

File Barbara

Department of Environmental Protection

Jeb Bush
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

December 23, 1999

Mr. Gregg Worley
Chief of the Operating Source Section
U.S. EPA, Region 4
61 Forsyth Street
Atlanta, Georgia 30303

RE: Response to U.S. EPA's Review of PROPOSED Title V Permit No. 0010006-001-AV
Gainesville Regional Utilities - Deerhaven Generating Station

Dear Mr. Worley:

The following comments and suggestions are provided in response to Mr. Winston A. Smith's letter to Mr. Howard L. Rhodes dated November 15, 1999, detailing objections and general comments related to the above-referenced permit:

Part I - EPA Objection Issues

Issue No. 1

Unit 1 is a SIP utility boiler regulated under Rule 62-296.405, F.A.C. Unit 1 combusts primarily natural gas, using residual fuel oil as a backup fuel on a limited basis as indicated below:

Year	Hours on Oil	Comments
1999	440	Through 11/99; gas curtailed
1998	234	
1997	301	
1996	262	
1995	277	

Unit 1 is subject to a steady-state PM emission limit of 0.1 lb/MMBtu and a soot-blowing emission limit of 0.3 lb/MMBtu. PM testing conducted in 1996 indicated PM emission rates of 0.071 and 0.068 lb/MMBtu under steady-state and soot-blowing conditions, respectively. The Department believes that these rates are sufficiently below the standard to justify annual testing.

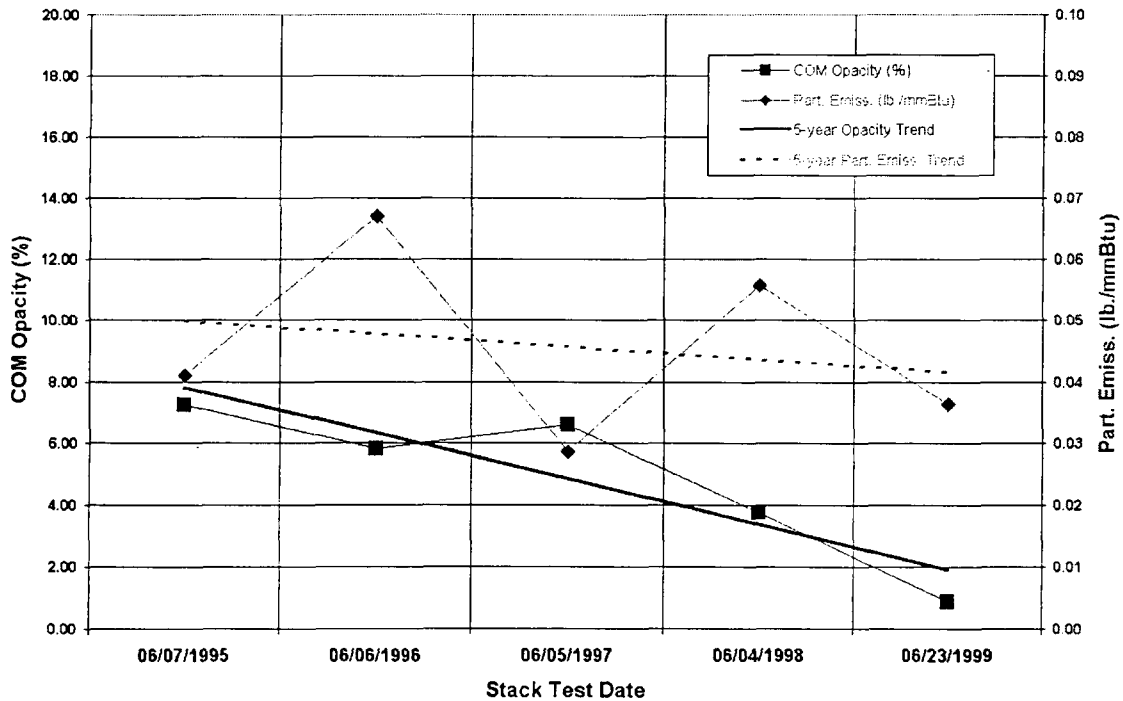
Unit 2 is a coal-fired boiler with a 20% opacity limit and a 0.1 lb/MMBtu particulate matter limit. The table below presents PM test results and contemporaneous COMs data for 1995 - 1999.

Date	Non-sootblowing						Sootblowing		Combined	
	Run 1		Run 2		Avg. of Run 1 & 2		COM Opacity (%)	Part. Emiss. (lb./mmBtu)	Avg. of All Runs	
	COM Opacity (%)	Part. Emiss. (lb./mmBtu)	COM Opacity (%)	Part. Emiss. (lb./mmBtu)	COM Opacity (%)	Part. Emiss. (lb./mmBtu)			COM Opacity (%)	Part. Emiss. (lb./mmBtu)
06/07/1995	7.08	0.03100	7.04	0.02700	7.06	0.02900	7.57	0.06500	7.23	0.04100
06/06/1996	5.00	0.02200	5.30	* 0.10000	5.15	0.06100	7.13	0.07900	5.81	0.06700
06/05/1997	6.42	0.02890	5.83	0.03030	6.13	0.02960	7.50	0.02680	6.58	0.02867
06/04/1998	4.36	0.06300	2.80	0.06200	3.58	0.06250	4.06	0.04200	3.74	0.05567
06/23/1999	0.93	0.03070	0.45	0.03680	0.69	0.03375	1.26	0.04160	0.88	0.03637
Average	—	—	—	—	4.52	0.04317	5.50	0.05088	4.85	0.04574

* This result is suspected to be incorrect considering the result from Run 1 and historical information.

