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August 8, 2023

Mr. Christian Fellner  
Sector Policies and Programs Division (D243-02)  
Office of Air Quality Planning and Standards  
Environmental Protection Agency  
Research Triangle Park, North Carolina 27711

RE: Comments on the Proposed New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule (Docket ID No. EPA-HQ-OAR-2023-0072)

Dear Mr. Fellner,

The American Iron and Steel Institute (AISI) serves as the voice of the American steel industry in the public policy arena. AISI's membership is comprised of integrated and electric arc furnace steelmakers, and associate members who are suppliers to or customers of the steel industry. Overall, the American steel industry supports nearly two million American jobs and provides nearly \$520 billion in economic output.

The American steel industry is essential to our national and economic security and our critical infrastructure, including critical aspects of electricity generation and the electric grid. Further, the industry is also the cleanest of the leading steel industries in the world. Of the major steel producing countries, the United States has the lowest CO<sub>2</sub> emissions per ton of steel produced and the lowest energy intensity.<sup>1</sup> By contrast, Chinese steel production creates carbon emissions that are almost double that in the U.S. per ton of steel produced. Steel is a critical component in the continued development of all clean energy technologies to reduce America's carbon footprint.

AISI appreciates the opportunity to submit the attached comments on the Environmental Protection Agency's (EPA) Proposed New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas

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<sup>1</sup> Hasanbeigi, A., *Steel Climate Impact - An International Benchmarking of Energy and CO<sub>2</sub> Intensities*, Global Efficiency Intelligence, April 2022.

Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule, 88 FR 33240. The Steel industry relies significantly on electric power for its operations. AISI does not object in principle to EPA's efforts to regulate GHG emissions from power plants, however these comments express our significant concerns with how EPA proposes to regulate electric power generation.

Given the importance of this proposal to American steel companies, AISI strongly requests that EPA refrain from finalizing this rule until the concerns stated in the attached comment document are addressed. If you have any questions, please do not hesitate to contact me at 202.452.7122.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Balsarak". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Balsarak

Vice President, Environment

cc: Joseph Goffman  
Peter Tsirigotis

Attachment

**COMMENTS OF THE  
AMERICAN IRON AND STEEL INSTITUTE**

On

Proposed New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule

88 Fed. Reg. 33,240 (May 23, 2023)

Docket ID No. EPA-HQ-OAR-2023-0072

Submitted August 8, 2023

The American Iron and Steel Institute (AISI) serves as the voice of the American steel industry in the public policy arena. AISI's membership is comprised of integrated and electric arc furnace steelmakers, and associate members who are suppliers to or customers of the steel industry. Overall, the American steel industry supports nearly two million American jobs, provides nearly \$520 billion in economic output and generates \$56 billion in federal, state and local taxes.

The American steel industry is essential to our national and economic security and our critical infrastructure, including critical aspects of electricity generation and the electric grid. Further, the industry is the cleanest and most energy efficient of the leading steel industries in the world. Of the major steel producing countries, the U.S. has the lowest CO<sub>2</sub> emissions per ton of steel produced and the lowest energy intensity.<sup>1</sup> By contrast, Chinese steel production creates carbon emissions that are almost double that in the U.S per ton of steel produced.

Affordable and reliable energy and electricity supplies are critical to the manufacturing of steel. Therefore, the Environmental Protection Agency's (EPA) proposed rule regarding Greenhouse Gas Standards and Guidelines for Fossil Fuel-Fired Power Plants (Power Sector GHG Rule)<sup>2</sup> is of critical importance to the steel industry.

Given the importance of this proposal on the competitiveness of the domestic steel companies, AISI appreciates the opportunity to provide these comments. AISI strongly requests that EPA not finalize this rule as proposed until the below stated concerns are addressed.

**1. EPA's Imposition of Carbon Capture and Sequestration and Hydrogen Co-Firing in the Proposed Power Sector GHG Rule Exceeds Its Authority Under the Clean Air Act.**

Steel companies in the United States are undertaking major initiatives to improve their energy efficiency and reduce their carbon footprint. The domestic steel industry has achieved a 35 percent reduction in energy intensity and a 37 percent reduction in greenhouse gas intensity since 1990.<sup>3</sup> The decarbonization pathways for the iron and steel sector are unique compared to other sectors and unique between individual steel facilities. Nonetheless, many of these technologies are unproven or experimental in nature and will require additional research and development to achieve pilot and first-of-kind deployments.

