

Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

February 6, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. G. Dwain Waters,
Air Quality Programs Supervisor
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0328

Re: Startup Issues

Lansing Smith Units Units 4 and 5
DEP File No. PSD-FL-269 [PA99-40]

Dear Mr. Waters:

The Department has reviewed your letter dated December 5, 2002, requesting concurrence with your interpretations of various provisions related to startup testing for Units 4 and 5. Following are the responses to the regulatory issues worksheet you submitted for our review and concurrence. Changes to the permit are indicated where applicable.

1. **Maximum Production Rate Definition:** *As applied to the initial startup of a combined cycle unit, maximum production rate is met when a combined cycle unit reaches between 90-100 percent of the total heat input (combustion turbine+ duct burner w/o power augmentation) as outlined in the design and permit application. The maximum production rate may not be reached until 2-3 months after initial first fire.*

Department Response: Gulf Power is already authorized to test within the requested period as outlined in Specific Condition No. 28 of the PSD-FL-269 permit. This condition reads:
"Compliance with the allowable emission limiting standards shall be determined within 60 days after achieving the maximum production rate, but not later than 180 days of initial operation of the unit, and annually thereafter as indicated in this permit, by using the following reference methods as described in 40 CFR 60, Appendix A (1998 version), and adopted by reference in Chapter 62-204.800, F.A.C." No permit change is required.

2. **Custom Fuel Monitoring Plan:** *The custom fuel monitoring plan is no longer required to contain information regarding H₂S as previously required under the Acid Rain Part 75 rules. This change is outlined in a recent EPA rule revision removing H₂S from consideration when determining pipeline quality natural gas. Heat input and total sulfur will be provided by the natural gas pipeline transmission company.*

"More Protection, Less Process"

Printed on recycled paper.

Department Response: The mentioned rule change has not been finalized and is unlikely to be adopted in its proposed form. The reason is that companies will be unable to comply with a definition of pipeline natural gas that requires total sulfur content to be less than 0.5 grains per 100 cubic feet. For example, the Florida Gas Transmission Company (FGT) has a very low hydrogen sulfide specification of 0.25 gr/100 scf and does typically provide gas with a total sulfur content less than 0.5 gr sulfur/100 scf. However the company Tariff provides for a total sulfur content of 10 gr/100 scf to account for injection of mercaptans as an odorant in compliance with FERC requirements.

Please note that the Department referenced Part 72 and Part 75 definitions and requirements only for the sake of convenience. This allowed use of methods already required for Acid Rain reporting purposes and avoided additional requirements that yield basically the same information. Because of the possible contradictions caused by the proposed changes in Parts 72 and 75, the Department will clarify what is required for the purposes of demonstrating compliance with the BACT and NSPS requirements. However this does not supersede any methods or requirements specific to the Acid Rain program.

Despite the proposed definition of pipeline natural gas and the FGT Tariff, The Department has reasonable assurance that the gas supply will contain less than 2 gr S/100 scf as required by the BACT determination. To avoid possible contradictions with the proposed revision to the natural gas definition and to allow Gulf Power to use the test results regularly provided by the gas supplier, the Department hereby revises Specific Conditions Nos. 23 of PSD-FL-269 as follows:

Specific Condition 23 - Sulfur Dioxide (SO₂) emissions: SO₂ emissions shall be limited by firing pipeline natural gas with a (total sulfur content less than 20 grains per 100 standard cubic foot)-as determined and provided by the natural gas pipeline transmission company. Compliance with this requirement in conjunction with implementation of the Custom Fuel Monitoring Schedule in Specific Condition 44 will demonstrate compliance with the applicable NSPS SO₂ emissions limitations from the duct burner or the combustion turbine.

{For informational purposes, annual SO₂ emissions will be up to 105 TPY}[40CFR60 Subpart GG and Rules 62-4.070, 62-212.400, and 62-204.800(7), F.A.C.]

- 3. Reduction of Multiple Load Testing for NSPS Subpart GG:** Pursuant to guidance recently issued by EPA, initial testing at 4 operating loads for NSPS Subpart GG is not necessary if CEMS are used for compliance. Testing of the Smith combustion turbines will take place at maximum CT load in lieu of 4 loads since CEMS will be used for continuous compliance to the NO_x standards.

