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June 30, 2014

Via Electronic Mail

Environmental Quality Board
Rachel Carson State Office Building, 16th Floor
400 Market Street
Harrisburg, PA 17101-2301

Re: **ArcelorMittal's Comments on Proposed Rules for Additional RACT Requirements for Major Sources of NOx and VOCs (25 Pa Code Chapters 121 and 129) 44 Pa. Bull. 2392**

Dear Members of the Environmental Quality Board:

Thank you for the opportunity to comment on the Pennsylvania Environmental Quality Board's ("EQB" or "Board") proposed revisions and additions to 25 Pa Code Chapters 121 and 129 regarding additional reasonably available control measures ("RACT") for NOx and VOC sources published at 44 Pa. Bull. 2392 (April 19, 2014). We are submitting these comments on behalf of ArcelorMittal Plate LLC – Coatesville, ArcelorMittal Plate LLC – Conshohocken, ArcelorMittal Steelton LLC and ArcelorMittal Monessen LLC (collectively, "ArcelorMittal") and appreciate the Board's efforts to involve affected parties in this process.

ArcelorMittal is a steel and mining company, with Pennsylvania operations located in Monessen, Steelton, Coatesville and Conshohocken. These operations are integral to the overall success of the company, and compliance with environmental regulations is integral to the company's operations.

Manufacturing operations in the United States are faced with ever-changing and more complex regulations in the environmental arena and elsewhere. To continue to succeed in this competitive marketplace, it is imperative that regulations clearly and concisely explain what is required of the regulated community. ArcelorMittal believes that the proposed regulations will impact its operations and suggests that the EQB could improve the rules in accordance with the following suggested revisions.

Overall, we suggest that the EQB meet the requirement to impose RACT on major sources in Pennsylvania by allowing for cost effective approaches that provide flexibility. Moreover, the rules should focus on larger emission sources with the most potential for emission reductions. The rules should avoid imposing unnecessary burdens on smaller sources where the likelihood of any cost effective emission reductions is minimal. Finally, the rules should minimize the inclusion of additional processes and procedures that will burden the Pennsylvania Department of Environmental Protection ("DEP") staff (e.g., petitions; waivers and other case-by-case approaches that require DEP review and approval).

We are providing specific comments in numbered paragraphs below.

1. Please clarify the rules by defining certain terms or eliminating them. The term "combustion process" should be eliminated. For instance, the word "process" should be changed to "unit" in proposed section 129.97(b)(1) so that the presumptive RACT requirement for a combustion *unit* is the performance of an annual adjustment or tune-up of the combustion *unit*, not a tune-up of the combustion process. The term "combustion source" is not defined but should be defined as any source that burns fuels that are in gaseous, liquid or solid form.¹ See, e.g., 25 Pa. Code 129.97(c)(1) and (d)(proposed)(referencing "other combustion source").

2. The rules should be revised to include more reasonable exemption thresholds for *de minimis* sources. Requiring small emitting sources to incur the costs and burdens of conducting case-by-case analyses is overly burdensome and unlikely to result in any emissions reductions. Moreover, the DEP will be required to review, approve and process each case-by-case RACT determination. As written, the *de minimis* threshold is set at 5 tpy for NOx sources and 2.7 tpy for VOC sources (both as PTE) in proposed section 129.99(b) and (c). ArcelorMittal suggests that these thresholds be raised. Some suggested alternatives would be: set the *de minimis* level at 40 tpy for both NOx and VOCs (the thresholds at which New Source Review is triggered for a modification); set the *de minimis* level based on actual emissions rather than potential emissions, with a caveat that RACT compliance (either presumptive RACT or submittal of a case-by-case analysis) would be triggered in the event that annual emissions exceed that threshold;² or adopt the *de minimis* thresholds that other states have included (e.g., 10 tpy PTE for Maine (see 06-096 CMR 138 section (1)(B)). To the extent that the EQB retains the proposed *de minimis* thresholds, we request that the EQB provide a justification for the chosen thresholds. More reasonable *de minimis* thresholds are in the best interest of the regulated community, the DEP, and are unlikely to impact the environment.

3. The presumptive RACT limits in section 129.97 should include the provisions from 25 Pa. Code 129.93(c)(6) and (7) which establish presumptive RACT as maintenance and operation of the source in accordance with manufacturer's specifications for sources that have been approved as meeting LAER or BACT for NOx. We suggest that this be limited to sources that have been approved as meeting these control technology requirements within the past 5 years. We also suggest that the presumptive RACT be to meet the manufacturer's specification or good engineering practices. See comment below.

