

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:)

Sterling Steel Company, LLC)
Sterling, Illinois)

FINDING OF VIOLATION

Proceedings Pursuant to)
the Clean Air Act)
42 U.S.C. § 7401 *et seq.*)

EPA-5-13-IL-40

FINDING OF VIOLATION

The U.S. Environmental Protection Agency is issuing this Finding of Violation (FOV) to Sterling Steel Company, LLC (you or Sterling Steel) to notify you that we have found violations of the Clean Air Act, 42 U.S.C. §§ 7401-7671q (CAA or the Act) at the facility located at 101 Avenue K, Sterling, Illinois (Facility). Specifically, EPA finds that Sterling Steel has violated opacity requirements in the New Source Performance Standards (NSPS) for Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983, in the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Electric Arc Furnace Steelmaking Facilities, and in its Title V Permit. The relevant statutory and regulatory background, factual background, finding of violations, and environmental impact of these violations are set forth in detail below.

This FOV is issued in accordance with Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), which authorizes the Administrator to take certain enforcement actions after notifying a person that it is in violation of the CAA. The authority to issue this FOV has been delegated by the Administrator to the Regional Administrator and re-delegated to the Director of the Air and Radiation Division for Region 5 of the EPA.

Relevant Statutory and Regulatory Background

National Emission Standards for Hazardous Air Pollutants

1. Section 112 of the Act, 42 U.S.C. § 7412(c), requires the EPA to promulgate a list of all categories and subcategories of new and existing “major sources” of hazardous air pollutants (HAP), and establish emissions standards for the categories and subcategories. These emission standards are known as the National Emission Standards for Hazardous Air Pollutants (NESHAP). The EPA codified these standards at 40 C.F.R. Parts 61 and 63.
2. 40 C.F.R. Part 63, Subpart A, contains the general provisions for the NESHAP.
3. “Hazardous air pollutant” is defined as “any air pollutant listed in or pursuant to” Section

112(b) of the Act. 42 U.S.C. § 7412(a)(6).

4. Section 112(i)(3) of the Act, 42 U.S.C. § 7412(i)(3), prohibits any person subject to a NESHAP from operating a source in violation of a NESHAP after its effective date. *See also* 40 C.F.R. §§ 61.05 and 63.4.

The NESHAP for Electric Arc Furnace Steelmaking Facilities

5. Pursuant to Section 112 of the Act, the EPA promulgated the NESHAP for Electric Arc Furnace Steelmaking Facilities at 40 C.F.R. Part 63, Subpart YYYYYY, 40 C.F.R. §§ 63.10680 - 63.10692, on December 28, 2007. 72 Fed. Reg. 74111.
6. The NESHAP at 40 C.F.R. Part 63, Subpart YYYYYY, applies to an owner or operator of an electric arc furnace (EAF) steelmaking facility that is an area source of HAP emissions. 40 C.F.R. § 63.10680(a).
7. 40 C.F.R. § 63.10681(a) provides that the compliance date for an existing affected source is June 30, 2008.
8. 40 C.F.R. § 63.10686(b)(2) provides that an affected source must not discharge or cause the discharge into the atmosphere from an EAF any gases which exit from a melt shop and, due solely to the operations of any affected EAF(s), exhibit 6 percent opacity or greater.

New Source Performance Standards

9. Section 111(b) of the Act, 42 U.S.C. § 7411(b), requires EPA to publish a list of categories of stationary sources and, within a year after the inclusion of a category of stationary sources in the list, to publish proposed regulations establishing Federal standards of performance for new sources within the source category. These emission standards are known as the New Source Performance Standards (NSPS). The EPA codified these standards at 40 C.F.R. Part 60.
10. 40 C.F.R. Part 60, Subpart A, contains the general provisions for the NSPS.

The NSPS for Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983

11. Pursuant to Section 111 of the Act, the EPA promulgated the NSPS for Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 at 40 C.F.R. Part 60, Subpart AAa, 40 C.F.R. §§ 60.270a - 60.276a, on October 31, 1984. 49 Fed. Reg. 43845.
12. 40 C.F.R. § 60.272a(a)(3) provides that on and after the date of which the performance test required to be conducted by § 60.8 is completed, no owner or operator subject to the provisions of this subpart shall cause to be discharged into the atmosphere from an EAF any gases which exit from a shop and, due solely to the operations of any affected EAF, exhibit 6 percent opacity or greater.

Title V Requirements

13. Title V of the CAA, 42 U.S.C. §§ 7661-7661f, established an operating permit program for major sources of air pollution. Section 502(d) of the CAA, 42 U.S.C. § 7661a(d), provides that each state must submit to the EPA a permit program meeting the requirements of Title V.
14. Section 503 of the CAA, 42 U.S.C. § 7661c(a), requires that each Title V permit include enforceable emission limitations and standards, a schedule of compliance, and other conditions necessary to assume compliance with applicable requirements, including those contained in a state implementation plan.
15. 40 C.F.R. § 70.6(b)(1) provides that Title V permits are federally enforceable and that all terms and conditions in a Title V permit are enforceable by the EPA.
16. EPA gave interim approval of Illinois' Title V program on March 7, 1995. 60 Fed. Reg. 12478. EPA fully approved the Illinois Title V program on December 4, 2001. 66 Fed. Reg. 62946. The approved Illinois Title V program is known as the Illinois Clean Air Act Permit Program (CAAPP).

