

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOTICE OF FINAL PERMIT

In the Matter of an
Application for Permit by:

Gulf Power Company
Lansing Smith Generating Plant
One Energy Place
Pensacola, Florida 32520-0328

Permit No. 0050014-005-AC
Facility ID No. 0050014
Lansing Smith Generating Plant
Unit 2 Waterwall Tube Replacement

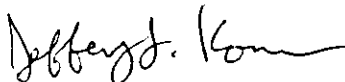
Authorized Representative:

Mr. James O. Vick, Manager of Environmental Affairs

Enclosed is Final Air Permit No. 0050014-005-AC, which authorizes the replacement of all the waterwall tubing for Unit 2 at the Lansing Smith Electric Generating Plant. The existing facility is located at 4300 County Road in Bay County. As noted in the Final Determination (attached), only minor changes to correct typographical errors were made. This permit is issued pursuant to Chapter 403, Florida Statutes.

Any party to this 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 (30) days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

For 
A. A. Linero
Bureau of Air Regulation

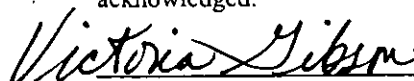
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that the original Notice of Final Permit (including the Final permit) was hand delivered to a representative of Gulf Power Company. Copies were sent by certified mail (*) and U.S. Mail before the close of business on 10/18/02 to the persons listed:

Mr. James O. Vick, Gulf Power Company*
Mr. G. Dwain Waters, Gulf Power Company
Ms. Kay Prince, EPA Region 4
Ms. Beverly Spagg, EPA Region 4
Ms. Mary Jean Yon, NED

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.

 October 18, 2002
(Clerk) (Date)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Received by (Please Print Clearly) J GARNER	B. Date of Delivery 10/21/02
1. Article Addressed to: Mr. James O. Vick Manager of Environmental Affairs Gulf Power Company Lansing Smith Generating Plant One Energy Place Pensacola, FL 32520-0328	C. Signature X J Garner	<input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee
2. ZIP Code: 7001 0320 0001 3692 7782	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

U.S. Postal Service CERTIFIED MAIL RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>												
7001 0320 0001 3692 7782	<table border="1"> <tr> <td>Postage</td> <td>\$</td> </tr> <tr> <td>Certified Fee</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$</td> </tr> </table>	Postage	\$	Certified Fee		Return Receipt Fee (Endorsement Required)		Restricted Delivery Fee (Endorsement Required)		Total Postage & Fees	\$	Postmark Here
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<table border="1"> <tr> <td>Sent To</td> <td>James O. Vick</td> </tr> <tr> <td>Street, Apt. No., or PO Box</td> <td>One Energy Place</td> </tr> <tr> <td>City, State, ZIP+4</td> <td>Pensacola, FL 32520-0328</td> </tr> </table>	Sent To	James O. Vick	Street, Apt. No., or PO Box	One Energy Place	City, State, ZIP+4	Pensacola, FL 32520-0328	PS Form 3800, January 2001 See Reverse for Instructions					
Sent To	James O. Vick											
Street, Apt. No., or PO Box	One Energy Place											
City, State, ZIP+4	Pensacola, FL 32520-0328											

FINAL DETERMINATION

PERMITTEE

Gulf Power Company
Lansing Smith Generating Plant
One Energy Place
Pensacola, Florida 32520-0328

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation
New Source Review Section
2600 Blair Stone Road, MS #5505
Tallahassee, Florida, 32399-2400

PROJECT

Air Permit No. 0050014-005-AC
Unit 2 Waterwall Tube Replacement

This permit authorizes the replacement of all the waterwall tubing for Unit 2 at the Lansing Smith Electric Generating Plant. The facility is located at 4300 County Road in Bay County. The project is not subject to PSD preconstruction review.

NOTICE AND PUBLICATION

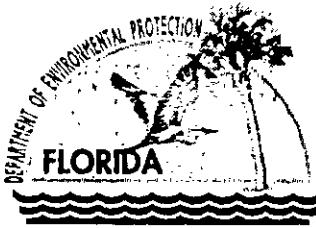
The Department distributed an "Intent to Issue Permit" package on September 27, 2002. The applicant published the "Public Notice of Intent to Issue" in The News Herald on October 2, 2002. The Department received the proof of publication on October 10, 2002. No requests for administrative hearings were filed.

COMMENTS

No comments on the Draft Permit were received from the public or the Department's Northwest District Office. The applicant submitted information correcting the estimated baseline NOx emissions from 2875 tons per year to 2859 tons per year. This small correction is noted, but it does not change any previous determinations or conditions of the permit.

