

Facility Name: **Gerdau Ameristeel**

City: Cartersville

County: Bartow

AIRS #: 04-13-01500032

Application #: 18089

Date SIP Application Received: December 17, 2001

Date Title V Application Received: April 2, 2008

Permit No: 3312-015-0032-V-04-1

Program	Review Engineers	Review Managers
SSPP	Renee Browne	Michelle Keith
SSCP	Daniel McCain	Douglas Waldron
ISMP	Jeff Babb	DeAnna Oser
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Introduction

This narrative is being provided to assist the reader in understanding the content of the referenced SIP permit to construct and draft operating permit amendment. Complex issues and unusual items are explained in simpler terms and/or greater detail than is sometimes possible in the actual permit. This permit is being issued pursuant to: (1) Sections 391-3-1-.03(1) and 391-3-1-.03(10) of the Georgia Rules for Air Quality Control, (2) Part 70 of Chapter I of Title 40 of the Code of Federal Regulations, and (3) Title V of the Clean Air Act Amendments of 1990. The following narrative is designed to accompany the draft permit and is presented in the same general order as the permit. This narrative is intended only as an adjunct for the reviewer and has no legal standing. Any revisions made to the permit in response to comments received during the public comment period and EPA review process will be described in an addendum to this narrative.

I. Facility Description

A. Existing Permits

Table 1 below lists the current Title V permit, and all administrative amendments, minor and significant modifications to that permit, and 502(b)(10) attachments. Comments are listed in Table 2 below.

Table 1: Current Title V Permit and Amendments

Permit/Amendment Number	Date of Issuance	Comments	
		Yes	No
3312-015-0032-V-04-0	January 30, 2008	Y	

Table 2: Comments on Specific Permits

Permit Number	Comments
3312-015-0032-V-04-0	Title V Renewal

B. Regulatory Status

1. PSD/NSR/RACT

This facility is classified as one of the 28 named source categories in the PSD regulations because it is a secondary metal production facility. The steel mill is a major source because it has the potential to emit more than 100 tons per year of at least one pollutant regulated by the PSD regulations.

The facility is located in Bartow County and is a major source for Non Attainment Area New Source Review . The facility is major for NOX, PM10, PM, VOC and CO. The facility is located in a nonattainment area for the 8-hour ozone standard and PM2.5. A New Source Review evaluation is currently being conducted under Application No. 17915 within which the facility requested an increased steel cast limit of 1,340,000 tons per year facility wide and a new limit of CO for the Electric Arc Furnace of 1.34 lb/ton as Best Available Control Technology (BACT) instead of the current limit of 60 ppm (approximately 0.9 lb/ton) for an 8-hour average.

2. Title V Major Source Status by Pollutant

Table 3: Title V Major Source Status

Pollutant	Is the Pollutant Emitted?	If emitted, what is the facility's Title V status for the Pollutant?		
		Major Source Status	Major Source Requesting SM Status	Non-Major Source Status
PM	Y	✓		
PM ₁₀	Y	✓		
SO ₂	Y			✓
VOC	Y	✓		
NO _x	Y	✓		
CO	Y	✓		
TRS	NA			
H ₂ S	NA			
Individual HAP	Y			✓
Total HAPs	Y			✓

II. Proposed Modification

A. Description of Modification

The facility is requesting that Condition No. 3.2.3 of the current Permit No. 3312-015-0032-V-04-0 be modified to a 12 consecutive month casting limit equivalent to the same casting limit of 1,000,000 tons per year on the 4-Strand Caster (Source Code E03) instead of an 83,333 tons per month casting limit on the 4-Strand Caster (Source Code E03).

B. Emissions Change

Table 4: Emissions Change Due to Modification

Pollutant	Is the Pollutant Emitted?	Net Actual Emissions Increase (Decrease) (tpy)	Net Potential Emissions Increase (Decrease) (tpy)
PM	Y	-	-
PM ₁₀	Y	-	-
SO ₂	Y	-	-
VOC	Y	-	-
NO _x	Y	-	-
CO	Y	-	-
TRS	NA	-	-
H ₂ S	NA	-	-
Individual HAP	Y	-	-
Total HAPs	Y	-	-

tpm = tons per month

C. PSD/NSR Applicability

None applicable.

III. Facility Wide Requirements

A. Emission and Operating Caps:

None applicable.

