

STATEMENT OF BASIS

For the issuance of Draft Air Permit # 0035-AOP-R20 AFIN: 34-00033

1. PERMITTING AUTHORITY:

Division of Environmental Quality  
5301 Northshore Drive  
North Little Rock, Arkansas 72118-5317

2. APPLICANT:

Arkansas Steel Associates, LLC  
2803 Van Dyke Road  
Newport, Arkansas 72112

3. PERMIT WRITER:

Derrick Brown

4. NAICS DESCRIPTION AND CODE:

NAICS Description: Industrial Building Construction  
NAICS Code: 236210

5. ALL SUBMITTALS:

The following is a list of ALL permit applications included in this permit revision.

| Date of Application | Type of Application<br>(New, Renewal, Modification,<br>Deminimis/Minor Mod, or<br>Administrative Amendment) | Short Description of Any Changes<br>That Would Be Considered New or<br>Modified Emissions   |
|---------------------|---|---|
| 1/16/2026           | Renewal   | Incorporate Minor Modification dated June 2025. Removal of specific conditions #27 and #28.   |
| 6/11/2025           | Minor Modification  | Incorporate baghouse upgrades made to SN-01, SN-03 and SN-11. Revision of various monitoring requirements and updating of NSPS Subpart AA conditions. |

6. REVIEWER'S NOTES:

Arkansas Steel Associates, LLC (hereinafter "Arkansas Steel or ASA") located at 2803 Van Dyke Road in Newport, Arkansas owns and operates a steel mill. This permit

includes the Title V renewal for the facility. This permit incorporates equipment upgrades made to SN-01 and SN-03. The Shaker Baghouse and LMS Baghouse will be removed, and emissions from the caster canopy and LMS will be routed to the existing Dustex Baghouse. A new Schust Baghouse will control emissions from EAF direct evacuation. This permit removes the reference to “one of seventeen baghouse stacks” in specific condition #7. This permit revises specific condition #10 to include the building inspection requirements of 40 C.F.R. § 60.27(e). Finally, this permit revises specific conditions #29, 30, and 31 to reflect revised definitions of “melting and refining period”, “charging period”, and “tapping period” respectively. This modification increases permitted emissions by 9.6 tpy of PM<sub>10</sub>, 0.1 tpy CO, 0.1 tpy of NO<sub>x</sub>, 0.925 tpy of Fluoride, 1.694 tpy of HAPs, and decreases permitted emissions by 5.5 tpy of PM, 0.077 tpy of Lead, and 0.002 tpy of Mercury. Finally, this modification removes specific conditions 27, 28, and 43.

7. COMPLIANCE STATUS:

The following summarizes the current compliance of the facility including active/pending enforcement actions and recent compliance activities and issues.

The facility’s most recent inspection on February 5, 2025, stated there were no areas of concern.

8. PSD/GHG APPLICABILITY:

a) Did the facility undergo PSD review in this permit (i.e., BACT, Modeling, etc.)? N  
If yes, were GHG emission increases significant? N/A

b) Is the facility categorized as a major source for PSD? N  

- *Single pollutant ≥ 100 tpy and on the list of 28 or single pollutant ≥ 250 tpy and not on list*

If yes for 8(b), explain why this permit modification is not PSD.

N/A

9. SOURCE AND POLLUTANT SPECIFIC REGULATORY APPLICABILITY:

| Source                        | Pollutant                     | Regulation<br>(NSPS, NESHAP or PSD) |
|-------------------------------|-------------------------------|-------------------------------------|
| 01                            | PM, Opacity<br>HAPs           | NSPS AA<br>MACT YYYYY               |
| 02                            | Opacity                       | NSPS AA                             |
| 14, 15, 16, 17, 18, 21 and 22 | HAPs                          | MACT ZZZZ                           |
| 17 and 18                     | NO <sub>x</sub> , VOC, CO     | NSPS JJJJ                           |
| 20                            | HAPs                          | MACT CCCCC                          |
| 21 and 22                     | NO <sub>x</sub> , VOC, and CO | NSPS IIII                           |