As this table indicates, the particulate matter and opacity emissions are well below the permitted limits and trending downwards as shown in the figure below. The Department believes this data justifies annual testing for Unit 2.

**Gainesville Regional Utilities
Deerhaven Generating Station
Unit 2**



Issue No. 2

Specific Conditions **A.8**, **A.9**, **C.4**, **C.5** and **C.8** will be revised to specify an averaging time of three (3) hours.

Issue No. 3 and 4

These comments address conditions imposed on the incinerator. GRU has decided to take the incinerator out-of-service. All references to the incinerator will be deleted from the Title V permit.

Issue No. 5

Specific Condition **D.1.** will be revised to remove the language pertaining to recordkeeping as follows:

{Permitting note:....Regular recordkeeping is not required for heat input. Instead, the owner or operator... during the test.}

Issue No. 6

Specific Condition **D.4.** imposes an visible emission limitation on DHCT3. Specific Condition **D.7.** requires an annual EPA Method 9 to demonstrate compliance with this limitation whenever liquid fuel is burned for 400 hours or more.

DHCT3 combusts primarily natural gas, using distillate fuel oil as a backup fuel on a minimal basis as indicated below:

Year	Hours on Oil	Comments
1999	6.3	Through November 1999
1998	5.8	
1997	1.4	
1996	47	Includes 30 hrs for startup testing

Visible emission testing conducted in April 1996 while firing fuel oil indicated an opacity of 0%.

The Department believes that the annual testing frequency is justified by the low historical operational use of fuel oil and the previous VE test that indicated an opacity of zero which is well below the 10% standard. However, upon triggering the 400 hours of operation on fuel oil, GRU is willing to conduct additional VE testing every 400 hours of operation on fuel oil thereafter, in any given federal fiscal year.

Issue No. 7

Revision of Specific Condition **D.6.**, as suggested by EPA, is acceptable to the Department.

Issue No. 8

Specific Condition 8 in PSD-FL-212 addresses "estimated potential emissions" for CO, VOC, inorganic arsenic, mercury, lead and beryllium from CT3. As the footnote to this table specifies, the ton per year values were included for "annual operation reports (AOR) and PSD applicability determinations". This condition was included for information purposes only and does not impose emission limitations on these pollutants. Accordingly, no annual emission fees are assessed on these emissions and no monitoring or recordkeeping is required.

In order to impose any limits and subsequent compliance testing requirements, both EPA and the Department need to have an applicable rule requirement. Since these pollutants in question did not trigger the PSD NSR thresholds that would require a BACT determination, then neither EPA nor the Department have the legal authority or mechanism to impose any restriction on these pollutants. These pollutants were just listed in the permit because they are emitted from the process and have potential emissions, nothing more. Also, there are no specific emission limiting standards for these pollutants contained in our regulations and the federal regulations. If you wish, we can list the pollutants in the Title V permit document in the same manner as in the PSD permit.

Issue No. 9

Historically, the visible emissions from the coal handling and storage systems have been less than 5% opacity. Specifically, by letters dated June 28, 1995 and December 2, 1996, GRU submitted to the Department visible emissions (VE) test data that indicated the VE observations ranged from zero to just over four percent, and were thus well below the 20% opacity limit imposed on these sources. Visible emission observations conducted by the Department were consistent with these results. Also, there have been no complaints concerning any particulate matter fallout from the two subdivisions located adjacent (across the highway). On this basis, the Department believes that it is appropriate to only impose the SIP requirement of annual Method 9 testing for these sources.

Issue No. 10

GRU requests, and the Department concurs, that Specific Condition **G.1.** be deleted, because there is no regulatory basis for it.

Issue No. 11

The Department agrees with EPA's comment. The permit document will be corrected.

Section II. General Comments

Comment No. 1

Comment has been noted.

Comment No. 2

Although the requirements for some of the emission units are contained in several different sections of the permit, the cross-references provided in the permit sections allow for an adequate interpretation of the permit.

Comment No. 3

Unit 1 was placed in commercial operation in August 1972. Historical files indicated that DAWPC Construction Permit No. AC280 was issued in April 23, 1970; contracts for the purchase of major equipment were executed in the late 1960s.

Comment No. 4

GRU has decided to take the incinerator out-of-service.

Comments No. 5 and 6

The Department concurs with EPA's suggestions.

Comment No. 7

The permit conditions that address excess emissions are based on regulations contained in FDEP's approved State Implementation Plan. The referenced conditions have been issued accordingly.

Comment No. 8

GRU suggests, and the Department concurs, that the evaluation of the sulfur content of used oil be addressed in Specific Condition **A.11.e.** with the other testing requirements as follows:

"A.11.e. Testing Requirements:...

- (1) Arsenic...
- (2) Testing...
- (3) Sulfur Content
- (4) Alternatively,..."

Comment No. 9

GRU refers to a "batch" as the amount of used oil that is placed in inventory at one time.

Comment No. 10

GRU suggests, and the Department concurs, that Condition **A.25.(b)** be revised to include a cross-reference to Specific Condition **A.19.** as follows:

"**A.25....**

(b) Minimum Sample Volume. Unless...cubic feet. See Specific Condition **A.19.**"

Comment No. 11

Comment noted and will be addressed by correcting the typographical errors in Specific Condition **C.5.(b)**.

