AIR QUALITY ENFORCEMENT FACT SHEET Cleveland-Cliffs Steel Corporation, Wayne County, Michigan

CLEVELAND-CLIFFS STEEL CORPORATION (CLEVELAND-CLIFFS)

Cleveland-Cliffs operates an iron and steel mill located in Dearborn within the Rouge Industrial Complex. The plant produces steel slabs from iron ore and conducts finishing operations on flat rolled steel coils. The steel mill operations occupy approximately 500 acres on the southern half of the complex and include equipment to melt and mold metal. Portions of the mill are controlled by a device called an electrostatic precipitator or ESP, intended to reduce air pollutants from the process. This control equipment was installed in 1964 and although maintenance was performed, the ESP had not been completely overhauled or replaced since it was installed.



Figure 1: Aerial view of Cleveland-Cliffs

The plant has <u>air permits</u> and a <u>renewable operating permit</u> with conditions that limit the amount of specific air pollutant emissions, including visible emissions. The permits have details on how the equipment must be operated and maintained, as well as how often processes will be tested and what those tests will measure.

Cleveland-Cliffs is required to comply with air quality rules and regulations. Noncompliance or violating permit conditions or other air quality rules can lead to escalated enforcement actions.

RECENT COMPLIANCE HISTORY



In 2015 Cleveland-Cliffs (formerly AK Steel) entered into a <u>Consent Decree</u> with the United States Environmental Protection Agency (USEPA) and the Michigan Department of Environment, Great Lakes, and Energy's (EGLE) Air Quality Division (AQD) to resolve violations of state and federal air pollution requirements. Many of these violations were for visible emissions from the ESP. The ESP is designed to reduce air emissions from a portion of the steelmaking

process that changes molten iron and scrap steel into molten steel. Cleveland-Cliffs air permit has specific limits that are not to be exceeded for visible emissions. The Consent Decree required Cleveland-Cliffs to develop an environmental management system which included:

- more frequent inspections of the ESP to identify and perform needed maintenance.
- evaluations of actions that should be undertaken to address visible emissions exceedances.

After the Consent Decree became effective, visible emissions from the ESP continued to exceed the limits at times. Additionally, in late 2019, testing showed that the facility was also exceeding emission limits for lead and manganese. As a result, USEPA and EGLE, with the assistance of United States Department of Justice and Michigan Department of Attorney General, negotiated a modification to the Consent Decree ("Consent Decree Modification") with Cleveland-Cliffs. The

modification requires Cleveland-Cliffs to overhaul the ESP and undertake other measures described below to address its excess emission issues.

WHY WAS REPLACEMENT OF THE ESP SO IMPORTANT?



The ESP is one of the most important parts of reducing air pollutants at this mill. A properly maintained and operating ESP keeps emissions at or below permitted limits as they are designed to do. These limits are checked in a variety of ways, including inspections by the company and EGLE staff, regular maintenance and emissions recordkeeping, monitoring, and testing. Over time, equipment like the ESP can develop maintenance issues. Sometimes the maintenance issues are small and can be easily corrected. However, in this case, the ESP was no longer

operating in a way that ensured permit requirements were met. The complete replacement of the ESP was the best way to protect the community and the environment.

WHAT IS INCLUDED IN THE CONSENT DECREE?

The Consent Decree Modification requires Cleveland-Cliffs to completely replace the ESP. Cleveland-Cliffs is also required to set and adhere to ESP operational parameters, routine performance testing according to a post-construction testing schedule and additional visible emissions observations of the plant. The Consent Decree Modification also requires Cleveland-Cliffs to perform a Supplement Environmental Project (SEP) developed with the help of a local citizen group, The SEP consists of providing portable air purifiers to area residences. Cleveland-Cliffs will also pay the state a monetary penalty. Because of the length of the Consent Decree Modification negotiations, construction of the ESP replacement was completed in March 2023.

WHAT IS IN THE CONSENT DECREE MODIFICATION'S COMPLIANCE PLAN?



The compliance plan has following requirements:

- Replacement of the ESP.
- Emissions testing to verify compliance with the lead and manganese emission limits nine times over approximately two years.
- Increased frequency of visible emission observations for the ESP and the building roof vents/openings.
- Increased ESP ductwork inspections.
- Stipulated penalties for failing to comply with the requirements of the Consent Decree. A stipulated penalty is a defined monetary amount that must be paid if additional violations are documented.

WHAT IS INCLUDED IN THE PENALTY?

The Consent Decree Modification includes a total settlement of \$325,380, with a monetary penalty of \$81,380 and a requirement for Cleveland-Cliffs to implement a SEP costing a minimum of \$244,000. The monetary penalty is paid into the State of Michigan General Fund.

WHAT IS A SUPPLEMENTAL ENVIRONMENTAL PROJECT?

A <u>SEP</u> (pronounced "SEP") is an environmentally beneficial project not required by state or federal law, but that a company agrees to undertake as part of a settlement in an enforcement action. SEPs are projects going beyond what is legally required to return to compliance with applicable state and federal laws.



WHAT SEP IS INCLUDED?

The SEP will provide portable home air purifiers to each residence in a south Dearborn neighborhood and educational outreach on the benefits of good indoor air quality. The project will be completed within one year of the Consent Decree Modification becoming effective. More information about the SEP can be found in Appendix G of the Consent Decree Modification..

How long will the Consent Decree Modification be in place?

The Consent Decree will be active until the Cleveland-Cliffs completes all required emission testing, complies with visible emission limits for the ESP for 18 months, applies for and receives changes to the air permit to make sure conditions in the Consent Decree Modification are enforceable, and pays the penalty.

WILL THE CONSENT DECREE MODIFICATION BE OPEN FOR COMMENT?

The Consent Decree Modification is subject to a 30-day public comment period and final court approval. It will be available for viewing and you can find information on how to submit comments at: Justice.gov/ENRD/Consent-decrees.

Submit comments:



By email: Pubcomment-ees.enrd@USDOJ.gov



By mail: Assistant Attorney General U.S. DOJ-ENRD, P.O. Box 7611 Washington, DC 20044-7611

What we can consider	What we can't consider
 ✓ Technical mistakes in the review ✓ Grammar and spelling mistakes ✓ Other rules the action should consider and why ✓ Why the action will not follow the rules 	 Air, land, or water issues not part of the project Indoor air pollution Traffic Noise and lights Zoning issues Anything unrelated to the consent decree

FIND OUT MORE

An online public meeting will be held on November 8, 2023. The meeting will be an opportunity for community members to find out more about the enforcement action as well as to ask questions.

Meeting Details:

- **Join online via computer:** pre-register any time or join online at 6 p.m. November 8 at: https://bit.ly/3ZpgsgF
- Call in to the meeting: 636-651-3142 and use conference code 374288.

Agenda:

- Welcome & Short Presentations
- Ouestion and answer

Information about past air quality inspections and violations can be found on EGLE's Cleveland-Cliff's source information page.

WHO TO CONTACT?

If you have questions about the changes to the Consent Decree, you may contact Katie Koster, EGLE AQD Inspector, at KosterK1@Michigan.gov or 313-418-0715.

NEED THIS OR OTHER INFORMATION IN A DIFFERENT WAY?

If you or someone you know needs this information in a different way, you may send a request to us at EGLE-Accessibility@Michigan.gov.



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