

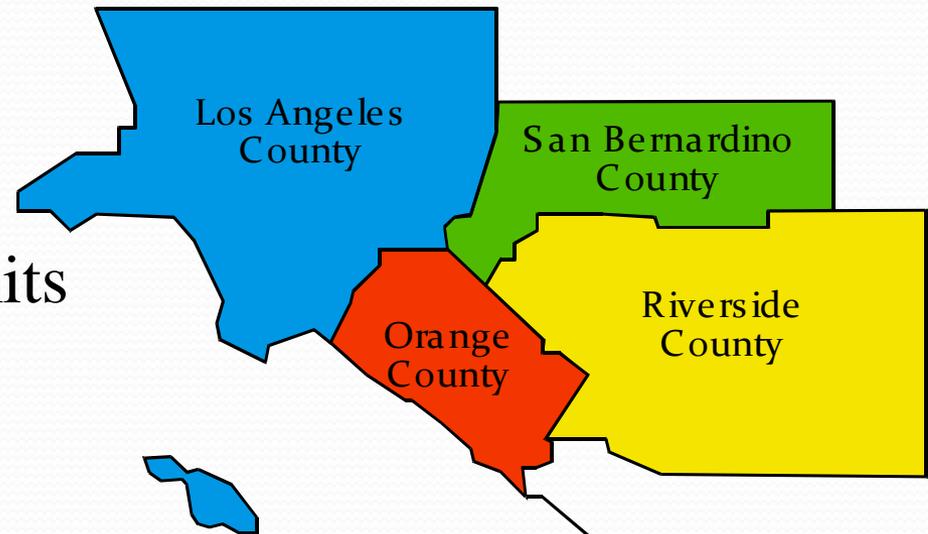
Gerdau Steel AB2588 Public Meeting

South Coast Air Quality Management District

November 30, 2015

The SCAQMD

- Air pollution control agency for all of Orange County, and the urban portions of Los Angeles, Riverside, and San Bernardino counties
- 16.8 million people
- Tens of thousands of businesses with air permits



Gerdau Steel

- Facility in operation since 1956
 - Gerdau purchased facility in late 2010/early 2011
- Located at 12459 Arrow Blvd., Rancho Cucamonga
- Recycle steel by melting scrap metal and processing it into rebar
- Can operate up to 24 hrs/day, 7 days/week
 - Most activity occurs during the day