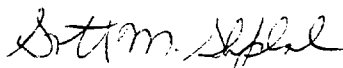
Comment No. 12

GRU requests, and the Department concurs, that this condition be deleted from the permit because CEMS are in-place to measure sulfur dioxide emissions.

Comment No. 13

The hours of operation for combustion turbine No. 3 are already included in Specific Condition **D.6.** Boiler No. 2 is not restricted with respect to hours of operation (i.e., it is allowed to operate 8,760 hours/year).

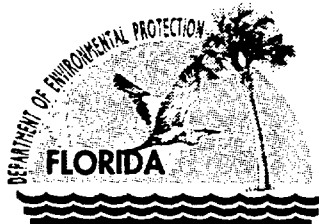
Sincerely,



Scott M. Sheplak
Administrator,
Title V Program

cc: Yolanta E. Jonynas, GRU

Barbara / File



Department of Environmental Protection

Jeb Bush
Governor

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

David B. Struhs
Secretary

November 18, 1999

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Michael L. Kurtz, General Manager
City of Gainesville
Gainesville Regional Utilities (GRU)
P. O. Box 147117, Station A134
Gainesville, Florida 32614-7117

Re: EPA Objection to PROPOSED Title V Permit No. 0010006-001-AV
Gainesville Regional Utilities (GRU) – Deerhaven Generating Station

Dear Mr. Kurtz:

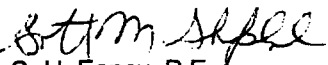
On November 15, 1999, the department received a timely written objection from the United States Environmental Protection Agency to the referenced proposed permit. A copy of EPA's objection is attached.

In accordance with Section 403.0872(8), Florida Statutes (F.S.), the department must not issue a final permit until the objection is resolved or withdrawn. Pursuant to Section 403.0872(8), F.S., the applicant may file a written reply to the objection with 45 days after the date on which the department serves the applicant with a copy of the objection. {Day 45 = December 28, 1999}. The written reply must include any supporting materials that the applicant desires to include in the record relevant to the issues raised by the objection. The written reply must be considered by the department in issuing a final permit to resolve the objection of EPA. Please submit any written comments you wish to have considered concerning the objection to Mr. Scott M. Sheplak, P.E. at the above letterhead address.

Pursuant to 40 CFR 70.8(c)(4) the department will have to resolve the objection by issuing a permit that satisfies EPA within 90 days of the objection, or EPA will assume authority for the permit. {Day 90 = February 11, 2000}.

If you should have any other questions, please contact Mr. Scott M. Sheplak, P.E. at 850/921-9532.

Sincerely,

for 
C. H. Fancy, P.E.
Chief
Bureau of Air Regulation

CHF/sms/k

Enclosures

cc: Darrell DuBose, GRU
Thomas W. Davis, P.E., ECT
Yolanta Jonynas, GRU
Chris Kirts, P.E., NED
Patricia Comer, Esquire, OGC w/enclosures
Douglas Neeley, USEPA w/o enclosures
Gregg Worley, USEPA w/o enclosures

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3. Article Addressed to: Mr. Michael Kurtz, General Manager City of Gainesville Gainesville Regional Utilities (GRU) P.O. Box 147117, Station A134 Gainesville, FL 32614-7117	4a. Article Number P 265 657 770	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
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ATLANTA, GEORGIA 30303-8960

NOV 15 1999 Fax received

4APT-ARB

Howard L. Rhodes, Director
Air Resources Management Division
Florida Department of Environmental Management
Mail Station 5500
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RECEIVED

NOV 18 1999

BUREAU OF AIR REGULATION

SUBJ: EPA's Review of Proposed Title V Permit No. 0010006-001-AV
Gainesville Regional Utilities - Deerhaven Generating Station

Dear Mr. Rhodes:

The purpose of this letter is to notify the Florida Department of Environmental Protection (FDEP) that the U.S. Environmental Protection Agency (EPA) formally objects to the issuance of the above referenced proposed Title V operating permit for the Gainesville Regional Utilities - Deerhaven Generating Station in Gainesville, Florida, which was received by EPA, via e-mail notification and FDEP's web site, on September 29, 1999. This letter also provides our general comments on the proposed permit.

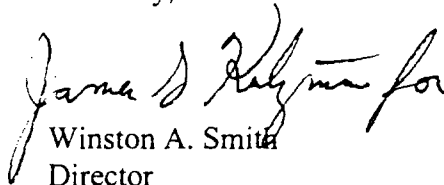
Based on EPA's review of the proposed permit and the supporting information received for this facility, EPA objects, under the authority of Section 505(b) of the Clean Air Act ("the Act") and 40 C.F.R. § 70.8(c) (see also Florida Regulation 62-213.450), to the issuance of the proposed Title V permit for this facility. The basis for EPA's objection is that the permit does not assure compliance with all applicable requirements as required by 40 C.F.R. § 70.1(b) and 40 C.F.R. § 70.6(a)(1). Specifically, the permit does not contain terms or conditions assuring compliance with Prevention of Significant Deterioration requirements applicable to this facility under the Clean Air Act, the Florida State Implementation Plan, and 40 C.F.R. part 70. In addition, the permit does not fully meet the periodic monitoring requirements of 40 C.F.R. § 70.6(a)(3)(i), and the permit does not assure compliance with the requirements of 40 C.F.R. § 70.6(a)(1). Pursuant to 40 C.F.R. § 70.8(c), this letter and its enclosure contain a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. Part 70 and assure compliance with applicable requirements of the Clean Air Act. The enclosure also contains general comments applicable to the permit.

