



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JAN 29 2020

REPLY TO THE ATTENTION OF

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David W. Nunn
Eastman & Smith Ltd.
One SeaGate, 24th Floor
Toledo, Ohio 43699-0032

Re: Administrative Order EPA-5-18-113(a)-IN-05

Dear Mr. Nunn:

Enclosed is an executed original of the Administrative Consent Order regarding the above captioned case. If you have any questions about the Order, please contact me at (312) 886-6797.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sarah Marshall", is written over a horizontal line.

Sarah Marshall, Chief
Air Enforcement and Compliance Assurance Section (MI/WI)

Enclosure

cc: Louise Gross/C-14J
Phil Perry/via electronic mail

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:	)	EPA-5-18-113(a)-IN-05
	)	
Heidtman Steel	)	Proceeding Under Section 113(a)(3)
Butler, Indiana	)	of the Clean Air Act, 42 U.S.C.
	)	§ 7413(a)(3)
_____	)	

Administrative Consent Order

1. The Director of the Enforcement and Compliance Assurance Division, U.S. Environmental Protection Agency (EPA), Region 5, is issuing this Order to Heidtman Steel (“Heidtman”) under Sections 113(a)(3) of the Clean Air Act (“CAA”), 42 U.S.C. § 7413(a)(3).

Statutory and Regulatory Background

2. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), provides that it is unlawful for any person to, among other things, operate a major source subject to Title V of the CAA, 42 U.S.C. §§ 7661 *et seq.*, except in compliance with a Title V permit after the effective date of any permit program approved or promulgated under Title V of the CAA.

3. Pursuant to Section 502(b) of the CAA, 42 U.S.C. § 7661a(b), EPA promulgated regulations establishing the minimum elements of a Title V permit program to be administered by any air pollution control agency. *See 57 Fed. Reg.* 32,295. Those regulations are codified at 40 C.F.R. Part 70.

4. The EPA promulgated final interim approval of the Indiana Title V program on November 14, 1995, 60 *Fed. Reg.* 57191, and the program became effective on that date. This includes 326 IAC 2-7.

5. 40 C.F.R. § 70.7(b) provides that no Title V source may operate after the time that it is required to submit a timely and complete application except in compliance with a Title V permit issued under an approved permit program. *See also* 326 IAC 2-7-3.

6. 40 C.F.R. § 70.2 defines “major source,” in part, as any stationary source that emits or has the potential to emit 10 tons per year (tpy) or more of any hazardous air pollutant (“HAP”) which has been listed pursuant to section 112(b) of the CAA. *See also* 326 IAC 2-7-1(22)(A)(i)(AA). 40 C.F.R. § 70.2 defines “potential to emit” as the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

7. Section 503 of the CAA, 42 U.S.C. § 7661b, and 40 C.F.R. § 70.5(a), set forth the requirement to submit a timely, accurate, and complete permit application for a permit, including information required to be submitted with the application. *See also* 326 IAC 2-7-3 and 326 IAC 2-7-4.

8. Section 112(c) of the CAA, 42 U.S.C. § 7412(c), requires EPA to promulgate a list of all categories and subcategories of major sources and area sources of HAP and establish emissions standards for the categories and subcategories. These emission standards are known as the National Emission Standards for Hazardous Air Pollutants (“NESHAP”). The purpose of the NESHAP is to ensure that all sources achieve the maximum degree of reduction in emission of HAP that EPA determines is achievable for each source category.

9. Pursuant to Section 112(b) of the CAA, 42 U.S.C. § 7412(b), EPA designates HAPs, which present or may present a threat of adverse effects to human health or the environment. Section 112(b) of the CAA, 42 U.S.C. § 7412(b), lists hydrochloric acid (“HCl”) as a HAP.

10. Pursuant to Section 112(c) of the CAA, EPA promulgated a list of categories and subcategories of major sources of the air pollutants listed pursuant to Section 112(b) of the CAA, 42 U.S.C. § 7412(b).

11. Pursuant to Section 112(d) of the CAA, EPA promulgated regulations implementing the NESHAP at 40 C.F.R. Part 63.

12. Section 112(a) of the CAA, 42 U.S.C. § 7412(a), and 40 C.F.R. § 63.2 define “major source” as any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tpy or more of any HAP or 25 tpy or more of any combination of HAPs.

13. Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3), and 40 C.F.R. § 63.4 prohibit the owner or operator of any source from operating such source in violation of any NESHAP applicable to such source.

14. The NESHAP, at 40 C.F.R. Part 63, Subpart A, contains general provisions applicable to the owner or operator of any stationary source that contains an affected source subject to the NESHAP at 40 C.F.R. Part 63. These general provisions include definitions at 40 C.F.R. § 63.2.

15. The NESHAP, at 40 C.F.R. § 63.2, defines “affected source” as the collection of equipment, activities, or both within a single contiguous area and under common control that is included in a Section 112(c) source category or subcategory for which a Section 112(d) standard or other relevant standard is established pursuant to Section 112 of the CAA.

16. The NESHAP, at 40 C.F.R. § 63.2, defines “existing source” as any affected source that is not a new source.

17. On June 22, 1999, EPA promulgated the NESHAP for Steel Pickling – HCl Process Facilities and Hydrochloric Acid Regeneration Plants (“Pickling NESHAP”), codified at 40 C.F.R. Part 63, Subpart CCC. 64 *Fed. Reg.* 33218.

18. 40 C.F.R. § 63.1160(a)(1) provides that the “owner or operator of an affected existing steel pickling facility and/or hydrochloric acid regeneration plant subject to this subpart shall achieve initial compliance with the requirements of this subpart no later than June 22, 2001.”

19. 40 C.F.R. § 63.1155(a)(1) provides that the provisions of the Pickling NESHAP apply to all new and existing steel pickling facilities or plants that are major sources of HAP and pickle carbon steel using HCl solution that contains 6 percent or more by weight HCl and is at a temperature of 100 degrees Fahrenheit or higher.

20. 40 C.F.R. § 63.1155(b) provides that, for the purposes of implementing the subpart, the affected sources at a facility or plant subject to this subpart include continuous pickling lines and hydrochloric acid storage vessels.

21. 40 C.F.R. § 63.1156 defines “continuous pickling line” as the collection of equipment and tanks configured for pickling metal strip, rod, wire, tube, or pipe that is passed through an acid solution in a continuous or nearly continuous manner and rinsed in another tank or series of tanks to remove residual acid. This definition includes continuous spray towers.

22. 40 C.F.R. § 63.1156 defines “hydrochloric acid storage vessel” as a stationary vessel used for the bulk containment of virgin or regenerated hydrochloric acid.

23. On March 21, 2011, EPA promulgated the NESHAP for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters (“Boiler NESHAP”), codified at 40 C.F.R. Part 63, Subpart DDDDD. 76 *Fed. Reg.* 15664. This subpart applies to new, reconstructed, and existing industrial boilers and process heaters located at major stationary sources of HAPs.

24. 40 C.F.R. § 63.7495(b) requires the owner or operator of an existing affected source subject to this subpart achieve initial compliance with the requirements of this subpart no later than January 31, 2016.

25. 40 C.F.R. § 63.7485 provides that the provisions of this subpart apply to owners or operators of an industrial, commercial, or institutional boiler or process heater as defined in 40 C.F.R. § 63.7575 that is located at, or is part of, a major source of HAP, except as specified in 40 C.F.R. § 63.7491.

26. 40 C.F.R. § 63.7490(a)(1) provides that an existing affected source, as defined for this subpart, is the collection at a major source of all existing industrial, commercial, and institutional boilers and process heaters within a subcategory as defined in 40 C.F.R. § 63.7575.

27. 40 C.F.R. § 63.7490(d) states that a boiler or process heater is considered existing if it is not new or reconstructed.

28. 40 C.F.R. § 63.7490(b) states that a boiler or process heater is considered new if construction of the units commenced after June 4, 2010 and the applicability criteria are met at the time construction commences.

29. 40 C.F.R. § 63.7490(c) states that a boiler or process heater is considered reconstructed if the criteria defined in 63.2 are met, reconstruction commenced after June 4, 2010, and the applicability criteria is met at the time reconstruction commenced.

