



September 5, 2012

Mr. Jeff Koerner, Program Administrator
Office of Permitting and Compliance
Division of Air Resource Management
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

RE: Progress Energy Florida
Crystal River Power Plant Units 1 and 2
Air Permit No. 0170004-036-AC
Comments on Draft Version of Permit

Dear Mr. Koerner:

Progress Energy Florida (PEF) hereby submits the following comments to the draft version of the above referenced permit for your consideration. These comments and requested changes to the draft version of the permit issued on July 31, 2012 are intended to address two primary areas of concern.

The first issue that needs to be addressed concerns the "Scenario C: Establish a Limit to Exempt Out of BART" portion of the draft permit, including Conditions C.1 through C.3 found on page 9 of 9. PEF understands that issues have been raised regarding the inclusion of this option in the permit based on the condition's apparent vagueness. In order to minimize issues related to the finalization of this permit, PEF requests that this option and the associated conditions be removed from the permit when it is issued in final form.

The second issue relates to PEF's request to include in the permit the authorization for the installation of a suitable NOx emission control system on these units. In an effort to address compliance with any future requirements related to the Regional Haze Program in Florida, PEF plans to install necessary air pollution reduction equipment on Units 1 and 2 by 2018, or cease to continue operations of these units as coal-fired units beyond December 31, 2020. In the initial application, PEF did not choose to request inclusion of NOx controls based on the understanding that compliance with the Cross State Air Pollution Rule (CSAPR) would constitute BART compliance for these units and thereby also address Regional Haze requirements. Since the court recently vacated the CSAPR, PEF no longer wishes to rely on the CSAPR, or its potential replacement to satisfy BART or related Regional Haze requirements. To this end, PEF requests that authorization to install and operate an SCR system on Units 1 and 2 be included in the final version of the permit when issued.

Should you have any questions concerning this matter, please contact Jamie Hunter at John.Hunter@PGNmail.com or at 727-820-5764.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Jay Chesser', written over a horizontal line.

Jay Chesser
Manager, Shift Operations, Crystal River
Progress Energy Florida