



ENVIRONMENTAL LAW & POLICY CENTER

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BY EMAIL ONLY

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**Re: Comments on New Source Review and Federally Enforceable State Operating Permit For Metal Management Indiana, Inc. d/b/a Sims Metal in Lake County
425 West 152nd Street, East Chicago, Lake County, Indiana
Operation Permit No.: F089-46196-00608**

To Indiana Department of Environmental Management:

The Environmental Law & Policy Center (“ELPC”), on behalf of itself and its members, submits these comments to the Indiana Department of Environmental Management (“IDEM”) on the proposed New Source Review and Federally Enforceable State Operating Permit (“FESOP”) for Metal Management of Indiana (“Sims Metal”) in East Chicago, Indiana. These comments are intended to increase public understanding of the volume and variety of pollutants from this stationary source and the significance of issuing a FESOP to a facility that had previously only had a Minor Source Operating Permit (“MSOP”). With additional information, ELPC requests that IDEM conduct a public hearing to allow for a more robust evaluation of the impact of emissions permitted under this FESOP on the health and welfare of local residents and consideration of opportunities to mitigate those impacts. Specifically, ELPC recommend that FESOP Permit No. T089-46196-00608 be amended to: (1) advance environmental justice; (2) provide additional information; and (3) improve monitoring and public reporting.

ELPC is the Midwest’s leading public interest environmental legal advocacy organization and works to protect the environment and public health. ELPC’s work includes a focus on industrial and other major sources of pollution affecting the health and welfare of residents along Lake Michigan’s southern shoreline in Northwest Indiana. As part of this work, ELPC tracks air emissions reports from industries along the Indiana lakeshore to ensure that they play by the rules and implement the latest emissions control technologies to reduce pollution and improve the landscape where people live, work, and play.

To assist IDEM in its consideration of these comments, each of ELPC’s recommendations is indented and highlighted. All other text is explanatory background in support of these recommendations. There are multiple recommendations in each of the three categories.

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1. Advance Environmental Justice

IDEM permits over 35 major air emission sources in East Chicago alone. The air emissions from Sims Metal must be considered in the context of the many other stationary sources of air emissions in the Region. Some industry can co-exist with residents if steps are taken to prevent over-burdening that community. The more industry there is, the more precautions are needed to assure that local residents are not shouldering a disproportionate burden to serve the needs of all. While Sims Metal provides a valuable recycling service, the importance of those services does not mean that it should be allowed to operate without regard to the surrounding communities.

- **Environmental Justice Analysis.** IDEM should conduct an environmental justice analysis of appropriate scope to inform the permitting decision. The analysis should include an EJScreen analysis, input from the affected community to identify their concerns, an evaluation of existing environmental data, and an evaluation of existing demographic and public health data about the community. The analysis should evaluate the potential effects that the proposed FESOP will have on the community, and the degree to which these effects will be disproportionately high and adverse. The analysis should further discuss mitigations to the permit to address any identified adverse effects.
- **Cumulative Impact Analysis.** IDEM should conduct a cumulative impact analysis to determine Sims Metal's impact on the affected communities. A cumulative impact analysis will demonstrate that the permit will be protective of health and the environment in those communities. Sims Metal is located in an area that has numerous other sources in the vicinity, suggesting that a cumulative impact analysis is appropriate.
- **Mitigation.** IDEM should consider opportunities to address disproportionately high and adverse effects that extend beyond the scope of the air permitting decision that utilize a whole-of-government approach by working with Sims Metal and local officials to reduce impacts on the surrounding neighborhood.
- **Greater Public Outreach.** IDEM should hold a public hearing in East Chicago to hear and answer questions and comments from local residents regarding the Sims Metal facility. ELPC further recommends that responsible officials from Sims Metal attend. Situated, as it is, behind fencing, the public has little access to what goes on at the Sims Metal facility. A public hearing could help dispel some concerns and raise understanding among local residents, and apprise the company of its role and impact on the community.

ELPC's remaining comments stand alone from its recommendations regarding environmental justice, but are influenced by them. The needs addressed by ELPC's remaining recommendations are heightened by IDEM's responsibility to consider environmental justice in its permitting decisions. The remaining comments are not, however, exhaustive of the ways in which FESOP No. T089-46196-00608 could be amended to mitigate the impact to the environment and local residents. ELPC encourages IDEM and Sims Metal, based on their superior knowledge of planned operations, to look for and implement creative means to reduce its adverse impacts.

