken within 60 days of receipt of a technically complete application for those not required to complete public participation or within 120 days if public participation was required.	90%	370

C) Renewable Operating Permit (ROP) Program:

- i. A total of 62 ROP applications were received in FY 2015.
- ii. AQD received 109 new requests for ROP modifications in FY 2015.

ROP - Final Actions	Total Number
Final action taken on ROP applications.	80
Applications approved.	80
Applications denied.	0
Applications voided (withdrawn by the applicant).	2

ROP		Percentage	Total Number
iii.	Permit applications initially processed within the required time.	75%	6
iv.	Permit renewals processed within the required time.	84%	72
	Permit modifications processed within the required time.	69%	86
v.	Permit applications reopened by the DEQ.	n/a	22
vi.	General permits issued by the DEQ.	n/a	n/a

NOTE: The AQD started processing modifications in February 2012. The AQD staff processed 68 modifications outside of an ROP renewal or voidance process. Out of 48 existing modification applications, 41 will be incorporated during the ROP renewal.

- D) There were 370 (including Asbestos) Violation Notices sent during FY 2015.
- E) Penalty money collected from all consent orders and judgments was \$2,230,888. Money collected from consent orders and judgments is deposited in the Settlement Fund of the DEQ.
- F) Enforcement actions that included payment of penalty:

Company Name	Corrective Actions
BASF Corporation	Consent Order AQD No. 47-2014
Futurenet Group, Inc.	Consent Order AQD No. 48-2014
Ingham County Land Bank	Consent Order AQD No. 49-2014
United States Steel Corporation	Consent Order AQD No. 50-2014
University Square 2751, LLC	Consent Order AQD No. 51-2014
Preservation Non-Profit Housing Corporation	Consent Order AQD No. 52-2014
General Motors, LLC	Consent Order AQD No. 53-2014
Entech, Inc.	Consent Order AQD No. 54-2014
MAC Contracting, LLC	Consent Order AQD No. 55-2014
PRS Manufacturing, Inc.	Consent Order AQD No. 56-2014
EES Coke Battery, LLC	Consent Order AQD No. 57-2014
Barber Steel Foundry Corporation	Consent Order AQD No. 58-2014
Michigan Turkey Producers Cooperative, Inc.	Consent Order AQD No. 59-2014
Nexteer Automotive Corporation	Consent Order AQD No. 60-2014
Able Demolition, Inc.	Consent Order AQD No. 61-2014
Lansing Board of Water and Light	Consent Order AQD No. 1-2015
Expert Coating Company	Consent Order AQD No. 2-2015

Company Name	Corrective Actions
Benteler Automotive Corporation	Consent Order AQD No. 3-2015
T.R. Equipment, LLC	Consent Order AQD No. 4-2015
8100 Schoolcraft, LLC	Consent Order AQD No. 5-2015
Hillman Power Company, LLC	Consent Order AQD No. 6-2015
MCM Management Corporation	Consent Order AQD No. 7-2015
Professional Abatement Services, Inc.	Consent Order AQD No. 8-2015
Professional Asbestos Services, Inc.	Consent Order AQD No. 9-2015
Stress-Con Industries, Inc.	Administrative Fine Order AQD No. 10-2015
Salim Kemerko	Consent Order AQD No. 11-2015
Grand River & Six Mile, LLC	Consent Order AQD No. 12-2015
Eteron, Inc.	Consent Order AQD No. 13-2015
Joy Construction and Leasing, Inc.	Consent Order AQD No. 14-2015
Cottrellville Township	Administrative Fine Order AQD No. 15-2015
Arbor Hills Energy, LLC	Consent Order AQD No. 16-2015
C&C Energy, LLC	Consent Order AQD No. 17-2015
Eagle Ottawa North America, LLC	Consent Order AQD No. 18-2015
Zeeland Farm Services, Inc.	Consent Order AQD No. 19-2015
Chois Abatement, Inc.	Consent Order AQD No. 20-2015
White Construction Co., Inc.	Consent Order AQD No. 21-2015
Pioneer Metal Finishing	Consent Order AQD No. 22-2015
Pioneer Metal Finishing	Consent Order AQD No. 23-2015
Martin Marietta Magnesia Specialties	Consent Order AQD No. 24-2015
Blue Water Renewables, LLC	Consent Order AQD No. 25-2015
DTE Electric Company	Consent Order AQD No. 26-2015
Lapeer Plating and Plastics	Consent Order AQD No. 27-2015
Cross Environmental	Consent Order AQD No. 29-2015
AK Steel Corporation	Civil Action No. 15-cv-11804
Detroit Renewable Power	Civil Action No. 14-1184-CE

- G) The total number of inspections was 1,675. The number of inspections done for ROP sources was 327. The number of inspections of non-ROP sources was 1,348.
- H) A total of 1,753 complaints were received during FY 2015. All complaints were logged, prioritized, evaluated, and resolved according to the AQD's procedures. A complaint is considered resolved if the problem has been abated, a Violation Notice requesting a compliance program has been sent, after investigation the district staff was not able to verify the problem, or the complaint was not under the AQD's jurisdiction and a referral was made to the appropriate agency. An on-site inspection was conducted for approximately 71 percent of the complaints. A telephone call or letter followed up the other complaints.
- I) The following represents the number of contested case hearings and civil actions initiated and completed, and the number of voluntary consent orders, administrative penalty orders, and emergency orders entered or issued for Title V sources:

Enforcement	Total Number
Hearings	0
Civil Actions	2
Consent Orders	41
Administrative Orders	2
Emergency Orders	0

J) Revenue in the fund at the end of FY 2015 was \$1,687,547.

The information below and on the following page is required by Section 5522(9) of Act 451:

AQD EXPENDITURES BY FUND AND PROGRAM FUNCTION:

Program Function	General and Other Funds Total (See Chart Below) 40%	EPA Grants 26%	Air Fees 34%	Total 100%
Permit Section	1,973,454 (20%)	329,895 (5%)	219,186 (2%)	2,522,535 (10%)
Enforcement Unit	377,799 (4%)		390,072 (5%)	767,871 (3%)
Field Operations	3,815,588 (39%)	873,107 (14%)	6,634,258 (82%)	11,322,953 (46%)
Air Quality Evaluation Section	2,578,780 (26%)	4,771,900 (74%)	272,784 (3%)	7,623,464 (31%)
Administration	1,078,811 (11%)	476,966 (7%)	619,263 (8%)	2,175,040 (10%)
Total AQD Expenditures	9,824,432 (100%)	6,451,868 (100%)	8,135,563 (100%)	24,411,863 (100%)
Revenues Appropriated	9,940,500	7,470,700	8,243,000	25,654,200

NOTE: Air Emissions Fund expenditures of \$134,774 from the DEQ, Office of Environmental Assistance, are not included in the above totals.

GENERAL AND OTHER FUNDS DETAILS:

Program Function	General Fund	Refined Petroleum Fund	Dry Cleaning License Fees	Oil & Gas	Waste Reduction Fee Revenue	Total
Permit Section	494,323	166,406		40,643	1,272,082	1,973,454
Enforcement Unit	92,781	279,904		4,556	557	377,798
Field Operations	1,919,547	1,662,182	154,790	56,667	22,402	3,815,588
Air Quality Evaluation Section	1,498,031	1,035,834	1,871	30,179	12,865	2,578,780
Administration	584,517	449,581	13,022	2,773	28,918	1,078,811
Total AQD Expenditures	4,589,199	3,593,907	169,683	134,818	1,336,824	9,824,431
Revenues Appropriated	4,589,200	3,596,600	282,800	134,900	1,337,000	9,940,500