



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

AUG 16 2012

REPLY TO THE ATTENTION OF:

Edwin C. Bakowski, P.E.  
Bureau of Air  
Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
Springfield, Illinois 62794-9276

Dear Mr. Bakowski:

The U.S. Environmental Protection Agency has reviewed the draft Prevention of Significant Deterioration (PSD) permit revision (Application No. 95010001) prepared by the Illinois Environmental Protection Agency (IEPA) for U.S. Steel Granite City, located at Route 203 and 20th Street, Granite City, Illinois. The draft PSD permit revision makes various changes to the original permit to accommodate a planned emission reduction project for particulate emissions from the Basic Oxygen Furnaces (BOFs). EPA appreciates the potential air quality benefits of the project and the efforts that IEPA and U.S. Steel Granite City have made to ensure the success of the project.

EPA has the following comments on the draft PSD permit revision:

1. Please clarify how the revised permit will continue to independently assure compliance with all PSD review requirements after the following permit conditions are deleted from the current PSD permit: conditions 9(a) through (d) (requirements for opacity observations for the BOF shop and electrostatic precipitator (ESP));<sup>1</sup> and condition 10 and Attachment A (procedures to ensure proper operation of the BOF's ESP).<sup>2</sup> IEPA

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<sup>1</sup> Condition 9(a) of the current PSD permit (Permit No. 95010001) requires observations of opacity of emissions from the BOF shop on at least a weekly basis. Condition 9(b) requires opacity to be determined using EPA Method 9 procedures in the event of an outage of the ESP's opacity monitor that exceeds two consecutive hours.

<sup>2</sup> We also note that Condition 8 (visible emissions from the BOF shop) would be revised to require compliance with the 20% opacity limit using the procedures in 35 IAC 212.446(c) instead of the prescribed procedures in Conditions 9(a) and (b). The permit record does not indicate that the original Condition 8 was expected to be identical to the opacity standard in 35 IAC 212.446(c). The original condition 8 appears to be more stringent than the revised condition 8 since it required opacity observations to be conducted on at least a weekly basis pursuant to conditions 9(a) and 9(b). Even if the PSD requirement was influenced by the opacity standard in 35 IAC 212.446(c), its inclusion in the PSD permit is generally expected to address PSD review requirements such as BACT, ambient impacts analysis and public participation. It is not clear how the proposed emission reduction project necessitates a change to the compliance determination method for the previously established opacity limit.

states that these requirements need not be included in the PSD permit because monitoring and operating requirements already exist in the Clean Air Act Permit Program (CAAPP) permit and/or state or federal rules, such as the National Emission Standard for Hazardous Air Pollutants for Integrated Iron and Steel Manufacturing Facilities, 40 C.F.R. Part 63, Subpart FFFFF (Iron and Steel NESHAP). *See* Project Summary, Attachment 1, at 1-3. Based on our review of IEPA's rationale for the proposed changes to the PSD permit, the key element of this rationale is that compliance with the monitoring provisions of the Iron and Steel NESHAP is sufficient for assuring compliance with the relevant PSD permit limits as originally established. Accordingly, EPA recommends that IEPA revise the permit to clearly establish a connection between the PSD permit and the Iron and Steel NESHAP. Such a connection could be established by including conditions in the PSD permit that require compliance with the applicable provisions of the NESHAP for purposes of demonstrating compliance with the relevant PSD permit limits. This information would then be appropriately re-iterated in the CAAPP permit. This is of concern because EPA believes that the CAAPP permit may not be used to supersede, void, replace, or otherwise eliminate the independent enforceability of terms and conditions in the PSD permit.<sup>3</sup> Additionally, the PSD permit should directly refer to the relevant monitoring provisions of the NESHAP that are being relied upon by the PSD permit rather than to the related conditions of the CAAPP permit that address the provisions of the NESHAP. As a preconstruction permit, the permit record should clearly explain whether the revised PSD permit, considered separately from any other permits or state or federal rules, would continue to have sufficient monitoring and recordkeeping to address compliance with all applicable PSD requirements.

2. For conditions that are rendered "unnecessary" only after the baghouse becomes operational, please specify in the revised permit that the original permit remains effective until the new baghouse becomes operational. The permit record indicates that the following conditions, which are proposed for deletion, are rendered "unnecessary" only after the baghouse becomes operational: Conditions 11 (flame suppression for tapping), 12(a), b(i) and (c) (requirements for minimum set points), 12(b)(iii) (requirements for staggered operation), 12(d) and (f) (monitoring of ESP stack gas flow rate), 12(e) (recordkeeping for ESP flow rate for charging and tapping), 13(a) and (c) (monitoring for waste gas suction for the ESP), and 13(d) (monitoring for static pressure in the ESP downcomer duct). *See* Project Summary, Attachment 1, at 3-6. By specifying in the revised permit that the original permit remains effective until the new baghouse becomes operational, it would ensure that the source continues to demonstrate compliance with permit limits in the same manner as originally authorized, while construction of the baghouse is ongoing.

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<sup>3</sup> Also see memorandum from John Seitz, EPA OAQPS, to Robert Hodanbosi and Charles Lagges, STAPPA/ALAPCO. May 20, 1999. Available at <http://www.epa.gov/ttn/caaa/t5/memoranda/hodan7.pdf>.

3. Please clarify in the permit record what the projected and baseline actual emissions are for each modified or affected emission unit. As presented in the available support information, it is not clear whether the reported “current” and “future” emissions represent “baseline actual emissions” and “projected actual emissions”, as defined at 40 C.F.R. § 52.21(b)(48) and (b)(41), respectively. *See* Statement of Basis at 8. Clarification is necessary for ascertaining the actual amount of the projected overall emissions reduction due to the project.

We look forward to working with you to ensure that the revised PSD permit meets all federal requirements, and that the record provides adequate support for the permit decision. If you have any questions, please feel free to contact me at (312) 353-4761 or David Ogulei, of my staff, at (312) 353-0987.

Sincerely,

A handwritten signature in cursive script, appearing to read "Genevieve Damico for".

Genevieve Damico  
Chief  
Air Permits Section