30. 40 C.F.R. § 63.7575 defines an “industrial boiler” as a boiler used in manufacturing, processing, mining, and refining or any other industry to provide steam, hot water, and/or electricity.

Findings

31. For the purpose of this proceeding, Heidtman neither admits nor denies specific factual allegations contained in this Administrative Consent Order.

32. Heidtman owns and operates a steel pickling facility at 4400 County Road 59, Butler, Indiana (“the Butler facility”).

33. Heidtman is a corporation authorized to do business in Indiana.

34. Heidtman is a “person,” as that term is defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

35. At the Butler facility, Heidtman operates one industrial natural gas-fired boiler, installed in 1995 and rated at 10.9 MMBtu/hour.

36. At the Butler facility, Heidtman operates a continuous steel pickling line consisting of four HCl tanks connected in series. Steel strips are uncoiled and push-pulled through the pickling line. The HCl is applied to steel strips at an average concentration of 13% by weight, and at a temperature between 170 and 185 degrees Fahrenheit. HCl vapors in the pickling process are captured by enclosed hoods and directed to a three-tray wet scrubber-mist eliminator prior to discharging to the atmosphere.

37. At the Butler facility, the steel pickling line emits or has the potential to emit 10 tpy or more of HCl.

38. Because the Butler facility emits or has the potential to emit 10 tpy or more of HCl, it is a “major source” of HAP, as defined at 40 C.F.R. §§ 63.2 and 70.2.

39. Because the Butler facility emits or has the potential to emit 10 tpy or more of HCl, Heidtman is subject to the requirements of Title V of the CAA, the Pickling NESHAP, and the Boiler NESHAP at the Butler facility.

40. On January 22, 2018, EPA issued to Heidtman a Finding of Violation (“FOV”) giving notice of the violations alleged below at the Butler facility and offering Heidtman an opportunity to confer with the EPA. On February 28, 2018, representatives of Heidtman and EPA discussed the January 22, 2018 FOV.

41. Heidtman failed to submit a timely Title V permit application for the Butler facility to the State of Indiana in violation of 40 C.F.R. § 70.5(a) and Section 503 of the CAA. *See also* 326 IAC 2-7-4.

42. By failing to apply for and obtain a Title V operating permit, Heidtman has violated and continues to violate the Title V requirements at 40 C.F.R. § 70.7(b) and Section 502 of the CAA. *See also* 326 IAC 2-7-3.

43. Because it emits or has the potential to emit 10 tpy or more of HCl, the Butler facility has been and continues to be a major source of HAP and, since June 22, 2001, has been required to comply with the requirements of the Pickling NESHAP. Heidtman has failed to comply with applicable requirements, which include a complete scrubber operation and maintenance plan, requirements to demonstrate initial and continuous compliance with emission limits, operating limits, work practice standards, and recordkeeping and reporting requirements associated with the facility's pickling line.

44. Because it emits or has the potential to emit 10 tpy or more of HCl, the Butler facility has been and continues to be a major source of HAP and, since January 31, 2016, has been required to comply with the requirements of the Boiler NESHAP for existing industrial boilers for its 10.9 MMBtu/hr natural gas-fired industrial boiler. Heidtman has failed to comply with the applicable requirements, which include the completion of a boiler energy assessment, regular boiler tune-ups and other work practice standards, submission of compliance notifications, and submission of boiler tune-up compliance reports.

Compliance Program

45. Heidtman has provided EPA with performance test data (report certified by laboratory on March 12, 2018) for the Butler facility to determine the HCl mass flow at the pickle line scrubber inlet and outlet (scrubber stack) using EPA Reference Methods 1-4 (stack gas characteristics) and 26A (HCl). This information is to be used to establish scrubber operating parameters that will be used to keep Heidtman's potential to emit HCl below 10 tpy.