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10. UNCONSTRUCTED SOURCES:

| Unconstructed Source | Permit Approval Date | Extension Requested Date | Extension Approval Date | If Greater than 18 Months without Approval, List Reason for Continued Inclusion in Permit |
|----------------------|----------------------|--------------------------|-------------------------|---|
| None                 |                      |                          |                         |   |

11. PERMIT SHIELD – TITLE V PERMITS ONLY:

Did the facility request a permit shield in this application? N

(Note - permit shields are not allowed to be added, but existing ones can remain, for minor modification applications or any 8 CAR pt. 40 requirement.)

If yes, are applicable requirements included and specifically identified in the permit?  
N/A

If not, explain why.

For any requested inapplicable regulation in the permit shield, explain the reason why it is not applicable in the table below.

| Source          | Inapplicable Regulation | Reason |
|-----------------|-------------------------|--------|
| None requested. |                         |        |

12. COMPLIANCE ASSURANCE MONITORING (CAM) – TITLE V PERMITS ONLY:

List sources potentially subject to CAM because they use a control device to achieve compliance and have pre-control emissions of at least 100 percent of the major source level. List the pollutant of concern and a brief summary of the CAM plan (temperature monitoring, CEMs, opacity monitoring, etc.) and frequency requirements of § 64.

| Source | Pollutant Controlled | Cite Exemption or CAM Plan Monitoring and Frequency |
|--------|----------------------|---|
| 01     | PM                   | Opacity/fan amps daily/per shift                    |
| 03     | PM                   | Below pre-control major source.                     |

13. EMISSION CHANGES AND FEE CALCULATION:

See emission change and fee calculation spreadsheet in Appendix A.

14. AMBIENT AIR EVALUATIONS:

The following are results for ambient air evaluations or modeling.

a) NAAQS

A NAAQS evaluation is not required under the Arkansas State Implementation Plan, National Ambient Air Quality Standards, Infrastructure SIPs and NAAQS SIP per Ark. Code Ann. § 8-4-318, dated March 2017 and the DEQ Air Permit Screening Modeling Instructions.

b) Non-Criteria Pollutants:

Based on Division of Environmental Quality procedures for review of non-criteria pollutants, emissions of non-criteria pollutants are below thresholds of concern.

c) H<sub>2</sub>S Modeling: N/A

15. CALCULATIONS:

| SN        | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equip. | Control Equip. Eff. | Comments |
|-----------|---|---------------------------------------|----------------|---------------------|----------|
| 01        | BACT limits and testing                       | Varied                                | baghouse       |                     |          |
| 01b       | AP-42 natural gas                             | Varied                                |                |                     |          |
| 03        | AP-42 12.5                                    | Varied                                | baghouse       |                     |          |
| 04        | AP-42 Natural gas and PSD limits              | Varied                                |                |                     |          |
| 05        | AP-42 natural gas                             | Varied                                |                |                     |          |
| 08<br>09  | AP-42 Roadway emissions                       | Formula                               |                |                     |          |
| 10 and 11 | AP-42 12.5                                    | Formula                               |                |                     |          |
| 14-19     | AP-42 or Rice Standards                       | varied                                | None           |                     |          |
| 20        | Tanks Program                                 | Formula                               | None           |                     |          |
| 21 and 22 | AP-42 and NSPS Limits                         | Varied                                | None           |                     |          |

16. TESTING REQUIREMENTS:

The permit requires testing of the following sources.