However, notwithstanding the industry's support of reasonably addressing sustainability issues, any such requirements must follow the law. EPA's mandates in the proposed Power Sector GHG Rule are clearly outside the boundaries of the Clean Air Act.

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<sup>1</sup> Hasanbeigi, A., *Steel Climate Impact - An International Benchmarking of Energy and CO<sub>2</sub> Intensities*, Global Efficiency Intelligence, April 2022.

<sup>2</sup> *New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule*, 88 Fed. Reg. 33240 (May 23, 2023).

<sup>3</sup> <https://www.steel.org/sustainability/>.

**a. EPA’s Approach to GHG Controls is Speculative and Does Not Satisfy the Requirements for “Best System of Emission Reduction.”**

The Clean Air Act defines “standard of performance” to mean “a standard for emissions of air pollutants which reflects the degree of emission limitation achievable through the application of the best system of emission reduction which (taking into account the cost of achieving such reduction and any non-air quality health and environmental impact and energy requirements) the Administrator determines has been adequately demonstrated.”<sup>4</sup>

Therefore, the standard of performance that EPA can employ here must be the “best system of emission reduction” (BSER) that is “adequately demonstrated.” To be “adequately demonstrated,” a system must be “one which has been shown to be reasonably reliable, reasonably efficient, and which can reasonably be expected to serve the interests of pollution control without becoming exorbitantly costly in an economic or environmental way.”<sup>5</sup> And while courts have allowed for some degree of projection, any such projection “is subject to the restraints of reasonableness and cannot be based on ‘crystal ball’ inquiry” or be “purely theoretical or experimental.”<sup>6</sup>

With this proposed rule, EPA has far exceeded its authority on determining what is “adequately demonstrated” and instead has fallen fully into an unlawful “crystal ball” inquiry based on experimental technology. First, based on the Regulatory Impact Analysis (RIA), EPA does not expect many, if any, fossil fuel-fired power plants to pursue carbon capture and storage (CCS) or clean hydrogen.<sup>7</sup> This outcome suggests that even EPA knows that the technology is not ready and available, and that power plants will need to shut down.

Second, EPA does not cite a single domestic power plant that is currently achieving the standards set forth in the proposed rule. EPA can only cite small, capture-focused facilities, or projects that “have the potential” or “have been announced.”<sup>8</sup> In addition, only two states so far have been delegated primacy as it relates to Underground Injection Control (UIC) for carbon sequestration.<sup>9</sup> Likewise, only two UIC permits have been issued for carbon sequestration.<sup>10</sup> The lack of *any* facility in the United States meeting the proposed rule standards along with the scant number of UIC delegated states and issued UIC permits seriously undercuts any notion by EPA that such standard is “adequately demonstrated.”

This conclusion is further supported by the lack of any New Source Review Prevention of Significant Deterioration permits that identify CCS as Best Available Control Technology (BACT) for a major modification at an existing power plant. A determination of “adequately demonstrated”

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<sup>4</sup> 42 U.S.C. § 7411(a)(1).

<sup>5</sup> *Essex Chem. Corp. v. Ruckelshaus*, 486 F.2d 427, 433-434 (D.C. Cir. 1973), cert. denied 416 U.S. 969 (1974).

<sup>6</sup> *Id.*

<sup>7</sup> *A Closer Look at EPA’s Powerplant Rule*, U.S. Chamber of Commerce, June 2023, at pg. 11 (citing Regulatory Impact Analysis, Table 3-14), available at: <https://www.globalenergyinstitute.org/closer-look-epas-powerplant-rule>.

<sup>8</sup> *Id.* at pg. 12.

<sup>9</sup> *Great Plains Institute Provides Update on EPA’s Class VI Well Program & State Primacy Efforts*, February 24, 2022, available at: <https://carboncapturecoalition.org/great-plains-institute-provides-timely-update-on-epas-class-vi-well-program-state-primacy-efforts>.

<sup>10</sup> *See*, <https://www.epa.gov/uic/class-vi-wells-permitted-epa>.

could be achieved by a review of BACT decisions that have been issued in the time period preceding EPA's 8-year NSPS review. That review, however, does not justify or provide any support for EPA's approach with this rulemaking for existing power plants.

