

Regulatory Analysis
LSA Document #24-213**I. Description of Rule**

a. History and Background of the Rule - Kaiser Aluminum Warrick LLC (Kaiser) has purchased the wastewater treatment operations facility at the Alcoa Corporation (Alcoa) Warrick Operations in Newburgh, Indiana. This facility generates wastewater treatment sludge which was previously delisted under Alcoa, and Kaiser has requested that the sludge be delisted under their name.

Additionally, Kaiser intends to upgrade its wastewater treatment equipment. The incoming waste and the treatment processes will not change, but an additional filter press will be installed, resulting in a second source of delisted wastewater treatment sludge, rather than the single location in the approved delisting. Kaiser is not requesting to increase the maximum amount of sludge in the current delisting.

The draft rule increases the sampling requirements to reflect the new point of generation. Instead of two samples collected each quarter from one point of generation, the draft rule requires that two samples be collected from each of the points of generation each quarter. The analysis parameters remain the same.

This rulemaking is being developed at the request of the source to update the facility name and increase the sampling requirements based on the installment of the new filter press.

b. Scope of the Rule – This rule applies to the Kaiser facility at Warrick Operations in Newburgh, Indiana.

c. Statement of Need – The facility is changing ownership from Alcoa to Kaiser, and Kaiser has requested the name change in [329 IAC 3.1-6-8](#) to update the wastewater treatment sludge delisting under their name. Kaiser is also upgrading its wastewater treatment equipment, which requires installation of an additional filter press. This will result in delisted wastewater treatment sludge being generated at two locations, rather than the single location in the approved delisting.

Subsequently, the draft rule increases the sampling requirements to reflect the new point of generation. Instead of two samples collected each quarter from one point of generation, the draft rule requires that two samples be collected from each of the points of generation each quarter. The analysis parameters remain the same.

d. Statutory Authority for the Proposed Rule – IDEM's general rulemaking authority is found at [IC 4-22-2](#) and [IC 13-14-9](#). Specific authority for the agency to issue the proposed rule is found at [IC 13-17-8](#).

e. Fees, Fines, and Civil Penalties – This rule does not add or increase any fees, fines, or civil penalties for the source that would require adherence to [IC 4-22-2-19.6](#). This rulemaking is being developed at the request of the facility to update the facility name and increase the sampling requirements based on the installment of the new filter press.

II. Fiscal Impact Analysis

a. Anticipated Effective Date of the Rule – December 2024

b. Estimated Fiscal Impact on State and Local Government – This rule does not have a fiscal impact on state and local government. It revises [329 IAC 3.1-6-8](#) to update the wastewater treatment sludge delisting under Kaiser's name and adds an additional filter press that increases the sampling requirements to reflect the new point of generation.

c. Sources of Expenditures or Revenues Affected by the Rule – This rule does not impact the expenditures or revenues of state agencies or local government.

III. Impacted Parties

The party impacted by this rulemaking is the wastewater treatment operations facility at the former Alcoa Warrick Operations in Newburgh, Indiana, which has been purchased by Kaiser.

IV. Changes in Proposed Rule

This rulemaking will not make any substantive changes to rules and policies. This rule revises [329 IAC 3.1-6-](#)

[8](#) to update the wastewater treatment sludge delisting name from Alcoa to Kaiser and adds an additional filter press that increases the sampling requirements to reflect the new point of generation.

This rulemaking will not make any substantive changes to existing rules. This rulemaking is being developed at the request of the source to update the facility name and increase the sampling requirements based on the installment of the new filter press.

V. Benefit Analysis

a. Estimate of Primary and Direct Benefits of the Rule – The primary benefit of this rulemaking is to update [329 IAC 3.1-6-8](#) to change the facility name from Alcoa to Kaiser and to add an additional filter press with updated sampling requirements.

b. Estimate of Secondary or Indirect Benefits of the Rule – There is no secondary benefit to this rulemaking.

c. Estimate of Any Cost Savings to Regulated Industries – There is a significant cost savings to Kaiser resulting from the delisting of wastewater treatment sludge under the new facility name.

VI. Cost Analysis

a. Estimate of Compliance Costs for Regulated Entities – The processes generating the wastes that are treated onsite remain the same, but the facility proposes installing a second filter press, resulting in a second source of delisted wastewater treatment sludge. The maximum amount of delisted waste that may be managed and disposed of in any calendar year under this listing is not being altered and remains no more than 5,250 short tons. The increase in samples required would double the number of quarterly samples that are collected and analyzed. This increase in sampling and analyses would not create a large fiscal impact.

The following table shows the cost differences for the facility in disposing of wastewater treatment sludge as a hazardous waste versus a delisted waste. The facility name change from Alcoa to Kaiser will have a positive fiscal impact on the owner or operator, because they will be able to delist the sludge under the new facility name. There is a significant cost savings for the facility in disposing of the sludge as a delisted waste versus a hazardous waste.

Types of Hazardous Waste	Annual Disposal Cost
Sent as F019 Delisted	\$170,528.00
Sent as Hazardous Waste	\$415,808.00
	Annual Transportation Cost
Shipped as F019 Delisted	\$62,700.00
Shipped As Hazardous Waste	\$352,000.00
	Annual Lab Cost
Annual Cost for sampling one press Quarterly	\$1,723.20
Annual Cost for sampling two presses Quarterly	\$3,446.40
	Total Annual Cost
Sent as F019 Delisted	\$234,951.20
Sent as Hazardous Waste	\$771,254.40

b. Estimate of Administrative Expenses Imposed by the Rules – The increase in administrative expenses imposed by this rulemaking is minimal. Although the number of samples being collected and analyzed per quarter will double due to the installation of the second filter press, the facility is currently required to collect and analyze wastewater treatment sludge from the first filter press, and there is no increase in the processes generating the wastes to be treated. This rulemaking keeps the number of required samples consistent with the number of sources of delisted wastewater treatment sludge.

c. The fees, fines, and civil penalties analysis required by [IC 4-22-2-19.6](#) – There are no increases or additions of fees, fines, or civil penalties associated with this rulemaking.

VII. Sources of Information

To develop this rule, IDEM drew upon information provided by the facility and program staff from IDEM's Office of Land Quality, as well as historical data on costs associated with the current waste transporter and treatment, storage, and disposal facilities at the Warrick Operation site.

VIII. Regulatory Analysis

Beyond the estimated annual costs for disposal, transportation, and lab work in Section VI, this rulemaking will not impose any additional costs on the facility. This rulemaking will benefit Kaiser by updating the facility name in state rules and increasing the sampling requirements based on the installment of the new filter press.

Notice of First Public Comment Period with Proposed Rule: [20240703-IR-329240213FNA](#)

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