Department Response: CEMS will be used for continuous compliance with the NO_x standards. Based on the guidance given in the EPA memo dated May, 26 2000, Gulf Power is hereby authorized to test at a single load in lieu of the four 4 loads. Refer to Appendix GG, attached.

- 4. RATA Test Results in lieu of Method 20:** Pursuant to guidance recently issued by EPA, RATA NO_x test results of greater than 3 hours of data may be used in lieu of Method 20 as long as the CEMS are calibrated in accordance with the procedure in Section 6.2.3. of Method 20. Initial and annual NO_x compliance tests at Plant Smith will be conducted using EPA Reference Method 7E in lieu of Method 20. Calibration must meet Section 6.2.3. of Method 20 and greater than 3 hours of data must be used.

Department Response: Gulf Power is hereby authorized to test (initial and annual) for NO_x emissions based on EPA reference Method 7E instead of Method 20. Refer to Specific Condition 29 (3rd bullet) below and to Appendix GG, attached.

- EPA Reference Method 20 "Determination of Oxides of Nitrogen Oxide, Sulfur Dioxide and Diluent Emissions from Stationary Gas Turbines" or EPA Reference Method 7 E "Determination of Nitrogen Oxide Emissions From Stationary Sources". Initial test only for compliance with 40CFR60 Subpart GG, Da. Initial (only) NO_x compliance test for the duct burners (Specific Condition 20) shall be accomplished via testing with duct burners "on" as compared to "off" and computing the difference.

Annual compliance with the applicable NO_x emissions standards shall also be demonstrated with valid data collected by the required CEM systems during the required annual RATA at permitted capacity. Continuous compliance shall be demonstrated as specified in Specific Condition 30. [Rule 62-212.400(BACT) and 62-297.310(7)(a)4., F.A.C.]

A copy of this letter and attached Appendix GG shall be filed with the referenced permit and shall become part of the permit. This permitting decision is issued pursuant to Chapter 403, Florida Statutes.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within fourteen days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under section 120.60(3) of the Florida Statutes must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within fourteen days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under sections 120.569 and 120.57 F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner, the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Department's final action may be different from the position taken by it in this notice. Persons whose substantial interests will be affected by any such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above. Mediation is not available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542 F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information: (a) The name, address, and telephone number of the petitioner; (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any; (c) Each rule or portion of a rule from which a variance or waiver is requested; (d) The citation to the statute underlying (implemented by) the rule identified in (c) above; (e) The type of action requested; (f) The specific facts that would justify a variance or waiver for the petitioner; (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2) F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the EPA and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

This permitting decision is final and effective on the date filed with the clerk of the Department unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition pursuant to Rule 62-110.106, F.A.C., and the petition conforms to the content requirements of Rules 28-106.201 and 28-106.301, F.A.C. Upon timely filing of a petition or a request for extension of time, this order will not be effective until further order of the Department.

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

Executed in Tallahassee, Florida



Howard L. Rhodes, Director
Division of Air Resources
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this PERMIT MODIFICATION was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 2/7/02 to the person(s) listed:

Robert G. Moore, V.P.*
Sandra Veazey, NWD
Buck Oven, PPS

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.

Victoria Gibson February 7, 2002
(Clerk) (Date)

SECTION IV. APPENDIX GG
NSPS Subpart GG Requirements for Gas Turbines

NSPS SUBPART GG REQUIREMENTS

[Note: Inapplicable provisions have been deleted in the following conditions, but the numbering of the original rules has been preserved for ease of reference to the original rules. The term "Administrator" when used in 40 CFR 60 shall mean the Department's Secretary or the Secretary's designee. Department notes and requirements related to the Subpart GG requirements are shown in **bold** immediately following the section to which they refer. The rule basis for the Department requirements specified below is Rule 62-4.070(3), F.A.C.]

Pursuant to 40 CFR 60.332 Standard for Nitrogen Oxides:

- (a) On and after the date of the performance test required by § 60.8 is completed, every owner or operator subject to the provisions of this subpart as specified in paragraph (b) section shall comply with:
- (1) No owner or operator subject to the provisions of this subpart shall cause to be discharged into the atmosphere from any stationary gas turbine, any gases which contain nitrogen oxides in excess of:

$$STD = 0.0075 \frac{(14.4)}{Y} + F$$

where:

- STD = allowable NOx emissions (percent by volume at 15 percent oxygen and on a dry basis).
 Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt-hour.
 F = NOx emission allowance for fuel-bound nitrogen as defined in paragraph (a)(3) of this section.

