



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

**JUN 30 2016**

REPLY TO THE ATTENTION OF

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

Andre Wollmann, Plant Manager  
Gerdau Specialty Steel North America  
3100 Brooklyn Road  
Jackson, Michigan 49202

Re: Finding of Violation under 42 U.S.C. § 7413(a)(3)

Dear Mr. Wollman:

The U.S. Environmental Protection Agency is issuing the enclosed Finding of Violation (FOV) to Gerdau Specialty Steel North America (you) for violations of the Clean Air Act (the Act) identified at the facility located at 3100 Brooklyn Road, Jackson, Michigan (Facility). The FOV is issued in accordance with Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3).

As explained in the FOV, the EPA finds that you have violated the Act, the Act's implementing regulations, and the Michigan State Implementation Plan (Michigan SIP) at the Facility. Section 113 of the Act, 42 U.S.C. § 7413, gives us several enforcement options to resolve these violations, including: issuing an administrative compliance order; issuing an administrative penalty order; and bringing a judicial civil action.

We are offering you an opportunity to confer with us about the violations alleged in the 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 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 contact in this matter is Alexandra Letuchy. You may call her at 312.886.6035 or email her at [letuchy.alexandra@epa.gov](mailto:letuchy.alexandra@epa.gov) if you wish to request a conference. The EPA hopes that this FOV will encourage you to comply with the requirements of the Act and the Michigan SIP.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edward Nam".

Edward Nam  
Acting Director  
Air and Radiation Division

Enclosure

cc: Scott Miller, Manager  
Air Quality Division  
Michigan Department of Environmental Quality  
State Office Building, 4<sup>th</sup> Floor  
301 E Louis Glick Highway  
Jackson, Michigan 49201



3. "Area source" is defined as "any stationary source of hazardous air pollutants that is not a major source." 42 U.S.C. § 7412(a)(2).
4. "Stationary source" is defined as "any building, structure, facility, or installation, which emits or may emit any air pollutant." 42 U.S.C. § 7411(a)(3).
5. "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).
6. 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.
7. 40 C.F.R. Part 63, Subpart A, contains the General Provisions for the NESHAP.
8. 40 C.F.R. § 63.6(e)(1)(i) provides that the owner or operator must operate and maintain an affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions at all times.

#### The NESHAP for Electric Arc Furnace Steelmaking Facilities

9. Pursuant to Section 112 of the Act, the EPA promulgated the NESHAP for Electric Arc Furnace (EAF) Steelmaking Facilities (NESHAP Subpart YYYYYY) 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.
10. The NESHAP Subpart YYYYYY applies to owners and operators of an electric arc furnace steelmaking facility that is an area source of HAP emissions. 40 C.F.R. § 63.10680(a).
11. 40 C.F.R. § 63.10680(b)(1) states that the affected source is each EAF steelmaking facility. An affected source is existing if you commenced construction or reconstruction of the affected source on or before September 20, 2007.
12. 40 C.F.R. § 63.10681(a) states that the compliance date for an existing affected source is June 30, 2008.
13. 40 C.F.R. § 63.10681(b) provides that if you own or operate an existing affected source, you must achieve compliance with the opacity limit in 40 C.F.R. § 63.10686(b)(2) or (c)(2) by no later than December 28, 2010 unless you demonstrate to the satisfaction of the permitting authority that additional time is needed to install or modify emission control equipment.
14. 40 C.F.R. § 63.10686(b)(2) provided that you 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 six percent opacity or greater.

### Gerdau's Title V Permits

15. The Michigan Department of Environmental Quality (MDEQ) issued a Renewable Operating Permit, No.: MI-ROP-B4306-2009 (2009 Title V Permit), to the Facility on November 20, 2009.
16. The 2009 Title V Permit includes a set of general conditions (Condition A) that apply to the entire facility.
17. Condition A.10. of the 2009 Title V Permit states that any air cleaning device shall be installed, maintained, and operated in a satisfactory manner and in accordance with the Michigan Air Pollution Control rules and existing law.
18. The Michigan Department of Environmental Quality (MDEQ) issued a Renewable Operating Permit, No.: MI-ROP-B4306-2015 (2015 Title V Permit), to the Facility on February 12, 2015.
19. The 2015 Title V Permit includes a set of general conditions (Condition A) that apply to the entire facility.
20. Condition A.10. of the 2015 Title V Permit states that any air cleaning device shall be installed, maintained, and operated in a satisfactory manner and in accordance with the Michigan Air Pollution Control rules and existing law.
21. The 2015 Title V Permit includes a set of emission unit specific conditions (Condition C).
22. Condition C. FG-EAF/LMF/VAD.III. of the 2015 Title V Permit states that visible emissions from the FG-EAF/LMF/VAD controlled by the DV-BH03 shall not exceed a 6-minute average of 6% opacity, except for one 6-minute average per hour of not more than 10% opacity. Compliance with this limit demonstrates compliance with 40 CFR, Part 63, Subpart YYYYYY which limits opacity from the melt shop, due solely to the operations of the electric arc furnace to 6% opacity. Compliance with this limit shall be determined using USEPA Reference Method 9.