CONCLUSION

Only minor revisions were made to correct typographical errors. The final action of the Department is to issue the permit with the changes described above.



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

PERMITTEE

Gulf Power Company
Lansing Smith Generating Plant
One Energy Place
Pensacola, Florida 32520-0328

Permit No. 0050014-005-AC Expires: July 1, 2003 Facility ID No. 0050014 (SIC No. 4911) Unit 2 Waterwall Tube Replacement

PROJECT AND LOCATION

This permit authorizes the replacement of all the waterwall tubing for Unit 2 at the Lansing Smith Electric Generating Plant. The facility is located at 4300 County Road in Bay County. The map coordinates are: UTM Zone 16, 625.03 km East and 3349.08 km North; and Latitude: 30° 16' 08" North and Longitude: 85° 42' 01" West.

STATEMENT OF BASIS

This air pollution construction permit is issued under the provisions of Chapter 403 of the Florida Statutes (F.S.), and Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to conduct the work specified in accordance with the conditions of this permit and as described in the application, approved drawings, plans, and other documents on file with the Department. This permit supplements all other air construction and operation permits for the subject emissions unit and does not alter any requirements from such previously issued air permits.

APPENDICES

The following appendices are attached as part of this permit.

Appendix GC - Construction Permit General Conditions

Howard L. Rhodes, Director
Division of Air Resources Management

SECTION I. FACILITY INFORMATION

FACILITY DESCRIPTION

This facility consists of two coal-fired boilers (Acid Rain Phase II Units), two oil-fired combustion turbines used to drive two separate peaking generators driven by a single jet engine, and two gas-fired combustion turbines serving a single steam-electrical generator (Acid Rain Phase II Units).

PROJECT

The proposed project affects the following existing emissions unit:

ID No.	Emission Unit Description
002	Unit 2 (Boiler No. 2) is an existing tangentially fired, dry bottom boiler firing pulverized coal as the primary fuel with a nominal generating capacity of 205 MW.

REGULATORY CLASSIFICATION

Title III: Based on the initial Title V permit, the facility is a major source of hazardous air pollutants.

Title IV: The facility operates emissions units that are subject to the Phase II, Federal Acid Rain Program.

Title V: The facility is classified as a "major" source of air pollution with respect to Title V of the Clean Air Act because emissions of at least one regulated criteria air pollutant exceeds 100 tons per year.

PSD: The project is located in an area designated as "attainment" or "unclassifiable" for each pollutant subject to a National Ambient Air Quality Standard. The facility is considered a "fossil fuel fired steam electric plant of more than 250 million BTU per hour of heat input", which is one of the 28 PSD source categories with the lower PSD applicability threshold of 100 tons per year. Potential emissions of at least one regulated pollutant exceed 100 tons per year. Therefore, the facility is classified as a PSD-major source of air pollution with respect to Rule 62-212.400, F.A.C., the Prevention of Significant Deterioration (PSD) of Air Quality.

NSPS: The new combustion turbines for Unit 3 are subject to Subpart GG of the New Source Performance Standards in 40 CFR 60.

RELEVANT DOCUMENTS

- Letter with summary of waterwall tube replacement for Unit 2 received on August 26, 2002;
- Air Permit No. PSD-FL-269 (PA99-40) issued for the construction of combined cycle Unit 3;
- Current Title V Air Operation Permit No. 0050014-001-AV, as amended; and
- Department's Technical Evaluation and Preliminary Determination dated September 27, 2002.