- (3) F shall be defined according to the nitrogen content of the fuel as follows:

Fuel-bound nitrogen (percent by weight)	F (NOx percent by volume)
$N \leq 0.015$	0
$0.015 < N \leq 0.1$	$0.04(N)$
$0.1 < N \leq 0.25$	$0.004 + 0.0067(N - 0.1)$
$N > 0.25$	0.005

Where, N = the nitrogen content of the fuel (percent by weight).

Department requirement: While firing gas, the "F" value shall be assumed to be 0.

[Note: This is required by EPA's March 12, 1993 determination regarding the use of NOx CEMS. The "Y" value for this unit is approximately 10 for natural gas. The equivalent emission standard is 108 ppmvd at 15% oxygen. The emissions standards of this permit is more stringent than this requirement.]

- (b) Electric utility stationary gas turbines with a heat input at peak load greater than 107.2 gigajoules per hour (100 million Btu/hour) based on the lower heating value of the fuel fired shall comply with the provisions of paragraph (a)(1) of this section.

Pursuant to 40 CFR 60.333 Standard for Sulfur Dioxide:

On and after the date on which the performance test required to be conducted by 40 CFR 60.8 is completed, every owner or operator subject to the provision of this subpart shall comply with:

SECTION IV. APPENDIX GG
NSPS Subpart GG Requirements for Gas Turbines

- (b) No owner or operator subject to the provisions of this subpart shall burn in any stationary gas turbine any fuel which contains sulfur in excess of 0.8 percent by weight.

Pursuant to 40 CFR 60.334 Monitoring of Operations:

- (b) The owner or operator of any stationary gas turbine subject to the provisions of this subpart shall monitor sulfur content and nitrogen content of the fuel being fired in the turbine. The frequency of determination of these values shall be as follows:
- (2) If the turbine is supplied its fuel without intermediate bulk storage the values shall be determined and recorded daily. Owners, operators or fuel vendors may develop custom schedules for determination of the values based on the design and operation of the affected facility and the characteristics of the fuel supply. These custom schedules shall be substantiated with data and must be approved by the Administrator before they can be used to comply with paragraph (b) of this section.

Department requirement: The requirement to monitor the nitrogen content of natural gas fired is waived. For purposes of complying with the sulfur content monitoring requirements of this rule, the owner or operator shall obtain a monthly report from the vendor indicating the sulfur content of the natural gas being supplied for each month of operation.

[Note: This is consistent with EPA's custom fuel monitoring policy and guidance from EPA Region 4.]

- (c) For the purpose of reports required under 40 CFR 60.7(c), periods of excess emissions that shall be reported are defined as follows:
- (1) *Nitrogen oxides.* Any one-hour period during which the average water-to-fuel ratio, as measured by the continuous monitoring system, falls below the water-to-fuel ratio determined to demonstrate compliance with 40 CFR 60.332 by the performance test required in § 60.8 or any period during which the fuel-bound nitrogen of the fuel is greater than the maximum nitrogen content allowed by the fuel-bound nitrogen allowance used during the performance test required in § 60.8. Each report shall include the average water-to-fuel ratio, average fuel consumption, ambient conditions, gas turbine load, and nitrogen content of the fuel during the period of excess emissions, and the graphs or figures developed under 40 CFR 60.335(a).

Department requirement: NOx emissions monitoring by CEM system shall substitute for the requirements of paragraph (c)(1) because a NOx monitor is required to demonstrate compliance with the standards of this permit. Data from the NOx monitor shall be used to determine "excess emissions" for purposes of 40 CFR 60.7 subject to the conditions of the permit.

[Note: As required by EPA's March 12, 1993 determination, the NOx monitor shall meet the applicable requirements of 40 CFR 60.13, Appendix B and Appendix F for certifying, maintaining, operating and assuring the quality of the system; shall be capable of calculating NOx emissions concentrations corrected to 15% oxygen; shall have no less than 95% monitor availability in any given calendar quarter; and shall provide a minimum of four data points for each hour and calculate an hourly average. The requirements for the CEMS specified by the specific conditions of this permit satisfy these requirements.]

- (2) *Sulfur dioxide.* Any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8 percent.

