# 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. 1010373-012-AC / PSD-FL-402A
Shady Hills Power Company, LLC, Shady Hills Generating Station

Pasco County, Florida

**Applicant**: The applicant for this project is Shady Hills Power Company, LLC. The applicant's authorized representative and mailing address is: Roy S. Belden, Vice President, EFS Shady Hills, LLC, 800 Long Ridge Road, Stamford, CT 06927.

**Facility Location**: Shady Hills Power Company, LLC operates the existing Shady Hills Generating Station, which is located in Pasco County at 14240 Merchant Energy Way in Spring Hill, Florida.

**Project:** The permittee proposes to construct two 223 megawatts (MW) General Electric Model 7FA.05 combustion turbine-electrical generator sets instead of the two 170 MW General Electric Model 7FA.03 units originally authorized by permit No. 1010373-007-AC (PSD-FL-402) issued on January 12, 2009. The modification also includes: addition of a 2.8 million gallons distillate fuel oil storage tank to the project and an additional prevention of significant deterioration (PSD) review including a best available control technology determination (BACT) for carbon monoxide (CO).

The combustion turbines will operate in intermittent, simple cycle mode and will be fueled by natural gas with a sulfur specification of 1.5 grains per 100 standard cubic feet. Limited use of ultralow sulfur distillate fuel oil with a sulfur specification of 15 parts per million is permitted as a backup fuel.

The entire project, including this modification, will result in emissions increases of: 397 tons/year of nitrogen oxides ($NO_X$), 135 tons per year (tons/year) of CO; 69 tons/year of particulate matter (PM), 69 tons/year of PM with a mean diameter of 10 microns or less ($PM_{10}$), and 69 tons/year of PM with a mean diameter of 2.5 microns or less ($PM_{2.5}$). These totals include those approved by the original permitting action.

In accordance with Rule 62-212.400, Florida Administrative Code (F.A.C.), the modified project is subject to preconstruction PSD review and determinations of BACT for CO, $NO_X$, PM and $PM_{10}$. The Department revalidated the original $NO_X$ determinations of 9.0 and 42 parts per million by volume at 15 percent oxygen (ppmvd @15% $O_2$) when firing natural gas and fuel oil, respectively. The limits are achievable by lean pre-mix, dry low $NO_X$ (DLN) technology when firing natural gas and water injection into the combustors when firing fuel oil.

The initial draft BACT for CO is 9.0 ppmvd also achievable by DLN technology and high firing temperatures. The draft BACT determination for PM/$PM_{10}$ is the use of clean fuels in accordance with the stated sulfur specifications and a visible emissions standard of 10% opacity. The $NO_X$ BACT, low sulfur fuel specifications and avoidance of ammonia for $NO_X$ control will minimize direct $PM_{2.5}$ emissions and their formation by reactions and condensation. The Department determines that BACT for an emergency generator and a natural gas fuel heater required by the project is satisfied by the applicable emission standards pursuant to 40 Code of Federal Regulations, part 60-Standards of Performance for New Stationary Sources, subparts IIII and Dc.

The Department reviewed the air quality analyses prepared by the applicant. The maximum predicted ground-level concentrations of nitrogen dioxide ($NO_2$) and $PM_{10}$ were less than the respective significant impact levels (SIL) applicable in the PSD Class I Chassahowitzka National Wilderness Area (CNWA). Therefore no further ambient impact analyses including Class I PSD increment consumption were required. The maximum predicted ground-level concentrations of CO, PM and $PM_{2.5}$ are also less than the respective SIL applicable in the Class II areas outside of the CNWA. Therefore no further ambient impact analyses including Class II increment consumption were required for these pollutants. The predicted 1-hour ground-level concentration of $NO_2$ exceeded the respective SIL in the Class II area near the project site. Subsequent multisource impact analyses indicated that the project will not cause or contribute to a violation of the $NO_2$ national ambient air quality standard. Since no increment level has been established for the 1-hour $NO_2$ standard, an increment analysis is not required.

The applicant conducted three levels of project visibility impacts in the Class I CNWA. The analyses were submitted to the U.S. Fish and Wildlife Service for their review on behalf of the Federal Land manager. No adverse comments were received following submittal of the detailed level-III analysis regarding visibility impacts or any other air quality related values. The Department has determined that the proposed project as modified will not cause or contribute to a violation of any national ambient air quality standard or increment.

**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.

**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 on the following web site: http://www.dep.state.fl.us/air/emission/construction/shady_hills.htm .

**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 proposed equipment 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.

**(Public Notice to be Published in the Newspaper)**