FINAL DETERMINATION
Air Construction Permit
Gulf Power Company
Lansing Smith Generating Plant Units 1 and 2
Test Burn of Emissions Control Sorbent Additives
DEP File No. 0050014-024-AC

PERMITTEE

Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0100

PERMITTING AUTHORITY

Florida Department of Environmental Protection (Department)
Division of Air Resource Management
Office of Permitting and Compliance
2600 Blair Stone Road, MS #5505
Tallahassee, Florida 32399-2400

PROJECT

Air Permit No. 0050014-024-AC
Lansing Smith Generating Plant Units 1 and 2
Test Burn of Emissions Control Sorbent Additives

This is the final air construction permit, which authorizes a test of several emissions control sorbent additives called Hydrated Lime, Trona, and Activated Carbon at Lansing Smith Units No. 1 and 2. This authorization is only for a test lasting no more than ninety days to determine a final compliance strategy using these emission control additives to achieve emission reductions of sulfur dioxide (SO_2), hydrogen chloride (HCl) and mercury (Hg) from Units No. 1 and 2. This test will allow for assessment of operational issues when using the emissions control additives. The proposed test burn will be conducted at the existing Lansing Smith Generating Plant, which is a fossil fuel steam generating electrical production plant categorized under Standard Industrial Classification No. 4911. The existing facility is located in Bay County at 4300 County Road 2300, Southport, Florida. The UTM coordinates are Zone 16; 623.74 Kilometer (km) East and 3349.11 km North.

NOTICE AND PUBLICATION

The Department distributed a draft minor air construction permit package on November 1, 2013. The applicant published the Public Notice in The News Herald on November 6, 2013. The Department received the proof of publication on November 11, 2013. No requests for administrative hearings or requests for extensions of time to file a petition for administrative hearing were received.

COMMENTS

No comments on the draft permit were received from individual members of the public or the EPA Region 4 Office. Comments were received as a single submittal on behalf of the Sierra Club, Earthjustice, and respective members (Sierra et al.) in Florida described in the communication "who will be substantially affected by this draft permit for construction and a test burn at Gulf Power's Lansing Smith power plant". Comments were not received from the applicant, Gulf Power Company.

I. REVIEW OF COMMENTS FROM EARTHJUSTICE.

Comments were submitted by Earthjustice as a cover letter with attachments comprising approximately 68 pages. Comments can be viewed at the following link by inserting Permit No. 0050014-024-AC: Link to Sierra Club and Earthjustice Comments The key comments contained in the 6-page cover letter are repeated or paraphrased *(in italics)* below and followed by the Department's response.

FINAL DETERMINATION

1. <u>Earthjustice overall comment</u>: *"Unfortunately, Lansing Smith Test Burn of Emissions Control Sorbent Additives permit cannot assure compliance with Florida's Prevention of Significant Determination (PSD) program, pursuant to Rule 62-212.400, F.A.C., or the general preconstruction review permitting requirements of Rule 62-212.300, F.A.C."*

   <u>Department Response</u>: The test burn is for a duration of approximately 90 days, reduced from 120 days as requested by the applicant, to determine the long term impacts of Activated Carbon, Hydrated Lime, and Trona on Lansing Smith's Units 1 and 2 boilers and control equipment. Gulf Power previously assessed the emission impacts of the pollution reduction additives and noted emission reductions to HCl and SO_2. Gulf Power wishes to assess engineering and design improvements made to the ESPs and their rapper system after favorable results from the initial reduction additive injections. The Department will limit testing to 90 days with the expectation that only 60 days of testing will actually be required. The units have sufficient control equipment to ensure that PSD could not possibly be triggered due to the short-term demonstration of an acid gas control reduction process. The efficiency of the current control equipment was demonstrated during initial testing (Permit No. 0050014-023-AC) and greater reduction should be achieved after engineering and design improvements are complete. The final permit complies with the Department's Standards for Issuing and Denying Permit as the Department has reasonable assurance that the short test program will not discharge, emit, or cause pollution in contravention of Department standards or rules. The final permit supplements all existing valid permits. The permittee shall continue to comply with all applicable conditions from valid air construction and Title V operation permits. These permits and enforceable requirements provide reasonable assurance of compliance with state or federal law. [Rule 62-4.070, Florida Administrative Code (F.A.C.)]

2. <u>Earthjustice overall comment:</u> *"Lansing Smith Units 1 and 2 Should Be Retired. Gulf Power's Lansing Smith plant is an aging facility lacking major pollution controls."*

   <u>Department Response</u>: According to filings with the Public Service Commission, the company will install additional transmission capability from other power plants to help serve the area presently supplied from Plant Lansing Smith. They will retire Units 1 and 2 or install additional controls to comply with applicable regulations. The previous test program demonstrated reductions of acid gases and the ability of Lansing Smith Units 1 and 2 to meet applicable regulations using activated carbon, hydrated lime, and Trona, but engineering and design issues prevented a long term equipment assessment. Gulf Power's Units 1 and 2 demonstrated effective pollution controls while injecting emission control additives.

   The issuance of the final permit allows Gulf Power Company to conduct a short testing and engineering assessment program to help determine cost-effective control strategies for Units 1 and 2.

3. <u>Earthjustice provides its Conclusion and summarizes as follows</u>: *"In short, because the Department lacks any reasonable assurance that this permit will assure compliance with DEP rules, it must revise or at a minimum not finalize the permit. We would be happy to discuss this matter further with you and your staff, and look forward to the Department's efforts to ensure that the proposed permit complies with DEP's rules and regulations".*

   <u>Department Response</u>: The Department has reasonable assurance that this final permit will comply with all DEP rules.

CONCLUSION

The final action of the Department is to issue the permit.