

One Energy Place
Pensacola, Florida 32520

Tel 850.444.6111



Certified Mail

November 19, 2002

Mr. Jeffrey F. Koerner
Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RECEIVED

NOV 27 2002

BUREAU OF AIR REGULATION

Dear Mr. Koerner:

RE: CRIST ELECTRIC GENERATION FACILITY
DEP File No. 0330045-004-AC
Air Construction Permit for Biomass - Public Notice Affidavit

Thanks for the quick response to Gulf Power's request for an air construction permit to conduct field testing of carbonaceous fuels at Plant Crist. Enclosed is the proof of publication, i.e., newspaper affidavit regarding the Public Notice of Intent to Issue An Air Construction Permit originally sent to Gene L. Ussery (Gulf Power) on November 12, 2002.

Please let me know if you have any questions regarding this matter and if you receive any public comments regarding our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Dwain Waters". The signature is written over a horizontal line.

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

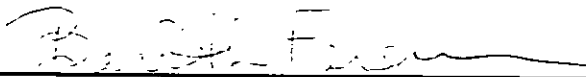
Cc: J. O. Vick, Gulf Power Company
Terry Wright, Gulf Power Company
John Dominey, Gulf Power Company
Sandra Veazey, FDEP, Northwest District

Published Daily-Pensacola, Escambia County, FL

STATE OF FLORIDA
County of Escambia

Before the undersigned authority personally appeared Kay Chastain who is personally known to me and who on oath says that he/she is a representative of The Pensacola News Journal, a daily newspaper published in Pensacola in Escambia County, Florida; that the attached copy of advertisement, being a legal in the matter of NOTICE OF INTENT was published in said newspaper in the issues of NOVEMBER 14, 2002. Affiant further states that the said Pensacola News Journal is a newspaper published in Pensacola, in said Escambia County, Florida, and that the said newspaper has heretofore been continuously published in said Escambia County, Florida each day and has been entered as second class mail matter at the post office in Pensacola, in said Escambia County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and Affiant further says that he/she has neither paid nor promised any person, firm, or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to and subscribed before me this 15TH Day of NOVEMBER A.D., 2002.



Notary Public

BERETH FERGUSON
Notary Public-State of FL
My Comm. Expires OCT. 10, 2005
Comm. No. DD048662

**PUBLIC NOTICE OF INTENT TO ISSUE
AIR CONSTRUCTION PERMIT
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Draft Air Permit No. 0330045-004-AC

Gulf Power Company
Crst Electrical Generating Plant
Field-Testing Carbonaceous Fuels as a
NOx Reduction Technique

The Department of Environmental Protection (Department) gives notice of its intent to issue an air construction permit to Gulf Power Company that authorizes the temporary field-testing of carbonaceous fuels in Units 4 and 5 at the Crst Electrical Generating Plant to determine feasibility as a NOx reduction technique. The existing plant is located in Escambia County, Florida. The applicant's authorized representative is Mr. Gene L. Ussery, Jr., Vice President of Power Generation. The applicant's mailing address is Gulf Power Company, One Energy Place, Pensacola, Florida 32520.

The applicant, Gulf Power Company, proposes to conduct a series of field-tests designed to evaluate the feasibility of adding carbonaceous fuels as a NOx reduction technique. Carbonaceous fuels include the following untreated materials: wood chips, sawdust, sander dust, and switchgrass. These fuels will be co-fired at with coal in existing Units 4 and 5 at a rate not to exceed approximately 10% of the total maximum heat input rate. The field-testing of these fuels is contemplated as part of the "Agreement for the Purpose of Ensuring Compliance with Ozone Ambient Air Quality Standards" that was entered into on August 28, 2002 between the Florida Department of Environmental Protection and the Gulf Power Company.

Based on information provided by the applicant, the proposed project will not result in any increases in emissions. Therefore, the project is not subject to preconstruction review for the Prevention of Significant Deterioration (PSD). The draft permit requires stack sampling, fuel sampling, and continuous monitoring to gather the information necessary to evaluate the operational and environmental impacts from these fuels. Information from the field-testing project may later be used to request the firing of these fuels on a permanent basis. Upon expiration of the permit, authorization to fire carbonaceous fuels is withdrawn.

The Department will issue the Final Permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions. The Department will accept written comments concerning the proposed permit issuance action for a period of fourteen (14) days from the date of publication of this Public Notice of Intent to Issue Air Construction Permit. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blaine Street Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to Sections 120.569 and 120.57, F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below. Mediation is not available in this proceeding.

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, F.S. 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 (14) 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), F.S. must be filed within fourteen (14) days of publication of the public notice or within fourteen (14) days of receipt of this notice of intent, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Department for notice of agency action may file a petition within fourteen (14) 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 Section 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 25-106.205, F.A.C.

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 telephone number of each agency.

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, F.A.C.

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.

