DRAFT PERMIT

Day Month, 2008

Sent by Electronic Mail – Received Receipt Requested

Ms. Denise Stalls DStalls@ouc.com
Vice President Environmental Affairs
Orlando Utilities Commission (OUC)
500 South Orange Avenue
Post Office Box 3193
Orlando, Florida 32802

Re: DEP File No. 0950137-025-AC
Removal of Nitrogen Oxides (NO_X) Emissions Cap
Curtis H. Stanton Energy Center Units 1 and 2
Dibasic Acid Additive (DBA) System and Neural Network Systems

Dear Ms. Stalls:

On August 13, 2008, OUC submitted a permit modification application requesting removal of the NO_X emissions cap applicable to Units 1 and 2 (reference Permit No. 0950137-011-AC). The cap was included in a project to install DBA and neural network systems on Units 1 and 2. The cap was unrelated to the project but was required in a federally enforceable permit to avoid triggering a prevention of significant deterioration (PSD) review for NO_X on the integrated coal gasification and combined cycle (IGCC) project originally planned as Stanton Unit B.

Recently the Department issued a PSD permit for a natural gas-fueled combined cycle project as Stanton Unit B in lieu of the since-cancelled IGCC project. The PSD permit included a determination of best available control technology (BACT) for NO_X emissions from Stanton Unit B. Therefore, the NO_X emissions cap on Units 1 and 2 is not required to avoid triggering PSD for Stanton Unit B.

The following sections or conditions in Permit No. 0950137-011-AC are hereby amended or deleted as shown below in strike through (~~strike through~~) and <u>double underline</u> format.

Section I, General Information, Facility Description

The existing facility consists of two 468 MW fossil fuel fired steam electric generating stations (Units 1 and 2), and one 640 MW combined cycle unit. There are storage and handling facilities for solid fuels, fly ash, limestone, gypsum, slag, and bottom ash. A draft PSD permit was recently issued for the construction of a nominal ~~285~~ <u>300</u> MW ~~integrated gasification~~ <u>natural gas-fueled</u> combined cycle unit (Unit B) planned to be operational by 2012.

Section III, Specific Condition 4.

~~4. NO_X Emissions Cap: Units 1 and 2 will meet the following NO_X emissions limits.~~

~~a. *Existing Units 1 and 2*: The combined NO_X emissions from existing coal fired boiler steam electric generating Stanton Unit 1 and Stanton Unit 2 shall not exceed 8,300 tons per year on a 12-month rolling total. Total NO_X emissions shall be based on data collected from the Unit 1 and Unit 2 NO_X CEMS. Compliance shall be determined after each calendar month by calculating the total emissions from that calendar month and the last 11 calendar months beginning the first month of first fire of IGCC Unit B and thereafter.~~

~~b. If the combined NO_X emissions from Units 1 and 2 exceed 8,300 tons during any 12-month period, and/or the total NO_X emissions from Unit B exceeds 1,006 tons during any 12-month period, Unit B shall be subject to PSD preconstruction review at that time, and a determination of BACT for NO_X shall be made.~~

~~c. For purposes of meeting the NO_X emissions caps, annual emission of NO_X from existing Units 1 and 2, and Unit B shall be calculated with no allowable data exclusions. All valid hours of data (including startup and shutdown) must be included in the rolling 12-month totals. Also, the data substitution procedures of Part 75 for missing data shall not be used in these calculations.~~

~~[62-210.200 (net emissions increase), 62-210.370 (emissions computation), and 62-212.400(12) (Source Obligation), F.A.C.]~~

~~*{Permitting Note: IGCC Unit B did not trigger PSD for NO_X due to a NO_X emissions cap taken on existing coal fired boiler steam electric generating Unit 1 and Unit 2. The above conditions establish the requirements for meeting the NO_X emissions limitations for purposes of avoiding PSD preconstruction review by Unit B. These requirements in no way supersede any federal requirement of the applicable NSPS or NESHAP provisions.}*~~

Section III, Specific Condition 6.

~~6. SIP Quarterly Report: In addition to, and included in, the SIP quarterly excess emissions report required for Unit B the permittee shall submit a report to the Compliance Authority summarizing the previous three 12-month totals of NO_X emissions from Units 1 and 2. The quarterly report is due within 30 days following the end of each calendar-quarter. [Rule 62-4.070, F.A.C.]~~

A copy of this permit modification shall be filed with the Permit No. 0950137-011-AC and shall become part of that permit. This permitting decision is issued pursuant to Chapter 403, Florida Statutes (F.S.).

Any party to this permit modification (order) has the right to seek judicial review of it under section 120.68 of the Florida Statutes, 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 thirty days after this order is filed with the clerk of the Department.

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Executed in Tallahassee, Florida.

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Joseph Kahn, Director
Division of Air Resource Management

TLV/aal/dr

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this permit modification was sent by electronic mail with received receipt requested to the persons listed below.

Denise Stalls, OUC: dstalls@ouc.com
Jim Bradner, DEP CD: james.bradner@dep.state.fl.us
Lori Cunniff, Orange County EPD: lori.cunniff@ocfl.net
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Mike Halpin, DEP Siting: mike.halpin@dep.state.fl.us

Clerk Stamp

FILING AND ACKNOWLEDGMENT
FILED, on this date, pursuant to §120.52, Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

_____ _____
(Clerk) (Date)