SECTION IV. APPENDIX GG
NSPS Subpart GG Requirements for Gas Turbines

Pursuant to 40 CFR 60.335 Test Methods and Procedures:

- (a) To compute the nitrogen oxides emissions, the owner or operator shall use analytical methods and procedures that are accurate to within 5 percent and are approved by the Administrator to determine the nitrogen content of the fuel being fired.
- (b) In conducting the performance tests required in 40 CFR 60.8, the owner or operator shall use as reference methods and procedures the test methods in appendix A of this part or other methods and procedures as specified in this section, except as provided for in 40 CFR 60.8(b). Acceptable alternative methods and procedures are given in paragraph (f) of this section.
- (c) The owner or operator shall determine compliance with the nitrogen oxides and sulfur dioxide standards in 40 CFR 60.332 and 60.333(a) as follows:

- (1) The nitrogen oxides emission rate (NO_x) shall be computed for each run using the following equation:

$$\text{NO}_x = (\text{NO}_{x0}) (\text{Pr}/\text{Po})^{0.5} e^{19(\text{Ho}-0.00633)} (288^\circ\text{K}/\text{Ta})^{1.53}$$

where:

NO_x = emission rate of NO_x at 15 percent O₂ and ISO standard ambient conditions, volume percent.

NO_{x0} = observed NO_x concentration, ppm by volume.

Pr = reference combustor inlet absolute pressure at 101.3 kilopascals ambient pressure, mm Hg.

Po = observed combustor inlet absolute pressure at test, mm Hg.

Ho = observed humidity of ambient air, g H₂O/g air.

e = transcendental constant, 2.718.

Ta = ambient temperature, °K.

Department requirement: The owner or operator is not required to have the NO_x monitor required by this permit continuously calculate NO_x emissions concentrations corrected to ISO conditions. However, the owner or operator shall keep records of the data needed to make the correction, and shall make the correction when required by the Department or Administrator.

[Note: This is consistent with guidance from EPA Region 4.]

- (2) The monitoring device of 40 CFR 60.334(a) shall be used to determine the fuel consumption and the water-to-fuel ratio necessary to comply with 40 CFR 60.332 at 30, 50, 75, and 100 percent of peak load or at four points in the normal operating range of the gas turbine, including the minimum point in the range and peak load. All loads shall be corrected to ISO conditions using the appropriate equations supplied by the manufacturer.

Department requirement: The owner or operator is allowed to conduct initial performance tests at a single load because a NO_x monitor shall be used to demonstrate compliance with the BACT NO_x limits of this permit.

[Note: This is consistent with guidance from EPA Region 4.]

- (3) Method 20 shall be used to determine the nitrogen oxides, sulfur dioxide, and oxygen concentrations. The span values shall be 300 ppm of nitrogen oxide and 21 percent oxygen. The NO_x emissions shall be determined at each of the load conditions specified in paragraph (c)(2) of this section.

SECTION IV. APPENDIX GG
NSPS Subpart GG Requirements for Gas Turbines

Department requirement: The owner or operator is allowed to make the initial compliance demonstration for NO_x emissions using certified CEM system data, provided that compliance be based on a minimum of three test runs representing a total of at least three hours of data, and that the CEMS be calibrated in accordance with the procedure in section 6.2.3 of Method 20 following each run. Alternatively, initial compliance may be demonstrated using data collected during the initial relative accuracy test audit (RATA) performed on the NO_x monitor. The span value specified in the permit shall be used instead of that specified in paragraph (c)(3) above.

[Note: These initial compliance demonstration requirements are consistent with guidance from EPA Region 4. The span value is changed pursuant to Department authority and is consistent with guidance from EPA Region 4.]

- (d) The owner or operator shall determine compliance with the sulfur content standard in 40 CFR 60.333(b) as follows: ASTM D 2880-71 shall be used to determine the sulfur content of liquid fuels and ASTM D 1072-80, D 3031-81, D 4084-82, or D 3246-81 shall be used for the sulfur content of gaseous fuels (incorporated by reference – see 40 CFR 60.17). The applicable ranges of some ASTM methods mentioned above are not adequate to measure the levels of sulfur in some fuel gases. Dilution of samples before analysis (with verification of the dilution ratio) may be used, subject to the approval of the Administrator.

Department requirement: The permit specifies sulfur testing methods.


[Note: This requirement establishes different methods than provided by paragraph (d) above, but the requirements are equally stringent and will ensure compliance with this rule.]