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Department of Environmental Protection
Bureau of Air Regulation
(111 S. Magnolia Drive, Suite 4)
2600 Blair Stone Road, MS #5505
Tallahassee, Florida, 32399-2400
Telephone: 850/488-0114

Department of Environmental Protection
Northwest District Office Air Resources
160 Governmental Center
Pensacola, FL 32501-5794
Telephone: 850/595-8300

The complete project file includes the application, Technical Evaluation and Preliminary Determination, Draft Permit, and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Department's reviewing engineer for this project for additional information at the address and phone numbers listed above.

Legal No. 64227 1T November 14, 2002

One Energy Place
Pensacola, Florida 32520

Tel 850.444.6111

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BUREAU OF AIR REGULATION



Certified Mail

November 21, 2002

Jeffrey F. Koerner
Florida Department of Environmental Protection
Division of Air Resources Management
2600 Blair Stone Road
Mail Station #5510
Tallahassee, Florida 32399-2400

Dear Mr. Koerner:

RE: CRIST ELECTRIC GENERATING PLANT
BIOMASS PROJECT
DRAFT PERMIT No: 0330045-004-AC

Thank you for the quick response to our request for a draft permit to use biomass at Plant Crist. Gulf Power believes the permit as drafted has much more monitoring and reporting information than is necessary for a research project to study carbonaceous fuels. Gulf Power believes the Department should take the position on this project similar to its position on CAM testing in that Paragraph 403.061(18), F.S. authorizes the Department to encourage and conduct studies, investigations, and research relating to the causes and control of pollution. Rule 62-210.700(5), Florida Administrative Code (F.A.C.), authorizes the Department to consider variation in industrial equipment and make allowances for excess emissions that provide reasonable and practical regulatory controls consistent with the public interest. We believe the FDEP-Gulf Power Ozone Agreement is in the best interest of the public and its success will reduce pollution and provide for a source of renewable energy.

It is estimated that \$40,000 or more will be needed to comply with the various monitoring and analytical procedures outlined in the draft permit. Gulf Power believes that many of these provisions are unwarranted and unnecessary. Therefore, Gulf Power hereby requests that the Department review the attached comments and reconsider which provisions are necessary for this project to go forward.

Mr. Jeffrey F. Koerner

Page 2

November 21, 2002

Please let me know if you have questions on our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Dwain Waters". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

cc: w/att: Jim. Vick, Gulf Power Company
 Charles Howton, Gulf Power Company
 Wright, Terry, Gulf Power Company
 John Dominey, Gulf Power Company
 Danny Herrin, Southern Company Services
 Gary Perko, Hopping, Green & Sams
 Ms. Sandra Veazey, FDEP Northwest District Office, Pensacola, Florida

**Gulf Power Comments on FDEP Draft Air Permit No: 0330045-004-AC
Plant Smith Units 4 & 5
Field Testing Carbonaceous Fuels as a NOx Reduction Technique**

Issues:

FDEP Draft Permit Item #2. Field-Testing of Carbonaceous Fuels: Carbonaceous fuels shall only include the following untreated materials: wood chips, sawdust, sander dust, and switchgrass. For each unit, these materials may be co-fired with coal at a maximum heat input rate of 97.7 MMBtu per hour. The permittee shall implement the field-testing program to determine and report operational and environmental impacts that will result from co-firing carbonaceous fuels. This information may be used to support a future request for permanent authorization of one or more of these fuels. Units 4 and 5 shall remain subject to the conditions of all existing permits related to air pollution and control equipment during the field-testing program.

Gulf Power Comment: In order to make this condition clear that carbonaceous fuel use is limited to 97.7 MMBtu per hour, please add the sentence. "The maximum total heat input allowed in each unit is 1096.7 MMBtu per hour."

FDEP Draft Permit Item # 6. Schedule: Within 7 days of receiving the first carbonaceous fuel, the permittee shall submit a preliminary schedule detailing the proposed field-testing protocol to the Bureau of Air Regulation and the Compliance Authority. The Bureau of Air Regulation reserves the right to review and approve or disapprove the proposed schedule and protocol. Updates to the field-testing protocol and schedule shall be submitted as necessary. [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: There should be no requirement of a 7 day notice to FDEP prior to receiving the first carbonaceous fuel. The estimated quality and quantity of fuel has been outlined in the project summary information. It is basically impossible to determine the quality of the fuel before it is delivered. Additionally, there should be no right of review and approval/disapproval of fuel, the schedule nor the protocol of burning carbonaceous fuels if the fuel meets or nearly meets the estimated fuel specifications outlined in the proposal and the handling of the fuel is in the same manner of normal coal handling and processing. This condition is not needed to provide reasonable assurance that the carbonaceous fuel meets the feasibility of use. Gulf Power requests that Condition # 6 be deleted.

The FDEP should take the position on this project similar to its position on CAM testing in that "Paragraph 403.061(18), F.S. authorizes the Department to encourage and conduct studies, investigations, and research relating to the causes and control of pollution. Rule 62-210.700(5), Florida Administrative Code (F.A.C.), authorizes the Department to consider variation in industrial equipment and make allowances for excess emissions that provide reasonable and practical regulatory controls consistent with the public interest." We believe the FDEP-Gulf Power Ozone Agreement is in the best interest of the public and if successful will reduce pollution and provide for a source of renewable energy.

