

ILLINOIS POLLUTION CONTROL BOARD
May 24, 1979

LACLEDE STEEL COMPANY,)
)
)
 Petitioner,)
)
 v.) PCB 79-39
)
 ENVIRONMENTAL PROTECTION AGENCY,)
)
 Respondent.)

OPINION AND ORDER OF THE BOARD (by Mr. Goodman):

On February 26, 1979, Laclede Steel Company (Laclede) filed a petition for variance before the Board. The petition for variance was amended on March 22, 1979. No hearing has been held in this matter, and the Board has received no public comment.

Laclede is engaged in the basic manufacture of steel and steel products at Alton in Madison County, Illinois. At that facility Laclede produces approximately 500,000 tons of finished steel annually and employs approximately 2,500 persons. The steel is produced in two 225 ton-rated capacity electric arc furnaces utilizing cold scrap as raw material. A portion of the steel is processed into finished pipe products which are then galvanized by dipping the pipe in a molten bath of zinc. Particulates emitted from the galvanizing process consist mainly of zinc oxide which presently is partially controlled by a baghouse. The remaining particulate emissions are collected and exhausted to the outside of the building through a stack or are discharged directly into the building.

Laclede was originally granted an operating permit for its continuous weld pipe mill which includes the galvanizing operation in 1973. Upon application for renewal of the operating permit in 1978, the Illinois Environmental Protection Agency (Agency) notified Laclede that the application for renewal was denied based upon a probable violation of Rule 203(b) of the Board's Air Pollution Control Regulations. The Agency found that the galvanizing operation has a process weight rate of 1,066.2 lbs./hr. with allowable emission rate under Rule 203(b) of 2.69 lbs./hr. This Agency calculation of allowable emissions excludes the weight of pipe introduced to the process. Laclede calculates the process weight rate to be approximately 13,700 lbs./hr with an allowable emission

rate under Rule 203(b) of 14.9 lbs./hr. and includes the weight of the pipe processed in the calculation of the process weight rate. Under the Laclede determination, the galvanizing operation continually meets Rule 203(b) standards, but under the Agency determination, the galvanizing operation could not meet the standards on a continuous basis.

Notwithstanding the dispute with respect to the emission limitations that Laclede's galvanizing operation must meet, Laclede is willing to install new equipment to meet the standard dictated by the more stringent interpretation of the regulations. To this end, Laclede is in the process of ordering a scrubber to be installed in conjunction with a system that will collect emissions from the uncontrolled portion of the galvanizing operation. Laclede alleges, and the Agency agrees, that the proposed system will control all potential emissions from the galvanizing operation in compliance with Rule 203(b) as calculated by the Agency. It is further estimated that the system will be installed and operating by July 1, 1979 at an estimated cost of approximately \$150,000.00.

Laclede requests variance from Rule 203(b) until July 1, 1979, alleging denial of the variance would impose an arbitrary and unreasonable hardship on the company. During its investigation, the Agency determined that the proposed equipment would have a 99% efficiency and would result in compliance with the regulations. After its investigation, the Agency concluded that the small amount of emissions involved would have a minimal impact on the community for the time requested in the variance petition. The Board finds that it would be unreasonable to deny the Laclede the variance requested considering the hardship alleged, the minimal effect on the environment should the variance be granted, and the petitioner's good compliance record in the past. The Board will therefore grant Laclede the requested variance from Rule 203(b) and Rule 103(b)(2) (operating permit) until July 1, 1979 to allow it to continue to operate while installing the new pollution control equipment, under certain conditions. Since Laclede has volunteered to install equipment which will enable it to meet the emission limitations as determined by the Agency, the Board will not address the issue of how the process weight rate should be determined.

The Board notes that its policy concerning process weight rate has been delineated in Owens-Illinois, Inc. v. EPA, PCB 78-288 (Mr. Werner's dissent, February 2, 1978); United States Steel Corp. v. EPA, PCB 77-327; Union Carbide Corp. v. EPA, PCB 78-21; Oscar Mayer & Co. v. EPA, PCB 78-14.

This opinion constitutes the findings of fact and conclusions of law of the Board in this matter.

ORDER

1. Finding that the Laclede Steel Company is currently unable to comply with certain of the Board's Air Regulations, it is the order of the Pollution Control Board that Laclede be granted variance from Rules 203(b) and 103(b)(2) of the Board's Air Pollution Control Regulations until July 1, 1979, under the following conditions:
 - a. Laclede shall execute its proposal to order and install a scrubber to be used in connection with the system that will collect the uncontrolled emissions from the galvanizing operation.
 - b. The scrubber and collection system shall be placed and in operation on or before July 1, 1979.
 - c. Laclede shall notify the Illinois Environmental Protection Agency of any compliance tests it proposes to run on the equipment in sufficient time to allow the Agency to witness such tests, if it so desires.
 - d. Within 45 days of the adoption of this Order, Laclede shall execute and forward to the Illinois Environmental Protection Agency, 2200 Churchill Road, Springfield, Illinois 62706 a Certification of Acceptance and Agreement to be bound to all terms and conditions of this Order. The 45 day period shall be held in abeyance during any period this matter is being appealed. The form of said certification shall be as follows:

CERTIFICATION

I (We), _____, having read and fully understanding the Order of the Illinois Pollution Control Board in PCB 79-39, hereby accept said Order and agree to be bound by all of the terms and conditions thereof.

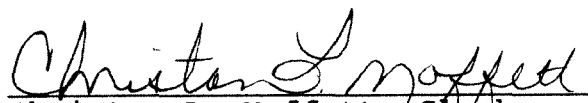
SIGNED _____

TITLE _____

DATE _____

2. Laclede Steel Company is hereby notified that it may be liable for non-compliance penalties under Section 120 of the Federal Clean Air Act should it not achieve compliance by July 1, 1979.

I, Christan L. Moffett, Clerk of the Illinois Pollution Control Board, hereby certify the above Opinion and Order were adopted on the 24th day of May, 1979 by a vote of 5-0.


Christan L. Moffett, Clerk
Illinois Pollution Control Board