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OCT 08 2008

DIVISION OF AIR
RESOURCES MANAGEMENT



Certified Mail

October 6, 2008

Mr. Joseph Kahn, Director
Florida Department of Environmental Protection
Division of Air Resources Management
2600 Blair Stone Road
Mail Station #5505
Tallahassee, Florida 32399-2400

Dear Mr. Kahn: Joe

RE: LANSING SMITH ELECTRIC GENERATING PLANT
PROPOSED SMITH HERT SNCR NO_x Emissions Limit
~~AIR PERMIT NO. 0050014-013-AC~~
File: 0050014-016-AC

Please find enclosed Gulf Power's submittal of relevant emissions information and hereby request to revise the Lansing Smith Air Construction Permit pursuant to your letter dated September 18, 2008 regarding the need to protect local air quality and reduce possible impacts of interstate transport of emissions.

We appreciate your efforts to work with us regarding Gulf's selection of pollution control technologies to meet new Clean Air Act quality requirements. Please call me regarding any questions regarding our submittal.

Sincerely,

G. Dwain Waters, Q.E.P.

G. Dwain Waters, Q.E.P.
Special Projects and Environmental Assets Coordinator

cc: w/att: Jim Vick, Gulf Power Company
Brian Heinfeld, Gulf Power Company
Marie Largilliere, Gulf Power Company
Greg Terry, Gulf Power Company
Chip Wilson, Southern Company
Gary Perko, Hopping, Green & Sams
Trina Vielhauer, FDEP, Tallahassee, Florida
Rick Bradburn, FDEP Northwest District Office, Pensacola, Florida

Plant Smith NOx SNCR “Full Time Operation” Emission Limits

Gulf Power proposes the following operational limit for the Lansing Smith Selective Non-catalytic Reduction “SNCR” system in order to give assurance of “full time operation” to FDEP.

- **Emissions from the Smith High Energy Reagent Technology (HERT) SNCR systems on Units 1 & 2 shall be operated to reduce NOx emissions which may impact attainment to the ambient air ozone standard for Bay County, Florida and which may impact interstate transport of emissions. Plant Smith proposes to account for reductions by meeting a more stringent plant wide NOx averaging plan currently used to demonstrate permitted PSD offset limitations at the facility. Gulf Power proposes to lower the Lansing Smith 12 month rolling NOx average mass emissions limit by 20 percent to 5300 tons. The new plant wide mass emissions limit was calculated using historical heat input data and the projected 0.30 lb/mmbtu NOx emissions rate for Units 1 and 2 with SNCR technology. Baseline worksheets are attached to support the proposed limit. Included in the mass emissions plan are:**
 - NOx emissions from Unit 1 (Coal fired with SNCR), Unit 2 (Coal fired with SNCR), Unit 3 Combustion Turbine (Oil fired) and Unit 4 & 5 (Gas fired Combined Cycle Unit)
 - All emissions for startup, shutdown and malfunction for Units 1,2,3,4 and 5.
 - All SNCR maintenance periods for Units 1 and 2 will be included in the 12 month rolling NOx mass emissions limit.
- **Gulf Power commits to operate the HERT SNCR systems on Units 1 and 2 upon completion of construction and performance demonstration as outlined in the Smith Air Construction Permit No. 005014-013-AC pursuant to the following schedule:**
 - Startup of the HERT SNCR systems on Units 1 and 2 with tuning is projected to begin in February, 2009. Within 60 days after completing construction of the SNCR system and bringing Units 1 and 2 back on line, the permittee shall conduct tests to demonstrate the operational capabilities of the installed HERT SNCR system as compared to the design specification to achieve a 50% reduction in NOx emission rate for Unit 1 and 30% for Unit 2.
 - Plant Smith will operate the HERT SNCR systems after the initial startup until September 30, 2009 to evaluate water related discharge issues for NPDES permitting.
 - Plant Smith will operate the HERT SNCR systems for the 2009 ozone season in a manner to comply with the 12 month rolling mass emissions limit on a pro rata basis.
 - Plant Smith will operate the HERT SNCR systems on an annual basis beginning January 1, 2010 in a manner to comply with the proposed 12 month rolling NOx mass emissions limit of 5300 tons.
- **The new combined Unit 1 and 2 stack CEM system will be used to determine compliance to the proposed 12 month rolling NOx mass emissions limit. Other units within the plan will continue to use their current methodology for the plan. Gulf proposes to retain the use of daily fuel analyses and the existing unit specific NOx CEM systems as an option until the new combined stack CEM system demonstrates an accurate accounting of heat input and NOx rate for the SNCR equipped units. The new Smith combined stack CEM system will be certified and operated under EPA Part 75 rules used for the acid rain allowance program.**

**GULF POWER COMPANY
LANSING SMITH**

**PROPOSED SELECTIVE NON-CATALYTIC REDUCTION
NITROGEN OXIDE EMISSION LIMITS**

Professional Engineer Certification

Professional Engineer Statement:

I, the undersigned, hereby certify, except as particularly noted herein, that:*

(1) To the best of my knowledge, the information presented in the Gulf Power Company submittal to the Department of Environmental Protection regarding proposed Selective Non-catalytic Reduction (SNCR) nitrogen oxide (NO_x) emission limits for Plant Smith are true, accurate, and complete based on my review of material provided by Gulf Power engineering and environmental staff; and

(2) To the best of my knowledge, any emission estimates reported or relied on in this submittal are true, accurate, and complete and are either based upon reasonable techniques available for calculating emissions or, for emission estimates of air pollutants not regulated for an emissions unit, based solely upon the materials, information and calculations provided with this certification.

Signature

(seal)

FL 52786

Date

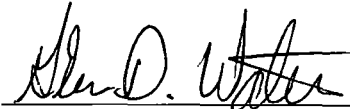
10-6-2008

* Certification is applicable to the Gulf Power Company submittal to the Florida Department of Environmental Protection regarding SNCR NO_x emission limits for Plant Smith.

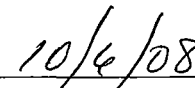
**LANSING SMITH NO_x SNCR EMISSIONS LIMIT
CERTIFICATION BY OWNER/AUTHORIZED
REPRESENTATIVE**

“I, the undersigned, am the owner/authorized representative, as defined in Air Construction Permit Application 1805-1 (Smith SNCR) for the Title V source for which this request is being submitted. I hereby certify, based on information and belief formed that the statements made and data contained in this request are true, accurate and complete.”

Owner/Authorized Representative Official Signature:



Glenn D. Waters
Special Projects and Environmental Assets Coordinator

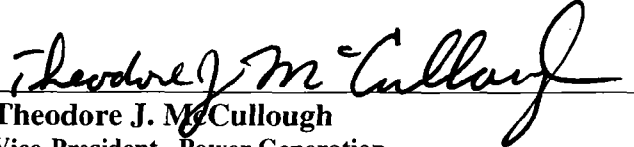


Date:

LANSING SMITH NO_x SNCR EMISSIONS LIMIT CERTIFICATION BY RESPONSIBLE OFFICIAL

“I, the undersigned, am the responsible official, as defined in Chapter 62-210.200, F.A.C., for the Title V source for which this request is being submitted. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made and data contained in this request are true, accurate and complete.”

Responsible Official Signature:



Theodore J. McCullough
Vice-President, Power Generation

10/6/08
Date: