



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

June 6, 2008

Electronic Mail – Received Receipt Requested

Ms. Julie Turner, Plant Manager
Progress Energy Florida, Inc.
6525 Osceola-Polk County Line Road
Intercession City, Florida 33848

Re: Draft Air Permit No. 0970014-014-AV, Title V Permit Revision
Draft Air Permit No. 0970014-013-AC, Concurrent Air Construction Permit
Intercession City Plant

Dear Ms. Turner:

Enclosed is a permit package to revise the Title V air operation permit and the air construction permit for the Intercession City Plant. This permitting action withdraws draft air construction permit No. 0970014-012-AC issued on March 4, 2008 and replaces it with this permit package. The facility is located in Osceola County at 6525 Osceola-Polk County Line Road, Intercession City, Florida. The permit package includes the following documents:

- The Statement of Basis, which summarizes the facility, the equipment, the primary rule applicability, and the changes since the last Title V revision.
- The Technical Evaluation and Preliminary Determination, which summarizes the minor revisions to specific conditions from existing air construction permits.
- The draft air construction permit and the draft Title V air operation permit revision, which include the specific permit conditions that regulate the emissions units covered by the proposed project.
- The Written Notice of Intent to Issue Air Permits, which provides: the Department's written notice of intent to issue air permits for the proposed project; the requirements for publishing a Public Notice of the Department's intent to issue air permits; the procedures for submitting comments on the Draft Permits; the process for filing a petition for an administrative hearing; and the availability of mediation.
- The Public Notice of Intent to Issue Air Permits which is the actual notice that you must have published in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The Public Notice of Intent to Issue Title V Air Operation Permit Revision must be published as soon as possible and the proof of publication must be provided to the Department within seven days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit revision pursuant to Rule 62-110.106(11), Florida Administrative Code (F.A.C.).

If you have any questions, please contact the project engineer, Russell Wider, P.E., at 850/921-9527, or by email at Russell.Wider@dep.state.fl.us.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

TLV/raw

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

*In the Matter of an
Application for Air Permits by:*

Progress Energy Florida
6525 Osceola-Polk County Line Road
Intercession City, Florida 33848

Responsible Official:

Ms. Julie Turner, Plant Manager

Air Permit No. 0970014-014-AV
Title V Permit Revision
Air Permit No. 0970014-013-AC
Concurrent Air Construction Permit
Intercession City Plant

Facility Location: Progress Energy Florida (PEF) operates the Intercession City Plant, an existing electrical generating power plant (SIC No. 49) located in Osceola County at 6525 Osceola-Polk County Line Road, Intercession City, Florida. The UTM map coordinates are: Zone 17, 446.3 km E, 3126.0 km N; and the map coordinates are Latitude 28° 15' 38", Longitude 81° 32' 51".

Project: Progress Energy Florida applied on December 6, 2007, for an air construction permit to modify the methodology for the exclusion of excess emissions data recorded during startups, shutdowns and malfunctions from the calculation of 24-hour nitrogen oxides (NO_x) averages. This methodology was to apply to Units P12, P13 and P14, which are dual-fuel simple cycle combustion turbines with a nominal power production output of 91 megawatts each. The Department gave written notice of its intent to issue a permit (Permit No. 0970014-012-AC) to PEF on March 4, 2008.

Prior to publication of the Public Notice of Intent to Issue Air Permit (Public Notice) PEF provided comments and additional information for consideration by the Department. The original written notice and accompanying documents are hereby withdrawn and replaced with the present notice and accompanying documents. These permitting actions will revise air construction Permit no. PSD-FL-268A (DEP File No. 0970014-013-AC, PSD-FL-268B) and concurrently revise Title V air operation Permit No. 0970014-014-AV. These permitting actions further define the above methodology while also adding periods of Dry low-NO_x tuning as an allowable exclusion from the calculation of the 24-hour NO_x averages. Dry low-NO_x (DLN) combustion technology is used to control NO_x emissions when firing the primary fuel of pipeline quality natural gas. Major tuning sessions are intended to return the unit to manufacturer's specifications for efficient operation and should result in lower actual emissions. This project is not expected to significantly increase emissions and as such, neither a Best Available Control Technology (BACT) determination or modeling was required.

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 of the Florida Administrative Code (F.A.C.). Applications for Title V air operation permits are subject to review in accordance with the provisions of Chapter 403, F.S. and Chapters 62-4, 62-210 and 62-213, F.A.C. The projects are not exempt from the permitting procedures for air construction and Title V air operation permits. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

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 Technical Evaluation and Preliminary Determination, the application, and the additional 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.

Notice of Intent to Issue Permits: The Permitting Authority gives notice of its intent to issue a revised Title V air operation permit and a concurrent air construction permit 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 applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297, F.A.C. The permitting authority will issue a final air construction permit and a proposed Title V air operation permit

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

revision (and subsequent final Title V air operation permit revision) in accordance with the conditions of the Draft Permits 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.

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 Permit (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 the address or phone number listed above. 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. 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 on the Draft Air Construction Permit: The Permitting Authority will accept written comments concerning the proposed draft air construction permit for a period of 14 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority at the above address by 5:00 p.m. on or before the end of the 14-day comment period. If written comments result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Comments on the Draft Title V Air Operation Permit Revision: The Permitting Authority will accept written comments concerning the draft Title V air operation permit for a period of 30 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority at the above address by 5:00 p.m. on or before the end of the 30-day comment period. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on the Title V 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 and in a newspaper of general circulation in the area affected by the permitting action. 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 Permit, the Permitting Authority will issue a revised 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 decisions 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 (Telephone: 850/245-2241; Fax: 850/245-2303). 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 Permits. 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 fourteen 14 days of receipt of this Written Notice of Intent to Issue Air Permits, 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

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

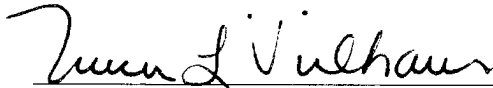
determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal 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 Written Notice of Intent to Issue Air Permits. 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 to the Draft Title V Air Operation Permit: 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 issuance of any Title V permit. Any petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this 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 Title V 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.

