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Specialty Alloys

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June 28, 2014

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

**Subject: Carpenter Technology Comments on Proposed Rulemaking -
 Additional RACT Requirements for Major Sources of NOx and VOCs**

Dear Board Members,

Carpenter Technology Corporation (Carpenter), 101 Bern Street, Reading, Pennsylvania, is a major air emission source of NOx and VOCs. Carpenter is the premiere manufacturer of specialty steel in the world with over 1,500 employees at its Reading plant. Carpenter is located on over 350 acres of property and operates in over one-hundred buildings. Carpenter has a very large number of relatively small NOx and VOC emitting units and few larger emission units.

Carpenter appreciates the Pennsylvania Department of Environmental Protection's (Department) efforts to improve air quality, however, Carpenter is highly concerned that the rulemaking in its current form will place an undue and unnecessary administrative, regulatory and cost burden on the company with little to no benefit to the environment. Carpenter is also concerned that the Department has not provided the cost basis for control technologies in the proposed rulemaking.

Carpenter's processes are already heavily regulated. Carpenter already performed a lengthy and detailed Reasonable Available Control Technology (RACT) analysis for existing sources in the 1990s. These analyses were approved by the Department. Potential alternative control technologies for NOx or VOCs for Carpenter's processes have not changed since that time.

New sources that have been installed since the original RACT requirements have been subject to Best Available Technology (BAT) determinations by Department. Per the Department's February 14, 2013 Air Quality Technical Advisory Committee Meeting presentation, *Draft Proposed Rulemaking: Additional RACT Requirements for Major Sources of NOx and VOCs*, the BAT is "...RACT is usually less demanding than BAT...". By definition, BAT is a more stringent standard than RACT for Carpenter's sources.

In the preamble to the rule, the Department states that the need for the proposed rulemaking is an EPA determination that “... a reanalysis rather than certification is necessary for sources for which the Department previously determined ‘no controls’ represented RACT for the 1- hour ozone standard.” Many of Carpenter’s emission units already have EPA and Department approved RACT and BAT control requirements in place to address NOx and VOC emissions. Carpenter is concerned that the Department is reopening existing RACT and BAT permitting decisions when there appears to be no basis to do so.

Carpenter believes that the Department is overly broad in its regulation of units in the rulemaking. § 129.97 (c)(1) regulates “... combustion source with an individual heat input less than 20 million Btu/hour.” No minimum emission threshold is provided. This would mean that small natural-gas-fired water heaters for personal use and small personal natural-gas-fired space heaters would be regulated. In fact, any combustion source, no matter how small, even a tiny pilot light would be regulated by the proposed rulemaking. These units would then be subject to innumerable and unnecessary Title V administrative, reporting and compliance obligations that will be burdensome and without environmental benefit.

Carpenter is concerned that the Department is over regulating units. Carpenter’s emergency generators and other units are also subject to Federal Maximum Achievable Control Technologies (MACT) regulations as well as New Source Performance Standards. MACT and NSPS are much more stringent than RACT.

Carpenter is also very concerned that the Department is incorporating by reference into Title V permits an untold number of unknown and unreviewed compliance obligations by incorporating by reference as a presumptive RACT requirement “... the operation and maintenance of the source in accordance with the *manufacture’s specifications...*” at § 129.97 (c)(1) and elsewhere in the proposed rulemaking. No basis has been provided for this requirement from a regulatory, emission control or environmental benefit basis.

Specific Comments

Carpenter believes that the Department should limit the proposed rulemaking to the subset of sources identified by the EPA as needing review, “...sources for which the Department previously determined ‘no controls’ represented RACT for the 1- hour ozone standard.” Sources for which the Department has already approved case-by-case RACT controls measures for NOx and VOCs need to be excluded from the rulemaking as there appears to be no regulatory basis for them to be included as controls have already been established for these sources.

Carpenter objects to the Department reopening post-RACT I construction permitting decisions that included NOx and or VOC control requirements. These decisions were based upon BAT which is more stringent than RACT. As noted above, these sources already have Department approved NOx and VOC controls in place and should not be subject to this proposed rulemaking. Carpenter believes that it is inappropriate for the Department to reopen permitting decisions that Carpenter relied on to make business operating decisions when more stringent standards have been already applied.

The department did not provide a cost basis for making RACT control technology decisions. Without this piece of information, it is unknown what the potential impact of the rule will be on Carpenter. Given this, it is not possible for Carpenter to fully comment on the rule. This information needs to be subject to a separate rulemaking for Pennsylvania companies to understand the impact of the rulemaking on their individual businesses and provide meaningful comment.