Section 70.8(c) requires EPA to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the

Act or the requirements of 40 C.F.R. Part 70. Section 70.8(c)(4) of the Title V regulations and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA, and EPA will act accordingly. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised permit be submitted in advance in order that any outstanding issues may be resolved prior to the expiration of the 90-day period.

If you have any questions or wish to discuss this further, please contact Mr. Gregg Worley, Chief of the Operating Source Section, at (404) 562-9141. Should your staff need additional information, they may contact Ms. Elizabeth Bartlett, Florida Title V Contact, at (404) 562-9122 or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,



Winston A. Smith
Director
Air, Pesticides & Toxics
Management Division

Enclosure

cc: Michael L. Kurtz, City of Gainesville
Clair Fancy, P.E., FDEP

Enclosure

**U.S. EPA Region 4 Objection
Proposed Part 70 Operating Permit
Gainesville Regional Utilities - Deerhaven Generating Station
Permit no. 0010006-001-AV**

I. EPA Objection Issues

1. Periodic Monitoring - The permit does not contain adequate periodic monitoring for particulate matter emissions from boiler units #1 and #2. Although the source is required to conduct compliance tests for particulate matter, testing once per year is not sufficient to provide a reasonable assurance of compliance with emission limits. All Title V permits must contain monitoring that is sufficient to assure compliance with the applicable permit requirements. In particular, 40 C.F.R. Part 70.6 (a)(3)(B) requires that permits include periodic monitoring that is sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the applicable emission limits. In addition to demonstrating compliance, a system of periodic monitoring will also provide the source with an indication of their emission unit's performance, so that periods of excess emissions and violations of the emission limits can be minimized or avoided. Therefore, the permit should include a periodic monitoring scheme that will provide data which is representative of the source's actual performance.

One option for Boiler No. 1, which is uncontrolled for particulate matter, would be for the permit to require the source to conduct more frequent testing or to include a technical demonstration in the statement of basis explaining why the State has chosen not to require any additional particulate matter testing. The demonstration would need to identify the rationale for basing the compliance certification on data from a test performed once a year.

Another option would be to address particulate emissions through expanded opacity monitoring. The permit indicates that these units will be equipped with COMs to monitor opacity. Therefore, the facility could use the opacity data as an indicator of particulate emissions. In order to adequately use opacity as an indicator of particulate emissions, the facility should conduct a performance test to establish an opacity threshold that would guarantee that particulate emissions remain within the specified limit. COM data could then be used for periodic monitoring of particulate matter, such that visible emissions which would continue to remain below the opacity threshold would indicate compliance with the particulate matter limit. If the opacity threshold was exceeded, then a performance test for particulate matter would be required.

Alternatively for boiler unit #2, since PM emissions are controlled with an electrostatic precipitator, an appropriate form of periodic monitoring for particulate matter would be to monitor certain parameters on the control equipment. The permit should specify a performance range for each parameter, that will provide a reasonable assurance that the source is in compliance with the applicable limit.

2. Appropriate Averaging Times - Section III, conditions A.8 and C.4 for particulate matter, A.9 and C.5 for sulfur dioxide, and C.8 for nitrogen oxides, specify a "minimum three (3) - hour average" which is intended to correspond to the averaging times for the respective limits. However, specification of *minimum* averaging times without upper limits do not make the emission limits practically enforceable. Because the stringency of emission limits is a function of both magnitude and averaging time, the averaging times must be more explicitly defined. An approach that may be used to address this deficiency is to include a general condition in the permit stating that the averaging times for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance. Alternatively, set averaging times may be established for each condition.
3. Practical Enforceability - The incinerator is limited to a maximum input rate of 215 cubic feet per day of type I waste. However, the record keeping section of the permit does not require the source to keep records of the fuel input to the incinerator. In order for an operational limit to be enforceable as a practical matter, there must be a method of establishing compliance with that limit, such as testing, sampling, or record keeping. Therefore, the record keeping section of the permit should contain conditions that require the source to maintain daily records of the type and amount of waste, or other fuel, that is charged into the incinerator.
4. Periodic Monitoring - Condition B.5 limits visible emissions (VE) from the incinerator to less than 5 percent (no visible emissions), however condition B.13 only requires VE testing upon permit renewal. With such a stringent standard, a compliance test upon permit renewal is not adequate to provide an assurance that the emission unit operates in continuous compliance throughout each year. This issue is complicated by the fact that the incinerator emissions are routed through a common stack with boiler 1, which is only subject to a 20 percent opacity limit. The incinerator is not equipped with particulate matter control equipment and burns materials which are capable of producing particulate matter emissions. The permit must be revised to address how continuous compliance with the VE limit will be assured, or a justification must be provided in the statement of basis stating why more frequent monitoring is not required. Since boiler 1 is equipped with a continuous opacity monitoring system (COMS), one approach to assure compliance with the 5 percent incinerator limit would be to require that all

emissions from the common stack are below 5 percent, using the COMS as periodic monitoring for both units (assuming that the COMS is located to monitor combined emissions).

Typically, we would recommend that the facility perform and record the results of a qualitative observation of opacity at least once on each day that the incinerator is in operation. The records of these observations would indicate whether or not any abnormal visible emissions are detected and include color, duration, and density of the plume, as well as the cause and corrective action taken for any abnormal visible emissions. If an abnormal visible emission was detected, a Method 9 survey would be required within 24 hours of the qualitative survey.

