



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
JACKSON DISTRICT OFFICE



C. HEIDI GRETHER
DIRECTOR

June 13, 2018

CERTIFIED MAIL-7010 0290 0000 3734 2408
RETURN RECEIPT

Mr. Craig Metzger
Gerdau MacSteel
3000 E. Front Street
Monroe, Michigan 48161

SRN: B4306, Jackson County

Dear Mr. Craig Metzger:

VIOLATION NOTICE

On May 31, 2018, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of Gerdau Special Steel North America-Jackson Mill (Company) located at 3100 Brooklyn Road, Jackson, Michigan. The purpose of this inspection was to determine the Company's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451) and the associated Air Pollution Control Rules and Renewable Operating Permit (ROP) MI-ROP-B4306-2015.

During the inspection, AQD staff observed the following:

Process Description	Rule/Permit Condition Violated	Comments
Four (4) outdoor torch cutting stations each equipped with multiple torch cutting torches.	Rule 201. No permit to install. (PTI)	Currently, there are no permit exemptions that this process would qualify for.
Steel slag handling process.	Rule 310. Open burning.	Wooden pallets, plastics and other trash generated from the Melt Shop are being disposed of in slag that is moved out of the facility and left to burn on the ground.
FG-EAF/LMF/VAD; Two (2) electric arc furnaces (EAFs), a ladle metallurgy furnace, and a vacuum arc	MI-ROP-B4306-2015 FG-EAF-LMF/VAD IV.1 Operation of an EAF without ventilation system operating properly.	EAF control room pulpit computer printout showed that the tap damper and center damper associated with the canopy hood

<p>degasser. It also includes baghouse DV-BH03.</p>		<p>collection system for EAF #2 were closed. Per Meltshop Air Pollution Control System Evaluation Preliminary Report dated January 29, 2016, indicated that proper operation requires that canopy dampers be 100% open through the entire melt cycle. The inspection showed that these closed dampers resulted in excess opacity exiting the building via the Caster roof monitor style vent located on the roof of the Melt Shop.</p>
<p>FG-EAF/LMF/VAD; Two (2) electric arc furnaces (EAFs), a ladle metallurgy furnace, and a vacuum arc degasser. It also includes baghouse DV-BH03.</p>	<p>MI-ROP-B4306-2015 FG-EAF-LMF/VAD V.1.C. (Note: Previous ROP contained same condition.)</p>	<p>Requires that the stack test report shall include, at a minimum, the mercury concentration of the raw material feed (carbon, coal, coke, lime, etc.) as provided by the supplier. A review of the last required stack test report from 2014 showed that it did not contain that information.</p>
<p>FG-EAF/LMF/VAD; Two (2) electric arc furnaces (EAFs), a ladle metallurgy furnace, and a vacuum arc degasser. It also includes baghouse DV-BH03.</p>	<p>MI-ROP-B4306-2015 FG-EAF-LMF/VAD VI.4</p>	<p>Condition VI.4 requires the permittee to conduct non-certified visible emission reading(s) for FG-EAF/LMF/VAD from DV-BH-3 especially during charging at least once per operating day. The intent of this condition it to look for opacity when the most smoke is being generated from the EAF's. Staff discussed this issue with the EAF operators. They indicated that for each melt there are 2 charges. The first charge goes into an empty EAF chamber (no</p>

		initial steel "heat" is used). Significant smoke isn't generated until the second charge with new scrap metal being added to the partially melted metal already in the EAF. It is during the second charge when the most smoke is generated. Baghouse inspection records from a previous January 24, 2018 inspection suggest that smoke is not read for at least ten minutes after charging takes place based on using a charging light located near the EAF main bag house as a cue to take readings. This suggests that opacity readings are not taken during EAF charging and not taken when the maximum amount of smoke is being generated.
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Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by July 5, 2018. The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violation and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

Please submit written response to the DEQ, AQD Jackson District, at 301 E. Louis Glick Highway Jackson, Michigan 49201 and submit copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at the DEQ, AQD P.O. Box 30260, Lansing, Michigan 48909-7760.

If the Company believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above and for the cooperation that was extended to me during my inspection of this Company. If you

have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Mike Kovalchick
Senior Environmental Engineer
Air Quality Division
517-416-5025

cc: Mr. Scott Miller, DEQ

cc/via e-mail: Ms. Mary Ann Dolehanty, DEQ

Mr. Craig Fitzner, DEQ

Mr. Chris Ethridge, DEQ

Ms. Jenine Camilleri, DEQ