



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

MAR 28 2011

REPLY TO THE ATTENTION OF:
AR-18J

Andrew Stewart
Chief
Permits and Stationary Source Modeling Section
Bureau of Air Management
Wisconsin Department of Natural Resources
PO Box 7921
Madison, Wisconsin 53707-7921

Dear Mr. Stewart:

The U.S. Environmental Protection Agency reviewed the proposed Prevention of Significant Deterioration (PSD) permit and significant revision to the Title V operation permit for Arrowcast, Inc., located in Shawano, Wisconsin. (Construction Permit No.:10-POY-244, Operation Permit NO.: 459005910-P11.) EPA is concerned that emission increases from the project have not been correctly calculated and that emissions have not been appropriately limited in the permit. The permit uses caps over groupings of emission units to limit project emissions. As an example P24 includes the six existing electric induction furnaces and up to 3 new furnaces. The permit has placed a throughput cap on the group of potentially 9 furnaces along with an emission rate in pounds of particulate matter per ton melted in order to limit emissions from the project. Based on the position taken by EPA on a 2008 permit for Marathon Petroleum Company, it is not appropriate to limit the potential to emit by placing caps on groupings of new and existing emissions units. The applicability procedures at 52.21(a)(2)(iv) require the use of the actual-to-potential test for new emissions units. The actual-to potential test is defined as follows (emphasis added):

A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the potential to emit (as defined in paragraph (b)(4) of this section) from **each new emissions unit** following completion of the project and the baseline actual emissions (as defined in paragraph (b)(48)(iii) of this section) of these units before the project equals or exceeds the significant amount for that pollutant (as defined in paragraph (b)(23) of this section).

By placing the new units under a cap, the Wisconsin Department of Natural Resources has failed to consider the potential increase that could occur at each individual unit, but is instead averaging the increase of the new units with the existing units to project emissions.

We look forward to working with you to address our comment. If you have any further questions, please feel free to contact Rachel Rineheart, of my staff, at (312) 886-7017.

Sincerely,

A handwritten signature in black ink that reads "Pamela Blakley". The signature is written in a cursive style with a large initial 'P' and a long, sweeping tail on the 'y'.

Pamela Blakley
Chief
Air Permits Section