



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

MAR 27 2015

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bert Passalacqua  
Maintenance and Environmental Engineer  
NLMK Indiana  
6500 South Boundary Road  
Portage, Indiana 46368

Re: Notice and Finding of Violation  
NLMK Indiana  
Portage, Indiana

Dear Mr. Passalacqua:

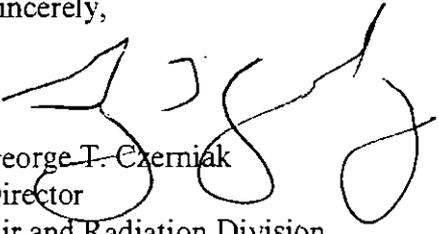
The U.S. Environmental Protection Agency is issuing the enclosed Notice and Finding of Violation (NOV/FOV) to NLMK Indiana (you) under Section 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. § 7413(a)(1) and (3). We find that you have violated the requirements of the Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 ("NSPS AAa"), set forth at 40 C.F.R. § 60.270a *et seq.*, and the requirements of your Title V permit at your Portage, Indiana facility.

Section 113 of the Clean Air 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.

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. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date. 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 EPA contacts in this matter are Reza Bagherian and Patrick Miller. You may call them at (312) 886-0674 and (312) 886-4044, respectively, to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



George T. Czerniak  
Director  
Air and Radiation Division

Enclosure

cc: Phil Perry  
Chief, Air Compliance and Enforcement Branch  
Indiana Department of Environmental Management  
100 North Avenue ICGN 1003  
Indianapolis, Indiana 46204

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>NLMK Indiana</b>	)	<b>NOTICE OF VIOLATION and</b>
<b>Portage, Indiana</b>	)	<b>FINDING OF VIOLATION</b>
	)	
	)	<b>EPA-5-15-IN-06</b>
Proceedings Pursuant to	)	
the Clean Air Act	)	
42 U.S.C. § 7401 <i>et seq.</i>	)	

**NOTICE AND FINDING OF VIOLATION**

NLMK Indiana (you or NLMK) owns and operates a specialty steel-producing facility located at 6500 South Boundary Road, Portage, Indiana (facility). According to NLMK's Title V operating permit, it operates, among other things, an electric arc furnace (EAF), identified as EAF #7, and an EAF shop, which is the building that houses EAF #7 at the facility.

The U.S. Environmental Protection Agency is sending this Notice and Finding of Violation (NOV/FOV or Notice) to notify you that you have violated the visible emissions limits at your facility's EAF shop specified in your Title V permit and the Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 ("NSPS AAa"), set forth at 40 C.F.R. § 60.270a *et seq.* Additionally, you have violated the monitoring and recordkeeping requirements pertaining to visible emissions from the EAF shop. Violations of the opacity emissions limit, monitoring and recordkeeping requirements constitute violations of the Clean Air Act (the Act or CAA).

**STATUTORY AND REGULATORY BACKGROUND**

1. Under Section 111 of the Act, 42 U.S.C. § 7411, the Administrator promulgated the New Source Performance Standards ("NSPS") General Provisions, at 40 C.F.R. Part 60, Subpart A, and the Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 (NSPS AAa), set forth at 40 C.F.R. § 60.270a *et seq.* NSPS AAa applies to each EAF constructed, modified or reconstructed after August 17, 1983.
2. 40 C.F.R. § 60.273a(d) provides, among other things, that a furnace static pressure monitoring device is not required on any EAF equipped with a direct-shell evacuation control system ("DEC") if observations of shop opacity are performed by a certified visible emission observer at least once per day when the furnace is operating in the meltdown and refining period in accordance with 40 C.F.R. Part 60, Appendix A, Method 9 (Method 9).

3. 40 C.F.R Part 60, Appendix A, Method 9, requires the recording of certain information in documenting visible emission observations that includes a description of the process equipment and type of facility that emits the plume or emissions to be read, the type(s) of control equipment being used in the system after the process equipment in question, a description of the emissions including the physical characteristics and behavior of the plume, the color of emissions and other specific information.
4. 40 C.F.R. § 60.11(d) provides, among other things, that at all times, including periods of startup, shutdown, and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions.
5. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), authorizes the Administrator to initiate an enforcement action whenever, among other things, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of Title V of the CAA, or any rule promulgated, issued, or approved under Title V of the CAA.
6. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b) provide that, after the effective date of any Title V permit program approved by EPA, no source subject to Title V may operate except in compliance with a Title V permit.
7. EPA granted full approval to the Indiana Title V operating permit program on December 4, 2001. 66 Fed. Reg. 629469.
8. The regulation at 40 C.F.R. § 70.6(b)(1) specifies that all terms and conditions in a permit issued under a Part 70 program, including any provisions designed to limit a source's potential to emit, are enforceable by EPA under the Act.
9. The Indiana Department of Environmental Management (IDEM) issued Title V Operating Permit No. T127-27948-00036 to NLMK for the facility, ID No. 127-00036, on October 2, 2009. IDEM approved an administrative amendment to the Title V operating permit on September 21, 2011.
10. Condition D.1.1(a) of NLMK's Title V operating permit states, among other things, that direct shell evacuation control system and canopy hoods shall be ducted to the melt shop baghouse rated at least 1.0 million actual cubic feet per minute, demonstrating 100% capture efficiency.
11. Condition D.1.7(a) of NLMK's Title V operating permit states that the permittee shall not cause to be discharged into the atmosphere visible emissions from any building opening as a result of EAF operation that exceed 3 percent opacity as a six-minute average.