Real world facts support an opposite conclusion from EPA's proposed rulemaking. In one circumstance, a proposed coal gasification plant with CCS was canceled after delays and increased costs and converted to natural gas.<sup>11</sup> In another circumstance, a coal gasification plant was completed with substantial cost overruns, but use of CCS that was part of the original plan was scrapped.<sup>12</sup> Several other utility CCS projects have been canceled or suspended.<sup>13</sup> These real world examples demonstrate that EPA's conclusion that CCS is "adequately demonstrated" is unfounded.

EPA's approach with this proposed rulemaking seems much better suited for the innovative technology waivers under Section 111(j) of the Clean Air Act. The purpose of Section 111(j) is to "encourage the use of an innovative technological system or systems of continuous emission reduction" is lieu of complying with an NSPS limit.<sup>14</sup> A basis of such a waiver is that the proposed systems "have not been adequately demonstrated." In the proposed Power Sector GHG Rule, EPA seems to have jumped over a step in technological availability, where CCS may be suitable for a Section 111(j) waiver but is not suitable for wide-spread implementation under Section 111(d).

**b. EPA Did Not Adequately Consider Costs to Industrial Electric Consumers in Establishing BSER.**

In addition, a "standard of performance" must take into account the "cost of achieving such reduction" and the "energy requirements" of the standard, and that EPA must weigh these costs "in the broadest sense at the national and regional levels and over time as opposed to simply at the plant level in the immediate present."<sup>15</sup> Such costs cannot be "exorbitantly costly in an economic or environmental way."<sup>16</sup> In addition, courts have noted that one of the legislative purposes of the Section 111 standards is to "*maximize the potential for long term economic growth* by reducing emissions as much as practicable."<sup>17</sup>

Thus, these criteria mandate that EPA must consider the cost to industry from increased electric prices as part of its assessment. And as discussed in the above section of this comment letter, the proposed rule will likely have a dramatic impact on costs to industry, especially energy-intensive industries such as steel plants. As courts have recognized, "control technologies cannot be 'best' if they create greater problems than they solve."<sup>18</sup> If EPA's efforts to impose GHG

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<sup>11</sup> *The Kemper project just collapsed. What it signifies for CCS* (October 26, 2021), available at: <https://www.eenews.net/articles/the-kemper-project-just-collapsed-what-it-signifies-for-ccs>.

<sup>12</sup> *Can Duke's Edwardsport turn tide for clean coal post-Kemper?* (July 20, 2017), available at: <https://www.eenews.net/articles/can-dukes-edwardsport-turn-tide-for-clean-coal-post-kemper/>

<sup>13</sup> *The complete guide to CCS and the EPA power plant rule*, May 10, 2023, available at: <https://www.eenews.net/articles/the-complete-guide-to-ccs-and-the-epa-power-plant-rule/>

<sup>14</sup> 42 U.S.C. § 7411(j).

<sup>15</sup> *Sierra Club v. Costle*, 657 F.2d 298, 368 (D.C. Cir. 1981).

<sup>16</sup> *Essex Chem. Corp. v. Ruckelshaus*, 486 F.2d 427, 433 (D.C. Cir. 1973).

<sup>17</sup> *Sierra Club v. Costle*, 657 F.2d 298, 326 (D.C. Cir. 1981) (emphasis added) (internal quotes omitted).

<sup>18</sup> *Id.*

emission controls on the power sector result in costs to industrial electric consumers that could impact their financial viability, then such controls cannot be the “best” controls under Section 111.

**c. EPA’s Attempt to Change U.S. Energy Policy Through the NSPS is Prohibited Under the Major Question Doctrine.**

EPA’s attempts here to regulate GHG emissions from the power plant sector runs afoul of U.S. Supreme Court precedent. In *West Virginia v. EPA*, the U.S. Supreme Court rejected EPA’s “outside the fence” approach under the Clean Power Plan, which included a cap-and-trade system that would result in a shift of electricity production from coal-fired plants to other sources with lower GHG emissions.<sup>19</sup> The Court concluded that such action exceeded EPA’s power under Section 111(d) to establish the “best system of emissions reductions” that has been “adequately demonstrated” and that such generation shifting from coal to other sources constituted a “major question” of great economic significance that was left to Congress.<sup>20</sup>

While the proposed Power Sector GHG Rule does not *directly* demand an “outside the fence” shift of electric production from fossil fuel-fired to renewable resources, that is the projected outcome of the rule, even by EPA. With EPA’s acknowledgment of the unavailability of wide-scale CCS or clean hydrogen, fossil fuel-fired power plants will be forced to shut down and migrate power generation to renewable resources. This result is the very shift in electric generation that the U.S. Supreme Court said was a “major question” for Congress to decide, not EPA.

