TAMPA ELECTRIC

January 30, 2002

Mr. Howard Rhodes
Division Director
Division of Air Resources Management
Florida Department of Environmental Protection
2600 Blair Stone Road
MS 5500
Twin Towers Office Building
Tallahassee, Florida 32399-2400

Via Fax and Mail

Re: Tampa Electric Company (TEC)
Polk Power Station
Biomass Test Burn

Dear Mr. Rhodes:

The purpose of this letter is to update you on the progress of Tampa Electric Company's ("TEC") attempt to use biomass as a gasification feedstock in Polk Unit 1 and to request that you consider some additional factors in making a determination of Best Available Control Technology ("BACT"). As you are aware, TEC received authorization to perform the test burn from the Florida Department of Environmental Protection ("Department") on December 21, 2001. Upon receipt of the authorization, TEC immediately began procuring biomass fuel to facilitate the test burn. On December 30 and 31, 2001, TEC successfully gasified a blend of biomass, coal and pet coke, in accordance with the authorization. The blend consisted of approximately one percent biomass by weight, which equates to approximately one ton of biomass gasified per hour.

Due to the initial success of the biomass test burn, TEC would like to continue to test other renewable fuels in Polk Unit 1. This is a process that TEC is undertaking in an attempt to introduce a portion of biomass into the fuel mix for Polk Unit 1. At this time, TEC is evaluating the use of eucalyptus, cottonwood, switchgrass and other similar wood products. However, the introduction of biomass as a viable alternative fuel in Polk Unit 1 is developmental in nature and will need to be evaluated over a period of time based on numerous factors, including fuel suppliers, economics, operational constraints and unit capabilities. The ability to gasify these renewable fuels and other environmentally beneficial fuel sources complements TEC's green energy program for which it has an approved tariff in place. In addition, the use of biomass as a feedstock will provide environmental benefits to the public.

The recent Department draft determination (DEP File Nos. 1050233-007-AC and PSD-FL-194F), requiring the application of a Selective Catalytic Reduction System (SCR) on Polk Unit 1, would jeopardize the viability of TEC's renewable energy program at Polk Power Station. TEC believes that the application of an SCR to Polk Unit 1 will further complicate operation of the unit and thereby discourage further exploration of renewable fuel sources at the site. The application of SCR to Polk Unit 1 will also introduce additional factors that will make it difficult to determine the effects of biomass fuel and operation variations versus those caused by SCR on the overall reliability of Unit 1.

In light of our continued desire to test beneficial alternative feedstocks, TEC requests that the Department reconsider this determination and establish a BACT limit for NO_x, when firing syngas, of 15 ppmvd @ 15% O_2 on a 30-day rolling average. TEC will be able to achieve continuous compliance with this limit through the modification of existing equipment and control systems as well as the installation of additional equipment used to minimize NO_x emissions by July 1, 2003. TEC proposes to submit, for Department approval, a NO_x compliance plan outlining the specific modifications necessary to achieve continuous compliance with the proposed BACT limit for NO_x.

The current NO_x emission limit for Polk Unit 1, when firing syngas, is 25 ppmvd @ 15% O_2, which represents the interim BACT in accordance with the initial permit for this facility. The proposed NO_x emission limit will result in a reduction in allowed NO_x emissions from Polk Unit 1 of 40%, while maintaining the unit's ability to gasify renewable fuels.

We note that TEC is not inherently opposed to SCR technology on conventional combined cycle plants. In accordance with our agreements with the Department and EPA we will install SCR on eleven (11) new natural gas-fired combustion turbines at the nearby Bayside Station using combustion turbines manufactured by General Electric. On these new units, SCR will be applied to achieve 3.5 ppmvd on units that can achieve 9 ppmvd without SCR. Similarly, the United States Department of Energy is not inherently opposed to SCR as it has funded several demonstration projects on coal-fired plants and hosts conferences on this subject.

TEC believes that its BACT proposal fits well the utilization of biomass fuel. We would be happy to work with you to more definitively substantiate this position. TEC appreciates the Department's cooperation in the review of this matter. If you need any additional information or clarification on any of the issues presented above, please do not hesitate to contact me at (813) 641-5016

Sincerely,

Gregory M. Nelson

Gregory M. Nelson
Director
Environmental Affairs

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