

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

IN THE MATTER OF:)
SSAB Alabama Inc.)
Axis, Mobile County, Alabama) CONSENT ORDER NO. 25-XXX-CAP
ADEM Air Facility ID No. 503-8065)

PREAMBLE

This Special Order by Consent is made and entered into by the Alabama Department of Environmental Management (“Department” or “ADEM”) and SSAB Alabama Inc. (“Permittee”) pursuant to the provisions of the Alabama Environmental Management Act, Ala. Code §§ 22-22A-1 to 22-22A-17, as amended, the Alabama Air Pollution Control Act, Ala. Code §§ 22-28-1 to 22-28-23, as amended, and the regulations promulgated pursuant thereto.

STIPULATIONS

- 1. The Permittee operates a steel mill facility (“Facility”) located in Axis, Mobile County, Alabama (ADEM Air Facility ID No. 503-8065).
2. The Department is a duly constituted department of the State of Alabama pursuant to Ala. Code §§ 22-22A-1 to 22-22A-17, as amended.
3. Pursuant to Ala. Code § 22-22A-4(n), as amended, the Department is the state air pollution control agency for the purposes of the federal Clean Air Act, 42 U.S.C. 7401 to 7671q, as amended. In addition, the Department is authorized to administer and enforce the provisions of the Alabama Air Pollution Control Act, Ala. Code §§ 22-28-1 to 22-28-23, as amended.

4. The Permittee operates a twin-shell Electric Arc Furnace (“EAF”) within the meltshop at the Facility pursuant to the authority of Major Source Operating Permit No. 503-8065 (“Permit”). Under normal conditions, emissions from the EAF are collected at each shell by direct evacuation controls that converge into one water-cooled duct (“the DEC”); emissions that escape capture by the DEC are collected by the meltshop canopy constructed at the top of the structure. Both the DEC and the meltshop canopy route collected emissions to the baghouse.

5. “Provisos for Twin Shell Electric Arc Furnace & Ladle Metallurgy Furnace with Meltshop Baghouse” Emission Standards Proviso 4 states: “Emissions from the roof or any openings of the building enclosure associated with the electric arc furnace shall not exceed six percent (6%) opacity as determined by a six (6) minute average.”

DEPARTMENT’S CONTENTIONS

6. On July 18, 2025, the Department conducted an inspection of the Facility and observed visible emissions emanating from the top of a ground-level opening in the meltshop. This opening is sufficiently high to allow haulers to drive scrap buckets into the meltshop’s charge bay. These emissions originated from the EAF.

7. Department personnel conducted a visible emissions observation in accordance with Method 9 of 40 CFR Part 60, Appendix A-4, of the emissions from the meltshop. For the period of 9:53 through 9:59 AM, the emissions from the meltshop exhibited 8.3% opacity.

8. Following the Method 9 observation, Department personnel entered the meltshop and observed that it was filled with emissions from the EAF, from the meltshop canopy down to the charge bay opening.

9. On August 25, 2025, the Department issued a Notice of Violation to the Permittee citing the exceedance of the 6% opacity limit from the meltshop. In it, the Department requested that the Permittee conduct a root cause analysis of the visible emissions observed during the July 18, 2025, inspection.

10. On September 24, 2025, the Permittee responded to the Notice of Violation, identifying the failure of one of the main DEC damper's hydraulic cylinders, resulting in half of the damper failing shut and restricting flow by 50%.

11. On October 10, 2025, in response to the Department's September 30, 2025, follow-up questions, the Permittee clarified that they had been unable to determine when the lower half of the main DEC damper had failed. The Permittee also provided a maintenance ticket dated July 28, 2025, indicating that the damper had been repaired.

12. Pursuant to Ala. Code § 22-22A-5(18)c., *as amended*, in determining the amount of any penalty, the Department must give consideration to the seriousness of the violation, including any irreparable harm to the environment and any threat to the health or safety of the public; the standard of care manifested by such person; the economic benefit which delayed compliance may confer upon such person; the nature, extent and degree of success of such person's efforts to minimize or mitigate the effects of such violation upon the environment; such person's history of previous violations; and the ability of such person to pay such penalty. Any civil penalty assessed pursuant to this authority shall not exceed \$25,000.00 for each violation, provided however, that the total penalty assessed in an order issued by the Department shall not exceed \$250,000.00. Each day such violation continues shall constitute a separate violation. In arriving at this civil penalty, the Department has considered the following.

A. SERIOUSNESS OF THE VIOLATION: The Department considers the Permittee's failure to meet the 6% opacity limit on emissions from the meltshop to be a serious violation. However, the Department is not aware of any irreparable harm to the environment resulting from this violation.

B. THE STANDARD OF CARE: The Permittee failed to exhibit a sufficient standard of care by failing to sufficiently capture EAF emissions such that emissions greater than 6% opacity escaped the meltshop.