SECTION II. ADMINISTRATIVE REQUIREMENTS

GENERAL AND ADMINISTRATIVE REQUIREMENTS

1. Permitting Authority: All documents related to applications for permits to construct, modify or operate this emissions unit shall be submitted to the Bureau of Air Regulation (BAR), Florida Department of Environmental Protection (DEP), at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400 and phone number 850/488-0114. Copies of these documents shall be submitted to the Compliance Authority.
2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications should be submitted to the Northwest District Office at 160 Governmental Center, Pensacola, Florida 32501-5794. The phone number is 850/595-8300 and the fax number is 850/595-4417.
3. General Conditions: The owner and operator are subject to, and shall operate under, the attached General Conditions listed in *Appendix GC* of this permit. General Conditions are binding and enforceable pursuant to Chapter 403 of the Florida Statutes. [Rule 62-4.160, F.A.C.]
4. Applicable Regulations, Forms and Application Procedures: Unless otherwise indicated in this permit, the construction and operation of this project shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403 of the Florida Statutes (F.S.); and Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.). The permittee shall use the applicable forms listed in Rule 62-210.900, F.A.C. and follow the application procedures in Chapter 62-4, F.A.C. Issuance of this permit does not relieve the facility owner or operator from compliance with any applicable federal, state, or local permitting or regulations. [Rules 62-204.800, 62-210.300 and 62-210.900, F.A.C.]
5. Permit Expiration: For good cause, the permittee may request that this air construction permit be extended. Such a request shall be submitted to the Department's Bureau of Air Regulation at least sixty (60) days prior to the expiration of this permit. [Rules 62-4.070(4), 62-4.080, and 62-210.300(1), F.A.C.]
6. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]
7. Modifications: No emissions unit or facility subject to this permit shall be constructed or modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]
8. Title V Permit: This permit authorizes construction of the proposed project and initial operation to determine compliance with Department rules. Upon completion of construction of this project, a Title V operation permit revision is required for regular operation of the new equipment. The permittee shall apply for a revised Title V operation permit prior to expiration of this permit. To apply for a Title V operation permit, the applicant shall submit the appropriate application form, compliance test results, and such additional information as the Department may by law require. [Rules 62-4.030, 62-4.050, 62-4.220, and Chapter 62-213, F.A.C.]

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

EU 002. Unit 2 – 205 MW Coal-Fired Boiler

The proposed project affects the following existing unit:

ID No.	Emission Unit Description
002	Unit 2 (Boiler No. 2) is a tangentially fired, dry bottom boiler firing pulverized coal as the primary fuel and distillate oil for purposes of startup and flame stabilization. It began commercial operation on April 9, 1967. The maximum heat input rate is 2246 MMBtu per hour with a nominal generating capacity of 205 MW. Particulate matter emissions are controlled by both a hot side and a cold side electrostatic precipitator. NOx emissions are reduced by separated Low-NOx Concentric Firing System (LNCFS) and separated overfired air dampers (SOFA). It is a Phase II Acid Rain Unit. The following parameters are continuously monitored for this unit: NOx, opacity, SO2, CO2, and stack gas flow.

ADMINISTRATIVE REQUIREMENTS

1. Previous Permit Conditions: This permit authorizes the replacement of all the waterwall tubing for existing Unit 2. The following conditions are in addition to those of any other air construction or operation permits. [Rule 62-4.210, F.A.C.]

CONSTRUCTION ACTIVITIES

2. Waterwall Tube Replacement: The permittee is authorized to replace the existing waterwall tubes in Unit 2. In general, this consists of cutting the waterwall tubes from the lower ring headers just below the steam drum in the penthouse. The vertical tube length is approximately 120 feet and the total surface area is approximately 19,340 square feet. Materials will be replaced with like-kind materials and no operational or capacity increases will result from the project. The project does not involve any work on the steam drum. It is estimated that the project will be completed within approximately 20 weeks. [Applicant Request]
3. Unconfined Particulate Emissions: During the construction period, unconfined particulate emissions shall be minimized by dust suppressing techniques such as covering, enclosing, applying water or chemicals to the affected areas, or any combination of techniques, as necessary. [Rule 62-296.320(4)(c), F.A.C.]

NOTIFICATIONS AND REPORTS

4. Notifications: Within one week of beginning construction, the permittee shall notify the Compliance Authority that the project has commenced and provide a general schedule of construction activities. Within one week of completing construction, the permittee shall notify the Compliance Authority that the project has concluded and provide a general schedule of bringing the unit back on line. [Rule 62-4.210, F.A.C.]
5. PSD Applicability Report: The permittee shall maintain information demonstrating that the project did not result in any significant net emissions increase, which is defined in Rule 62-212.400(2)(e), F.A.C. as follows:

Net Emissions Increase. A modification to a facility results in a net emissions increase when, for a pollutant regulated under the Act, the sum of all of the contemporaneous creditable increases and decreases in the actual emissions of the facility, including the increase in emissions of the modification itself and any increases and decreases in quantifiable fugitive emissions, is greater than zero.

Significant Net Emissions Increase. A significant net emissions increase of a pollutant regulated under the Act is a net emissions increase equal to or greater than the applicable significant emission rate listed in Table 212.400-2, Regulated Air Pollutants – Significant Emission Rates.

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

EU 002. Unit 2 – 205 MW Coal-Fired Boiler

The permittee shall submit an annual report to the Department of such information for a period of 5 years representative of normal post-change operations of the unit (within the period not longer than 10 years following the change). For an existing electric utility steam-generating unit, actual emissions of the unit following a physical or operational change shall equal the representative actual annual emissions of the unit following the physical or operational change. The following definition of “representative actual annual emissions” found in 40 CFR 52.21(b)(33) is adopted and incorporated by reference in Rule 62-204.800, F.A.C.