- (e) To meet the requirements of 40 CFR 60.334(b), the owner or operator shall use the methods specified in paragraphs (a) and (d) of this section to determine the nitrogen and sulfur contents of the fuel being burned. The analysis may be performed by the owner or operator, a service contractor retained by the owner or operator, the fuel vendor, or any other qualified agency.

[Note: The fuel analysis requirements of the permit meet or exceed the requirements of this rule and will ensure compliance with this rule.]

Memorandum

Florida Department of Environmental Protection

TO: C.H. Fancy
THRU: Al Linero 
FROM: M. P. Halpin
DATE: May 17, 2002
SUBJECT: Gulf Power Lansing Smith

Attached for approval and signature is a PSD Permit Modification for the newly installed combined cycle unit at the Lansing Smith Electric Generating Plant. Based upon initial testing, Gulf Power wishes to revise the listed heat inputs to Higher Heating Values (HHV) versus Lower heating Values (LHV). As per attached, the current limits are 1751 MMBtu/hr and 275 MMBtu/hr for the CT's and Duct burners respectively.

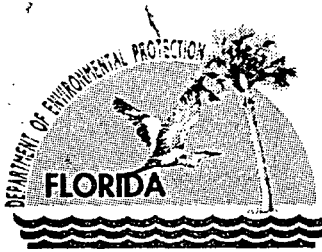
Gulf's request (also attached) proposes HHV values which we believe to be less than or equal to the current (permitted) LHV ratings. Two sources of information (El Paso and Santa Barbara County APCD) suggest that a ratio of HHV/LHV equal to 1.10 is equivalent, whereas a third (British Columbia) utilizes a ratio of HHV/LHV equal to 1.11. In the draft permit, we utilize a value of 1.10 for the HHV/LHV ratio and have no reason to believe that the permit modification represents a change of any significance, nor are any emission increases expected.

I recommend your approval and signature.

Attachments
mph

Calculations:

Combustion Turbines – $1927(\text{HHV}) / 1751(\text{LHV}) = 1.10$
Duct Burners – $303(\text{HHV}) / 275 (\text{LHV}) = 1.10$



Department of Environmental Protection

Jeb Bush
Governor

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

David B. Struhs
Secretary

June 17, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Robert G. Moore, V.P. Power Generation/Transmission
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0328

Re: DEP File No. PSD-FL-269, PA 99-40
Lansing Smith Unit 4 & 5 Heat Input

Dear Mr. Moore:

The Department reviewed your request dated May 6, 2002 to modify the PSD Permit relative to the maximum heat input rates while firing natural gas. The Department has additionally reviewed the provided summary of initial compliance test data from March 21/27 and April 5/12. According to the supplied information, the Department has concluded that no emissions increase will result from this request. Accordingly, this request is acceptable as indicated herein.

Permit PSD-FL-269 is hereby modified as follows:

The maximum heat input of the combustion turbines is revised from 1751 MMBtu/hr (LHV at 65 degrees F) to 1927 MMBtu/hr (HHV at 65 degrees F) each.

The maximum heat input of the duct burners is revised from 275 MMBtu/hr (LHV at 65 degrees F) to 303 MMBtu/hr (HHV at 65 degrees F) each.

No other changes to the permit are authorized by this action.

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit modification is issued pursuant to Chapter 403, Florida Statutes. Any party to this order (permit modification) has the right to seek judicial review of it under Section 120.68, F.S., by the filing of 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 of Appeal must be filed within (thirty) days after this Notice is filed with the Clerk of the Department.

Executed in Tallahassee, Florida.

Sincerely,

Howard L. Rhodes, Director
Division of Air Resources
Management

"More Protection, Less Process"

Printed on recycled paper.

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Permit Modification was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 6-14-02 to the person(s) listed:

Mr. Robert G. Moore, Gulf Power *
Mr. G. Dwain Waters, Gulf Power
Ms. Sandra Veazey, DEP-NWD
Mr. John Bunyak, NPS
Mr. Gregg Worley, EPA
Mr. Hamilton S. Oven, DEP-Siting
Chair, Bay County

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.