C. ECONOMIC BENEFIT WHICH DELAYED COMPLIANCE MAY HAVE CONFERRED: The Department is not aware of any evidence indicating that the Permittee received any significant economic benefit from these violations.

D. EFFORTS TO MINIMIZE OR MITIGATE THE EFFECTS OF THE VIOLATION UPON THE ENVIRONMENT: The Department is not aware of any efforts by the Permittee to minimize or mitigate the effects of these violations on the environment.

E. HISTORY OF PREVIOUS VIOLATIONS: On March 22, 2024, the Permittee and the Department executed Consent Order No. 24-062-CAP, regarding emissions from the Ladle Metallurgy Furnace, following a June 26, 2023, Notice of Violation for that same event.

F. THE ABILITY TO PAY: The Permittee has not alleged an inability to pay the civil penalty.

G. OTHER FACTORS: It should be noted that this Special Order by Consent is a negotiated settlement and, therefore, the Department has compromised the amount of the penalty in this matter in the spirit of cooperation and the desire to resolve this matter amicably, without incurring the unwarranted expense of litigation.

13. The Department has carefully considered the six statutory penalty factors enumerated in Ala. Code § 22-22A-5(18)c., *as amended*, as well as the need for timely and effective enforcement and, based upon the foregoing and attached contentions, has concluded that the civil penalty herein is appropriate (*See* “Attachment A”, which is hereby made a part of the Department’s Contentions).

14. The Department neither admits nor denies Permittee’s Contentions, which are set forth below. The Department has agreed to the terms of this Consent Order in an effort to resolve the alleged violations cited herein without the unwarranted expenditure of State resources in further prosecuting the above violations. The Department has determined that the terms contemplated in this Consent Order are in the best interests of the citizens of Alabama.

PERMITTEE’S CONTENTIONS

15. The single six-minute average opacity observation was the only non-compliance identified in the comprehensive unannounced annual air inspection. Given the overall significant permit and regulatory obligations of the steel mill, the Permittee overwhelmingly demonstrated compliance with the permit terms.

16. The Permittee questions the accuracy of the single opacity observation that is the sole basis for the formal enforcement. ADEM used the charge bay pillar as the background, which is atypical and could have impacted the observation. In addition, the accepted margin of error for Method 9 observations is 7.5% (*See*, Method 9, Section 3.1). Given this margin of error, Method 9 cautions that “the accuracy of the method must be taken into account when determining possible violations of applicable opacity standards.”

These limitations call into question the accuracy of an observation of 8.3% compared to a 6% limit.

17. ADEM conducted 15 minutes of opacity observations. Most 6-minute average periods were in compliance. This demonstrates that the melt shop was not in consistent noncompliance, and the noncompliance was, at most, extremely limited.

18. The Permittee fully cooperated with ADEM during the inspection, in response to the NOV, in response to the follow-up questions to the NOV, and with this proposed Consent Order. Upon ADEM identifying its opacity concern, the Permittee immediately conducted an investigation, identified the issue, corrected it, and implemented preventative measures. The Permittee was therefore fully proactive.

19. The Permittee neither admits nor denies the Department's Contentions. The Permittee consents to comply with the terms of this Consent Order and to pay the civil penalty assessed herein.

ORDER

THEREFORE, the Permittee, along with the Department, desires to resolve and settle the compliance issues cited above. The Department has carefully considered the facts available to it and has considered the six penalty factors enumerated in Ala. Code § 22-22A-5(18)c., *as amended*, as well as the need for timely and effective enforcement, and the Department has determined that the following conditions are appropriate to address the violations alleged herein. Therefore, the Department and the Permittee agree to enter into this Consent Order with the following terms and conditions:

A. The Permittee agrees to pay to the Department a civil penalty in the amount of \$8,000.00 in settlement of the violations alleged herein within forty-five days from the

effective date of this Consent Order. Failure to pay the civil penalty within forty-five days from the effective date may result in the Department's filing a civil action in the Circuit Court of Montgomery County to recover the civil penalty.

B. The Permittee agrees that all penalties due pursuant to this Consent Order shall be made payable to the Alabama Department of Environmental Management by certified or cashier's check and shall be remitted to:

Office of General Counsel
Alabama Department of Environmental Management
P.O. Box 301463
Montgomery, Alabama 36130-1463

C. The Permittee agrees to comply with all requirements of ADEM Administrative Code div. 335-3 and the Permit immediately upon the effective date of this Order and continuing every day thereafter.

D. The parties agree that this Consent Order shall apply to and be binding upon both parties, their directors, officers, and all persons or entities acting under or for them. Each signatory to this Consent Order certifies that he or she is fully authorized by the party he or she represents to enter into the terms and conditions of this Consent Order, to execute the Consent Order on behalf of the party represented, and to legally bind such party.