B. Applicable Rules and Regulations

None applicable.

C. Compliance Status

The facility is currently in compliance.

D. Operational Flexibility

None applicable.

E. Permit Conditions

None applicable.

IV. Regulated Equipment Requirements

A. Brief Process Description

The current Permit No. 3312-015-0032-V-04-0 has Condition 3.2.3 that limits the casting of molten steel in the 4-Strand Caster (Source Code E03) to 83,333 tons per month. The facility requests to replace the monthly limit in Condition 3.2.3 by an equivalent 12 consecutive month limit which will allow additional operational flexibility for the mill while ensuring continued compliance with the molten steel casting limit.

B. Equipment List for the Process

None applicable.

C. Equipment & Rule Applicability

None applicable.

Emission and Operating Caps –

The facility is modifying Condition No. 3.2.3 which currently limits the total amount of molten steel cast in the 4-Strand Caster (Source Code E03) such that the quantity does not exceed 83,333 tons per month to a limit of 1,000,000 tons molten steel cast per 12 consecutive months.

Applicable Rules and Regulations -

None applicable.

D. Compliance Status

The facility is currently in compliance.

E. Operational Flexibility

The 12 consecutive month limit of 1,000,000 tons steel cast in the 4-Strand Caster (Source Code E03) was requested instead of the current monthly limit of 83,333 tons of steel cast in order to provide the facility greater operational flexibility.

F. Permit Conditions

Condition 3.2.3 will be modified to state that the total amount of molten steel cast in the 4-Strand Caster (Source Code E03) does not exceed 1,000,000 tons per 12 consecutive months instead of 83,333 tons per month.

V. Testing Requirements (with Associated Record Keeping and Reporting)

A. Individual Equipment:

None applicable.

B. Equipment Groups (all subject to the same test requirements)

None applicable.

VI. Monitoring Requirements (with Associated Record Keeping and Reporting)

A. Individual Equipment:

None applicable.

B. Equipment Groups (all subject to the same monitoring requirements):

None applicable.

VII. Other Record Keeping and Reporting Requirements

Condition 6.1.7 b.i. will be modified to reflect that any 12 consecutive months at which the amount of molten steel cast in the 4-Strand Caster (Source Code E03) exceeds 1,000,000 tons molten steel, then the facility must report this exceedance.

Condition 6.2.4 will be modified to reflect that the semiannual report shall include the 12 consecutive months quantity of steel cast in the 4-Strand Caster (Source Code E03) instead of the monthly molten steel cast.

VIII. Specific Requirements

Discuss any of the following specific requirements as they apply to the modification.

A. Operational Flexibility

The facility requested a 12 month consecutive limit of 1,000,000 tons of molten steel cast instead of the equivalent 83,333 tons monthly limit on the 4-Strand Caster (Source Code E03) to provide for greater operational flexibility.

B. Alternative Requirements

None applicable.

C. Insignificant Activities

None applicable.

D. Temporary Sources

None applicable.

E. Short-Term Activities

None applicable.

F. Compliance Schedule/Progress Reports

None applicable.

G. Emissions Trading

None applicable.

H. Acid Rain Requirements

None applicable.

I. Prevention of Accidental Releases

None applicable.

J. Stratospheric Ozone Protection Requirements

None applicable.

K. Pollution Prevention

None applicable.

L. Specific Conditions

None applicable.

Addendum to Narrative

The 30-day public review started on May 1, 2008 and ended on June 02, 2008. Comments were received by the Division.

On behalf of the Sierra Club, Greenlaw submitted comments on the draft permit amendment in correspondence dated May 16, 2008. The following is the list of the response(s) to such comment(s).

Greenlaw Comment Number 1:

“Sierra Club objects to the change that Gerdau Ameristeel US Inc. (Gerdau) seeks from monthly averaging to annual averaging. If monthly averaging is eliminated in favor of annual averaging, the plant will effectively be allowed to increase its emissions in any given month over what it emits now. Thus, we expect the total net emissions to increase because we expect that Gerdau will emit in excess of its current monthly limit on at least some occasions while on the rest of the months its emissions will stay the same as currently; hence, there will be a net increase. Monthly averaging is important to limit the practical pollution caused by the plant. Thus, the effect of this change will not be neutral, and Sierra Club opposes any increased emissions from this plant both on a monthly and annual basis, and opposes this change to annual averaging.”