Gerdau Steel

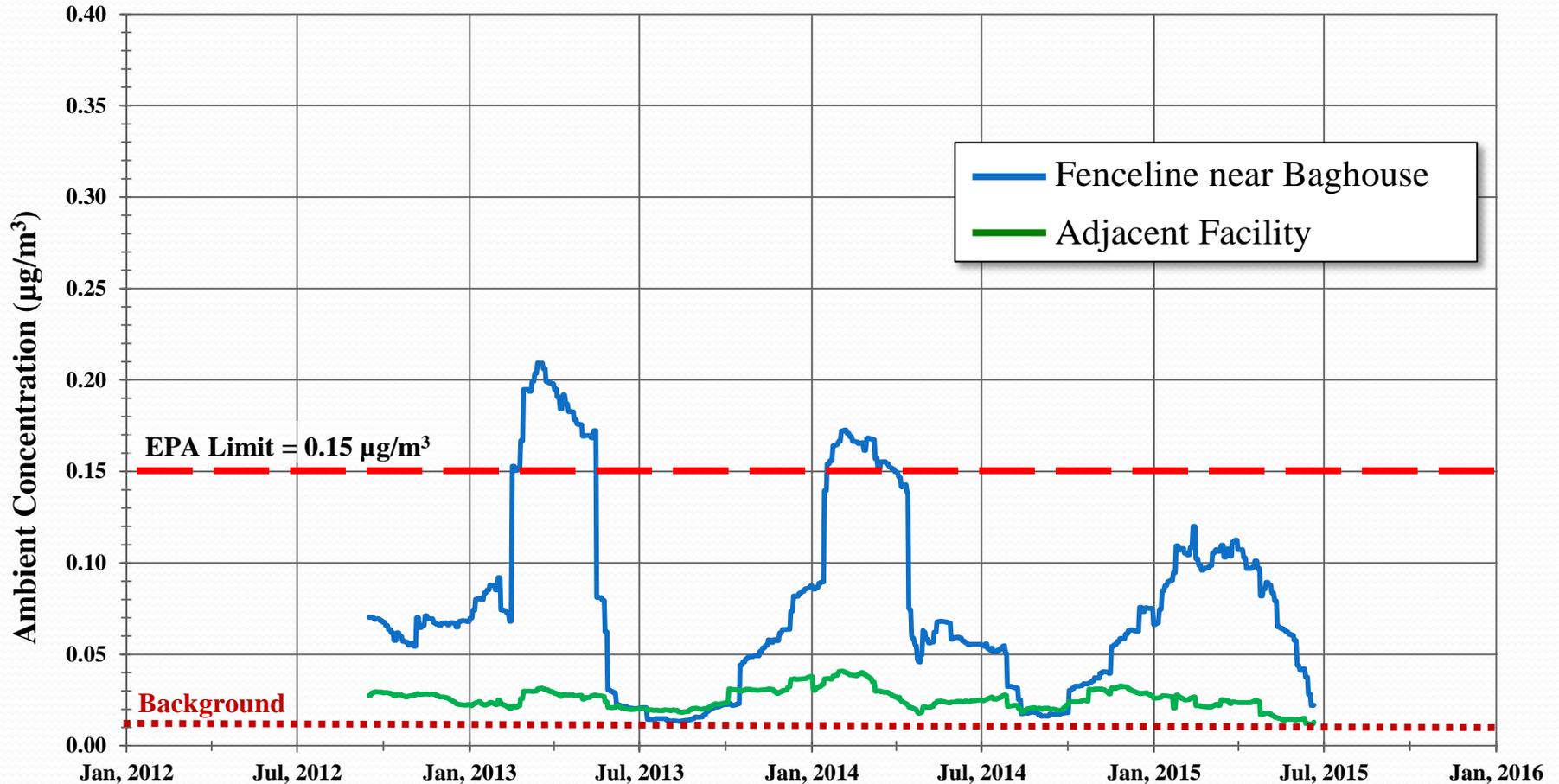


Emissions from Gerdau

- Emissions from a variety of sources
 - Baghouse vents
 - Melt shop
 - Road dust
- Key air pollutants
 - Dioxins
 - Metals (hexavalent chromium, lead, etc.)
 - Diesel Particulate Matter
- Gerdau subject to many SCAQMD Rules and permit conditions to control and monitor emissions

Gerdau Monitoring Data

Gerdau 90-Day Ambient Lead Monitoring Results (2012-15)



Recent SCAQMD Rule Development Activities Affecting Gerdau

- Rule 1402 (*June 2015*)
 - Implements AB2588
 - Amended to incorporate recent guidance from state OEHHA that takes into account greater risks to children from cancer-causing pollutants (~3X higher)
- Rule 1420.2 (*October 2015*)
 - Applies to facilities that melt >100 tons/yr of lead
 - Requirements for:
 - Enclosures,
 - Lead emission limits
 - Source testing and Ambient air monitoring
 - Housekeeping and maintenance activities