5. Practical Enforceability - Permit condition D.16 addresses reporting requirements, including collection of data regarding fuel consumption and measurement of higher heating value to ensure compliance with PSD permit limitations on heat input rates for combustion turbine 3. The second permitting note from condition D.1 regarding heat input limitations states that regular record keeping is not required for heat input, and that heat input data is only needed whenever emissions testing is required. The permitting note must be revised to remove language that conflicts with PSD record keeping requirements to ensure that they remain enforceable.
6. Periodic Monitoring - The permit does not require sufficient periodic monitoring to ensure compliance with the applicable opacity standard referenced in condition D.4 for combustion turbine 3. Condition D.7 only requires an annual one hour Method 9 visible emissions reading. In most cases, this does not constitute adequate periodic monitoring to show continuous compliance with the opacity standard. The permit must require that the source conduct visible emissions observations on a daily basis when burning fuel oil, or a technical demonstration must be included in the statement of basis explaining why the State has chosen not to require any additional visible emissions testing. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once per year.
7. Periodic Monitoring - The table from condition D.6 must be revised to match the table in PSD-FL-212 Specific Condition 6, so that visible emissions testing remains linked to the lb/hr and ton per year PM_{10} emission limits. In order for visible emissions testing to qualify as periodic monitoring for PM_{10} , the permit or the statement of basis must contain a technical demonstration of the correlation between these two parameters and the methodology that the source will follow to assess compliance with the particulate matter standard in this section.
8. Applicable Requirements - PSD-FL-212 Specific Condition 8 does not appear to have been incorporated into the title V permit for combustion turbine 3, which is

covered under subsection III.D. The "estimated potential emissions" for CO, VOC, inorganic arsenic, mercury, lead and beryllium from CT3 must be included the title V permit. Periodic monitoring must also be addressed for these pollutants through the addition of monitoring and record keeping conditions to the permit, or a technical demonstration must be included in the statement of basis explaining why the State has chosen not to require any additional testing for these pollutants. This demonstration would need to identify the rationale for basing the compliance certification on data from previous testing.

9. Periodic Monitoring - Conditions G.2 and G.3 require that an annual Method 9 test be conducted for the coal handling and storage activities. In most cases, this does not constitute adequate periodic monitoring to ensure continuous compliance with the visible emissions standard. The permit must require the source to conduct visible emissions observations on a daily basis (Method 22), and that a Method 9 test be conducted within 24 hours of any abnormal qualitative survey. As an alternative to this approach, a technical demonstration can be included in the statement of basis explaining why the State has chosen not to require any additional visible emissions testing. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once a year.
10. Practical Enforceability - Condition G.1 limits the coal handling and storage area to a maximum input rate of 660,000 tons per year. However, the permit does not contain any record keeping requirements to ensure compliance with this limit. In order for an operational limit to be enforceable as a practical matter, there must be a method of establishing compliance with that limit, such as testing, sampling, or record keeping. Therefore, the record keeping section of the permit should contain conditions that require the source to maintain appropriate records of coal throughput.
11. Acid Rain Requirements - The Phase II permit application and Phase II NO_x compliance Plan submitted by the utility should be attached to the title V permit and referenced as an enforceable part of the permit. The section of the permit entitled, "Referenced Attachments Made a Part of This Permit," on the placard page should include references to the Phase II Acid Rain permit Application and the Phase II NO_x Compliance Plan submitted by the utility. These documents should also be attached to the permit. Also note that the Phase II permit application referred to under Section IV, Subsection A does not appear to be the most current application. The application that is referenced in the title V permit is dated "12/22/95". The application that was provided by FDEP to assist Region 4 in the permit review process was signed on January 9, 1996. The documents referenced in the permit as part of the permit should be the most current version.

II. General Comments

1. General Comment - Please note that our opportunity for review and comment on this permit does not prevent EPA from taking enforcement action for issues that have not been raised in these comments. After final issuance, this permit shall be reopened if EPA or the permitting authority determines that it must be revised or revoked to assure compliance with applicable requirements.
2. General Comment - Region 4 found the organization of this permit to be rather confusing. Since the requirements for some of the emission units are contained in several different sections of the permit, it may be difficult associate all applicable requirements with a given emission unit (i.e. when evaluating compliance based on permit conditions, some requirement might get overlooked because it's buried in another section of the permit). Therefore, Region 4 believes that the permit would be easier to interpret if all conditions for a given emission unit are contained in one section of the permit.
3. Statement of Basis - Fossil fuel fired steam generator #1 is rated at a heat input of 75 megawatts and began commercial operation in 1972. Since the applicability threshold for 40 CFR 60, Subpart D is for units with a heat input rating of 73 megawatts or more, which commenced construction after August 17, 1971, it appears that this emission unit could be subject to Subpart D. Therefore, the statement of basis should provide the date on which construction of this unit commenced, and any other relevant information, in order to justify why the emission unit is not subject to the requirements of Subpart D.
4. Statement of Basis - The statement of basis indicates that the incinerator emissions unit is not subject to 40 CFR 60, Subpart E, Standards of Performance for Incinerators. However, neither the statement of basis nor the permit provide a justification for why the unit is not subject to Subpart E. Subpart E is applicable to incinerators with a charging rate of greater than 50 tons per day that commenced construction or modification after August 17, 1971. Therefore, in order for the incinerator to be exempt from the requirements of Subpart E, the statement of basis must provide further information, such as the maximum charging rate or the date of construction, in order to justify the exemption.
5. Statement of Basis - Since combustion turbines 1 and 2 are referenced as unregulated in the statement of basis, additional language should be added to clarify that these units are not addressed in the body of the permit because of their small capacity.
6. Section II, Condition 10 - 40 C.F.R. Part 70.6 (c)(5)(iii) lists the necessary components of a Title V compliance certification, and requires that those

components be included in Title V permits. However, Facility-Wide Condition # 10 of this permit does not specify that the source submit compliance certifications to EPA that contain those required components. This portion of the permit should specifically state that the source is required to submit compliance certifications consisting of the required components. Further, those required components should be listed in the permit.