Martha J. Wise 6-14-02
(Clerk) (Date)

Florida Department of
Environmental Protection

Memorandum

TO: Howard L. Rhodes
THRU: Al Linero *AL*
FROM: Michael P. Halpin *MJ*
DATE: June 14, 2002
SUBJECT: Gulf Power Lansing Smith – Unit 4 and 5 Heat Input

Attached for approval and signature is a PSD Permit Modification for the newly installed combined cycle unit at the Lansing Smith Electric Generating Plant. Based upon initial testing, Gulf Power wishes to revise the listed heat inputs to Higher Heating Values (HHV) versus Lower heating Values (LHV). The current limits are 1751 MMBtu/hr and 275 MMBtu/hr for the CT's and Duct burners respectively.

Gulf's request proposes HHV values which we believe to be less than or equal to the current (permitted) LHV ratings. These values are 1927 and 303 MMBtu/hr for the respective components listed above. In summary, we have no reason to believe that the permit modification represents a change of any significance, nor are any emission increases expected.

The modification was publicly noticed in the Panama City News Herald on May 29th and no comments were received.

I recommend your approval and signature.

Attachments

/mph

Halpin, Mike

From: Waters, Glenn D. [GDWATERS@southernco.com]
Sent: Friday, October 04, 2002 3:34 PM
To: Linero, Alvaro
Cc: Sheplak, Scott; Halpin, Mike; Pichard, Errin; Koerner, Jeff; Mitchell, Bruce; Holtom, Jonathan
Subject: RE: Gulf Power Wednesday Meeting

Sounds Great. Time is no problem for me on October 9....Thanks, Dwain

-----Original Message-----

From: Linero, Alvaro [mailto:Alvaro.Linero@dep.state.fl.us]
Sent: Friday, October 04, 2002 2:25 PM
To: Waters, Glenn D.
Cc: Sheplak, Scott; Halpin, Mike; Pichard, Errin; Koerner, Jeff; Mitchell, Bruce; Holtom, Jonathan
Subject: RE: Gulf Power Wednesday Meeting

Dwain:

12:30 on October 9th is O.K.

Let's start with the items that involve Jeff Koerner and then get each engineer that has something to do with each item.

If we don't cover them all in the time allotted, you may need to stay a little longer, come back, we visit you, or handle by e-mail and phone.

Thanks. Al Linero.

-----Original Message-----

From: Waters, Glenn D. [mailto:GDWATERS@southernco.com]
Sent: Friday, October 04, 2002 3:01 PM
To: Linero, Alvaro
Cc: Sheplak, Scott
Subject: Gulf Power Wednesday Meeting

Pursuant to our discussions earlier this week, can we meet on Wednesday, October 9 to discuss the permitting issues below with your staff. 12:30 to 2 pm would be good for me and I could drive over that morning. I will copy Scott Sheplak on this email.

- * Crist 7 ESP & SCR Construction Permit
- * Crist Construction Permit Extension for CAM
- * Crist 4,5,6 Alternative Technology Construction Permit (Biomass)
- * Smith 4 & 5 PSD Extension
- * Smith 4 & 5 Title V Permit
- * Smith Construction Permit Extension for CAM
- * Stanton A PSD Revision for CEM changes

G. Dwain Waters
Air Quality Programs Supervisor
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0328
Phone: (850) 444-6527
Pager: (850) 469-4076
gdwaters@southernco.com

One Energy Place
Pensacola, Florida 32520

Tel 850.444.6111

RECEIVED

OCT 07 2002

BUREAU OF AIR REGULATION



Certified Mail

September 24, 2002

Mr. Al Linero
Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Mail Station #5510
Tallahassee, Florida 32399-2400

Dear Mr. Linero

RE: Lansing Smith Electric Generating Plant – Title V Unit Addition
Permit Number: 0050014-001-AV
DEP File No. PA 99-40, PSD-FL-269

Earlier this year, Gulf Power completed construction of the new combined cycle Units 4 & 5 at the Lansing Smith Electric Generating Plant as outlined in the PSD Permit FL-269. All conditions, cems certifications and compliance testing were completed with satisfactory results and all reports have been submitted to the Department. The next stage of permitting is the addition of these units to the Lansing Smith Title V Permit. However, in order to accomplish this task in a timely manner and meet the time restrictions outlined in the Title V program, Gulf Power would like to extend the Smith PSD Permit expiration date until March 31, 2003.

Reasons supporting this request include the recent revision of the PSD permit on June 17, 2002 to correct heat input values after the initial testing indicated errors with GE's original design data and computer problems with revising the Smith Title V application using the ELSA program to re-print the application. The latter issue required the complete application to be re-typed in the WORD format thus delaying a timely submission of the application as outlined under current Title V regulation. Attached is the Responsible Official certification statement of this request.

