



RECEIVED

OCT 16 1998

BUREAU OF
AIR REGULATION

October 14, 1998

Mr. A. A. Linero, P.E., Administrator
New Source Review Section
Florida Department of Environmental Protection
Division of Air Resources Management
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: AmeriSteel Corporation
Permit No. AC 16-259246/PSD-FL-221

Dear Mr. Linero,

AmeriSteel, Jacksonville Mill Division, is currently recycling steel at a projected rate of approximately 582,000 TPY (tons per year) for the calendar year 1998. This can be attributed to a production based employee incentive program, and the greater efficiency of steel production observed not only at this facility, but also at many other producers throughout the United States. Given that projected steel production is nearing the permitted limit of 600,000 TPY, the need to upgrade specific equipment, and to modify an emission factor, AmeriSteel has committed to prepare a PSD application for this facility. The application will include future production considerations, and the necessary modifications to accomplish the production goals. AmeriSteel representatives would like to meet with you and your staff to discuss the proposed PSD procedures to assure conformity with applicable regulations.

For most gaseous emissions, AmeriSteel believes it can demonstrate that net emissions increases, resulting from the modifications and/or increased production, will not be significant. Preliminary calculations show that the net emissions change for some pollutants is below the annual PSD applicability thresholds. Your concurrence is requested that procedures outlined in this letter are consistent with Florida Rules, PSD rules at 40 CFR 52.21, and with section III.B. of EPA's 1990 draft NSR Workshop Manual. These calculations and procedures can also be discussed in the meeting scheduled for Wednesday October 21, 1998 at 9:30 AM. In the past, AmeriSteel's consultant has discussed these planned procedures as employed at other facilities with Mr. Greg Worley of EPA Region IV (404/562-9141) and with Mr. Dennis Crumpler (919/541-0817) at EPA at Research Triangle Park.

Jacksonville Steel Mill Division

Hwy 217 Yellow Water Road • P.O. Box 518 • Baldwin • Florida 32234 (904) 266-4261 Fax (904) 266-4244

AmeriSteel would first determine if the potential to emit, for the proposed project, is significant for a regulated pollutant. These pollutants are CO, SO₂, NO_x, PM₁₀, Pb, and VOCs. This determination would be based on the annual steel production limit of 720,000 TPY, which would be in a federally-enforceable permit, and any other plant-wide increases related to the project.

The second step would determine which source-wide emissions units have increased or decreased actual emissions during a five-year contemporaneous period. The contemporaneous period is from January 1, 1994, five years before the scheduled modification, to December 31, 1998. The current actual emissions would be based on the average rate (in tons/year) that the furnace is allowed to emit during the 2-year period prior to the modification. This 2-year period would include 1997 and 1998 and the 5-year contemporaneous period is from January 1, 1994, to December 31, 1998.

The third step would require summing all the contemporaneous and creditable increases and decreases with the increase resulting from physical changes/modifications to determine if a significant net emissions increase will occur.

In summary, the net emissions change equals:

- emissions increases associated with the new project, *minus*
- source wide creditable contemporaneous emissions decreases, *plus*
- source wide creditable contemporaneous emissions increases.

Preliminary calculations indicate that netting out of PSD review for some pollutants would result by subtracting the existing permitted emissions, at current production, from the future potential emissions. Calculating past actual annual emissions would be accomplished by multiplying that actual average steel production rate for 1997 and 1998 (approx. 558,000 tons) by the permitted allowable rates using the appropriate emission factors from the current permit.

Other discussion issues follow:

- Emissions inventories for sources in the impact area and for ambient and weather data.
- NSPS, PSD, and SIP regulatory applicability.
- Acceptability of emission factors and averaging times.
- Other assumptions such as crediting the particulate reduction resulting from the new automobile shredder, and crediting the emissions from the worker incentive program.
- Proposed BACT for pollutants that are significant.
- Permit processing timetables.
- Compliance demonstration procedures.

AmeriSteel will begin the ISC SCREEN dispersion for the significant pollutants when netting calculations are approved. As you know, the SCREEN modeling impact results will indicate how to proceed with the full impact ISC3 modeling.

Questions, comments, or suggestions may be directed to my office at (904) 266-4261 ext. 133. We appreciate your guidance and look forward to meeting with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Leuck". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael A. Leuck
Environmental Specialist