E. The parties agree that, subject to the terms of these presents and subject to provisions otherwise provided by statute, this Consent Order is intended to operate as a full resolution of the violations which are cited in this Consent Order.

F. The Permittee agrees that it is not relieved from any liability if it fails to comply with any provision of this Consent Order.

G. For purposes of this Consent Order only, the Permittee agrees that the Department may properly bring an action to compel compliance with the terms and

conditions contained herein in the Circuit Court of Montgomery County. The Permittee also agrees that in any action brought by the Department to compel compliance with the terms of this Agreement, the Permittee shall be limited to the defenses of *Force Majeure*, compliance with this Agreement and physical impossibility. A *Force Majeure* is defined as any event arising from causes that are not foreseeable and are beyond the reasonable control of the Permittee, including its contractors and consultants, which could not be overcome by due diligence (i.e., causes which could have been overcome or avoided by the exercise of due diligence will not be considered to have been beyond the reasonable control of the Permittee) and which delays or prevents performance by a date required by the Consent Order. Events such as unanticipated or increased costs of performance, changed economic circumstances, normal precipitation events, or failure to obtain federal, state, or local permits shall not constitute *Force Majeure*. Any request for a modification of a deadline must be accompanied by the reasons (including documentation) for each extension and the proposed extension time. This information shall be submitted to the Department a minimum of ten working days prior to the original anticipated completion date. If the Department, after review of the extension request, finds the work was delayed because of conditions beyond the control and without the fault of the Permittee, the Department may extend the time as justified by the circumstances. The Department may also grant any other additional time extension as justified by the circumstances, but it is not obligated to do so.

H. The Department and the Permittee agree that the sole purpose of this Consent Order is to resolve and dispose of all allegations and contentions stated herein concerning the factual circumstances referenced herein. Should additional facts and

circumstances be discovered in the future concerning the facility which would constitute possible violations not addressed in this Consent Order, then such future violations may be addressed in Orders as may be issued by the Director, litigation initiated by the Department, or such other enforcement action as may be appropriate, and the Permittee shall not object to such future orders, litigation or enforcement action based on the issuance of this Consent Order if future orders, litigation or other enforcement action address new matters not raised in this Consent Order.

I. The Department and the Permittee agree that this Consent Order shall be considered final and effective immediately upon signature of all parties. This Consent Order shall not be appealable, and the Permittee does hereby waive any hearing on the terms and conditions of same.

J. The Department and the Permittee agree that this Order shall not affect the Permittee's obligation to comply with any Federal, State, or local laws or regulations.

K. The Department and the Permittee agree that final approval and entry into this Order are subject to the requirements that the Department give notice of proposed Orders to the public, and that the public have at least thirty days within which to comment on the Order.

L. The Department and the Permittee agree that, should any provision of this Order be declared by a court of competent jurisdiction or the Environmental Management Commission to be inconsistent with Federal or State law and therefore unenforceable, the remaining provisions hereof shall remain in full force and effect.

M. The Department and the Permittee agree that any modifications of this Order must be agreed to in writing signed by both parties.

N. The Department and the Permittee agree that, except as otherwise set forth herein, this Order is not and shall not be interpreted to be a permit or modification of an existing permit under Federal, State or local law, and shall not be construed to waive or relieve the Permittee of its obligations to comply in the future with any permit.

Executed in duplicate, with each part being an original.

SSAB ALABAMA INC.

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT



(Signature of Authorized Representative)

Edward F. Poolos
Director

ANDREW F. BRAUSTEDT
(Printed Name)

GENERAL MANAGER
(Printed Title)

Date Signed: 1/29/26

Date Executed: _____

Attachment A

**SSAB Alabama Inc.
Axis, Mobile County**

ADEM Air Facility ID No. 503-8065

Violation*	Number of Violations*	Seriousness of Violation*	Standard of Care*	History of Previous Violations*	Total of Three Factors
Exceedance of 6% NSPS AAa opacity limit for meltshop	1	\$5,000.00	\$3,000.00	\$2,000.00	\$10,000.00
TOTAL PER FACTOR		\$5,000.00	\$3,000.00	\$2,000.00	\$10,000.00

Adjustments to Amount of Initial Penalty	
Mitigating Factors (-)	
Ability to Pay (-)	
Other Factors (+/-)	-\$2,000.00
Total Adjustments (+/-)	-\$2,000.00

Economic Benefit (+)	
Amount of Initial Penalty	\$10,000.00
Total Adjustments (+/-)	-\$2,000.00
FINAL PENALTY	\$8,000.00

Footnotes

* See the "Department's Contentions" portion of the Order for a detailed description of each violation and the penalty factors