



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
DETROIT FIELD OFFICE



DAN WYANT
DIRECTOR

May 19, 2014

Mr. James Gray, General Manager
United States Steel Great Lakes Works
No. 1 Quality Drive
Ecorse, Michigan 48229

SRN: A7809, Wayne County

Dear Mr. Gray:

SECOND VIOLATION NOTICE

On February 11, and February 25, 2014, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), received and reviewed information regarding two 2922 hp diesel emergency generators at U.S. Steel Great Lakes Works located at No. 1 Quality Drive, Ecorse, MI. The purpose of this review was to determine U.S. Steel'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); the administrative rules; and the conditions of Renewable Operating Permit (ROP) number 199600132d.

On March 13, 2014, the AQD sent the company a Violation Notice citing a violation discovered as a result of the review and requested your written response by April 3, 2014. A copy of that letter is enclosed for your reference.

Your response was received on April 9, 2014. However, the response was insufficient. First, it failed to provide any information to demonstrate that the heat input for each generator is below 10 MMBTU/hr. As AQD has verbally discussed with U.S. Steel, the calculation provided by the facility was a heat *output* value. Once the efficiency of the power generating equipment is accounted for (typically 25-33%), the input value rise significantly above 10 MMBTU/hr. Additionally, the alternative methodology used by AQD for estimating heat input (i.e. using the maximum lb/gal fuel consumption at full load from the engine specification sheet and the higher heating value of diesel fuel), widely accepted and used by industry in air quality permit applications, also results in a value greater than 10 MMBTU/hr. Therefore, the engines do not qualify for the Rule 285(g) permit to install exemption. Regarding your reference to the regulatory definitions in the RICE MACT, please bear in mind that the AQD state regulations do not rely on the definitions in that standard.

Furthermore, the Rule 282(b) exemption is not applicable to emergency generators. The exemption applies to "fuel burning equipment" which is defined in R336.1106. In your April 9, 2014 response, U.S. Steel failed to explain how the emergency generators meet the definition of fuel burning equipment. The plain language of the definition states that fuel burning equipment is "used for indirect heating..." Generators are not used for this

Mr. James Gray
Page 2
May 19, 2014

purpose. As such, numerous facilities have obtained permits for their emergency generators based on this understanding.

Please be advised that failure to respond in writing and identify actions the company will take or has taken to resolve the cited violation, which should include submission of a permit to install application, may result in escalated enforcement action by the AQD. Please provide the information requested in our March 13, 2014 letter by June 2, 2014, which corresponds to 14 days from the date of this letter.

Be further advised that issuance of this Violation Notice does not preclude or limit the DEQ's ability to initiate any other enforcement action under state or federal law as appropriate.

If you have any questions regarding the violation or the actions necessary to bring U.S. Steel Great Lakes Works into compliance, please contact me at the number listed below.

Sincerely,



Katie Koster
Senior Environmental Engineer
Air Quality Division
313-456-4678

Enclosure

cc: Ms. Lynn Fiedler, DEQ
Ms. Teresa Seidel, DEQ
Mr. Thomas Hess, DEQ
Ms. Wilhemina McLemore, DEQ