PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection
Division of Air Resource Management, Office of Permitting and Compliance

Draft Air Permit No. 1010017-013-AC / PSD-FL-419
Anclote Power Plant
Pasco County, Florida

Applicant: The applicant for this project is Florida Power Corporation d/b/a Progress Energy Florida (PEF), Inc., a direct subsidiary of Duke Energy Corporation. The applicant's authorized representative and mailing address are: Mr. William Luke, Plant Manager, PEF Anclote Power Plant, 1729 Baillies Bluff Road, Holiday, Florida 34691-9753.

Facility Location: The existing PEF Anclote Power Plant is located in Pasco County at 1729 Baillies Bluff Road, Holiday, Florida.

Project: The Anclote Power Plant consists of two electrical generating units (Units 1 and 2), each of which has a gross nameplate rating of 556.2 megawatts (MW). The units are primarily fired with residual fuel oil and limited natural gas capability. The facility also includes a common 499-foot stack, two mechanical draft helper cooling towers, fuel oil storage tanks, diesel engines and other ancillary equipment. The project is to convert Anclote Units 1 and 2 and associated equipment from present use of heavy fuel oil and natural gas to exclusive use of natural gas. Briefly, the project will include: installation of additional natural gas burners to the existing natural gas burners; fuel gas heaters; modifications to the natural gas delivery systems; replacement of the existing natural gas metering and regulating station; furnace superheater surface area reductions; disabling of residual fuel oil firing capability; upgrade of superheater metallurgy; and upgrade of the burner control and management system.

The project is subject to preconstruction review for the Prevention of Significant Deterioration (PSD) of Air Quality and a determination of Best Available Control Technology (BACT) in accordance with Rule 62-212.400, Florida Administrative Code (F.A.C.).

The project will result in net emissions increases of approximately: 2,519 tons per year (tons/year) of carbon monoxide (CO); and 6 tons/year of volatile organic compounds (VOC). The project will result in net emissions decreases of approximately 25,213 tons/year of sulfur dioxide (SO_2) and 2,759 tons/year of nitrogen oxides NO_X. The project will also result in substantial decreases of particulate matter (PM) and PM smaller than 10 and 2.5 micrometers (PM_{10}, $PM_{2.5}$) including hazardous air pollutants (HAP). The project will reduce stack opacity and precursors of ambient ozone and fine PM. After the conversion the plant will no longer be a major source of HAP and will not be subject to 40 Code of Federal Regulations, Part 60, Subpart UUUUU - National Emission Standards for Hazardous Air Pollutants: Coal and Oil-Fired Electric Utility Steam Generating Units.

CO and NO_X emissions will be controlled by good combustion practices including burning of inherently clean natural gas and implementation of close coupled overfire air (CCOFA). The Department will limit NO_X emissions to 0.30 pounds per million Btu of heat input (lb/MMBtu) on a 12-month rolling average as measured by the existing continuous emission monitoring systems (CEMS). The Department is specifying as BACT a CO emission standard of 0.15 lb/MMBtu on a 30-day rolling average as measured by CO-CEMS on each unit. The Department is specifying a natural gas use as BACT for two small natural gas heaters required for the project.

At the present time, the two Anclote units provide approximately 1,011 MW (net) of summer electric generating capacity on the PEF system. After conversion to exclusive natural gas use, the net capacity may increase due to removal of auxiliary loads required for oil heating and circulation. There will be an increase in heat rate (the fuel heat input required to make a unit of electrical energy). Accordingly, the Department will specify a design heat input in the permit of 5,500 MMBtu/hour to provide for maximum use of the generator nameplate capabilities.

The Department reviewed an ambient air modeling analysis submitted by PEF and concluded that the increased CO emissions will not cause or contribute to any violation of the ambient air quality standards.

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, F.A.C. The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Division of Air Resource Management's (DARM) Office of Permitting and Compliance is the Permitting Authority responsible for making a permit determination for this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, 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.

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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 address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above. In addition, electronic copies of these documents are available by entering permit number 1010017-013-AC at the following web site: http://www.dep.state.fl.us/air/emission/apds/default.asp.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the existing facility will not adversely impact air quality and that the project will comply with all applicable 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 Final Permit in accordance with the conditions of the proposed Draft 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 proposed Draft Permit and requests for a public meeting for a period of 30 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 30-day period. In addition, 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 comments result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. 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 this 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. 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, and telephone number of the petitioner; the name, address and telephone 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; (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 Public 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 in this proceeding.

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