

10/31/00

(AR-18J)

Mike Hopkins, Manager  
Air Quality Modeling and Planning  
Division of Air Pollution Control  
Ohio Environmental Protection Agency  
122 South Front Street  
P.O. Box 1049  
Columbus, Ohio 43216-1049

Dear Mr. Hopkins:

I would like to follow-up with two issues that have yet to be resolved as of October 6, 2000, related to the Republic Technologies International (Republic) (PTI 15-01314) modification permit. First, the slag processing area, operated by Heckett Multiserve, is a single stationary source with the Republic steel operations. Second, enforceable production-based emission limits (pound of pollutant per ton of steel produced) and ambient-based limits (pound of pollutant per hour of operation) for nitrogen oxide (NOx) emissions are necessary.

We consider the slag processing area to be a support facility to Republic. You stated in your July 28, 2000, response that Heckett receives all of its slag from the adjacent Republic steel mill and the property that Heckett operates is leased from Republic. While Heckett's slag processing operation may not have an identical two-digit Source Identification Code, we note that Heckett and Republic have a contractual agreement to process this by-product. August 7, 1980, Federal Register (45 FR 52695), "one source classification encompasses both primary and support facilities, even when the latter includes units with a different two-digit SIC code. A support facility is typically that which conveys, stores, or otherwise assists in the production of the principal product." Heckett is the sole recipient of Republic's slag. Since the removal of slag is essential to Republic's lawful production process, Heckett assists in the production of Republic's steel. Therefore, Heckett is a support facility of Republic and together they constitute a single source. We have considered these types of operations as a single source in the

past (see the July 15, 1997, letter regarding LTV, Stein and Allega from Cheryl Newton to Robert Hodanbosi).

Furthermore, we believe that an enforceable pound per ton (lb/ton) limit is necessary to show continuous compliance at the Republic Steel electric arc furnace (EAF) unit. This limit must be consistent with the Best Available Control Technology (BACT) lb/ton limits achieved in practice at other similar sources. According to the June 22, 2000, Steel Dynamics (SDI) Prevention of Significant Deterioration appeal decision (Numbers 99-4 and 99-5, pp.85-88), the Environmental Appeals Board (EAB) required the Indiana Department of Environmental Management (IDEM) to issue a permit which has similar types of limits (i.e., lb/ton and pound per hour (lb/hour)) as other representative steel mills. The EAB required IDEM to explain in detail the specific differences between SDI's proposed mill and the other existing steel mills complying with lb/ton and lb/hour limits if the lb/ton limit was to be excluded from the permit. IDEM issued the recent SDI draft permit (CP-183-10097-00030, Draft date 09/29/00) with both lb/hour and lb/ton nitrogen oxides and carbon monoxide limits for the EAF.

We also believe that an ambient-based limit (lb/hour), based upon ambient modeling, is necessary to ensure the protection of the National Ambient Air Quality Standards (NAAQS). The lb/ton limit, according to the requirements of BACT, must be more stringent than the lb/hour limit. To set a lb/ton limit based upon "the lowest reasonable hourly output", according to your letter, would not ensure that BACT is effectively applied at Republic Steel. Implementing this less stringent limit would not be consistent with the requirements of 40 CFR 52.21.

Upon review of the information provided, we believe that Republic's EAF is not "dramatically different", in accordance with the above SDI decision, from other representative steel EAFs. Therefore a lb/ton limit is necessary. We also believe that a lb/hour limit is necessary to ensure the protection of the NAAQS.

Due to our concerns, it is our position that PTI #15-01314, as currently drafted, does not meet the requirements of the Clean Air Act. We look forward to an expeditious remedy of our concerns as we continue to work with you to develop an acceptable permit. If we can answer any questions regarding the information

contained in this letter or you would like to arrange for a conference call, please contact Genevieve Damico, of my staff, at (312) 353-4761.

Sincerely yours,

/s/

Pamela Blakley, Chief  
Permits and Grants Section