



REGION 5
CHICAGO, IL 60604

April 2, 2026

Mr. Benj TerLouw
Senior Environmental Engineer
ME Global Inc.
200 East Carterett Street
Duluth, Minnesota 55808

Dear Mr. TerLouw:

The U.S. Environmental Protection Agency received and reviewed your letter dated September 11, 2025, requesting a formal determination as to whether a furnace upgrade project at the ME Global foundry in Duluth, Minnesota requires the EPA notification and triggers “new source” designation under the National Emissions Standard for Hazardous Air Pollutants for Iron and Steel Foundries Area Sources, 40 CFR Part 63, subpart ZZZZZ. The EPA has also considered information learned from the material you submitted on September 26, 2025, and December 18, 2025, and the discussions between the EPA and ME Global held on September 25, 2025, and November 18, 2025. In summary, the EPA finds that the upgrade project does not trigger the new affected or reconstructed source definitions and provisions in Part 63, subpart A and subpart ZZZZZ.

Background

In your letter, you discussed how ME Global is an iron and steel foundry which currently operates three 15-ton Electric Arc Furnaces with approximately 16.5 tons per hour melting capacity. This facility is an existing area source under subpart ZZZZZ. A furnace upgrade project is being proposed that will replace one EAF with two Coreless Induction Furnaces. The EPA understands, based on your letters, that there will be no increases to the Minnesota air emissions permit melting rate limit or molding capacity as a result of the furnace upgrade project. All auxiliary equipment will remain the same, including baghouse, cranes, ladles, molding lines, etc.

Analysis

The NESHAP, subpart ZZZZZ, applies to the owner or operator of an iron and steel foundry that is an area source of hazardous air pollutants emissions. The rule, at 40 C.F.R. Part 63.10880(b), states the affected source is each iron and steel foundry. Subpart ZZZZZ defines an iron and steel foundry as a facility or portion of a facility that (1) melts scrap, ingot, and/or other forms of iron and/or steel and (2) pours the resulting molten metal into molds to produce final or near final shape products for introduction into commerce. Under these definitions, the ME Global foundry is an affected source subject to subpart ZZZZZ.

The determination of whether an iron and steel foundry is a new or existing affected source under this Subpart is defined in 40 C.F.R. Part 63.10880 by the date initial construction or reconstruction commences. A new source is a foundry that commences construction or reconstruction after September 17, 2007. An existing source is a foundry that commenced construction before September 17, 2007. ME Global was originally constructed in Duluth in the 1970s. The proposed modification of the affected source (*i.e.*, the furnace upgrade project) may constitute a new affected source or a reconstructed source because construction will have commenced after September 17, 2007. In this case, the determining factor is whether the project fits the definition of reconstruction.

40 C.F.R. Part 63.2 defines “reconstruction” as the replacement of components of an affected source to such an extent that the following applies: “(1) The fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable new source, and (2) It is technologically and economically feasible for the reconstructed source to meet the relevant standard(s) established by the Administrator (or a State) pursuant to section 112 of the Act.” According to financial information that ME Global submitted to the EPA in the September 11, 2025, request and September 26, 2025, email correspondence, the costs of the furnace upgrade project and estimated fixed capital costs are approximately \$12,435,000. The estimated fixed capital cost required to construct a comparable new source is approximately \$42,391,000. Therefore, the furnace upgrade project is less than 50% of the comparable new source cost and does not meet the definition of reconstruction in Part 63, subpart A.

Considering the above analysis of applicable rule language, definitions, and capital costs of the proposed furnace upgrade project, the EPA has determined that ME Global’s furnace upgrade project at the Duluth foundry does not trigger the new affected or reconstructed source definitions and provisions in Part 63, subpart A and subpart ZZZZZ.

This applicability determination relies upon the accuracy of (1) the information submitted in the September 11, 2025, request, (2) the additional submissions on September 26, 2025, and December 18, 2025, and (3) the discussions between the EPA and ME Global held on September 25, 2025, and November 18, 2025. We have coordinated this determination with the Office of Enforcement and Compliance Assurance and the Office of Clean Air Programs. If you have any further questions, please contact Jennifer Darrow of my staff at (312) 886-6315.

Sincerely,

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Marta Fuoco
Acting Manager
Air Programs Branch

cc: Steve Pak, Minnesota Pollution Control Agency