Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Rick Scott
Governor

Jennifer Carroll
Lt. Governor

Herschel T. Vinyard Jr.
Secretary

Sent by Electronic Mail – Received Receipt Requested

Farzie.Shelton@lakelandelectric.com
Ms. Farzie Shelton,
Assistant General Manager
of Technical Support
Lakeland Electric
501 East Lemon Street
Lakeland, Florida 33801

Re: Charles Larsen Memorial Power Plant (Larsen Power Plant)
Project No. 1050003-018-AC
Repair and Maintenance Project, Unit 8
Acknowledgment that Permit is not Required

Dear Ms. Shelton:

This is a response to your letter dated October 1, 2012 regarding a routine maintenance, repair, and replacement (RMRR) project planned for Unit 8 at the Larsen Power Plant located at 2002 East Highway 92 in Lakeland, Polk County. The work is planned during next outage presently planned between February and June 2013.

The key tasks include: hot gas path component inspections and possible repair or replacement where hot gas temperatures have caused wear and tear on metal and equipment; inspection of the high pressure components of the gas turbine compressor and repair and (like-kind or equivalent) replacement as necessary; and the replacement of the obsolete computer control system.

Acknowledgement: The Department reviewed the information attached to your letter and acknowledges that the project constitutes RMRR. An air construction permit is not required to perform the described work.

In accordance with Rule 62-210.300 (Permits Required), Florida Administrative Code (F.A.C.) the owner or operator of any facility or emissions unit which emits or can reasonably be expected to emit any air pollutant shall obtain appropriate authorization from the Department. According to Rule 62-210.300(1) - Air Construction Permits, F.A.C.:

> *(a) Unless exempt from permitting pursuant to paragraph 62-210.300(3)(a) or (b), F.A.C., or Rule 62-4.040, F.A.C., an air construction permit shall be obtained by the owner or operator of any proposed new, reconstructed, or modified facility or emissions unit, or any new pollution control equipment prior to the beginning of construction, reconstruction pursuant to 40 CFR 60.15 or 63.2, or* ***modification*** *of the facility or emissions unit or addition of the air pollution control equipment;*

The Department's definition of "Modification" is given at Rule 62-210.200(205)(a), Florida Administrative Code (F.A.C.) as follows:

> *Any* ***physical change in, change in the method of operation of****, or addition to a facility which would result in an increase in the actual emissions of any air pollutant subject to regulation under the Act, including any not previously emitted, from any emissions unit or facility.*
>
> *(a) A physical change or change in the method of operation* ***shall not include****:*
>
> *1.* ***Routine maintenance, repair, or replacement*** *of component parts of an emissions unit;*

The project is not a modification and an air permit is not required for Lakeland Electric to perform the described work.

Further details of the project and the rationale that determined the work constitutes RMRR are provided in the enclosed Technical Evaluation and Determination document included with this exemption. Two key elements contributing to this decision are: The work falls within the described 48,000 hour Major Inspection Maintenance Interval given in General Electric documents. Although the unit is nearly 20 years old, it has operated approximately 40,000 hours (equivalent to less than 5 years). Secondly, the project satisfies a commonly accepted EPA Guidance test used when determining whether a project constitutes RMRR. Ultimately the decision is that of the Department and its interpretation and implementation of its own rules.

A copy of this letter shall be maintained at the site of the proposed activity. This permitting decision is made pursuant to Chapter 403, Florida Statutes.

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 Permitting Authority responsible for making a permit determination for this project is the Office of Permitting and Compliance in the Department of Environmental Protection's Division of Air Resource Management. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida 32301. 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.

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 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 must be filed within 21 days of receipt of this exemption from air permitting requirements. 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. If there are none, the petition must so state; (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 action. 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.

Effective date: This permitting decision is final and effective on the date filed with the clerk of the Permitting Authority unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition pursuant to Rule 62-110.106, F.A.C., and the petition conforms to the content requirements of Rules 28-106.201 and 28-106.301, F.A.C. Upon timely filing of a petition of a request for extension of time, this action will not be effective until further order of the Permitting Authority.

Judicial Review: Any party to this permitting decision (order) has the right to seek judicial review of it under Section 120.68, F.S., by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000, and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.
(Electronic Signature)

A.A. Linero
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for Jeffery F. Koerner, Program Administrator
Office of Permitting and Compliance
Division of Air Resource Management

JFK/aal/dlr

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Permit Non-Applicability Determination and the enclosed Technical Evaluation were sent by electronic mail, or a link to these documents made available electronically on a publicly accessible server, with received receipt requested before the close of business on the date indicated below to the following persons.

Farzie Shelton, Lakeland Electric: Farzie.Shelton@lakelandelectric.com
Ken Kosky, P.E., Golder Associates: (Ken_Kosky@golder.com
Robert Wong, DEP SWD: robert.wong@dep.state.fl.us
Lynn Scearce, DEP OPC Reading File: lynn.scearce@dep.state.fl.us

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.
(Electronic Signature)

Lynn Scearce
2012.10.18 14:00:09 -04'00'