Representative actual annual emissions means the average rate, in tons per year, at which the source is projected to emit a pollutant for the two-year period after a physical change or change in the method of operation of a unit, (or a different consecutive two-year period within 10 years after that change, where the Administrator determines that such period is more representative of normal source operations), considering the effect any such change will have on increasing or decreasing the hourly emissions rate and on projected capacity utilization. In projecting future emissions the Administrator shall:

- (i) Consider all relevant information, including but not limited to, historical operational data, the company's own representations, filings with the State or Federal regulatory authorities, and compliance plans under title IV of the Clean Air Act; and
- (ii) Exclude, in calculating any increase in emissions that results from the particular physical change or change in the method of operation at an electric utility steam generating unit, that portion of the unit's emissions following the change that could have been accommodated during the representative baseline period and is attributable to an increase in projected capacity utilization at the unit that is unrelated to the particular change, including any increased utilization due to the rate of electricity demand growth for the utility system as a whole.”

Each required annual report shall be submitted to the Department prior to August 1st and shall quantify operations for the previous calendar year(s).

[Rules 62-204.800, 62-210.200(11) and 62-212.400(2), F.A.C.; and 40 CFR 52.21(b)(33)]

SECTION IV. EMISSIONS UNIT SPECIFIC CONDITIONS

Appendix GC - Construction Permit General Conditions

- G.1 The terms, conditions, requirements, limitations, and restrictions set forth in this permit are "Permit Conditions" and are binding and enforceable pursuant to Sections 403.161, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.
- G.2 This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings or exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
- G.3 As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey and vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations. This permit is not a waiver or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.
- G.4 This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
- G.5 This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
- G.6 The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit, as required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.
- G.7 The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law and at a reasonable time, access to the premises, where the permitted activity is located or conducted to:
- (a) Have access to and copy and records that must be kept under the conditions of the permit;
 - (b) Inspect the facility, equipment, practices, or operations regulated or required under this permit, and,
 - (c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Department rules.

Reasonable time may depend on the nature of the concern being investigated.

- G.8 If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:
- (a) A description of and cause of non-compliance; and
 - (b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the non-compliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the non-compliance.

The permittee shall be responsible for any and all damages, which may result and may be subject to enforcement action by the Department for penalties or for revocation of this permit.

- G.9 In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is prescribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.


SECTION IV. EMISSIONS UNIT SPECIFIC CONDITIONS

Appendix GC - Construction Permit General Conditions

- G.10 The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance, provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules.
- G.11 This permit is transferable only upon Department approval in accordance with Florida Administrative Code Rules 62-4.120 and 62-730.300, F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Department.
- G.12 This permit or a copy thereof shall be kept at the work site of the permitted activity.
- G.13 This permit also constitutes:
- (a) Determination of Best Available Control Technology (not applicable to project);
 - (b) Determination of Prevention of Significant Deterioration (not applicable to project); and
 - (c) Compliance with New Source Performance Standards (not applicable to project).
- G.14 The permittee shall comply with the following:
- (a) Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.
 - (b) The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application or this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Department rule.
 - (c) Records of monitoring information shall include:
 - 1. The date, exact place, and time of sampling or measurements;
 - 2. The person responsible for performing the sampling or measurements;
 - 3. The dates analyses were performed;
 - 4. The person responsible for performing the analyses;
 - 5. The analytical techniques or methods used; and
 - 6. The results of such analyses.
- G.15 When requested by the Department, the permittee shall within a reasonable time furnish any information required by law, which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.

Florida Department of
Environmental Protection

Memorandum

TO: Howard Rhodes
FROM: Al Linero 
DATE: October 17, 2002
SUBJECT: Final Air Construction Permit No. 0050014-005-AC
Gulf Power Company
Lansing Smith Generating Plant
Unit 2 Waterwall Replacement

The Final Permit for this project is attached for your approval and signature, which authorizes the replacement of all the waterwall tubing for Unit 2 at the Lansing Smith Electric Generating Plant. The existing facility is located at 4300 County Road in Bay County. The project did not require PSD preconstruction review.

The Department distributed an "Intent to Issue Permit" package on September 27, 2002. The applicant published the "Public Notice of Intent to Issue" in The New Herald on October 2, 2002. No requests for administrative hearings were filed.

Day #90 is December 17, 2002. I recommend your approval of the attached Final Permit for this project.

Attachments

AAL