Florida Department of Environmental Protection

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

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

October 8, 2007

Electronically Sent – Received Receipt Requested.

Ms. Dana P. Claburn
Plant Manager
DeSoto County Generating Company, LLC
3800 NE Roan Street
Arcadia, Florida 34266

Re: DeSoto County Energy Park
DRAFT Air Construction Project No. 0270016-006-AC
{Modification of Permit No. 0270016-001-AC (PSD-FL-284)}
DRAFT Title V Air Operation Permit Renewal Project No. 0270016-007-AV
{Renewal to Title V Air Operation Permit No. 0270016-005-AV}

Dear Ms. Claburn:

On June 25, 2007, you submitted an application for an Air Construction Permit Modification and Title V Air Operation Permit Renewal for the DeSoto County Energy Park located at 3800 Northeast Roan Street in Arcadia, Desoto County. Enclosed are the following documents: "Technical Evaluation and Preliminary Determination", "DRAFT Air Construction Permit Modification", "DRAFT Title V Air Operation Permit Renewal", "Statement of Basis", "Written Notice of Intent to Issue Air Construction Permit Modification and Title V Air Operation Permit Renewal", and "Public Notice of Intent to Issue Air Construction Permit Modification and Title V Air Operation Permit Renewal".

The "Technical Evaluation and Preliminary Determination" summarizes the Permitting Authority's technical review of the application and provides the rationale for making the preliminary determination to issue a DRAFT Construction Permit Modification. The proposed "DRAFT Air Construction Permit Modification and DRAFT Title V Air Operation Permit Renewal" includes specific conditions that regulate the emissions units at this facility. The "Written Notice of Intent to Issue an Air Construction Permit Modification and a Title V Air Operation Permit Renewal" provides important information regarding: the Permitting Authority's intent to issue a Title V air operation permit renewal and air construction permit modification (DRAFT Permit); the requirements for publishing a Public Notice of the Permitting Authority's intent to issue the DRAFT Permit; the procedures for submitting comments on the DRAFT Permit; the requirements for requesting a public meeting; the requirements for filing a petition for an administrative hearing; and the availability of mediation. The "Public Notice of Intent to Issue an Air Construction Permit Modification and a Title V Air Operation Permit Renewal" is the actual notice that you must publish in the legal advertisement section of a newspaper of general circulation in the area affected by this project.

If you have any questions, please contact the Project Engineer, Syed Arif, at 850-921-9528.

Sincerely,

Trina L. Vielhauer, Chief
Bureau of Air Regulation

Enclosures

WRITTEN NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT MODIFICATION AND TITLE V AIR OPERATION PERMIT RENEWAL

In the Matter of an
Application for Permits by:

Ms. Dana P. Claburn, Plant Manager
DeSoto County Generating Company, LLC
3800 NE Roan Street
Arcadia, Florida 34266

Air Construction Permit Project No. **0270016-006-AC**
DRAFT Title V Permit Renewal No. **0270016-007-AV**
DeSoto County Energy Park
Desoto County, Florida

Facility Location: The applicant requests an Air Construction Permit modification and Title V Air Operation Permit renewal for the DeSoto County Energy Park located at 3800 Northeast Roan Street in Arcadia, Desoto County, Florida.

Project: On June 25, 2007, the applicant applied to the Permitting Authority for an Air Construction Permit modification and Title V Air Operation Permit renewal. Air Construction Permit Project No. 0270016-006-AC involves the modification of air construction permit No. 0270016-001-AC (PSD-FL-284) for the simple cycle gas turbines. The applicant requested changes affecting several specific conditions of the previously issued air construction PSD permit. The changes are described in the Technical Evaluation and Preliminary Determination. The applicant also requested a concurrent renewal of Title V Air Operation Permit No. 0270016-005-AV to incorporate the above request. The renewal will be issued as DRAFT Title V Air Operation Permit No. 0270016-007-AV.

Details of the project are provided in the application and the enclosed "Technical Evaluation and Preliminary Determination".

Permitting Authority: Applications for an Air Construction Permit modification and a Title V Air Operation Permit renewal are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, 62-212, 62-213 and 62-214, Florida Administrative Code (F.A.C.). The proposed project is not exempt from construction and Title V permitting procedures and an Air Construction Permit modification and Title V Air Operation Permit renewal are required to modify or continue operations at the facility. The Department of Environmental Protection, Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination regarding this project. 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, Mail Station #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114 and facsimile number is 850/921-9533.

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 Permits, the Statement of Basis, the application, the Technical Evaluation and Preliminary Determination and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may view the Air Construction Permit modification and DRAFT Title V Air Operation Permit renewal by visiting the following website: http://www.dep.state.fl.us/air/eproducts/ards/.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue permits to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the facility 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 the Air Construction Permit and the PROPOSED Title V Air Operation Permit Renewal and subsequent FINAL Title V Air Operation Permit Renewal in accordance with the conditions of the DRAFT Air Construction Permit and the DRAFT Title V Air Operation Permit Renewal unless a response received in accordance with the following procedures results in a different decision or a significant change of terms or conditions.

Public Notice: Pursuant to Section 403.815, F.S. and Rules 62-110.106 and 62-210.350, F.A.C., you (the applicant) are required to publish at your own expense the enclosed "Public Notice of Intent to Issue Air Construction Permit Modification and Title V Air Operation Permit Renewal" (Public Notice). The Public Notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The newspaper used must meet the requirements of Sections 50.011 and 50.031, F.S. in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Permitting Authority at above address or phone number. Pursuant to Rule 62-110.106(5) and (9), F.A.C., the applicant shall provide proof of publication to the Permitting Authority at the above address within seven days of publication. No permitting action for which published notice is required shall be granted until proof of publication of notice is made by furnishing a uniform affidavit in substantially the form presented in Section 50.051, F.S., to the office of the Department issuing the permit. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Comments: The Permitting Authority will accept written comments concerning the DRAFT Air Construction Permit for a period of 14 days and will accept written comments concerning the DRAFT Title V Air Operation Permit Renewal for a period of 30 days from the date of publication of this Public Notice. Written comments must be post-marked, and all e-mail or facsimile comments must be received by the close of business (5 pm), on or before the end of this 14 or 30-day period by the Permitting Authority at the above address, email or facsimile. As part of his or her comments on the Title V Air Operation Permit, 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 Weekly (http://faw.dos.state.fl.us/) and in a newspaper of general circulation in the area affected by the permitting action. Subsequent action on the Title V and Title IV parts of the Permit Renewal may be split if comments are received on the Title V portion of the DRAFT Permit. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the DRAFT Air Construction Permit or the DRAFT Title V Air Operation Permit Renewal, the Permitting Authority shall issue a Revised DRAFT Air Construction Permit or a Revised DRAFT Title V Air Operation Permit Renewal 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 the applicant or any of the parties listed below must be filed within 14 days of receipt of this Written Notice of Intent to Issue Air Construction Permit and Title V Air Operation Permit Renewal. 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 attached Public Notice or within 14 days of receipt of this Written Notice of Intent to Issue Air Construction Permit and Title V Air Operation Permit Renewal, 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 how and when each petitioner received notice of the agency action or proposed action; (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 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 Construction Permit and Title V Air Operation Permit Renewal. 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.

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 renewal. 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.

Executed in Tallahassee, Florida.

Trina L. Vielhauer, Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this "Written Notice of Intent to Issue Air Construction Permit and Title V Air Operation Permit Renewal" package (including the Public Notice, the Technical Evaluation and Preliminary Determination, the Statement of Basis, and the Draft Permits) and all copies were sent electronically with received receipt requested before the close of business on 10/9/07 to the persons listed below.

Dana Claburn, DeSoto County Generating Company: dpclabur@southernco.com
Kevin White, P.E., Southern Company: kwhite@southernco.com
Mara Nasca, Southwest District Office: mara.nasca@dep.state.fl.us
Posted for EPA Region 4

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.