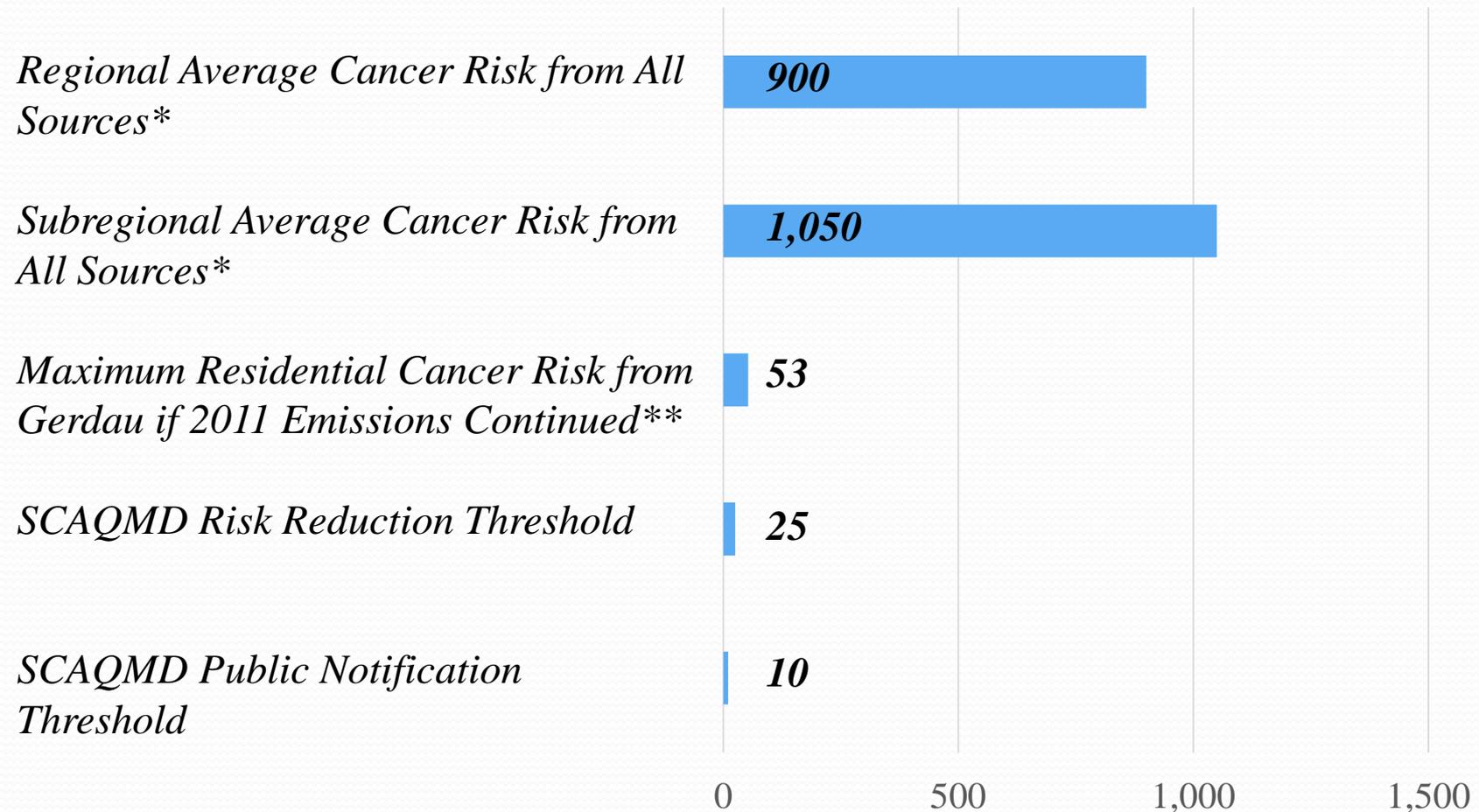
AB2588 Activities

- The AB2588 Toxic “Hot Spots” law requires facilities to:
 - Report toxic emissions every four years
 - Prepare a Health Risk Assessment (HRA) if emissions are elevated
 - Notify public and reduce emissions if risks are elevated above thresholds
- Gerdau required to prepare a HRA, conduct public notification, and submit a Risk Reduction Plan by April 2016

Gerda HRA Results

- Cancer risks assume 2011 emissions level for 30 years
- Residential cancer risk up to 53 per million
- Worker cancer risk up to 23 per million
- Residential non-cancer risks below threshold
Hazard Index <1
- Worker long-term and short-term non-cancer
Hazard Index ≈ 3

Cancer Risk Comparisons



* Based on MATES IV study

** Future emissions will be reduced by Rules 1402 & 1420.2

Public Notification Process

- AB2588 Notification
 - Letter sent to ~13,000 addresses
 - Public meeting tonight
 - Annual public notification until risks below risk reduction threshold
 - Website:

www.aqmd.gov/home/regulations/compliance/toxic-hot-spots-ab-2588/gerdau

Commitments

- Risk Reduction Plan
 - SCAQMD Rule 1402 requires risks to be reduced below 25 per million as soon as possible but no later than three years after RRP submittal (i.e. 2019)
- Rule 1420.2
 - Additional emission controls for melt shop by April, 2018
 - Permit already issued for new baghouse
 - More stringent housekeeping measures implemented over the next 4 months
 - Monitoring will continue
 - New more stringent limits on monitored levels
- Website will be updated as data becomes available

Contact

- AB2588
Ian MacMillan
Planning and Rules Manager
(909) 396-3244
imacmillan@aqmd.gov