Please let me know if you have any questions regarding this request.

Sincerely,

A handwritten signature in black ink that reads "G. Dwain Waters". The signature is written in a cursive style with a long horizontal stroke at the end.

G. Dwain Waters, Q.E.P.
Air Quality Programs Supervisor

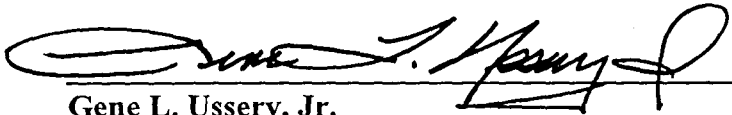
Al Linero, FDEP
Page 2
September 24, 2002

cc: J. O. Vick, Gulf Power Company
Trey Hall, Gulf Power Company
Marie Largilliere, Gulf Power Company
Danny Herrin, Southern Company Services
Angela Morrison , Hopping, Green & Smith
Scott Sheplak, FDEP- Bureau of Air Regulation, Tallahassee, FL
Sandra Veazey, FDEP- NWF District, Pensacola, FL

CERTIFICATION BY RESPONSIBLE OFFICIAL

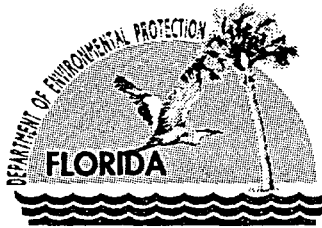
"I, the undersigned, am the responsible official, as defined in Chapter 62-210.200, F.A.C., for the Title V source for which this request is being submitted. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made and data contained in this request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

Responsible Official Signature:

A handwritten signature in black ink, appearing to read "Gene L. Ussery, Jr.", written over a horizontal line.

Gene L. Ussery, Jr.
Vice-President of Power Generation

10-2-02
Date:



Department of Environmental Protection

Jeb Bush
Governor

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

David B. Struhs
Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Gene L. Ussery, Jr.
Vice-President of Power Generation
Gulf Power
One Energy Place
Pensacola, Florida 32520-0328

Re: Extension of Expiration Date of Permit No. PSD-FL-269 (PA-99-40)
Lansing Smith Electric Generating Plant

The applicant, Gene L. Ussery, Jr., Vice-President of Power Generation, applied on October 7, 2002, to the Department for an extension of the expiration date of PSD permit number PSD-FL-269 for its Lansing Smith Electric Generating Plant located at 4300 Highway 2300, Southport, Bay County. The Department has reviewed the request. The expiration date is hereby extended from December 31, 2002 to June 30, 2003 to allow for completion of construction and testing.

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permitting decision is issued pursuant to Chapter 403, Florida Statutes.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within fourteen days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under section 120.60(3) of the Florida Statutes must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within fourteen days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under sections 120.569 and 120.57 F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner, the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

"More Protection, Less Process"

Printed on recycled paper.

A petition that does not dispute the material facts upon which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Department's final action may be different from the position taken by it in this notice. Persons whose substantial interests will be affected by any such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation is not available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542 F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information: (a) The name, address, and telephone number of the petitioner; (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any; (c) Each rule or portion of a rule from which a variance or waiver is requested; (d) The citation to the statute underlying (implemented by) the rule identified in (c) above; (e) The type of action requested; (f) The specific facts that would justify a variance or waiver for the petitioner; (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2) F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the EPA and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

This permitting decision is final and effective on the date filed with the clerk of the Department unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition pursuant to Rule 62-110.106, F.A.C., and the petition conforms to the content requirements of Rules 28-106.201 and 28-106.301, F.A.C. Upon timely filing of a petition or a request for extension of time, this order will not be effective until further order of the Department.

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

Executed in Tallahassee, Florida.



Howard L. Rhodes, Director
Division of Air Resources
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this order was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 10/9/02 to the person(s) listed:

Mr. Gene L. Ussery, Jr., Gulf Power *
Mr. G. Dwain Waters, Gulf Power
Ms. Sandra Veazey, DEP-NWD
Mr. John Bunyak, NPS
Mr. Gregg Worley, EPA
Mr. Hamilton S. Oven, DEP-Siting
Chair, Bay County

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.

Victoria Gibson October 9, 2002
(Clerk) (Date)