Barbara J. Friday 10/9/07
(Clerk) (Date)

PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT MODIFICATION AND TITLE V AIR OPERATION PERMIT RENEWAL

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DRAFT Air Construction Permit No. **0270016-006-AC**
DRAFT Title V Air Operation Permit Renewal No. **0270016-007-AV**
DeSoto County Energy Park
Desoto County

Applicant: The applicant for this project is DeSoto County Generating Company, LLC, 3800 Northeast Roan Street, Arcadia, Florida 34266. The applicant's responsible official is Ms. Dana P. Claburn, Plant Manager.

Facility Location: The applicant operates the DeSoto County Energy Park, which is located at 3800 Northeast Roan Street, Arcadia, Desoto County, Florida.

Project: The applicant submitted to the Permitting Authority for an Air Construction Permit modification and Title V Air Operation Permit renewal. Air Construction Permit Project No. 0270016-006-AC involves the modification of air construction permit No. 0270016-001 (PSD-FL-284) for the simple cycle gas turbines. The applicant requested changes affecting several specific conditions of the previously issued air construction PSD permit. The changes are described in the Technical Evaluation and Preliminary Determination. The applicant also requested a concurrent renewal of Title V Air Operation Permit No. 0270016-005-AV to incorporate the above request. The renewal will be issued as DRAFT Title V Air Operation Permit No. 0270016-007-AV.

The existing power plant consists of the following emissions units: two, dual-fuel, nominal 170 megawatt simple-cycle combustion turbines, two 75-foot exhaust stacks and one 1.5-million gallon fuel oil storage tank. The combustion turbines are equipped with General Electric's Dry Low-NOx combustion for natural gas. The water injection system is required when firing distillate fuel oil to control nitrogen oxides (NOx) emissions. In addition, emissions are controlled by several operational limitations. These limitations include the required use of no greater than 0.05 percent sulfur content distillate fuel oil and pipeline natural gas.

Permitting Authority: Applications for an Air Construction Permit modification and a Title V major source air operation permit renewal are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, 62-212, 62-213 and 62-214 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from construction and Title V permitting procedures and an Air Construction Permit modification and Title V Air Operation Permit renewal are required to modify or continue operations at the facility. The Department of Environmental Protection, Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination regarding this project. 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, Mail Station #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114 and facsimile number is 850/921-9533.

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 Permits, the Statement of Basis, the application, the Technical Evaluation and Preliminary Determination and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may view the DRAFT Title V Air Operation Permit renewal by visiting the following website: http://www.dep.state.fl.us/air/eproducts/ards/.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue permits to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the facility 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 the Air Construction Permit and the PROPOSED Title V Air Operation Permit Renewal and subsequent FINAL Title V Air Operation Permit Renewal in accordance with the conditions of the DRAFT Air Construction Permit and the DRAFT Title V Air Operation Permit Renewal unless a response received in accordance with the following procedures 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 and will accept written comments concerning the DRAFT Title V Air Operation Permit Renewal for a period of 30 days from the date of publication of this Public Notice. Written comments must be post-marked, and all e-mail or facsimile comments must be received by the close of business (5 pm), on or before the end of this 14 or 30-day period by the Permitting Authority at the above address, email or facsimile. 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 Weekly (http://faw.dos.state.fl.us/) and in a newspaper of general circulation in the area affected by the permitting action. Subsequent action on the Title V and Title IV parts of the Permit Renewal may be split if comments are received on the Title V portion of the DRAFT Permit. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the DRAFT Air Construction Permit or the DRAFT Title V Air Operation Permit Renewal, the Permitting Authority shall issue a Revised DRAFT Air Construction Permit or a Revised DRAFT Title V Air Operation Permit Renewal and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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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 how and when each petitioner received notice of the agency action or proposed action; (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 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 Construction Permit and Title V Air Operation Permit Renewal. 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.

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 renewal. 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.