In this case the list from 40 C.F.R. Part 70.6 (c)(5)(iii) is contained at Appendix TV-3. While it is sufficient to include the list in an Appendix to the permit, the required compliance certification components should at least be mentioned in the permit at the condition requiring the source to submit a Title V compliance certification to EPA. This will allow the requirement to be clear and enforceable. Therefore, Facility-Wide Condition # 10 of the permit should mention the required components listed at 40 C.F.R. Part 70.6 (c)(5)(iii), and reference the list contained at Appendix TV-3.

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11. Section III, Condition C.5(b) - The formulas in this condition contain typographical errors which should be corrected to be consistent with those in 40 C.F.R. § 60.43(b).
12. Section III, Condition C.6 - This condition contains a limit for the maximum allowable percent sulfur content of the coal combusted in boiler #2. The maximum percent sulfur in coal is stated in the permit as 6.3×10^{-5} Btu per pound of coal. While this limit was taken from the site certification, the units do not appear to correspond to a percentage for sulfur in coal. In addition, language in this condition and in C.7 imply a need to install a flue gas desulfurization unit to comply with the NSPS limits in C.5(a). Since CEMS for sulfur dioxide have been installed on boiler #2, coal sampling may not be necessary to ensure compliance with sulfur dioxide emission limits. Please explain how this limit was established, and how it relates to compliance with the NSPS emission limit and the need for additional control equipment. If this limit is significant, monitoring and record keeping should be added to the permit to ensure compliance.
13. Section III, Condition E.1 - The hours of operation limits for boiler 2 and combustion turbine 3 should be placed in sections C and D, respectively. This seems reasonable given that the record keeping requirements for operating hours are already located in the appropriate sections.



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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

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RESOURCES MANAGEMENT
FAX rec. 11/15

4APT-ARB

Howard L. Rhodes, Director
Air Resources Management Division
Florida Department of Environmental Management
Mail Station 5500
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

SUBJ: EPA's Review of Proposed Title V Permit No. 0010006-001-AV
Gainesville Regional Utilities - Deerhaven Generating Station

Dear Mr. Rhodes:

The purpose of this letter is to notify the Florida Department of Environmental Protection (FDEP) that the U.S. Environmental Protection Agency (EPA) formally objects to the issuance of the above referenced proposed Title V operating permit for the Gainesville Regional Utilities - Deerhaven Generating Station in Gainesville, Florida, which was received by EPA, via e-mail notification and FDEP's web site, on September 29, 1999. This letter also provides our general comments on the proposed permit.

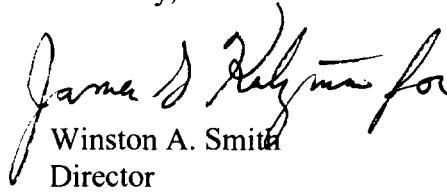
Based on EPA's review of the proposed permit and the supporting information received for this facility, EPA objects, under the authority of Section 505(b) of the Clean Air Act ("the Act") and 40 C.F.R. § 70.8(c) (see also Florida Regulation 62-213.450), to the issuance of the proposed Title V permit for this facility. The basis for EPA's objection is that the permit does not assure compliance with all applicable requirements as required by 40 C.F.R. § 70.1(b) and 40 C.F.R. § 70.6(a)(1). Specifically, the permit does not contain terms or conditions assuring compliance with Prevention of Significant Deterioration requirements applicable to this facility under the Clean Air Act, the Florida State Implementation Plan, and 40 C.F.R. part 70. In addition, the permit does not fully meet the periodic monitoring requirements of 40 C.F.R. § 70.6(a)(3)(i), and the permit does not assure compliance with the requirements of 40 C.F.R. § 70.6(a)(1). Pursuant to 40 C.F.R. § 70.8(c), this letter and its enclosure contain a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. Part 70 and assure compliance with applicable requirements of the Clean Air Act. The enclosure also contains general comments applicable to the permit.

Section 70.8(c) requires EPA to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the

Act or the requirements of 40 C.F.R. Part 70. Section 70.8(c)(4) of the Title V regulations and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA, and EPA will act accordingly. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised permit be submitted in advance in order that any outstanding issues may be resolved prior to the expiration of the 90-day period.

If you have any questions or wish to discuss this further, please contact Mr. Gregg Worley, Chief of the Operating Source Section, at (404) 562-9141. Should your staff need additional information, they may contact Ms. Elizabeth Bartlett, Florida Title V Contact, at (404) 562-9122 or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,

A handwritten signature in black ink that reads "James D. Kelly for". The signature is written in a cursive style and is positioned above the typed name and title.