2. Provide Additional Information

Sims Metal has over 140 recycling facilities in the United States, including seven in the Chicago metropolitan area. Shredding vehicles is an efficient and well-established means of segregating ferrous metal and plays an important role in recycling steel for use in northwest Indiana steel mills. Automotive shredder residue (“ASR”) contains plastics, rubber, wood, paper, textile, leather or glass and may include lead, zinc, cadmium, and hazardous constituents.

Sims Metal was issued a Minor Source Operating Permit (MSOP) on August 30, 2019. That permit authorized the construction of a vehicle shredder with a capacity of 112 tons per hour (tph). That shredder was never installed. Instead, Sims obtained a Significant Permit Revision to its MSOP on September 9, 2020 that authorized installation of a scrap vehicle/metal shredder with a maximum capacity of 38.6 tph. According an IDEM inspection report, this smaller shredder began operation on October 2020 (*see* VFC #83279427), but did not operate in January or February, 2021 and has not operated since sometime in March 2022.

IDEM’s proposed FESOP authorizes installation of a new scrap vehicle/metal shredder with a maximum capacity of 200 tph. This is more than five times larger than the previous shredder that operated on the site from March 2021 to March 2022. It is difficult for the public to understand the potential air emissions from this new shredder, not to mention noise and other local impacts. The permit should provide all available information to inform the public regarding the permitted operations of Sims Metal.

- **Greater Transparency.** The FESOP should include an Addendum to the Technical Support Document (“ATSD”) that provides a detailed description of the history of the Sims Metal facility and its planned operations over the next five years.

FESOP No. T089-46196-00608 limits emissions of volatile organic compounds (VOCs) from Sims’ new 200 tph shredder to no more than 0.175 lbs/ton of material throughput (35 pounds/hr at maximum operating capacity) and to no more than 24.5 tons per year. Likewise, the proposed permit limits emissions of particulate matter (PM) and hazardous air pollutants (HAPs) is no more than 0.0337 lbs/ton and 0.032 lbs/ton of material throughput, respectively (6.74 lbs/hr and 6.4 lbs/hr at maximum operating capacity), and to no more than 4.7 and 4.48 tons per year of PM and HAPs. The proposed FESOP does not, however, require Sims Metal to ever test its new larger-capacity shredder in East Chicago to verify its operation within these limits. Instead, Sims Metal “may use stack test results from the Sims Metal Management New England Corporation Plant, (5-17 Green Earth Way, Johnston, Rhode Island; test date: September 15, 18, and 20, 2017), in lieu of testing the 200 tph New Scrap Vehicle/Metal Shredder at the East Chicago location.” FESOP, Section D.1.6.

- **Provide the Basis for Emissions Calculations.** The FESOP should include an ATSD that includes a detailed description of the Sims plant in Johnston, Rhode Island, including its maximum throughput, its operational history, its stack test results from September 2017, permitted emission limits on the Johnston shredder, and any pollution controls or mitigation required by its permit.

In addition to not requiring an initial performance test on the 200 tph shredder, the FESOP does not require the shredder to be routinely tested for compliance with emission limits. *See* Technical Support Document (TSD), at 16. Automobiles in Lake County must pass an emissions test every two years. Sims' shredder, with much greater potential to emit pollutants, should be subject to at least this level of inspection, if not greater.

- **Emissions Testing.** The FESOP should be amended to require that the new 200 tph scrap vehicle/metal shredder be tested for compliance with permitted emission limits at least every two years.

3. Additional Monitoring and Public Reporting

Overall, the proposed permit calculates emissions by multiplying standard EPA emissions factors and other information outside the TSD with an amount of material throughput. Consequently, the only enforceable limitation on the facility is the rolling 12-month limit of 280,000 tons of throughput. That is why Sims Metal's quarterly permit reports are a single page showing the amount of material throughput each month and the prior 11 months. On paper, 280,000 tons per 12-months is not an insignificant limit as the large shredder is capable of processing over 400,000 tons of throughput if operated 40 hours per week for 52 weeks. It is unclear, however, whether the large shredder could operate on a continuous basis.

- **Basis for Emissions.** If IDEM is unwilling to require actual emissions testing on any operations at the Sims Metal facility, the FESOP should include an ATSD that provides the basis for each emission factor used for calculating emissions.

ELPC lauds IDEM for providing access to compliance reports from permitted sources through its Virtual File Cabinet. Sims Metal's one-page quarterly reports provide only the bare minimum level of information required by the permit and has sometimes been late.

- **Improved Reporting.** IDEM and Sims Metal should explore opportunities to provide additional information to the local community through outreach and public information. Greater community transparency will promote public engagement and help build trust among all stakeholders.

Thank you for considering ELPC's recommendations.

Respectfully submitted,



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