Executed in Tallahassee, Florida.



Trina L. Vielhauer, Chief
Bureau of Air Regulation

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Written Notice of Intent to Issue Air Permit package (including the Written Notice of Intent to Issue Air Permits, the Public Notice of Intent to Issue Air Permits, the Statement of Basis, the Technical Evaluation and Preliminary Determination, the Draft Title V Air Operation Permit Revision and the Draft Air Construction Permit) was sent by electronic mail with received receipt requested before the close of business on 6/9/08 to the persons listed below.

Ms. Julie Turner, PEF: Julie.Turner@pgnmail.com

Mr. Scott Osbourn, P.E., Golder Associates: sosbourn@golder.com

Mr. Dave Meyer, PEF: Dave.Meyer@pgnmail.com

Mr. Mike Halpin, Siting Office: Mike.Halpin@dep.state.fl.us

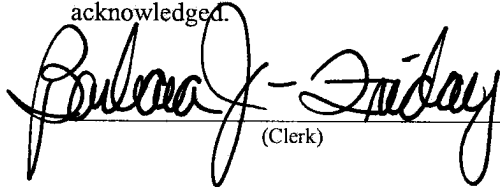
Mr. James Bradner, P.E., CD: james.bradner@dep.state.fl.us

EPA Region 4 (posted)

Ms. Kathleen Forney, EPA Region 4: forney.kathleen@epa.gov

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)

6/9/08
(Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

Florida Department of Environmental Protection

Draft Air Permit No. 0970014-014-AV, Title V Air Operation Permit Revision

Draft Air Permit No. 0970014-013-AC, Concurrent Air Construction Permit

Progress Energy Florida, Inc.

Intercession City Plant

Osceola County, Florida

Applicant: The applicant and responsible official for this project is the Progress Energy Florida's Ms. Julie Turner, Plant Manager. The applicant's mailing address is 6525 Osceola-Polk County Line Road, Intercession City, Florida 33848.

Facility Location: Progress Energy Florida, Inc. (PEF) operates an existing electrical generating power plant located in Osceola County at 6525 Osceola-Polk County Line Road, Intercession City, Florida 33848. The UTM coordinates are: Zone 17, 446.3 km E, 3126.0 km N; and the map coordinates are Latitude 28° 15' 38", Longitude 81° 32' 51".

Project: Progress Energy Florida applied on December 6, 2007, for an air construction permit to modify the methodology for the exclusion of excess emissions data recorded during startups, shutdowns and malfunctions from the calculation of 24-hour nitrogen oxides (NO_x) averages. This methodology was to apply to Units P12, P13 and P14, which are dual-fuel simple cycle combustion turbines with a nominal power production output of 91 megawatts each. The Department gave written notice of its intent to issue a permit (Permit No. 0970014-012-AC) to PEF on March 4, 2008.

Prior to publication of the Public Notice of Intent to Issue Air Permit (Public Notice) PEF provided comments and additional information for consideration by the Department. The original written notice and accompanying documents are hereby withdrawn and replaced with the present notice and accompanying documents. These permitting actions will revise air construction Permit no. PSD-FL-268A (DEP File No. 0970014-013-AC, PSD-FL-268B) and concurrently revise Title V air operation Permit No. 0970014-014-AV. These permitting actions further define the above methodology while also adding periods of Dry low-NO_x tuning as an allowable exclusion from the calculation of the 24-hour NO_x averages. Dry low-NO_x (DLN) combustion technology is used to control NO_x emissions when firing the primary fuel of pipeline quality natural gas. Major tuning sessions are intended to return the unit to manufacturer's specifications for efficient operation and should result in lower actual emissions. This project is not expected to significantly increase emissions and as such, neither a Best Available Control Technology (BACT) determination nor modeling was required.

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 of the Florida Administrative Code (F.A.C.). Applications for Title V air operation permits are subject to review in accordance with the provisions of Chapter 403, F.S. and Chapters 62-4, 62-210 and 62-213, F.A.C. The projects are not exempt from the permitting procedures for air construction and Title V air operation permits. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

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 Technical Evaluation and Preliminary Determination, the application, and the additional 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.

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(Public Notice to be Published in the Newspaper)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

revision (and subsequent final Title V air operation permit revision) in accordance with the conditions of the Draft Permits 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 on the Draft Air Construction Permit: The Permitting Authority will accept written comments concerning the proposed Draft Air Construction Permit for a period of 14 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority at the above address by 5:00 p.m. on or before the end of the 14-day comment period. If written comments result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Comments on the Draft Title V Air Operation Permit Revision: The Permitting Authority will accept written comments concerning the draft Title V air operation permit for a period of 30 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority at the above address by 5:00 p.m. on or before the end of the 30-day comment period. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on the Title V 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 and in a newspaper of general circulation in the area affected by the permitting action. 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 Permit, the Permitting Authority will issue a revised 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 decisions 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 (Telephone: 850/245-2241; Fax: 850/245-2303). 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 Permits. 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 fourteen 14 days of receipt of this Written Notice of Intent to Issue Air Permits, 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 Written Notice of

(Public Notice to be Published in the Newspaper)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

Intent to Issue Air Permits. 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 to the Draft Title V Air Operation Permit: 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 issuance of any Title V permit. Any petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this 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 Title V 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.