STATEMENT OF BASIS

City of Gainesville, Gainesville Regional Utilities (GRU)
J.R. Kelly Generating Station

Permit No. 0010005-009-AV, Title V Air Operation Permit Renewal

APPLICANT

The applicant for this project is the City of Gainesville, Gainesville Regional Utilities (GRU). The applicant's responsible official and mailing address are: Mr. John W. Stanton, Assistant General Manager - Energy Supply, City of Gainesville, Gainesville Regional Utilities (GRU), J.R. Kelly Generating Station, P.O. Box 147117, Station A132, Gainesville, Florida 32614-7117.

FACILITY DESCRIPTION

The J.R. Kelly Generating Station is located in Alachua County at 605 SE 3rd Street, Gainesville, Florida.

This existing facility consists primarily of a combined-cycle unit ("Combined-Cycle Unit No. 1 (CC-1)") comprised of a combustion turbine and a heat recovery steam generator. Also included in this permit are miscellaneous insignificant emissions units and/or activities.

The 'regulated' Fossil Fuel Fired Steam Generator Unit No. 7 and the 'unregulated' Simple-Cycle Combustion Turbine (CT) Unit Nos. 1, 2 and 3 are planned to be retired effective September 30, 2013. The Boiler No. 8 ("JRK8") had been previously permanently retired on September 2, 2000.

PROJECT DESCRIPTION

The purpose of this permitting project is to renew the Title V air operation permit for the above referenced facility.

PROCESSING SCHEDULE AND RELATED DOCUMENTS

Application for a Title V Air Operation Permit Renewal received on May 20, 2013.
Request for Additional Information sent via e-mail on May 29, 2013.
Additional Information Response received via e-mail on July 1, 2013.
Request for Additional Information sent via e-mail on July 3, 2013.
Additional Information Response received via e-mail on August 26, 2013 (complete).
Application for AC/PSD Permit Revisions received on August 26, 2013 (complete).

Draft AC/PSD Permit Revisions clerked (issued) on October 16, 2013.
Final AC/PSD Permit Revisions clerked (issued) on November 7, 2013.
Draft/Proposed Title V Air Operation Permit Renewal posted onto web site on October 16, 2013.
Public Notice published on October 19, 2013.

PRIMARY REGULATORY REQUIREMENTS

Title I - HAP: Upon the shutdown of the Fossil Fuel Fired Steam Generator Unit No. 7 and the Simple-Cycle Combustion Turbine (CT) Unit Nos. 1, 2 & 3, this facility will no longer be a major source of hazardous air pollutants (HAP), based on the Title V air operation permit renewal application.

NESHAP: This facility operates units subject to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) of 40 Code of Federal Regulations (CFR) 63.

Since the facility will no longer be a major source of HAP, the NESHAP (MACT) - 40 CFR 63, Subpart YYYY, Stationary Combustion Turbines, will not apply to the remaining combustion turbine.

Title IV: This facility operates units subject to the acid rain provisions of the Clean Air Act.

Title V: This facility is a Title V major source of air pollution in accordance with Chapter 62-213, Florida Administrative Code (F.A.C.).

PSD: This facility is a Prevention of Significant Deterioration (PSD)-major source of air pollution in accordance with Rule 62-212.400, F.A.C.

NSPS: This facility operates units subject to the New Source Performance Standards (NSPS) of 40 Code of Federal Regulations (CFR) 60.

CAIR: This facility does operate units subject to the Clean Air Interstate Rule (CAIR) set forth in Rule 62-296.470, F.A.C.

Siting: This facility does not operate units subject to the power plant siting provisions of Chapter 62-17, F.A.C.

CAM: The emissions units at this facility are not subject to CAM for one or more of the following reasons: they do not trigger the potential pre-air pollution control device major source emission thresholds; they demonstrate continuous compliance with a continuous emission monitoring system (CEMS); they are not equipped with air pollution control device(s); they are equipped with device(s) which are considered to be inherent to the process/operation; or, they satisfy CAM by meeting the post-1990 federal monitoring requirements for the same or similar air pollutants.

GHG: This facility is identified as a major source of green house gas (GHG) pollutants.

PROJECT REVIEW

Changes were made in the format of this renewed Title V air operation permit.

Permit

- Title V Annual Emissions Fee Changes. Section 403.0872, Florida Statutes (F.S.) was amended by House Bill (HB) 999, effective July 1, 2013. Two very important changes were made in the amendment which apply to the Title V annual emissions fee: 1) the Title V annual emissions fee is required to be calculated based upon actual emissions rather than allowable emissions, as in the past twenty years; and, 2) the due date for submitting the Title V annual emissions fee was changed from March 1st to April 1st. See Facility-wide Condition FW7. in Section II. of the permit for the specific requirements.
- Subsection III.A. Combined-Cycle Unit No. 1 (Emissions Unit Identification Number (E.U. ID No.) 010). Since the Combined-Cycle Unit No. 1 will be the remaining operating primary 'regulated' emissions unit generating electricity at the facility it is moved forward in the permit to Subsection III.A.
- Subsection III.B. Engines. Engines in the previous permit, Permit No. 0010005-008-AV, were listed in Appendix I, List of Insignificant Emissions Units and/or Activities. Some of these engines are now 'regulated' emissions units under the recently promulgated federal regulations; specifically, 40 CFR 63 Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines (RICE). The Emergency Generator Nos. 1 & 2 are assigned their own individual E.U. ID Nos. 011 & 012, respectively.

  These engines are now included in this permit as 'regulated' emissions units within the body of the permit in Subsection III.B.
- Fossil Fuel Fired Steam Generator Unit No. 7 (E.U. ID No. 007). Included the applicant's planned retirement of the Fossil Fuel Fired Steam Generator Unit No. 7 effective September 30, 2013. After the retirement date, this boiler is no longer authorized to operate.
- Simple-Cycle Combustion Turbine (CT) Unit Nos. 1, 2 and 3 (E.U. ID No. 009) previously in Appendix U, List of Unregulated Emissions Units and/or Activities. Included the applicant's planned retirement of

the Simple-Cycle Combustion Turbine (CT) Unit Nos. 1, 2 and 3 effective September 30, 2013. After the retirement date, these CTs are no longer authorized to operate.

- Appendix I, List of Insignificant Emissions Units and/or Activities. Included the applicant's requested miscellaneous changes to the list of insignificant emissions units and/or activities.

CONCLUSION

This project renews Title V air operation permit No. 0010005-008-AV, which was effective January 1, 2009.

John R. Kelly Generating Station

https://www.gru.com/YourHome/ProductsServices/ElectricNaturalGas/kellyPlant.jsp