4. Sections 129.97(b)(1)(i) and (c) should be revised to provide for the maintenance and operation of the source in accordance with the manufacturer's specifications or good engineering practices. Please revise both subsection (b)(1)(i) and (c) to allow for operation under either guideline. In some circumstances, manufacturer's specifications may not be available for older emission sources or better practices have been developed based on site-specific factors or experience gained in operating the sources.

5. Please provide the technical analysis that supports a limit of 0.08 lb NOx/million Btu heat input for natural-gas fired boilers. U.S. EPA's New Source Performance Standards provide a limit of 0.1 lb/NOx million Btu for new or modified natural gas-fired boilers. Recognizing that

¹ While the term "combustion unit" is defined, neither process nor source is defined.

² Note that the DEP's plan approval exemption list includes thresholds of 2.7 tpy for VOCs (exemption 31) and up to 6.6 tpy for NOx (exemption 38) based on actual emissions.

RACT is a different requirement than the NSPS, we are still interested to understand the difference in EPA's analysis under NSPS and DEP's RACT analysis.

6. The deadlines imposed in the rule are unreasonable and should be revised to allow for an appropriate amount of time to develop case-by-case RACT proposals and to implement the approved RACT. The proposed rule requires that case-by-case RACT proposals be submitted within 6 months of the effective date of the final rule (proposed section 129.99(d)(1)) and to implement RACT no later than 1 year after the effective date of the rule (proposed section 129.99(d)(4)). ArcelorMittal suggests that these timeframes are unreasonable particularly for case-by-case RACT development. We propose that the EQB provide 18 months from the effective date of the rule to submit a proposed RACT. This process will require us to assess rule applicability, assess presumptive RACT applicability and ability to comply, retain consulting firms to evaluate available technology and assist in preparing case-by-case RACT proposals, and to coordinate efforts to obtain cost information and make determinations on an economically reasonable course of action. This process is even more complicated if the EQB does not provide for a more reasonable exemption for *de minimis* sources as suggested above.

Secondly, the one-year allowed for implementing RACT is impracticable if not impossible. It seems likely that the DEP may not be able to approve or deny some RACT proposals prior to the close of the 12 month period. Even if a RACT proposal is approved immediately by DEP, that proposal might require a plan approval to install control equipment. Plan approval issuance will most probably take more than 6 months, leaving no time for installation or testing. Moreover, a company cannot commit resources and make investments in proposed RACT project until approval from DEP is received. ArcelorMittal strongly suggests that more reasonable timeframes are required and suggests that the deadline for implementing RACT be established on a case-by-case basis as part of the RACT approval process. This allows the DEP to assess each case individually and approve a reasonable schedule. Each case could vary significantly depending on the size of the source, the work to be completed, permitting timeframes and other factors. To the extent that the EQB requires a deadline, we suggest nothing shorter than 3 years should be required for implementing RACT. While the rules do provide for a process to petition for additional time up to 3 years after the effective date (section 129.99(i)), this process simply adds an additional burden on both the regulated community and on DEP in terms of another approval process. Instead, the deadline should be determined on a case-by-case basis as part of the RACT approval process.

7. Please revise section 129.100(g) to allow for records to be maintained in any reasonable format. As written the rule requires a "permanently bound log book" or other methods that must receive DEP approval. Electronic recordkeeping is commonplace and should be sufficient as could many other means of keeping records other than in a log book.

8. Section 129.97(c)(3) should read "A **stationary** internal combustion engine. . ." Please add the word "stationary."

9. Sections 129.97(c)(6) and (g)(3) are not compatible. One exempts emergency stand-by engines operating less than 500 hours in a 12-month rolling period, while the other generally includes stationary internal combustion engines. Please add the phrase "Except as provided in 129.97(c)(6)" to the beginning of (g)(3), so that it reads, "Except as provided in 129.97(c)(6), a stationary internal combustion engine."

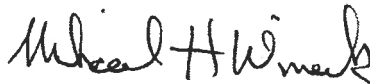
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We appreciate the opportunity to provide comments and trust that the EQB will provide serious consideration to them.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Winek". The signature is fluid and cursive, with the first name "Michael" being more prominent.

Michael H. Winek

Cc: Julianne Kurdila