In summary, EPA has exceeded its authority under the Clean Air Act in identifying CCS and low-GHG hydrogen as BSER. Such technology is not readily available now, and it is fully speculative to consider it available in the near future to the extent necessary to support the proposed rule. In addition, the actual expected costs from the proposed rule, including the impact on energy-intensive industries like steel plants, was not considered by EPA in any realistic manner. These flaws in the proposed rule must be addressed prior to EPA moving forward further with a Section 111 standard for the power sector.

**2. The Proposed Power Sector GHG Rule Could Detrimentially Impact Steel Companies through Substantially Increased Power Costs and Grid Reliability Concerns, Resulting in Possible Idling or Shutdowns of Steel Mills.**

Steel mills are energy-intensive operations that consume significant quantities of electricity. AISI finds that EPA has understated its expected costs for the Power Sector GHG Rule, and that industrial consumers will incur the substantial increased cost of electric generation. Such increased costs, along with potential base load generation and grid reliability issues from the premature closure of fossil fuel-fired power plants, will have a dramatic impact on the viability of steel plants in the United States.

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<sup>19</sup> *West Virginia v. EPA*, 142 S. Ct. 2587 (2022).

<sup>20</sup> *Id.*

**a. The Steel Industry Relies Significantly on Electric Power for its Operations.**

As stated, iron and steel production is an energy-intensive process. Overall, the industry is responsible for approximately 60 percent of the total energy consumed in the primary metals subsector.<sup>21</sup> Based on the most recent U.S. Energy Information Agency assessment, the steel industry consumes over 1.1 quadrillion BTU of energy as fuel, with net electricity accounting for nearly 20% of that total.<sup>22</sup> Total energy expenditures for the iron and steel industry are over 6 billion dollars (in 2002 dollars), with over 30% (\$1.8 billion) of this expenditure associated with electricity.<sup>23</sup> For Electric Arc Furnace steelmaking, electricity accounts for approximately 50% of the energy input.<sup>24</sup> For Blast Furnace and Basic Oxygen Furnace steelmaking, electricity accounts for nearly 10% of the energy input.<sup>25</sup>

Steel mills are implementing energy conservation programs and measures to decrease energy consumption.<sup>26</sup> However, energy consumption overall, and electricity consumption, in particular, remain a critically important process input in steel production. As the domestic steel industry pursues continued electrification, for example in steel reheat furnaces, electricity demand will grow. As such, any potential impact on electricity generation, both in terms of cost and reliability, is of heightened concern to the steel industry.

**b. The Reduction of Fossil Fuel-Fired Power Generation Creates Electric Grid Reliability Concerns.**

AISI has concerns about the proposed Power Sector GHG Rule's impact on electric grid reliability. While steel plants are located across the United States, there is a focus of steel plants in the Midwest. And the Midwest has historically been reliant on fossil fuel-fired power generation. While domestic steel companies have been announcing clean electricity purchase agreements, coal, natural gas, and petroleum still make up a high percentage of electric power generation throughout the Midwest: Illinois – 35%; Indiana – 91%; Kentucky – 93%; Michigan – 59%; Ohio – 80%; and Pennsylvania – 58%.<sup>27</sup>

The Power Plant GHG Rule would require fossil fuel-fired power generators to install unproven, expensive CCS, or in some circumstances co-fire boilers with hydrogen gas. However, based on the RIA, EPA expects that few, if any, coal-fired power plants will in fact install CCS. That means EPA expects such base load generation will shut down and need to be replaced with other power generation sources, presumably renewable energy generation. Given the extent of fossil fuel-fired power generation in the Midwest and elsewhere in the country, the substantial and

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<sup>21</sup> *Manufacturing Energy Consumption Survey Steel Analysis Brief*, U.S. Energy Information Administration (2006), available at: <https://www.eia.gov/consumption/manufacturing/briefs/steel/>.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Energy Use in the Steel Industry Fact Sheet*, World Steel Association, available at: <https://worldsteel.org/wp-content/uploads/Fact-sheet-Energy-use-in-the-steel-industry.pdf>.

<sup>25</sup> *Id.*

<sup>26</sup> See, e.g., *Steel Climate Impact, An International Benchmarking of Energy and CO2 Intensities*, Global Efficiency Intelligence, April 2022, available at: <https://www.globalefficiencyintel.com/steel-climate-impact-international-benchmarking-energy-co2-intensities>.