Winston A. Smith
Director
Air, Pesticides & Toxics
Management Division

Enclosure

cc: Michael L. Kurtz, City of Gainesville
Clair Fancy, P.E., FDEP

Enclosure

U.S. EPA Region 4 Objection Proposed Part 70 Operating Permit Gainesville Regional Utilities - Deerhaven Generating Station Permit no. 0010006-001-AV

I. EPA Objection Issues

1. Periodic Monitoring - The permit does not contain adequate periodic monitoring for particulate matter emissions from boiler units #1 and #2. Although the source is required to conduct compliance tests for particulate matter, testing once per year is not sufficient to provide a reasonable assurance of compliance with emission limits. All Title V permits must contain monitoring that is sufficient to assure compliance with the applicable permit requirements. In particular, 40 C.F.R. Part 70.6 (a)(3)(B) requires that permits include periodic monitoring that is sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the applicable emission limits. In addition to demonstrating compliance, a system of periodic monitoring will also provide the source with an indication of their emission unit's performance, so that periods of excess emissions and violations of the emission limits can be minimized or avoided. Therefore, the permit should include a periodic monitoring scheme that will provide data which is representative of the source's actual performance.

One option for Boiler No. 1, which is uncontrolled for particulate matter, would be for the permit to require the source to conduct more frequent testing or to include a technical demonstration in the statement of basis explaining why the State has chosen not to require any additional particulate matter testing. The demonstration would need to identify the rationale for basing the compliance certification on data from a test performed once a year.

Another option would be to address particulate emissions through expanded opacity monitoring. The permit indicates that these units will be equipped with COMs to monitor opacity. Therefore, the facility could use the opacity data as an indicator of particulate emissions. In order to adequately use opacity as an indicator of particulate emissions, the facility should conduct a performance test to establish an opacity threshold that would guarantee that particulate emissions remain within the specified limit. COM data could then be used for periodic monitoring of particulate matter, such that visible emissions which would continue to remain below the opacity threshold would indicate compliance with the particulate matter limit. If the opacity threshold was exceeded, then a performance test for particulate matter would be required.

Alternatively for boiler unit #2, since PM emissions are controlled with an electrostatic precipitator, an appropriate form of periodic monitoring for particulate matter would be to monitor certain parameters on the control equipment. The permit should specify a performance range for each parameter, that will provide a reasonable assurance that the source is in compliance with the applicable limit.

2. Appropriate Averaging Times - Section III, conditions A.8 and C.4 for particulate matter, A.9 and C.5 for sulfur dioxide, and C.8 for nitrogen oxides, specify a "minimum three (3) - hour average" which is intended to correspond to the averaging times for the respective limits. However, specification of *minimum* averaging times without upper limits do not make the emission limits practically enforceable. Because the stringency of emission limits is a function of both magnitude and averaging time, the averaging times must be more explicitly defined. An approach that may be used to address this deficiency is to include a general condition in the permit stating that the averaging times for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance. Alternatively, set averaging times may be established for each condition.
3. Practical Enforceability - The incinerator is limited to a maximum input rate of 215 cubic feet per day of type I waste. However, the record keeping section of the permit does not require the source to keep records of the fuel input to the incinerator. In order for an operational limit to be enforceable as a practical matter, there must be a method of establishing compliance with that limit, such as testing, sampling, or record keeping. Therefore, the record keeping section of the permit should contain conditions that require the source to maintain daily records of the type and amount of waste, or other fuel, that is charged into the incinerator.
4. Periodic Monitoring - Condition B.5 limits visible emissions (VE) from the incinerator to less than 5 percent (no visible emissions), however condition B.13 only requires VE testing upon permit renewal. With such a stringent standard, a compliance test upon permit renewal is not adequate to provide an assurance that the emission unit operates in continuous compliance throughout each year. This issue is complicated by the fact that the incinerator emissions are routed through a common stack with boiler 1, which is only subject to a 20 percent opacity limit. The incinerator is not equipped with particulate matter control equipment and burns materials which are capable of producing particulate matter emissions. The permit must be revised to address how continuous compliance with the VE limit will be assured, or a justification must be provided in the statement of basis stating why more frequent monitoring is not required. Since boiler 1 is equipped with a continuous opacity monitoring system (COMS), one approach to assure compliance with the 5 percent incinerator limit would be to require that all

emissions from the common stack are below 5 percent, using the COMS as periodic monitoring for both units (assuming that the COMS is located to monitor combined emissions).

Typically, we would recommend that the facility perform and record the results of a qualitative observation of opacity at least once on each day that the incinerator is in operation. The records of these observations would indicate whether or not any abnormal visible emissions are detected and include color, duration, and density of the plume, as well as the cause and corrective action taken for any abnormal visible emissions. If an abnormal visible emission was detected, a Method 9 survey would be required within 24 hours of the qualitative survey.

