

FIRST NOTICE OF COMMENT PERIOD

LSA Document #19-1

WARRICK COUNTY SULFUR DIOXIDE EMISSION LIMITATIONS

PURPOSE OF NOTICE

The Indiana Department of Environmental Management (IDEM) is soliciting public comment on amendments to rules at [326 IAC 7-4-10](#) concerning sulfur dioxide (SO₂) emissions for Warrick County. IDEM seeks comment on the affected citations listed and any other provisions of Title 326 that may be affected by this rulemaking.

CITATIONS AFFECTED: [326 IAC 7-4-10](#).

AUTHORITY: [IC 13-14-8](#); [IC 13-17-3](#).

SUBJECT MATTER AND BASIC PURPOSE OF RULEMAKING

Basic Purpose and Background

IDEM received a request to amend [326 IAC 7-4-10](#) to allow Alcoa Warrick LLC (Smelter Operations) in Warrick County, Source ID 173-00007, to develop alternative operating scenarios to restructure its SO₂ emission limitations for the potlines in the smelter process. The reason for the request is to accommodate market scarcity of low sulfur, metallurgical grade petroleum coke (petcoke), which Alcoa has been using in its smelter operations. This change in operations will not increase the overall annual SO₂ emissions from the facility.

Alcoa's smelter operation uses petcoke in the potlines. The source currently purchases its petcoke with approximately 2% sulfur content from South America. Current emission limitations were based on the assumption that 2% sulfur petcoke would be combusted in each of the potlines. Due to changing market conditions related to the availability of this material, the pricing and transportation costs of the 2% sulfur content petcoke make the continuation of the purchase of this material from South America cost prohibitive. Petcoke with a higher sulfur content of approximately 3.5% is available locally, making the purchase of this material a more viable economic option for Alcoa. Therefore, changing from use of the 2% sulfur petcoke to the 3.5% sulfur petcoke would benefit Alcoa.

Six potlines are currently listed for Alcoa in [326 IAC 7-4-10\(a\)\(3\)](#). However, Potline 1 has been permanently shut down, and that line will be removed from the rule. For the remaining five potlines, Potlines 2 through 6, emissions modeling analyses will be used to develop several alternative operating scenarios based on combustion of 3.5% sulfur petcoke. The overall annual SO₂ emissions from Alcoa will not increase. Therefore, depending on the modeling results, several different operating scenarios may be included in the rule, with SO₂ emission limitations assigned to each of the operating scenarios. IDEM will work with Alcoa to ensure that the modeled demonstration for each of the alternative operating scenarios complies with the current applicable SO₂ air quality standards.

IDEM also proposes to update the requirements for Southern Indiana Gas and Electric Company, ID number 173-0001, to remove Culley Unit 1 that is no longer in service. This unit has already been removed from the operating permit for the source. IDEM is proposing to remove this unit from the rule for consistency with the permit.

IDEM may also make additional administrative changes to correct or clarify existing language with this rulemaking.

The revisions to [326 IAC 7-4-10](#) will be submitted to the United States Environmental Protection Agency for approval into the state implementation plan. IDEM seeks comment on the affected citations listed, including suggestions for specific language, any other provisions of Title 326 that may be affected by this rulemaking, and alternative ways to achieve the purpose of the rulemaking.

Alternatives to Be Considered Within the Rulemaking

Alternative 1. Amend the SO₂ emission limitations for the Alcoa potlines, remove SIGECO Culley Unit 1, and make clarification changes to other portions of the rule.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? No. This is a state-only requirement.
- If it is a federal requirement, is it different from federal law? Not applicable.
- If it is different, describe the differences. Not applicable.

Alternative 2. Do not amend existing rules.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? No.
- If it is a federal requirement, is it different from federal law? Not applicable.

- If it is different, describe the differences. Not applicable.

Applicable Federal Law

42 U.S.C. 7408, Air Quality Criteria and Control Techniques.

42 U.S.C. 7409, National Primary and Secondary Ambient Air Quality Standards.

42 U.S.C. 7410, State Implementation Plans for National Primary and Secondary Ambient Air Quality Standards.

40 CFR Part 50, National Primary and Secondary Ambient Air Quality Standards.

Potential Fiscal Impact

Potential Fiscal Impact of Alternative 1. This alternative will have a favorable financial impact on Alcoa because the material and transportation costs of the proposed 3.5% sulfur petcoke will be less than the current material and transportation costs that Alcoa is experiencing to use 2% sulfur petcoke from South America.

