



Notes of Meeting #38 – Algoma Steel Community Liaison Committee

Date: September 14th, 2021

Location: Teams Meeting

Time: 12pm to 3pm

CLC Members in Attendance

Fred Post – Algoma Steel

Chris Galizia – Algoma Steel

Ron Dorscht – Ministry of Environment, Conservation and Parks (MECP)

Lori Jalak – Ministry of Environment, Conservation and Parks (MECP)

David Trowbridge - Public

Peter McLarty – Public

Catherine Taddo – Corporation of the City of Sault Ste. Marie

Steve Carey – Chippewa County Health Dept.

Dean Law - United Steel Workers Local 2251

CLC Members not in Attendance

Chris Spooney – Algoma Public Health

Melissa Francella – Algoma Public Health

Lisa Derickx – St. Mary's River RAP Coordinator

Jillian Marquis – Public

Kathie Brosemer – Sault Ste. Marie Tribe of Chippewa Indians

Dan Sayers – Batchewana First Nations

Maggie McAuley – Corporation of the City of Sault Ste. Marie

Suzanne Lieurance – Chippewa County Health Department

Wayne Hubbard – United Steel Workers Local 2251

Dennis Gagne – United Steel Workers Local 2251

Meeting Notes

1. Review of the Agenda and Meeting #37 Notes

There were no comments regarding the prior meeting minutes.

2. Membership Items and Terms of Reference

There were no new membership items raised.

3. Update on Merger and Public Market

Fred provided an update on the pending merger of Algoma Steel and Legato Merger Corp. The merger will be an important step in Algoma Steel's transformation into a more sustainable company, demonstrating we are increasingly stable and investment worthy. The transaction brings capital into the company for strategic investments, including the potential for a substantial investment in electric arc steelmaking which would enhance earnings potential and substantially reduce Algoma's greenhouse gas emissions by approximately 70%. Upon closing, the merged entity will be a Canadian company, listed both in Canada (TSE) and in the US (Nasdaq).

Questions:

David Trowbridge – Does Legato have any expertise in the steel industry?

Fred Post – I do not have any information on what expertise they will have, but the new board will include members with steel industry experience and Legato representatives.

4. Electric Arc Furnace (EAF) Update

The proposed EAF has not been formally approved yet; however Fred discussed the potential reduction it would have on Algoma's environmental footprint. It is estimated that there would be a GHG reduction of approximately 3 million metric tonnes, or about 70% of Algoma's current emissions making Algoma one of the greenest steelmakers. This reduction primarily would come as a result of the blast furnace and coke oven batteries being phased out. Local air quality improvements would include reductions in PAH's (including BaP), VOC's (including benzene), stack emissions, particulate and sulfur dioxide.

Questions were asked regarding details of when the EAF will be online, electricity demands, and source of scrap. Fred confirmed that 2024 would be the planned startup, with a solution for future electricity demands being worked on.

5. Air Emissions Modelling

Fred provided a few slides with some information about how the regulated air modelling process works. The model used is an MECP approved version. The current version used is 19191, which is the most up to date model available from the MECP and USEPA. The model utilizes numerous data inputs including 5 years of meteorological data, terrain data, and approximately 360 emission sources. All the data sources are used to predict a dispersion pattern at intervals from the property boundaries. All outputs are based on maximum production rates from all facilities operating simultaneously. The model is very conservative and the previous CAMM studies conducted have shown that the model is well aligned with the monitored results.

Many questions arose from the discussion on air emissions modelling, particularly around process upsets. Fred explained that process upsets are not modelled as it is not realistic or feasible to come up with an emission factor for process upsets. The regulation is designed to model the maximum worst case scenario during normal operating conditions. Ron Dorscht confirmed that the ESDM's are not set up to look at upset events. This has been looked at in the past and that is why community monitored data is something that the public is requesting more of. The MECP is looking at additional community monitoring.

A discussion ensued regarding recent changes to Algoma's modelling inputs, including the use of the newest model version, more recent meteorological data and changes to the land use designation from urban to rural to more accurately reflect local land use. These changes will likely result in Algoma requiring new site specific standards. There were no changes to Algoma's processes or emissions.

Also discussed was the MECP review currently underway regarding additional monitoring stations. Fred explained that Algoma's plan is to relocate the Patrick Street station due to a residential development on the property and that the MECP is also evaluating additional sites, including in the Jamestown area, for situating an additional station.

A member of the public expressed a concern that not all spills are being reported. Fred reaffirmed that Algoma reports all spills in accordance with the Ministry's stated definition of a spill, which is very specific. Algoma also reports opacity violations. In the regulation, an opacity violation is defined as 6 consecutive minutes greater than 20%. A pushing emission for example is usually less than 90 seconds in duration, and would not be classified as an opacity violation;

however we do strive to report pushing emissions because they are visible in the community. We recognize that some of these events do get missed.

6. Site Specific Standards (SSS) for Particulate and BaP

Fred re-capped the standards development process and coke plant rules detailed within the Site Specific Standard (SSS) for particulate that was issued in March 2015, and the rationale given by the MECP for extending their expiry until June 2023.

On March 27th, 2015 Algoma received a Site Specific Standard (SSS) for Particulate which sets specific emission limits in cokemaking. Expiry of the SSS has since been extended to June 2023 to allow enough time for a technical standard to be developed and for facilities to register. The rules and leak limits remain the same, but have been incorporated into a cokemaking Environmental Compliance Approval.

A graphic representation of Algoma's performance was presented showing there has been consistent improvement from all cokemaking emission sources and Algoma is in compliance with all of the limits. Since 2017 the average pushing opacity of all the pushes has been decreasing, despite an increase in coke production.

