

ILLINOIS POLLUTION CONTROL BOARD
September 22, 2011

UNITED STATES STEEL CORPORATION,)
a Delaware corporation,)
)
Petitioner,)
)
v.) PCB 12-49
) (Variance - Air)
ILLINOIS ENVIRONMENTAL)
PROTECTION AGENCY,)
)
Respondent.)

ORDER OF THE BOARD (by T.E. Johnson):

On September 9, 2011, United States Steel Corporation (U.S. Steel) filed a petition for a variance (Pet.) under Section 35(a) of the Environmental Protection Act (Act) (415 ILCS 5/35(a) (2010)). The petition concerns U.S. Steel's Granite City integrated steel manufacturing plant (plant), which is located at 20th and State Streets on approximately 1,100 acres of land in Granite City, Madison County. U.S. Steel seeks up to a five year variance from compliance with the applicable requirements of 35 Ill. Adm. Code 217, Subpart I (NO_x RACT Rule or Rule), which impose a January 1, 2015 deadline for implementation of Reasonably Available Control Technology (RACT) to control emissions of nitrogen oxides (NO_x) from recuperative reheat furnaces combusting a combination of natural gas and coke oven gas (COG). U.S. Steel specifically requests relief from the NO_x emissions limitation of 0.142 lb/mmBtu in 35 Ill. Adm. Code 217.244(a) and only for the plant's "Slab Reheat Furnace 4." Pet. at 13, 15.

U.S. Steel asserts that the requested relief is necessary because the NO_x RACT Rule imposes an arbitrary and unreasonable hardship on U.S. Steel since:

- 1) U.S. Steel understood that the Illinois Environmental Protection Agency [IEPA] determined that the installation of low NO_x burners on the slab reheat furnaces at the Facility would meet RACT requirements;
- 2) the emission limitation set forth in the Rule for the slab reheat furnaces was a negotiated limitation that was based upon pre-construction vendor estimates for pollution control systems including low NO_x burners for the furnaces, as well as a related COG desulfurization system;
- 3) [IEPA] and U.S. Steel agreed, and the Board noted this agreement, that emission limitations may need to be revisited to address actual operation of pollution control systems; and

- 4) stack testing conducted at Slab Reheat Furnace 4, after installation of low NO_x burners and combusting desulfurized COG, indicates that the NO_x emissions from Slab Reheat Furnace 4 are higher than the expected emissions that were used to develop the negotiated limitation in the Rule. Moreover, the requirements of the Rule are neither mandated by federal nor state statutes at this time, and issuance of a new federal ozone standard has been delayed until at least 2013. Pet. at 2-3.

U.S. Steel states that a variance is necessary for the company to develop a compliance strategy for Slab Reheat Furnace 4. U.S. Steel asserts that the variance is justified because Slab Reheat Furnace 4 remains within the emission limits set out in a construction permit for the plant (Pet. at 5) and the Metro-East area has attained the 1997 eight-hour ozone standard (Pet. at 11). U.S. Steel further states that it “is unable to guarantee that a new or revised compliance strategy for Slab Reheat Furnace 4 can be developed and implemented” on time. Pet. at 10.

U.S. Steel has requested a hearing. See 35 Ill. Adm. Code 104.204(n). The Board accepts U.S. Steel’s petition for hearing and directs that this matter proceed to hearing as expeditiously as practicable. See 35 Ill. Adm. Code 104.234(a), 104.236. U.S. Steel has the burden of proof. See 35 Ill. Adm. Code 104.238(a). IEPA must provide notice of the petition and file a certification of publication. See 35 Ill. Adm. Code 104.214. IEPA must also investigate the petition and file a recommendation within 45 days after the September 9, 2011 filing of the petition (*i.e.*, by October 24, 2011), or at least 30 days prior to the date of hearing, whichever is earlier. See 35 Ill. Adm. Code 104.216(b). Within 14 days after service of the IEPA recommendation, U.S. Steel may file a response to the IEPA recommendation or an amended petition. See 35 Ill. Adm. Code 104.220.

The assigned hearing officer must set the matter for hearing in accordance with the requirements of the Act and the Board’s procedural rules. The hearing officer is responsible for guiding the parties toward prompt resolution of this matter through whatever status calls and hearing officer orders she determines are necessary and appropriate. Hearings will be scheduled and completed in a timely manner, consistent with the decision deadline (*see* 415 ILCS 5/38(a) (2010)), which only U.S. Steel may extend by waiver (*see* 35 Ill. Adm. Code 101.308). If the Board fails to take final action by the decision deadline, U.S. Steel may deem the requested variance granted for a period not to exceed one year. See 415 ILCS 5/38(a) (2010). Currently, the decision deadline is January 9, 2012 (the first business day following the 120th day after September 9, 2011). See 35 Ill. Adm. Code 104.232. The Board meeting immediately before the decision deadline is scheduled for January 5, 2012.

Finally, U.S. Steel requests Board confirmation that the effectiveness of the NO_x emissions limitation of 35 Ill. Adm. Code 217.244(a) is stayed as to U.S. Steel. Pet. at 7, 23. U.S. Steel filed its variance petition on September 9, 2011, within 20 days after the August 22, 2011 effective date of the regulatory amendment setting the January 1, 2015 compliance deadline of Section 217.244(a). See 35 Ill. Reg. 14574, 14627 (Sept. 2, 2011); *see also* Nitrogen Oxides Emissions, Amendments to 35 Ill. Adm. Code 217, R11-24, R11-26 (consol.) (Aug. 18, 2011) (extending general compliance deadline from January 1, 2012 to January 1, 2015). Pursuant to Section 38(b) of the Act (415 ILCS 5/38(b) (2010)), the Board confirms that U.S. Steel’s filing

of the variance petition stays operation of the January 1, 2015 deadline for compliance with the Section 217.244(a) NO_x emissions limitation as to Slab Reheat Furnace 4, pending disposition of the petition. *See ExxonMobil Oil Corp. v. IEPA*, PCB 11-86, PCB 12-46 (consol.), slip op. at 2 (Sept. 8, 2011) (confirming stay based on variance petition filed within 20 days after effective date of rule amendment).

IT IS SO ORDERED.

I, John Therriault, Assistant Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on September 22, 2011, by a vote of 5-0.

A handwritten signature in black ink that reads "John T. Therriault". The signature is written in a cursive style with a long horizontal flourish extending to the right.

John Therriault, Assistant Clerk
Illinois Pollution Control Board