Carpenter has already submitted a detailed RACT analysis for various sources. Control technologies have not changed for these sources. Carpenter requests the Department allow sources an alternative to adjust the financial calculations in the original RACT submittal for sources existing at the time based upon inflation adjustment and use these values to compare to the new cost per ton value. This will greatly expedite the application process.

Carpenter objects to the Department applying new RACT requirements to sources already subject to the more stringent MACT, NESHAP and NSPS requirements with control requirements applicable to NO_x and VOCs. For example, the Reciprocating Internal Combustion Engine MACT addresses NO_x and VOC emissions as a surrogate for hazardous air pollutants via a limit on operating hours and requiring an annual tune-up to ensure efficient combustion for Carpenter's emergency generators. This tune-up is analogous to the annual tune up identified as a presumptive RACT requirement for large boilers and is more stringent than the presumptive RACT for emergency generators. The NSPS for these units requires the manufacturer and owner to meet Federal emission limits for NO_x and VOCs. These requirements are source specific and are more stringent than presumptive RACT for emission controls.

Carpenter recommends that the Department exempts from the regulation of electrical generators, especially emergency generators, and other sources with applicable federally mandated NO_x and VOC control requirements from this proposed rulemaking as these units are already stringently regulated by Federal requirements. This overregulation leads to burdensome and unnecessary regulatory and compliance costs without benefiting the environment.

The Department created a new regulatory term, "combustion sources", but did not clarify its meaning. Carpenter believes this refers to any source burning a fuel per a conversation with Department. However, the Department uses the term "unit of fuel burning equipment" later in the proposed regulation. Carpenter requests that the Department clarify this term.

Carpenter requests that the Department clarify that new definitions contained in the rule, such as "process unit" and "stationary internal combustion engine" are consistent with Federal definitions so that there is no confusion or additional regulation placed on sources without adequate opportunity for review.

Carpenter objects to the lack of a lower emission threshold for regulation of combustion sources. The lack of a threshold will lead to absurd results, such as the inclusion of tiny space heaters or water heaters being identified and regulated as separate sources in a Title V permit. This will impose significant burdens on Carpenter in paperwork and administrative time without any environmental benefit. The Department is proposing a threshold for regulation of non-combustion sources at § 129.99 (b) and (c) which Carpenter believes is appropriate.

The Department did not provide a basis for the different treatment of combustion and non-combustion emission sources. Carpenter believes that it is arbitrary and capricious to heavily regulate trivial emission units in the same manner as significant units. Carpenter respectfully requests that the Department provide the same emission thresholds for regulation under the proposed rulemaking for non-combustion sources to combustion sources.

Carpenter objects to incorporating by reference as a presumptive RACT requirement at § 129.97 (c)(1) (and other locations in the proposed rulemaking) that, "... the operation and maintenance of the source in accordance with the manufacture's specifications and good engineering practices:". This will arbitrarily

incorporate by reference an untold number of new requirements (manufacture's specifications) that are not known to the Department and in the case of many units, especially older units or units that do not come with specifications, may not be known to the operator. Additionally, manufacturing specifications may be incorrect and arbitrary in themselves and not in keeping with good engineering practices.

Individual manufacture specifications have not been reviewed and approved as appropriate or effective to control emissions by the Department or the EPA or other oversight organization. This requirement is arbitrary and capricious as the Department (and in many cases, the regulated entity) does not know what the specification is, why it was established, whether it is environmentally effective or whether it is technically feasible or in keeping with good engineering practices. This requirement will make compliance certifications untenable. Carpenter employs combustion engineers who are recognized in the industry to make good engineering decisions for its combustion processes.

Carpenter respectfully requests the Department modify the requirement to "... the operation and maintenance of the source in accordance with the manufacture's specifications *and/or* good engineering practices" as a practical alternative language that will ensure proper operation of processes.

Carpenter believes that the time frame for compliance with the regulation is impractical due to the complexity of the regulation, the time needed to hire consultants and engineers, obtain bids as necessary, as well as the amount of internal time required to complete the RACT application. This will be further complicated by the work load placed on these resources due to the many companies requiring the services of these scant profession resources. Carpenter believes that a year is appropriate to prepare the application.

Thank you for your cooperation with this matter. Carpenter looks forward to the Department's responses. If you have any questions, please contact me at 610-208-3018.

Sincerely,



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