<sup>27</sup> U.S. Energy Information Administration, *State Energy Profiles*, available at: <https://www.eia.gov/beta/states/overview>.

accelerated reduction or elimination of such base load power generation would seem to inevitably result in destabilization of the power grid and negatively affect grid reliability.

AISI's concerns relating to grid reliability are shared by regional transmission organizations. For example, PJM has stated that it expects the retirement of 20% of PJM generators (40 GW) by 2030, and the current pace of new renewable resource generation will be insufficient to keep up with these expected retirements and expected demand growth.<sup>28</sup> Likewise, Midcontinent Independent System Operator has stated that it could have a capacity shortfall as soon as summer 2025.<sup>29</sup>

Given these forecasts and expectations from grid operators, there is a distinct concern that the availability of power (at reasonable costs), especially in areas of the country reliant on fossil-fuel energy production, will be extremely impacted with the promulgation of the proposed Power Sector GHG Rule. The potential unavailability of reliable, affordable electricity to operate steel plants threatens the viability of the steel industry in the United States, increasing pathways for foreign steel imports and exacerbating damaging effects related to carbon leakage.

In addition to long-term effects of problems with grid reliability, there are significant concerns with impacts on the steel industry from intermittent grid reliability that could result in more frequent black-outs. Black-outs can cause safety issues at continuous hot operations such as blast furnaces and coke plants, as happened with the 2003 Northeast black-out which caused an explosion and fire at a blast furnace.<sup>30</sup>

**c. EPA Has Considerably Underestimated the Cost of the Proposed Rule and the Resulting Impact on Industrial Electric Consumers.**

Against this backdrop of the intense power demands of the steel industry and concerns about grid reliability is EPA's proposed Power Sector GHG Rule and the expected impacts it will have on energy costs. The proposed rule requires significant reductions in GHG emissions from power plants including reductions of 90% to 96% from most base load units. Those unrealistic reductions are primarily achieved through carbon capture, utilization and sequestration (CCUS) or CCS<sup>31</sup>, and co-firing with low-GHG hydrogen (also called "clean" hydrogen).

The proposed rule mandates the following requirements:

- For new base load stationary combustion turbines and existing large, frequently used combustion turbines, 90% CCS by 2035, or 30% low-GHG hydrogen co-firing by 2032 and 96% low-GHG hydrogen co-firing by 2038.
- For existing coal-fired boilers that will continue to operate past 2039, 90% CCS by 2030.

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<sup>28</sup> PJM, *Ensuring a Reliable Energy Transition*, <https://www.pjm.com/about-pjm/ensuring-a-reliable-energy-transition>.

<sup>29</sup> *US Midcontinent ISO, states eye possible 2.1 GW capacity shortfall in 2025*, July 17, 2023, available at: <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/natural-gas/071423-us-midcontinent-iso-states-eye-possible-21-gw-capacity-shortfall-in-2025>.

<sup>30</sup> See, e.g., Mill official: Republic on track to fire up furnace (September 23, 2003), available at: <https://www.morningjournal.com/2003/09/23/mill-official-republic-on-track-to-fire-up-furnace/>

<sup>31</sup> For ease or reference for purposes of this comment letter, the letter refers to CCUS and CCS collectively as CCS.

- For existing coal-fired boilers that will cease operations before 2040, co-firing 40% natural gas with an emission limitation of a 16% reduction in emission rate in 2030.

It is fully expected these additional requirements for power generation (whether due to the installation of carbon controls, low-GHG production or the shutdown of fossil fuel-fired power plants and the building of renewal resource power generation) will result in higher operating costs. However, EPA concluded in the RIA that the rule will have a negligible effect on electricity prices. Specifically, EPA projects a 1% *decrease* in retail electricity prices in 2028, a mere 2% increase in 2030, and no increase in 2035 and 2040.<sup>32</sup>

It is difficult to comprehend that an industry-altering rule such as the proposed Power Sector GHG Rule is not going to have a dramatic impact on electric power prices, notwithstanding EPA's purported conclusions in the RIA. AISI's concerns are echoed by many other companies and organizations that have reviewed and assessed in-depth the Power Sector GHG Rule RIA. For example, the U.S. Chamber of Commerce has stated that EPA's "cost-benefit calculations are deeply flawed" and that EPA assertions lead to a "remarkable underestimation of power sector changes – and associated costs – necessary to achieve compliance."<sup>33</sup>

In addition, throughout the proposed rule preamble, EPA consistently cites the Inflation Reduction Act and relevant funding for proposed requirements that will result from the law. However, the specific aspects and timing of key Inflation Reduction Act provisions are subject to the regulatory process of several federal agencies, as well as potential alterations by Congress. Such changes could alter the assumptions made by EPA in this proposal. In addition, the benefits from new or improved technology in both the power plant and steel industries will not necessarily be commercially available in the near term.