Title V Permit - Issued February 1, 2013

17. The Illinois Environmental Protection Agency (IEPA) issued a CAAPP Permit, Application No. 96010019 (2013 Title V Permit), to the Facility on February 1, 2013.
18. Condition 4.1.2.a.i.B. of the 2013 Title V Permit provides that the Facility must comply with 40 C.F.R. § 60.272a(a)(3), which provides that no owner or operator shall cause to be discharged into the atmosphere from a shop and, due solely to operations of an electric arc furnace, any gases exhibiting 6 percent opacity or greater except shop opacity less than 20 percent may occur during charging periods and shop opacity less than 40 percent may occur during tapping periods.
19. Condition 4.1.2.a.i.C. of the 2013 Title V Permit provides that pursuant to 40 C.F.R. § 63.10686(b)(2), no owner or operator shall cause to be discharged into the atmosphere from a shop and, due solely to operations of an electric arc furnace, any gases exhibiting 6 percent opacity or greater.

Relevant Factual Background

20. Sterling Steel owns and operates a steel mill facility with an Electric Arc Furnace located at 101 Avenue K, Sterling, Illinois.
21. The Facility is an area source of HAPs and therefore subject to the requirements of 40 C.F.R. Part 63, Subpart YYYYY.
22. The Facility is an affected facility pursuant to 40 C.F.R. § 60.270a(a) and therefore subject to the requirements of 40 C.F.R. Part 60, Subpart AAa.

23. One June 23, 2013, EPA performed a CAA inspection of the Facility (June 2013 Inspection).
24. During the June 2013 Inspection, EPA inspectors observed smoke exiting the melt shop at the Facility during operation of the EAF.
25. During the June 2013 Inspection, EPA performed Method 9 readings at 5:17 PM and 5:44 PM. The Method 9 reading performed at 5:17 PM identified three six minute average opacity readings exceeding 6 percent with a maximum opacity of 7.1 percent. The Method 9 reading performed at 5:44 PM identified 11 six minute average opacity readings exceeding 6 percent with a maximum opacity of 10.8 percent.

Violations

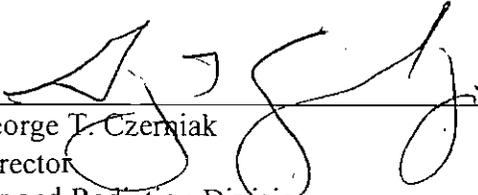
26. Sterling Steel's exceedances of 6 percent opacity on June 23, 2013, constitute violations of the opacity limit at 40 C.F.R. § 63.10686(b)(2), 40 C.F.R. § 60.272a(a)(3), Condition 4.1.2.a.i.B. of the 2013 Title V Permit, and Condition 4.1.2.a.i.C. of the 2013 Title V Permit.

Environmental Impact of Violations

27. These violations have caused excess emissions of PM. Particulate matter, especially fine particulates, contains microscopic solids or liquid droplets, which can get deep into the lungs and cause serious health problems. Particulate matter exposure contributes to:
 - irritation of the airways, coughing, and difficulty breathing;
 - decreased lung function;
 - aggravated asthma;
 - chronic bronchitis;
 - irregular heartbeat;
 - nonfatal heart attacks; and
 - premature death in people with heart or lung disease.

Date

7/22/13


George T. Czerniak
Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Finding of Violation, No. EPA-5-13-IL-40, by

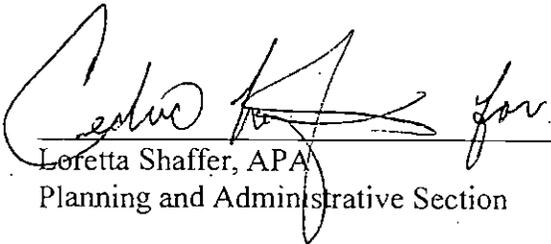
Certified Mail, Return Receipt Requested, to:

Mr. David E. Long
Sterling Steel Company, LLC
101 Avenue K
Sterling, Illinois 61081

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

Ray Pilapil, Manager
Bureau of Air
Compliance and Enforcement Section
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62702

On the 23rd day of July 2013.



Loretta Shaffer, APA
Planning and Administrative Section

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7673 9984

Standard bcc's: Official File Copy w/Attachment(s)
Originating Organization Reading File w/Attachment(s)

Other bcc's: Susan Perdomo, ORC Attorney, C-14J
Stephen Mendoza, ORC Section Chief w/Attachment(s)
Alexandra Letuchy, AE-17J

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