| SN | Pollutants  | Test Method                             | Test Interval | Justification  |
|----|---|---|---------------|--|
| 01 | PM<br>VOC<br>CO<br>NO <sub>x</sub><br>SO <sub>2</sub><br>Pb | 5 and 5d<br>25A<br>10<br>7E<br>6C<br>12 | 5 years       | PM is NSPS requirement. All are to show compliance with BACT limits. |
| 03 | PM  | 5                                       | 2 years       | BACT   |

| SN | Pollutants | Test Method | Test Interval | Justification |
|----|------------|-------------|---------------|---------------|
|    | CO         | 10          | Annually      | compliance    |

17. MONITORING OR CEMS:

The permittee must monitor the following parameters with CEMS or other monitoring equipment (temperature, pressure differential, etc.)

| SN | Parameter or Pollutant to be Monitored | Method (CEM, Pressure Gauge, etc.) | Frequency | Report (Y/N) |
|----|--|------------------------------------|-----------|--------------|
| 01 | Fan amps etc. NSPS AA requirements     | Ammeter, pressure gauge,           | Per shift | Y            |

18. RECORDKEEPING REQUIREMENTS:

The following are items (such as throughput, fuel usage, VOC content, etc.) that must be tracked and recorded.

| SN | Recorded Item  | Permit Limit | Frequency | Report (Y/N) |
|----|--|--------------|-----------|--------------|
| 01 | Fan amperes and damper position or magnahelix readings | Gauge        | Per shift | Y            |

19. OPACITY:

| SN | Opacity  | Justification for limit | Compliance Mechanism                          |
|----|--|-------------------------|---|
| 01 | 3%   | NSPS Subpart AA         | Daily Observation                             |
| 02 | 6% while refining<br>20% while charging<br>40% while tapping | NSPS Subpart AA         | One observation per week. During each period. |
| 03 | 5%   | Department Guidance     | Weekly observation.                           |
| 04 | 5%   | Natural Gas Combustion  |   |

20. DELETED CONDITIONS:

| Former SC                    | Justification for removal   |
|------------------------------|---|
| Specific Condition 27 and 28 | Application stated that the shell burner project remained below significant emissions thresholds, and required demonstration for 10 years. The facility has maintained these records for ten years. |

21. GROUP A INSIGNIFICANT ACTIVITIES:

The following is a list of Insignificant Activities including revisions by this permit.

| Source Name   | Group A Category | Emissions (tpy)     |                 |        |      |                 |        |       |
|---|------------------|---------------------|-----------------|--------|------|-----------------|--------|-------|
|   |                  | PM/PM <sub>10</sub> | SO <sub>2</sub> | VOC    | CO   | NO <sub>x</sub> | HAPs   |       |
|   |                  |                     |                 |        |      |                 | Single | Total |
| (2) 1100 gallon diesel storage tank                         | A-3              |                     |                 | 0.0008 |      |                 |        |       |
| (1) 120 gallon diesel storage tank                          | A-3              |                     |                 | 0.0004 |      |                 |        |       |
| (1) 220 gallon used oil tank                                | A-3              |                     |                 | 0.0004 |      |                 |        |       |
| (1) 580-gallon diesel storage tank                          | A-3              |                     |                 | 0.0004 |      |                 |        |       |
| Total   | A-3              |                     |                 | 0.002  |      |                 |        |       |
| (8) Cooling Towers  | 4.2              |                     |                 |        |      |                 |        |       |
| Parts washers that use a low vapor pressure organic solvent |                  |                     |                 | 0.9    |      |                 |        |       |
| Materials handling  | .15              |                     |                 |        |      |                 |        |       |
| Portable Hopper   | .01              |                     |                 |        |      |                 |        |       |
| 15,000 gallon used oil tank                                 |                  |                     |                 | 0.0004 |      |                 |        |       |
| Total   | A-13             | 4.36                |                 | 0.9    |      |                 |        |       |
| Pressure Washer Heater                                      | A-1              | 0.04                | 0.09            | 0.003  | 0.07 | 0.26            |        | 0.004 |