7. Stack Opacity

Two graphs were provided showing the coke stack opacity performance for the past year. One graph shows the percent of total opacity in a 30 day rolling average to depict the overall performance trends, while the other graph shows the 30 day rolling average duration of opacity greater than 20 percent. Opacity continues to be a challenge and the company is working with the MECP to develop a detailed improvement action plan.

It is anticipated that stack opacity will fluctuate, but overall the trend will improve as a result of the initiatives underway to reduce it. Algoma has committed to continually reduce opacity through a number of actions addressing oven masonry and combustion. The initial primary focus is on #7 Battery since it has the highest opacity, however, a number of initiatives are also being undertaken on #8 & #9 Batteries.

In response to a question tabled, Fred explained that stack emissions are accounted for in the ESDM, however the opacity monitoring data is not used in the ESDM. The model input uses fixed emission factors defined by the USEPA and the CAMM study shows alignment with the modelled results.

8. Technical Standard

The MECP has commenced discussions with the iron and steel sector on a new Technical Standard for multiple air contaminants that will replace the existing Site Specific Standards when they expire. The process is led by the MECP and is expected to take a total of 3-4 years to develop the new technical standards.

The process is moving along with an expected Technical Standard availability date near the end of 2022 which will provide facilities time to register by June 2023 when the new standard will come into effect. The MECP hosted a meeting on April 25th to review the draft standard. Follow up meetings have been planned with the community and stakeholders.

The MECP is developing a separate EAF technical standard. Our current assessment is that the new EAF facility will comply with Regulation 419 and not require a technical standard because the facility will be designed with the best available controls. The transition plan will see Algoma operate the EAF alongside our current operations, so there will be a period where SSS's or technical standards might be required but the end goal is that Algoma is expected to

align with Schedule 3 standards in Regulation 419 and does not anticipate a requirement for site specific or technical standards once the transition is over.

9. Environmental Compliance Approval (ECA)

No new ECA applications have been submitted, and none are outstanding.

The MECP has amended the Benzene Emissions Control ECA to include new leak detection and repair (LDAR) requirements. Algoma has engaged with a third party to perform the initial audit.

10. Legacy Environmental Action Plan

In fall 2018, the MECP and Algoma Steel signed an Environmental Framework Agreement which was established to mitigate risk from on-site legacy environmental liabilities. The Environmental Framework Agreement and the associated Program Approval are the legal instruments which have initiated the development of the Legacy Environmental Action Plan (LEAP). The LEAP is a risk-based environmental management plan maintained and funded by Algoma Steel, with the objectives of identifying, assessing, managing and mitigating off-site adverse environmental effects caused by legacy environmental contamination at the site. The MECP has oversight, review and approval responsibilities for LEAP budget, plans and activities, including approval (or pre-approval) of eligible LEAP expenses.

\$4.4 million in projects are planned for 2021 including the following:

- Refurbish #7 Tank for future Groundwater Collection System (Underway)
- Design Base Line Road Ditch Water Treatment Facility (Underway)
- Carbon capture and storage testing (Underway)
- Extrusion briquetting testing (Underway)
- Boat Slip Sediment Study to develop a rehabilitation target for sediment quality criteria (Underway)
- Expanding the site wide baseline hydrogeological investigation (Underway)
- Design Oil Water Separator and Groundwater Collection System (Underway)
- Design Dirt / Oil / Water Separator for Vacuum Truck Dumping (Underway)
- Designing groundwater collection and treatment systems (Underway)
- Tank Bottom Clean-out (#1 & #5 Tanks) (Planned)
- Surface stabilization, ground and surface water management and revegetation including tree planting along the property perimeter and waterfront (Underway)

The preliminary boat slip sediment study toxicity results are very positive indicating that PAH's in the sediment are less toxic to benthos than anticipated. The consultants are looking into why it is much better than expected. The outcome will be used to develop plans on future rehabilitation.

The site greening initiative will be using clean soils from offsite locations such as the twin pad arena to cap some perimeter strips around the facility. Select hydro seeding and a tree planting initiative will be used to vegetate key locations. We are hoping to work with the college on the tree planting.

11. Public Complaints

Public complaints regarding odour and noise from the last quarter were noted. There were 2 odour complaints and 2 particulate emission complaints.

12. Next Meeting

The next tentative CLC meeting schedule is as follows:

- Dec 14th, 2021
- Mar 8th, 2022

There will be a public open house we are planning on for this fall towards the end of November. Depending on the decision Algoma's board makes regarding the EAF, it is possible that there might be a special meeting to further communicate this project.

Ron Dorscht recommended it might be beneficial to invite Bruce Gillies to the next meeting to further explain any information regarding the MECP's approach to Algoma's pending request to change SSS's.

The meeting adjourned at 3:00 PM, September 14th, 2021.

*Meeting notes prepared by Chris Galizia and Fred Post
October 28th, 2021*

Current Members and Alternates

Representation	Primary Member	Alternate
Algoma Steel	Fred Post	Chris Galizia
Ministry of Environment, Conservation and Parks		
	Lori Greco	Ron Dorscht
Public	David Trowbridge	Peter McLarty
Public	Jillian Marquis	
SSM Tribe of Chippewa Indians	Kathie Brosemer	
Algoma Public Health	Melissa Francella	Chris Spooney
Chippewa County Health Dept.	Steve Carey	Suzanne Lieurance
Batchewana First Nations	Dan Sayers Jr.	
City of Sault Ste. Marie	Catherine Taddo	Maggie McAuley
United Steel Workers Local 2251	Wayne Hubbard	Denis Gagne
St. Mary's River RAP Coordinator	Lisa Derickx	