



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

March 3, 2011

Sent by Electronic Mail – Received Receipt Requested

James Vick, Environmental Affairs Director
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0329

Re: Exemption from the Requirement to Obtain an Air Construction Permit
Crist Electric Generating Plant
Project No. 0330045-033-AC
Mercury Research Center - Site Activation Process (SAP)

Dear Mr. Vick:

The Crist Electric Generating Plant is located in Escambia County at 11999 Pate Street in Pensacola, Florida. The existing plant includes the Mercury Research Center, which evaluates new mercury reduction technologies on a slip stream of exhaust gas from Unit 5, which is a tangentially fired, dry-bottom utility boiler with a primary fuel of coal. Emissions controls include a hot-side electrostatic precipitator (ESP) for particulate matter, a selective non-catalytic reduction (SNCR) system for oxides of nitrogen and a wet flue gas desulfurization (FGD) system for acid gases.

On February 8th, the Gulf Power Company requested authorization as part of the Mercury Research Center to conduct experimental tests to develop activated carbon for controlling mercury from the coal feedstock available at the Crist Electric Generating Plant. The subproject is called the “Site Activation Process (SAP)” and has the potential of significantly reducing costs over commercially available activated carbons. In addition, further development of the process may enable the production of lime from limestone for acid gas removal.

As part of the ongoing mercury research project, the SAP system was previously installed and operated on a slip stream of flue gas, which was returned to the Unit 5 flue gas downstream of the hot-side electrostatic precipitator (ESP) and upstream of the air heater. Using the SAP system, the plant proposes to produce activated carbon by partial burnout of the volatile matter released in coal pyrolysis. The proposed new project will divert the entire manufactured activated carbon into the Unit 5 flue gas before the ESP for mercury adsorption and removal – an addition of 0.17% flow to the existing flue gas exhaust. This configuration will enable initial assessment of the SAP potential for gas cleanup.

The Mercury Research Center is currently authorized by the Title V air operation permit to conduct research on mercury and its control. The SAP process (partial burnout) and injection of manufactured activated carbon will result in minimal increases in uncontrolled emissions and negligible emissions increases after reductions from existing air pollution control equipment. The SAP project is within the original scope of the Mercury Research Center.

Determination: Pursuant to Rule 62.4.040(1)(b) of the Florida Administrative Code (F.A.C.), the Bureau of Air Regulation determines that the activity will not emit air pollutants, “... in sufficient quantity, with respect to its character, quality or content, and the circumstances surrounding its location, use and operation, as to contribute

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significantly to the pollution problems within the State, so that the regulation thereof is not reasonably justified.” In addition, 403.061(18), F.S. requires the Department to, “Encourage and conduct studies, investigations, and research relating to pollution and its causes, effects, prevention, abatement and control.” Therefore, the project is exempt from the requirement to obtain an air construction permit and may be conducted under the current authority granted for the Mercury Research Center. This determination may be revoked if the proposed activity is substantially modified or the basis for the exemption is determined to be materially incorrect. 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 Bureau of Air Regulation 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 permitting 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.

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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 or 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.



Trina Vielhauer, Chief
Bureau of Air Regulation

TLV/jfk

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Exemption from Air Construction Permitting was sent by electronic mail, or a link to this document was made available electronically on a publicly accessible server, with received receipt requested before the close of business on 3/3/11 to the persons listed below.

Mr. James Vick, Gulf Power Company (jovick@southernco.com)
Mr. G. Dwain Waters, Gulf Power Company (gdwaters@southernco.com)
Mr. Gregory Terry, Gulf Power Company (gnterry@southernco.com)
Mr. Rick Bradburn, DEP-NWD Office (rick.bradburn@dep.state.fl.us)
Ms. Kathleen Forney, EPA Region 4 (forney.kathleen@epa.gov)
Ms. Heather Abrams, EPA Region 4 (abrams.heather@epa.gov)
Ms. Vickie Gibson, DEP BAR Reading File (victoria.gibson@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.



(Clerk)

3/3/11
(Date)