

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)	
)	
NITROGEN OXIDES EMISSIONS,)	R11-24
AMENDMENTS TO 35 ILL. ADM.)	
CODE 217)	
)	
IN THE MATTER OF:)	
)	
ILLINOIS ENVIRONMENTAL)	R11-26
REGULATORY GROUP'S EMERGENCY)	(Rulemaking - Air)
RULEMAKING, NITROGEN OXIDES)	(Cons.)
EMISSIONS: AMENDMENTS TO 35)	
ILL. ADM. CODE PART 217)	

Comments of Alton Steel, Inc.

Alton Steel, Inc. (ASI) respectfully submits its comments on the Illinois Environmental Protection Agency's (IEPA) proposal to modify the date for compliance with nitrogen oxide (NO_x) emissions limitations contained in certain Subparts of 35 Ill. Adm. Code 217, which contain provisions relating to the control of NO_x emissions from various source categories, including emission units within those source categories such as industrial boilers, process heaters, glass melting furnaces, cement kilns, lime kilns, furnaces used in steelmaking and aluminum melting, and fossil-fuel fired stationary boilers. The IEPA's proposal modifies the compliance date for the requirements under Subparts D (NO_x General Requirements), E (Industrial Boilers), F (Process Heaters), G (Glass Melting Furnaces), H (Cement and Lime Kilns), I (Iron and Steel and Aluminum Manufacturing), and M (Electrical Generating Units) of Part 217 from January 1, 2012 to January 1, 2015.

In its rulemaking proposal and Motion for Expedited Review filed April 4, 2011 (Motion), the IEPA set forth its reasoning for proposing to delay the compliance date. In its Motion, the IEPA stated that, on February 22, 2011, the United States Environmental Protection Agency (USEPA) granted Illinois a waiver from the NO_x RACT requirements based

on its finding that the "1997 8-hour ozone NAAQS has been attained in the Chicago-Gary-Lake County, IL-IN and St. Louis, MO-IL areas without the implementation of NO_x RACT in the Illinois portions of these areas." Motion p. 7, 8. In addition, both of these areas now attain the 1997 PM_{2.5} NAAQS. Motion p. 9 - 11. Further, the IEPA also cited issues of uncertainty with respect to the USEPA's plans to change the primary ozone standard (and potentially the NAAQS for PM) to a lower level and the uncertainty as to when that change might occur. Motion p. 2, 3.

As summarized in its proposed rulemaking, "the Illinois EPA recognizes that the waiver of the NO_x RACT requirement to meet the 1997 8-hour ozone standard, the reconsideration of the 2008 8-hour ozone standard, and the USEPA's delay in adopting the 8-hour ozone standard revision proposed in 2010 results in a situation where the existing NO_x RACT regulations, absent an underlying federal requirement to implement these rules at this time, impose compliance requirements upon the regulated community prior to when they will be necessary under the CAA." Motion p. 4. Further, the IEPA stated that "so as to avoid compliance requirements and unreasonable and unnecessary expenditures upon the regulated community prior to the imposition of federal requirements, the rulemaking proposal amending the compliance date needs to be adopted in an expedited manner." Motion p. 4. ASI wholeheartedly agrees with and supports the IEPA's proposal to change the compliance date from January 1, 2012 to January 1, 2015 and to expedite such rulemaking.

The current NO_x rule lists emissions limitations for different types of reheat furnaces. 35 IAC 217.244. ASI's reheat furnace is a 1967 first generation walking beam furnace with cold-air, roof-fired burners. The NO_x rule lists an emission limit of 0.03 lb/mmBtu of natural gas input for this type of furnace. ASI will not be able to meet this standard with its current cold-air, roof-fired burners.

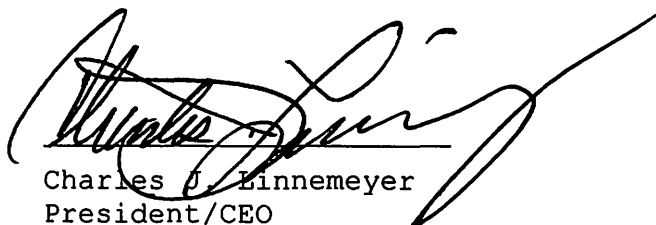
ASI retained an engineering firm to review its options to meet this standard and, based on its review, determined that the only way to meet the 0.03 lb of NO_x/mmBtu standard with the currently-configured roof-fired burners is to add a flue gas recirculation system which dilutes the combustion air with predominantly inert gases. This type of add-on control is expected to decrease the furnace's thermal efficiency and potentially the product quality. In addition, this system is estimated to far exceed the dollar amount that would be considered RACT (i.e., \$2,500 - \$3,000/ton). If the January 1, 2012 compliance date is not extended, ASI will likely file a motion for an adjusted standard, which will result in additional time and resource expenditures on the part of ASI, the IEPA, and the Illinois Pollution Control Board (Board).

Because of its age and the cost of maintaining its aging reheat furnace, ASI is also considering installing a new energy-efficient furnace. This option will result in a reduction in fuel usage, lower NO_x emissions, and a reduction in ASI's carbon footprint - a much more environmentally-sound alternative. This option is expected to cost in excess of \$20,000,000 and will require major air permitting, which has historically taken several months to years from filing to approval. ASI has obtained initial quotes from furnace manufacturers and is in the process of meeting with such manufacturers to discuss further specifications and details. This process is not expected to be complete for a few months. Once ASI receives firm quotes, it will review the options to determine if installation of a new reheat furnace is economically and technologically feasible. If so, the furnace installation project may require a few years to complete. ASI would, therefore, be required to file a motion for a variance from the January 1, 2012 compliance date. Depending on the time required for review of this option, it may not be feasible for ASI to timely file the variance motion prior to the January 1, 2012 compliance date.

For the above-mentioned reasons and so as to avoid compliance requirements and unreasonable and unnecessary expenditures upon ASI

prior to the imposition of federal requirements, the rulemaking proposal amending the compliance date needs to be adopted in an expedited manner. ASI fully supports the IEPA's proposal to extend the compliance date from January 1, 2012 to January 1, 2015 in an expedited manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles J. Hinnemeyer", written over a horizontal line. The signature is stylized and cursive.

Charles J. Hinnemeyer
President/CEO
Alton Steel, Inc.
5 Cut Street
Alton, IL 62002