46. Within 60 days of the effective date of this Order, Heidtman must submit to EPA for approval an operation and maintenance (O&M) plan for the pickle line scrubber system. The O&M plan must, at a minimum, include the following requirements:

a. Monitoring and recording the pressure drop across the scrubber once per shift while the scrubber is operating as a means to identify changes that may indicate a need for maintenance;

b. Maintaining the scrubber system pressure drop within an approved range, using fresh water for the pickle line scrubber system makeup water, and maintaining the makeup water flow rate at or above the minimum rate established during the most recent compliant HCl test.

c. According to the manufacturer's recommendations, conducting maintenance at the recommended intervals on fresh solvent pumps, recirculating pumps, discharge pumps, and other liquid pumps, in addition to exhaust system and scrubber fans and motors associated with those pumps and fans;

d. Cleaning of the scrubber internals and mist eliminators at intervals sufficient to prevent buildup of solids or other fouling;

e. Inspecting of the scrubber at intervals of no less than three months with:

i. Cleaning or replacement of any plugged spray nozzles or other liquid delivery devices;

ii. Repairing or replacing of missing, misaligned, or damaged baffles, trays, or other internal components;

iii. Repairing or replacing of droplet eliminator elements as needed; and

iv. Adjusting of damper settings for consistency with the required air flow;

f. Initiating procedures for corrective action within one working day of detection of: (i) a scrubber operating problem; or (ii) a pickling process operating problem adversely impacting, or potentially adversely impacting, the scrubber's performance and ability to meet performance standards. Heidtman shall complete all corrective actions as soon as practicable. Procedures to be initiated are the applicable actions that are specified in the O&M plan; and

g. Maintaining a record for so long as required under this Order, Heidtman's O&M plan, and/or Heidtman's air operating permit, once issued, of each inspection report that is signed by the responsible maintenance official and that shows the date of each inspection, the problem identified, a description of the repair, replacement, or other corrective action taken, and the date of the repair, replacement, or other corrective action taken.

47. After EPA, in consultation with the Indiana Department of Environmental Management ("IDEM") approves the O&M plan in accordance with Paragraph 46, above, Heidtman agrees to not operate its pickle line unless the pickle line scrubber system (currently installed and consisting of a three-tray wet scrubber and a mist eliminator operating in series) is maintained and operated in accordance with the approved O&M plan. In the event the final approved O&M plan requires any changes or modifications to Heidtman's existing pickle line scrubber system, Heidtman shall be allowed to operate its pickle line while such changes or modifications are being made subject to a schedule approved by EPA, in consultation with IDEM.

48. After EPA, in consultation with IDEM, approves the O&M plan in accordance with Paragraph 47, above, Heidtman must maintain the scrubber system pressure drop within the range approved in the O&M plan, use fresh water for the pickle line scrubber system make-up water, and maintain the makeup water flow rate at or above the minimum rates that were approved in the

O&M plan. If the pickle line scrubber system is operating outside of the compliant pressure drop range or below the minimum makeup water flow rate, Heidtman must initiate corrective action, in accordance with the approved O&M plan.

49. Heidtman must install (to the extent not already installed), operate, and maintain monitors for the measurement and recording of scrubber pressure drop and makeup water flow rate. The monitoring devices must be calibrated in accordance with the manufacturer's instructions, but not less frequently than once per year.

50. Heidtman must monitor the pickle line scrubber system pressure drop (inches of water) and makeup water flow rate (gallons per minute) on a continuous basis and record these parameters at least once per shift while the pickle line scrubber system is operating.

51. Heidtman must maintain records of the following for so long as required under its approved O&M plan and its federally enforceable state operating permit, referenced in Paragraph 52, below, once issued,

- a. The occurrence and duration of each malfunction of operation (i.e., process equipment) subject to corrective action under Paragraph 46(f), above;
- b. The occurrence and duration of each malfunction of the pickle line scrubber system;
- c. All maintenance performed on the pickle line scrubber system;
- d. Actions taken during periods of malfunction subject to Paragraph 46(f), above, to minimize emissions and the dates of such actions (including corrective actions to restore malfunctioning process and pickle line scrubber systems to their normal operation);
- e. All required measurements needed to demonstrate compliance with the emission and parameter limits, records of performance test results measurements

(including initial and any subsequent performance tests), and measurements as may be necessary to determine the conditions of the initial test or subsequent tests;

- f. All results of initial or subsequent performance tests;
- g. Scrubber pressure drop and makeup water flow rate;
- h. Calibration and manufacturer certification of the monitoring devices;
- i. Records of each maintenance inspection and repair, replacement, or other corrective action taken in accordance with the O&M plan; and
- j. Records of malfunctions, maintenance, and corrective actions taken in accordance with the pickle line scrubber O&M plan.