Georgia EPD Response to Comment Number 1:

The permit amendment changes a monthly steel cast limit to an annual steel cast limit. While on a monthly basis the monthly limit may be higher than the previous monthly limit of 83,333 tons per month, the steel cast limit of 1 million tons per 12 consecutive months must be met. Thus, on a yearly basis there is no net change in emissions. GA EPD will keep the steel cast limit in the permit as stated on a 12 consecutive month basis.

Greenlaw Comment Number 2:

“Sierra Club objects to this application because we believe that it is inappropriate to submit what is in effect an application for increased production by way of an amended application and thereby bypass the PSD process. We understand that there is a separate PSD application underway, and we believe that it is inappropriate to have the issue of annual averaging submitted separately by amendment. The amendment and the PSD application both relate to the same affected equipment and are part of the same corporate decision to increase production.

As the EPA has determined in the Maplewood guidance, it is inappropriate to submit lesser “sham” applications because “such attempts are treated as unlawful circumvention of the preconstruction review requirements”. In the Maplewood guidance, EPA states that a significant criterion in determining whether the application is a sham application is whether the filing of an application for a PSD permit occurs at or near the same time as a minor source permit. Sierra Club believes that this application is just such a “sham” application and should therefore be rejected on this basis.

Further, the Maplewood Guidance also discusses the consideration of capital expenditure. It is our impression that as part of Gerdeau’s efforts to increase production, they plan to purchase additional land. However, this expenditure does not appear to have been considered in EPD’s analysis of either this amendment or the PSD application. According to the Maplewood guidance, this land purchase should be considered. Further, if there is to be any construction or modification on this property, it must be reviewed under PSD procedures.

TITLE V SIGNIFICANT MODIFICATION (WITHOUT CONSTRUCTION) APPLICATION REVIEW

It seems that it is often the case that applicants attempt to amend permits in a piece-meal fashion as opposed to considering all potential changes in the aggregate under one application. This practice is contrary to controlling law and allows applicants to skirt around regulations intended to protect both human health and the environment. It is imperative that EPD not allow such practices to continue.”

Georgia EPD Response to Comment Number 2:

The EPA Guidance in the memo from John B. Rasmic to George T. Czerniak stated that the 3M Center in Maplewood had submitted 4 synthetic minor applications in a six month period from October 1991 through March 1992. Associated with the four modifications was a net increase in tons per year of particulates, sulfur dioxide, nitrogen dioxide, carbon monoxide and volatile organic compounds.

In the case of this Gerdau amendment, the permit amendment changes a monthly production limit to an annual production limit. While on a monthly basis, the emissions may be higher than the monthly emissions from the previous permit limit of 83,333 (1 million divided by 12) tons steel cast per month, the current limit of 1 million tons production per 12 consecutive months must be met. Thus, on a yearly basis there is no net change in emissions. Therefore this source is not in the same situation as the 3M Center in the Maplewood guidance. As the Sierra Club has mentioned, GA EPD has received a PSD Application No. 17915 for an increased steel cast limit on an annual basis on January 8, 2008 prior to this amendment received on April 2, 2008.

The Maplewood Guidance sites the filing of an application for a federal PSD permit at or near the same time as a state minor source permit as a criteria to identify circumvention situations. Gerdau’s PSD application was received on January 8, 2008. This Permit Amendment Application No. 18089 was received on April 2, 2008. Since this permit amendment has no net increase in yearly emissions this amendment does not circumvent the PSD process. GA EPD has received a PSD application from Gerdau and it is being reviewed for an increased limit on steel cast.

The Maplewood Guidance also sites economic realities surrounding a transaction as a criteria to identify circumvention situations. The purchase of the adjacent land has been considered in the review of the PSD application.

Greenlaw Comment Number 3:

“Sierra Club objects to what we view as the inaccurate public notice which states that there will be no increases in emissions for the plant. We believe this is misleading for the reasons stated above.”

Georgia EPD Response to Comment Number 3:

The emissions shown as zero net increase in emissions in the public notice is accurate relative to the fact that the 1 million tons steel cast per 12 consecutive month limit will have total emissions equivalent to the previous permit limit which was 83,333 tons steel cast per month which equates to 1 million tons steel cast per year or 12 consecutive months.