12. Condition D.1.13(d)(2) states that shop opacity shall be determined as the arithmetic average of 24 consecutive 15-second opacity observations of emissions from the shop taken in accordance with Method 9.
13. Condition E.1.2(f) of NLMK's Title V operating permit states that the permittee shall comply with the provisions of 40 C.F.R. § 60.273a(d); the permittee shall, among other things, conduct visible emission observations of shop opacity at least once per day in accordance with Method 9.

**EXPLANATION OF VIOLATIONS**

14. On January 21, 2015, EPA representatives inspected the NLMK facility located in Portage, Indiana, and collected NLMK's Title V permit quarterly deviation and compliance monitoring reports and the daily Method 9 visible emissions observations at the EAF shop conducted by NLMK representatives.
15. Based on NLMK's Title V permit quarterly deviation and compliance monitoring reports and EPA's review of the collected daily Method 9 visible emissions observations measured at the EAF shop, the following exceedances of the visible emissions limits were recorded at the facility:

Date	Six-Minute Average Percent Opacity
11/12/2014	3.9
11/17/2014	5

16. NLMK's excess visible emissions from the EAF shop are violations of the 3 percent opacity limit in Condition D.1.7(a) of its Title V permit.
17. Based on EPA's review of the daily Method 9 visible emissions observations measured at the EAF shop, NLMK failed to determine EAF shop opacity during the period between June 1, 2014 and September 25, 2014 in accordance with Method 9 by not recording all required information.
18. NLMK's failure to determine EAF shop opacity in accordance with Method 9 requirements is a violation of its Title V permit Conditions D.1.13(d)(2) and E.1.2(f) and 40 C.F.R. § 60.273a(d).
19. On May 13, 2014, EPA representatives witnessed uncaptured particulate emissions from the EAF make their way to the East Bay of the EAF shop and via the roof monitor to the environment.
20. On January 21, 2015, NLMK representatives confirmed that normal operations continue to result in particulate emissions from the EAF making their way to the East Bay of the EAF shop.

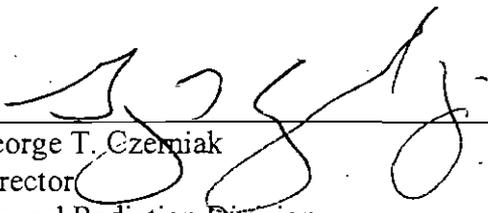
21. The failure of the EAF control system, including direct shell evacuation control system and canopy hoods that are ducted to the EAF shop baghouse, to capture 100% of the particulate emissions from the EAF is a violation of Condition D.1.1(a) of NLMK's Title V permit and 40 C.F.R. § 60.11(d).

**ENVIRONMENTAL IMPACT OF VIOLATIONS**

22. Violation of the opacity standards increases public exposure to unhealthy particulate matter. Particulate matter, especially fine particulate, contributes to respiratory problems, lung damage and premature deaths.

Date

3/27/15

  
George T. Czerniak  
Director  
Air and Radiation Division

**CERTIFICATE OF MAILING**

I, Loretta Shaffer, certify that I sent a Notice and Finding of Violation, No. EPA-5-15-IN-06, by Certified Mail, Return Receipt Requested, to:

Bert Passalacqua  
Maintenance and Environmental Engineer  
NLMK Indiana  
6500 South Boundary Road  
Portage, Indiana 46368

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

Phil Perry  
Chief, Air Compliance and Enforcement Branch  
Indiana Department of Environmental Management  
100 North Senate Avenue ICGN 1003  
Indianapolis, Indiana 46204

On the 30<sup>th</sup> day of March 2015.

  
for Loretta Shaffer  
Program Technician  
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7014 2870 0001 9580 5241