This alternative is not anticipated to have a fiscal impact on state and local government. IDEM will be able to develop the proposed rule amendments and modeling demonstrations with current staff, funding, and resources.

Potential Fiscal Impact of Alternative 2. This alternative will have no immediate fiscal impact on the source since there would be no change to the rule. However, with the changing market conditions related to the availability of the South American petcoke, product costs and transportation costs could become more expensive in the future.

This alternative to leave the existing rule unchanged will have no fiscal impact on state and local government.

Small Business Assistance Information

IDEM established a compliance and technical assistance program (CTAP) under [IC 13-28-3](#). The program provides assistance to small businesses and information regarding compliance with environmental regulations. In accordance with [IC 13-28-3](#) and [IC 13-28-5](#), there is a small business assistance program ombudsman to provide a point of contact for small businesses affected by environmental regulations. Information on CTAP and other resources available can be found at:

www.in.gov/idem/ctap

For purposes of [IC 4-22-2-28.1](#), small businesses affected by this rulemaking may contact the Small Business Regulatory Coordinator:

Angela Taylor

IDEM Small Business Regulatory Coordinator/CTAP Small Business Liaison

IGCN 1316

100 North Senate Avenue

Indianapolis, IN 46204-2251

(317) 233-0572 or (800) 988-7901

ctap@idem.in.gov

For purposes of [IC 4-22-2-28.1](#), the Small Business Ombudsman designated by [IC 5-28-17-6](#) is:

Katelyn Colclazier

Small Business Ombudsman

Indiana Economic Development Corporation

One North Capitol, Suite 700

Indianapolis, IN 46204

(317) 431-1560

kcolclazier@iedc.in.gov

Resources available to regulated entities through the small business ombudsman include the ombudsman's duties stated in [IC 5-28-17-6](#), specifically [IC 5-28-17-6\(9\)](#), investigating and attempting to resolve any matter regarding compliance by a small business with a law, rule, or policy administered by a state agency, either as a party to a proceeding or as a mediator.

The Small Business Assistance Program Ombudsman is:

Erin Moorhou

IDEM Small Business Assistance Program Ombudsman/Business, Agricultural, and Legislative Liaison

IGCN 1301

100 North Senate Avenue

Indianapolis, IN 46204-2251

(317) 232-8921 or (800) 451-6027

emoorhou@idem.in.gov

Public Participation and Work Group Information

At this time, no work group is planned for the rulemaking. If you feel that a work group or other informal discussion on the rule is appropriate, please contact MaryAnn Stevens, Rules Development Branch, Office of Legal Counsel at (317) 232-8635 or (800) 451-6027 (in Indiana).

REQUEST FOR PUBLIC COMMENTS

At this time, IDEM solicits the following:

- (1) The submission of alternative ways to achieve the purpose of the rule.
- (2) The submission of suggestions for the development of draft rule language.

Comments may be submitted in one of the following ways:

- (1) By mail or common carrier to the following address:

LSA Document #19-1 Alcoa Sulfur Dioxide Emission Limitations
MaryAnn Stevens
Rules Development Branch
Office of Legal Counsel
Indiana Department of Environmental Management
Indiana Government Center North
100 North Senate Avenue
Indianapolis, IN 46204-2251

- (2) By facsimile to (317) 233-5970. Please confirm the timely receipt of faxed comments by calling the Rules Development Branch at (317) 232-8922.

- (3) By electronic mail to mstevens@idem.in.gov. To confirm timely delivery of submitted comments, please request a document receipt when sending the electronic mail. **PLEASE NOTE: Electronic mail comments will NOT be considered part of the official written comment period unless they are sent to the address indicated in this notice.**

- (4) Hand delivered to the receptionist on duty at the thirteenth floor reception desk, Office of Legal Counsel, Indiana Government Center North, 100 North Senate Avenue, Indianapolis, Indiana.

Regardless of the delivery method used, in order to properly identify each comment with the rulemaking action it is intended to address, each comment document must clearly specify the LSA document number of the rulemaking.

COMMENT PERIOD DEADLINE

All comments must be postmarked, faxed, or time stamped not later than February 8, 2019. Hand-delivered comments must be delivered to the appropriate office by 4:45 p.m. on the above-listed deadline date.

Additional information regarding this action may be obtained from MaryAnn Stevens, Rules Development Branch, Office of Legal Counsel, (317) 232-8635 or (800) 451-6027 (in Indiana).

Christine Pedersen, Section Chief
Rules Development Branch
Office of Legal Counsel

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An [html](#) version of this document.