52. Within 60 days of approval of Heidtman's O&M plan, Heidtman must submit an application to IDEM requesting a federally enforceable state operating permit pursuant to SIP regulation 326 IAC 2-8. The application shall contain the information established in accordance with this Order in order to ensure that Heidtman's potential to emit HCl does not exceed 10 tpy. More specifically, the application shall contain the following provisions:

- a. The O&M plan established in accordance with Paragraph 46, above;
- b. A requirement to not operate the pickle line unless the pickle line scrubber system is in compliance with the requirements set forth in Paragraph 47 above;
- c. A requirement to use fresh water for the scrubber pollution control system make-up water and to maintain the make-up water flow rate in accordance with Paragraph 48, above;
- d. A requirement to initiate corrective action, in accordance with Paragraph 48, above;
- e. A requirement to install, operate and maintain monitors in accordance with Paragraph 49, above;

f. A requirement to maintain the pickle line scrubber system pressure drop in accordance with Paragraph 48, above;

g. A requirement to monitor and record pickle line scrubber system pressure drop and make-up water flow rate in accordance with Paragraph 50, above; and

h. A requirement to maintain the records specified in Paragraph 51, above.

53. Within 60 days of the effective date of this Order and on a quarterly basis, thereafter, Heidtman must submit a report to EPA that provides the daily pickle line scrubber system operating records and the daily pickle line production rate at the Butler facility.

54. Heidtman must send all reports required by this Order to:

Attention: Compliance Tracker (ECA-18J)
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

General Provisions

55. This Order does not affect Heidtman's responsibility to comply with other federal, state, and local laws.

56. This Order does not restrict EPA's authority to enforce the CAA and its implementing regulations.

57. Failure to comply with this Order may subject Heidtman to penalties of up to \$101,439 per day for each violation under Section 113 of the CAA, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.

58. The terms of this Order are binding on Heidtman, its assignees and successors. Heidtman must give notice of this Order to any successors in interest prior to transferring

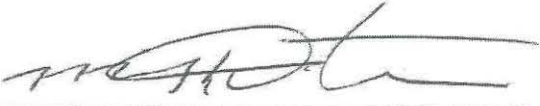
ownership of the Butler, Indiana facility and must simultaneously verify to EPA, at the above address, that it has given the notice.

59. EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.

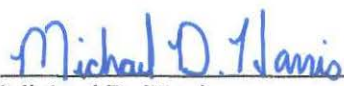
60. Heidtman agrees to the terms of this Order. Heidtman waives any remedies, claims for relief, and otherwise available rights to judicial or administrative review that it may have with respect to any issue or fact or law set forth in this Order, including any right of judicial review under Section 307(b) of the CAA, 42 U.S.C. § 7607(b).

61. This Order is effective on the date of signature by the Director of the Enforcement and Compliance Assurance Division. This Order will terminate two years from the effective date, provided that Heidtman has complied with all terms of the Order throughout its duration.

1-24-2020
Date


Michael Dustmann
Heidtman Steel Products, Inc.
Chief Financial Officer and Secretary
2401 Front Street
Toledo, Ohio 43605

02/04/2020
Date


Michael D. Harris
Division Director
Enforcement and Compliance Assurance Division
U. S. Environmental Protection Agency, Region 5

CERTIFICATE OF MAILING

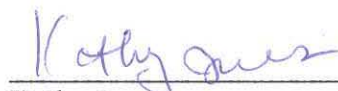
I certify that I sent the Administrative Consent Order, EPA-5-18-113(a)-IN-05, by certified mail, return receipt requested, to:

David W. Nunn
Eastman & Smith Ltd.
One SeaGate, 24th Floor
Toledo, Ohio 43699-0032

I also certify that I sent a copy of the Administrative Consent Order, EPA-5-18-113(a)-IN-05, by E- mail to:

Phil Perry
PPERRY@idem.IN.gov

On the 6th day of February 2020.



Kathy Jones
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT
NUMBER:

7019 0140 0006 0722 4434