5. Practical Enforceability - Permit condition D.16 addresses reporting requirements, including collection of data regarding fuel consumption and measurement of higher heating value to ensure compliance with PSD permit limitations on heat input rates for combustion turbine 3. The second permitting note from condition D.1 regarding heat input limitations states that regular record keeping is not required for heat input, and that heat input data is only needed whenever emissions testing is required. The permitting note must be revised to remove language that conflicts with PSD record keeping requirements to ensure that they remain enforceable.
6. Periodic Monitoring - The permit does not require sufficient periodic monitoring to ensure compliance with the applicable opacity standard referenced in condition D.4 for combustion turbine 3. Condition D.7 only requires an annual one hour Method 9 visible emissions reading. In most cases, this does not constitute adequate periodic monitoring to show continuous compliance with the opacity standard. The permit must require that the source conduct visible emissions observations on a daily basis when burning fuel oil, or a technical demonstration must be included in the statement of basis explaining why the State has chosen not to require any additional visible emissions testing. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once per year.
7. Periodic Monitoring - The table from condition D.6 must be revised to match the table in PSD-FL-212 Specific Condition 6, so that visible emissions testing remains linked to the lb/hr and ton per year PM₁₀ emission limits. In order for visible emissions testing to qualify as periodic monitoring for PM₁₀, the permit or the statement of basis must contain a technical demonstration of the correlation between these two parameters and the methodology that the source will follow to assess compliance with the particulate matter standard in this section.
8. Applicable Requirements - PSD-FL-212 Specific Condition 8 does not appear to have been incorporated into the title V permit for combustion turbine 3, which is

covered under subsection III.D. The "estimated potential emissions" for CO, VOC, inorganic arsenic, mercury, lead and beryllium from CT3 must be included the title V permit. Periodic monitoring must also be addressed for these pollutants through the addition of monitoring and record keeping conditions to the permit, or a technical demonstration must be included in the statement of basis explaining why the State has chosen not to require any additional testing for these pollutants. This demonstration would need to identify the rationale for basing the compliance certification on data from previous testing.

9. Periodic Monitoring - Conditions G.2 and G.3 require that an annual Method 9 test be conducted for the coal handling and storage activities. In most cases, this does not constitute adequate periodic monitoring to ensure continuous compliance with the visible emissions standard. The permit must require the source to conduct visible emissions observations on a daily basis (Method 22), and that a Method 9 test be conducted within 24 hours of any abnormal qualitative survey. As an alternative to this approach, a technical demonstration can be included in the statement of basis explaining why the State has chosen not to require any additional visible emissions testing. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once a year.
10. Practical Enforceability - Condition G.1 limits the coal handling and storage area to a maximum input rate of 660,000 tons per year. However, the permit does not contain any record keeping requirements to ensure compliance with this limit. In order for an operational limit to be enforceable as a practical matter, there must be a method of establishing compliance with that limit, such as testing, sampling, or record keeping. Therefore, the record keeping section of the permit should contain conditions that require the source to maintain appropriate records of coal throughput.
11. Acid Rain Requirements - The Phase II permit application and Phase II NOx compliance Plan submitted by the utility should be attached to the title V permit and referenced as an enforceable part of the permit. The section of the permit entitled, "Referenced Attachments Made a Part of This Permit," on the placard page should include references to the Phase II Acid Rain permit Application and the Phase II NOx Compliance Plan submitted by the utility. These documents should also be attached to the permit. Also note that the Phase II permit application referred to under Section IV, Subsection A does not appear to be the most current application. The application that is referenced in the title V permit is dated "12/22/95". The application that was provided by FDEP to assist Region 4 in the permit review process was signed on January 9, 1996. The documents referenced in the permit as part of the permit should be the most current version.

II. General Comments

1. General Comment - Please note that our opportunity for review and comment on this permit does not prevent EPA from taking enforcement action for issues that have not been raised in these comments. After final issuance, this permit shall be reopened if EPA or the permitting authority determines that it must be revised or revoked to assure compliance with applicable requirements.
2. General Comment - Region 4 found the organization of this permit to be rather confusing. Since the requirements for some of the emission units are contained in several different sections of the permit, it may be difficult associate all applicable requirements with a given emission unit (i.e. when evaluating compliance based on permit conditions, some requirement might get overlooked because it's buried in another section of the permit). Therefore, Region 4 believes that the permit would be easier to interpret if all conditions for a given emission unit are contained in one section of the permit.
3. Statement of Basis - Fossil fuel fired steam generator #1 is rated at a heat input of 75 megawatts and began commercial operation in 1972. Since the applicability threshold for 40 CFR 60, Subpart D is for units with a heat input rating of 73 megawatts or more, which commenced construction after August 17, 1971, it appears that this emission unit could be subject to Subpart D. Therefore, the statement of basis should provide the date on which construction of this unit commenced, and any other relevant information, in order to justify why the emission unit is not subject to the requirements of Subpart D.
4. Statement of Basis - The statement of basis indicates that the incinerator emissions unit is not subject to 40 CFR 60, Subpart E, Standards of Performance for Incinerators. However, neither the statement of basis nor the permit provide a justification for why the unit is not subject to Subpart E. Subpart E is applicable to incinerators with a charging rate of greater than 50 tons per day that commenced construction or modification after August 17, 1971. Therefore, in order for the incinerator to be exempt from the requirements of Subpart E, the statement of basis must provide further information, such as the maximum charging rate or the date of construction, in order to justify the exemption.
5. Statement of Basis - Since combustion turbines 1 and 2 are referenced as unregulated in the statement of basis, additional language should be added to clarify that these units are not addressed in the body of the permit because of their small capacity.
6. Section II, Condition 10 - 40 C.F.R. Part 70.6 (c)(5)(iii) lists the necessary components of a Title V compliance certification, and requires that those

components be included in Title V permits. However, Facility-Wide Condition # 10 of this permit does not specify that the source submit compliance certifications to EPA that contain those required components. This portion of the permit should specifically state that the source is required to submit compliance certifications consisting of the required components. Further, those required components should be listed in the permit.

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