22. VOIDED, SUPERSEDED, OR SUBSUMED PERMITS:

The following is a list of all active permits voided/superseded/subsumed by the issuance of this permit.

| Permit #     |
|--------------|
| 0035-AOP-R19 |



## APPENDIX A – EMISSION CHANGES AND FEE CALCULATION

## Fee Calculation for Major Source

Revised 03-11-16

Facility Name: Arkansas Steel Ass., Inc.  
 Permit Number: 0035-AOP-R20  
 AFIN: 34-00033

|               |              |                                   |         |
|---------------|--------------|-----------------------------------|---------|
| \$/ton factor | 28.14        | Annual Chargeable Emissions (tpy) | 607.783 |
| Permit Type   | Modification | Permit Fee \$                     | 1000    |

|   |                          |
|---|--------------------------|
| Minor Modification Fee \$   | 500                      |
| Minimum Modification Fee \$   | 1000                     |
| Renewal with Minor Modification \$  | 500                      |
| Check if Facility Holds an Active Minor Source or Minor Source General Permit | <input type="checkbox"/> |
| If Hold Active Permit, Amt of Last Annual Air Permit Invoice \$               | 0                        |
| Total Permit Fee Chargeable Emissions (tpy)                                   | -4.477                   |
| Initial Title V Permit Fee Chargeable Emissions (tpy)                         |                          |

*HAPs not included in VOC or PM:* Chlorine, Hydrazine, HCl, HF, Methyl Chloroform, Methylene Chloride, Phosphine, Tetrachloroethylene, Titanium Tetrachloride

*Air Contaminants:* All air contaminants are chargeable unless they are included in other totals (e.g., H2SO4 in condensable PM, H2S in TRS, etc.)

| Pollutant (tpy)   | Check if Chargeable Emission | Old Permit | New Permit | Change in Emissions | Permit Fee Chargeable Emissions | Annual Chargeable Emissions |
|-------------------|------------------------------|------------|------------|---------------------|---------------------------------|-----------------------------|
| PM                |                              | 97.8       | 92.3       | -5.5                | -5.5                            | 92.3                        |
| PM <sub>10</sub>  |                              | 64.8       | 74.4       | 9.6                 |                                 |                             |
| PM <sub>2.5</sub> |                              | 0          | 0          | 0                   |                                 |                             |
| SO <sub>2</sub>   |                              | 162.9      | 162.9      | 0                   | 0                               | 162.9                       |
| VOC               |                              | 98.5       | 98.5       | 0                   | 0                               | 98.5                        |
| CO                |                              | 1799.3     | 1799.4     | 0.1                 |                                 |                             |
| NO <sub>x</sub>   |                              | 252        | 252.1      | 0.1                 | 0.1                             | 252.1                       |
| Lead              | <input type="checkbox"/>     | 1.72       | 1.643      | -0.077              |                                 |                             |

| Pollutant (tpy)                          | Check if Chargeable Emission        | Old Permit | New Permit | Change in Emissions | Permit Fee Chargeable Emissions | Annual Chargeable Emissions |
|--|-------------------------------------|------------|------------|---------------------|---------------------------------|-----------------------------|
| Fluoride (chargeable)                    | <input checked="" type="checkbox"/> | 1          | 1.925      | 0.925               | 0.925                           | 1.925                       |
| Mercury (chargeable)                     | <input checked="" type="checkbox"/> | 0.06       | 0.058      | -0.002              | -0.002                          | 0.058                       |
| HAPs                                     | <input type="checkbox"/>            | 3.5        | 5.194      | 1.694               |                                 |                             |
|  | <input type="checkbox"/>            | 0          | 0          | 0                   |                                 |                             |
| (+ 0.923 to add to chargeable emissions) | <input type="checkbox"/>            | 0          | 0          | 0                   |                                 |                             |
| Annual Chargeable Emissions 606.72 tpy   | <input type="checkbox"/>            | 0          | 0          | 0                   |                                 |                             |