



Department of Environmental Protection

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Colleen M. Castille
Secretary

June 2, 2006

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. James O. Vick, Director Environmental Affairs
Gulf Power Company
One Energy Place
Pensacola, Florida 32520

Re: Request for Additional Information
DEP File No. 0090180-003-AC (PSD-FL-377)
Proposed Simple Cycle Combustion Turbine at the Oleander Power Project

Dear Mr. Vick:

On May 4, 2006 we received your application for an air construction permit for an additional simple cycle (SC) combustion turbine at the existing Oleander Power Project in Brevard County.

Pursuant to Rules 62-4.055, and 62-4.070 F.A.C., Permit Processing, the Department requests submittal of the additional information prior to processing the application. Should your response to any of the below items require new calculations, please submit the new calculations, assumptions, reference material and appropriate revised pages of the application form.

1. The use of natural gas and low-sulfur distillate fuel oil ($\leq 0.05\%$ S by weight) has been proposed as BACT for SO_2 for this project. What are the "actual" sulfur content values of the distillate fuel oil delivered for use in the existing combustion turbines? Please submit fuel records showing actual sulfur content of the fuel oil delivered to Oleander Power Project for use in Units 1, 2, 3, and 4 for the past four years.
2. Complete replacement of the standard specification (0.05% S) highway diesel fuel by ultra low sulfur (0.0015 % sulfur) diesel is required by 2011. Will the now standard fuel (0.05 % S) be available for purchase for non-vehicular use after 2011? Or, is it expected that distillate fuel oil purchased for use in the combustion turbines at Oleander Power Project will eventually meet the ultra low sulfur diesel specification of 0.0015 percent?
3. Although this project is not PSD for VOC, the NO_x emissions are above 100 TPY. NO_x is a precursor for ozone formation. Please provide information regarding impacts from this project on the regional ozone. Will this project contribute to an Ambient Air Quality Standard violation for ozone?
4. According to the application, the nearest Class I area is approximately 175 km away. A Class I analysis was not completed for this proposed modification due to this distance. However, the Federal Land Manager suggests that projects within 300 km of a Class I area be analyzed. The Department is awaiting comments regarding the Class I area from the US Fish and Wildlife Service. Please be aware that a Class I analysis may still be required for this application to be sufficient.

5. The application states that this project will not have an adverse effect on all soils, vegetation and wildlife in the area since the predicted impacts will be below the Ambient Air Quality Standards. Are there any specifically sensitive or endangered species in the project area that may be particularly sensitive to the project emissions? If so, will these species be adversely impacted?
6. Regarding the meteorological data, the modeling indicates that the base elevation of the Orlando International Airport station is at 0m. Is this correct? Also, the AERMET surface parameters are based on the Orlando International Airport Station land use. While it is correct to use surface parameters for the meteorological site rather than the project site, the meteorological station used should be representative of the land use at the project site. Is the land use in the project area similar to the land use of the airport?
7. According to the application, the percent land use for the Orlando station is mostly Grassland and Deciduous Forest. For Spring/Summer, the AERMOD User's Guide suggests an Albedo of 0.12-0.18, a Bowen Ratio for Average Moisture of 0.3-0.8, and a Surface Roughness of 0.05-1.3 for Grasslands/Deciduous Forest. The Albedo and Bowen Ratio surface parameters used in the AERMET file for this project are higher than the ranges given in the User's Guide. Also, the Surface Roughness parameters used in the model are more indicative of the "Forest" rather than "Grassland." Please explain how the surface parameters for this project were determined and please explain why the parameters are generally higher than what guidance suggests.
8. Has Oleander Power or its affiliates had any violations (or warning letters) related to any Department or EPA regulations at any of their facilities in Florida and the United States? Have officers of Oleander Power also been officers of other companies that have had violations (or warning letters) of Department regulations at any facilities? Please provide all documentation in relation to any such violations.

We will forward any comments received from other agencies as soon as we receive them. Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. Please advise the professional engineer to make sure he/she uses the correct seal in compliance with the applicable requirements of the Florida Board of Professional Engineers.

Permit applicants are advised that Rule 62-4.055(1), F.A.C. requires applicants to respond to requests for information within 90 days. If there are any questions, please call Cindy Mulkey at 850/921-8968. Matters regarding modeling issues should be directed to Debbie Nelson at 850/921-9537.

Sincerely,



A.A. Linero, Program Administrator
Bureau of Air Regulation
New Source Review Section

AAL/cm

cc: Allison Little, Southern Co.
Thomas Davis, ECT
Jim Little, EPA
John Bunyak, NPS
Len Kozlov, DEP CD
Chair, Brevard County Commission
Administrator, Brevard County

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1. Article Addressed to:

James O. Vick, Director
 Environmental Affairs
 Gulf Power Company
 One Energy Place
 Pensacola, FL 32520

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Sent To James O. Vick
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PS Form 3800, June 2002 See Reverse for Instructions