### Relevant Factual Background

23. Gerdau owns and operates a steel mill facility located at 3100 Brooklyn Road, Jackson, Michigan. The Facility includes, among other things, an area referred to as "the melt shop."
24. Gerdau operates two EAFs located in the north half of the melt shop. Gerdau also operates a caster located in the south end of the melt shop. The melt shop contains a partially opened roof monitor located at the south end of the melt shop.

25. On June 9, 2015, EPA conducted an inspection at the Facility. EPA observed a cross draft from the north end of the melt shop to the south end of the melt shop that caused emissions from the EAF to travel to the open roof monitor located in the south end of the shop.
26. On September 4, 2015, EPA conducted Method 9 opacity observations at the open roof monitor located in the south end of the shop. EPA observed opacity in excess of a 6-minute average of 6% on five occasions, three of which occurred within one hour and one of which exceeded 10%, and two of which occurred during the a second hour and one of which exceeded 10%.
27. On September 17, 2015, EPA conducted additional Method 9 opacity observations at the open roof monitor located at the south end of the shop. EPA observed opacity in excess of a 6-minute average of 6% on three occasions, all of which occurred within one hour and one of which exceeded 10%.
28. From December 8, 2015, to December 10, 2015, Gas Cleaning Technologies, LLC (GCT) conducted a melt shop air pollution control system evaluation at the Facility and summarized its findings in a report dated January 29, 2016. GCT's evaluation included the following observations: the airflow rate of the canopy hood capturing emissions from the EAFs during charging (and tapping) was lower than design values; dampers of the same canopy hood were in incorrect positions during charging and tapping; and capture of tapping emissions from the EAFs was difficult due to the general ventilation pattern of the building forcing any dust generated at the EAFs to migrate towards the south end of the melt shop.
29. From March 15, 2016 to March 17, 2016, GCT conducted a reevaluation of the melt shop air pollution control system at the Facility and summarized its findings in a report dated April 19, 2016. Gerdau conducted opacity readings during the reevaluation. GCT's evaluation included the following observations: average exhaust rates at the canopy hood during tapping and charging do not meet the original design exhaust rates; emissions from the EAFs escaped the side draft hoods during melting and were observed travelling towards the south end of the melt shop; and opacity readings over 6% were observed at the open roof monitor located at the south end of the shop on two occasions on March 16, 2016.

#### **Finding of Violations**

30. By exceeding the opacity limit during the September 4, 2015 and September 17, 2015 opacity observations performed by EPA, and the March 16, 2016 opacity observations performed by Gerdau, Gerdau has violated, and continues to violate the opacity limit at 40 C.F.R. § 63.10686(b)(2) and Condition III.1 for FG-EAF/LMF/VAD of the 2015 Title V Permit.

31. By failing to operate and maintain the melt shop air pollution control system in accordance with good air pollution control practices, Gerdau violated, and continues to violate 40 C.F.R. § 63.6(e)(1)(i) and Condition A.10. of the 2009 Title V Permit and Condition A.10. of the 2015 Title V Permit.

**Environmental Impact of Violations**

32. The Company's violations of the above-referenced NESHAPs and Title V Permit potentially 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.

6/30/16  
Date

  
Edward Nam  
Acting Director  
Air and Radiation Division

**CERTIFICATE OF MAILING**

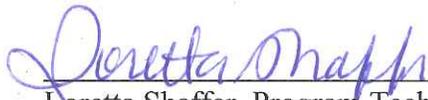
I, Loretta Shaffer, certify that I sent a Finding of Violation, No. EPA-5-16-MI-07, by Certified Mail, Return Receipt Requested, to:

Andre Wollmann, Plant Manager  
Gerdau Specialty Steel North America  
3100 Brooklyn Road  
Jackson, Michigan 49202

I, Loretta Shaffer, certify that I sent a Finding of Violation, No. EPA-5-16-MI-07, by email to:

Scott Miller  
Air Quality Division District Supervisor  
Jackson District  
Michigan Department of Environmental Quality  
millers@michigan.gov

On the 30 day of June 2016.



\_\_\_\_\_  
Loretta Shaffer, Program Technician  
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7673 7968