As such, AISI has significant concerns that EPA has understated the costs for the proposed rule and inflated the potential resources afforded to the power sector through recent legislation. Significant increased costs for electric generation will invariably lead to increased costs for large electric consumers, like steelmaking facilities.

**d. Due to the Global Trade of Steel, Substantial Increased Electric Costs Can Result in Idling and Shutdowns of Mills.**

With the expectations of markedly increased electric power costs due to the proposed Power Sector GHG Rule, AISI expresses significant concerns regarding the impact of such costs on steel plants. Steel is a widely traded global commodity and steel produced in the United States regularly must compete against steel imports from many other countries. As such, steel companies are not able to pass along increased costs to their customers if doing so would make its steel uneconomic on a global scale. This proposed rule can therefore place American steel companies at an economic disadvantage to global competitors.

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<sup>32</sup> Regulatory Impact Analysis, Table ES-4 Summary of Certain Energy Market Impacts for the Illustrative Proposal Scenario Relative to the Baseline.

<sup>33</sup> *A Closer Look at EPA's Powerplant Rule*, U.S. Chamber of Commerce, June 2023, available at: <https://www.globalenergyinstitute.org/closer-look-epas-powerplant-rule>.

This inability to increase steel product costs due to the proposed GHG rule can have a dramatic negative impact on steel companies. If electricity costs increase to the extent that such costs cannot be passed along to steel customers, then there is the threat that steel mills may be shut down or idled.<sup>34</sup>

This potential for shutdowns and idles was fully realized during the European energy crisis in 2022. Due to escalating energy costs last year, including for electricity, numerous iron and steel plants idled or shutdown. Costs had risen so high that the continued production of iron and steel was no longer profitable. These full or partial shutdowns and idles impacted at least fourteen European steel mills.<sup>35</sup>

These real-world examples of detrimental impacts on steel production from high electric costs solidly support AISI's concerns. With EPA's proposed Power Sector GHG Rule significantly increasing electric power costs, steel producers in the United States could experience dramatic economic viability on steel production facilities.

The viability of the steel industry is critical for our country's economy and prosperity. From national security supply chain production to major economic impact in states and local communities across the country, the American steel industry is one of the nation's most important manufacturing sectors. In addition, the steel industry is instrumental in ensuring the development of the nation's energy infrastructure and carrying out the ideals of the Infrastructure Investment and Jobs Act. Steel demands are high for the nuclear market, wind power, transmission towers and transmission lines, and other aspects of the push towards renewable energy.<sup>36</sup> The idling or shutdown of steel mills due to unreasonably high electric costs is therefore unacceptable and damaging to the overall economy.

### **3. AISI Supports the Conclusions Reached by its Associated Organizations.**

AISI has focused its comments on the harmful impacts of the proposed rule on the steel industry. Nonetheless, AISI has serious concerns regarding the overall legal and technical sufficiency of the proposed rule. AISI is a member of the Midwest Ozone Group (MOG) and supports and adopts their comments on this proposed rule.<sup>37</sup>

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<sup>34</sup> See, e.g., *US Industries Are Buckling Under Pressure of Surging Electricity Costs*, Mish's Global Economic Trend Analysis, 2022 WLNR 25324683 (August 12, 2022); Owners of idled Warren steel plant say customers are waiting in line, July 4, 2014, available at: <https://www.wfmj.com/story/25942987/owners-of-idled-warren-steel-plant-say-customers-are-waiting-in-line?clienttype=generic&mobilecbypass>

<sup>35</sup> *Energy Crisis: Europe's Industry Shutting Down*, bne Intellinews, September 20, 2022, available at: <https://www.intellinews.com/energy-crisis-europe-s-industry-shutting-down-255913/>.

<sup>36</sup> *New & Expanding Demand For Steel In Energy*, available at <https://www.steel.org/steel-markets/energy/>.

<sup>37</sup> Issues and concerns raised through AISI's comments, including comments of its associations, can serve as an objection pursuant to Section 307(d)(7)(B) of the Clean Air Act, 42 U.S.C. § 7607.