PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection
Division of Air Resource Management, Office of Permitting and Compliance
Draft Title V Air Operation Permit Renewal No. 0050014-025-AV
and Draft Air Construction Permit Revision No. 0050014-026-AC
Gulf Power Company, Lansing Smith Electric Generating Plant
Bay County, Florida

Applicant: The applicant for this project is Gulf Power Company. The applicant's responsible official and mailing address are: Mr. Michael Burroughs, Vice-President, Power Generation, Gulf Power Company, Lansing Smith Electric Generating Plant, One Energy Place, Pensacola, Florida 32520.

Facility Location: The applicant operates the existing Lansing Smith Electric Generating Plant, which is located in Bay County at 4300 County Road 2300, Lynn Haven, Florida 32409.

Project: The existing facility consists of two coal fired steam generators (boilers), a Pratt & Whitney Twin-Pac combustion turbine peaking unit, and two gas-fired combined-cycle combustion turbine electrical generators with duct-fired heat recovery steam generators (HRSG). The two boilers, Units 1 and 2 are Acid Rain Phase II Units. The two boilers are regulated under the Clean Air Interstate Rule (CAIR) and 40 CFR 63, Subpart UUUUU - National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units often referred to as the Mercury and Air Toxics Standard (MATS). The two combined-cycle combustion turbines are Acid Rain and CAIR units. Pulverized coal is the primary fuel for the boilers. Distillate fuel oil is used to fire the combustion turbine and as a "back-up" fuel for the boilers. Natural gas is the only fuel allowed to be fired in the two combined-cycle combustion turbines. The facility also has engines which are regulated under 40 CFR 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines adopted in Rule 62-204.800(11)(b) of the Florida Administrative Code (F.A.C.). Also included in this facility are miscellaneous unregulated/insignificant emissions units and/or activities.

The applicant applied on May 19, 2014 to the Department for a Title V air operation permit renewal for the above referenced facility. In addition, it was determine by the Department on December 1, 2014 that a concurrent air construction permit would be required to make one of the changes requested by the applicant. The air construction permit revision is required to revise specific conditions of previously issued air construction permit No. 0050014-011-AC. The revised permit conditions are related correcting (increasing) the No. 2 fuel oil heat input rated capacity during startup, shutdown and flame stabilization for Units 001 and 002. This change will not cause any increases in emissions nor change the capacity of the units because the units historically had been operating at the higher heat input rates. This project is not subject to preconstruction review for the Prevention of Significant Deterioration (PSD) of Air Quality in accordance with Rule 62-212.400, Florida Administrative Code (F.A.C.).

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210 and 62-212 of the F.A.C. The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work.

Applications for Title V air operation permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, 62-213 and 62-214, of the F.A.C. The proposed project is not exempt from air permitting requirements and a Title V air operation permit is required to operate the facility.

The Office of Permitting and Compliance in the Division of Air Resource Management is the Permitting Authority responsible for making a permit determination for these projects. The Permitting Authority's physical address is: 2600 Blair Stone Road, Tallahassee, Florida. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/717-9000.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00

a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at the address indicated above for the Permitting Authority. The complete project file includes the draft air construction revision, the draft Title V air operation permit, the Statement of Basis, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may view the draft permits by visiting the following website: http://www.dep.state.fl.us/air/emission/apds/default.asp and entering the permit number shown above. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address or phone number listed above.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an air construction permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, F.A.C. The Permitting Authority will issue a proposed permit and subsequent final permit in accordance with the conditions of the proposed draft air construction permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

The Permitting Authority gives notice of its intent to issue a Title V air operation permit to the applicant for the project described above. The applicant has provided reasonable assurance that continued operation of existing equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-296 and 62-297, F.A.C. The Permitting Authority will issue a final Title V air operation permit in accordance with the conditions of the draft Title V air operation permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the draft air construction permit for a period of 14 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority by close of business (5:00 p.m.) on or before the end of this 14-day period. If written comments received result in a significant change to the draft air construction permit, the Permitting Authority shall revise the draft air construction permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

The Permitting Authority will accept written comments concerning the draft Title V air operation permit for a period of 30 days from the date of publication of the Public Notice. Written comments must be received by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location in the Florida Administrative Register (FAR). If a public meeting is requested within the 30-day comment period and conducted by the Permitting Authority, any oral and written comments received during the public meeting will also be considered by the Permitting Authority. If timely received written comments or comments received at a public meeting result in a significant change to the draft Title V air operation permit, the Permitting Authority shall issue a revised draft Title V air operation permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection. For additional information, contact the Permitting Authority at the above address or phone number.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of publication of the Public Notice or receipt of a written notice, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within 14 days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. A petition for administrative hearing must contain the information set forth below and must be filed (received) with the Agency Clerk in the

Office of General Counsel, 3900 Commonwealth Boulevard, MS 35, Tallahassee, Florida 32399-3000, Agency.Clerk@dep.state.fl.us, before the deadline. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention (in a proceeding initiated by another party) will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, any email address, telephone number and any facsimile number of the petitioner; the name, address, any email address, telephone number, and any facsimile number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this written notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation: Mediation is not available for this proceeding.

Objections: Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 days of the expiration of the Administrator's 45-day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to the issuance of any Title V air operation permit. Any petition shall be based only on objections to the permit that were raised with reasonable specificity during the 30-day public comment period provided in the Public Notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding EPA review and objections, visit EPA's Region 4 web site at: http://www.epa.gov/region4/air/permits/florida.htm.