FDEP Draft Permit Item # 9. Baseline Coal Emissions Tests: Prior to co-firing any carbonaceous fuels, initial testing for each boiler when firing only coal shall be performed to determine CO and VOC emissions and establish baseline levels. All CO and VOC tests required by this permit shall be conducted in accordance with the procedures normally used for PM compliance tests. CO₂, NO_x, opacity, and SO₂ emissions data collected by the existing continuous monitors shall be reported for each test run. Baseline NO_x, opacity, and SO₂ emissions shall be determined from continuous monitor data. Representative tests for ash resistivity and particle size distribution shall be included. Baseline PM emissions shall be determined from recent annual compliance tests. Tests shall be performed at permitted capacity. [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: There should be no requirement for “baseline testing”. The condition also indicates that baseline testing is required prior to any co-firing of carbonaceous fuels in each boiler. Should baseline testing be conducted, Gulf Power doesn’t see the significance in requiring such test prior in lieu of after co-firing with carbonaceous fuel. Also, these tests are required for each unit. Gulf Power doesn’t believe this is necessary since Crist Unit 4 and 5 are identical boilers with identical controls. Additionally, VOC, resistivity and particle size distribution should be not necessary and needed for reasonable assurance. Information regarding VOC was not requested by the Department in its request for additional information dated October 28, 2002 and estimates outlined in the permit are significantly lower than the trigger level for PSD. Furthermore, FDEP’s review of resistivity and particulate size distribution should not be necessary in its evaluation of this project since particulate stack test is available. CO will be monitored for a baseline due to FDEP concerns.

FDEP Draft Permit Item #10: Carbonaceous Fuel Emissions Tests: A series of tests shall be conducted to determine emissions of CO, PM and VOC when co-firing each carbonaceous fuel with coal. At least one PM test for each carbonaceous fuel shall include the particle size distribution. CO₂, NO_x, opacity, and SO₂ emissions data collected by the existing continuous monitors shall be reported for each test run. Tests shall be performed while co-firing the highest percentage of carbonaceous fuel that will be requested on a permanent basis. All CO, PM, and VOC tests required by this permit shall be conducted in accordance with the procedures normally used for PM compliance tests. At least two such series of tests are required for each fuel. The first series of tests shall be conducted within 45 days of initial co-firing of that fuel. The second series of tests shall be at least seven days later and shall be conducted during the final week of co-firing that fuel. Any problems related to storage, handling, pulverizing, charging, boiler or ESP performance shall be reported. [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: Consistent with our comments on Item #9, FDEP should not require information on VOC and particle size distribution for carbonaceous fuel emissions tests. Additionally, two series of these tests are not necessary and the initial test should not be required within 45 days of initial co-firing of that fuel. The cost and planning necessary to comply with these conditions are unwarranted. Gulf Power can agree to monitor CO, SO₂, NO_x and particulate as an emissions test once the plant agrees that the fuel can be burnt from an operational standpoint.

FDEP Draft Permit Item # 11. Continuous Monitoring: When co-firing any carbonaceous fuels, the following parameters shall be monitored and recorded on an hourly basis: charging rate of each fuel (tons per hour), total heat input rate (MMBtu/hour), flue gas oxygen content, NOx emissions (lb/MMBtu), and opacity (percent). [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: Continuous monitoring of emissions should not be required for Gulf Power to determine the feasibility of burning biomass to reduce NOx emissions. It is somewhat impractical to setup continuous monitoring of the carbonaceous fuel charging rate, total heat input rate and flue gas oxygen content on an hourly basis for this project. Charging rates and heat input will be monitored during any official emissions testing during the 10 month project. Additionally, Gulf Power doesn't believe it is necessary to monitor fuel gas oxygen content since CO2 is monitored normally as a Part 75 parameter.

FDEP Draft Permit Item # 12. ESP Parameters: For each required PM test run, the critical ESP parameters (field voltages, rapping intensity, and rapping frequency) shall be monitored and recorded at 15-minute intervals. After each required PM test run, a representative sample of the ESP ash shall be taken and analyzed for resistivity. Quantities of ash generated and adjustments made to the ESP shall also be reported. For the baseline tests when firing coal, these parameters shall be monitored and recorded at 15-minute intervals during each required CO test run. [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: Monitoring of rapping intensity and rapping frequency is not normally supplied with annual particulate compliance tests. ESP field voltages are provided as part of the annual tests but only at the beginning and end of each test run, not at 15 minute intervals. There should be no requirement for the collection of ash and the analysis for resistivity and for the determination of ash generated or adjustments to the ESP. Additionally, no ESP monitoring should be required for baseline tests. This information is not necessary to determine reasonable assurance for field testing carbonaceous fuel.

FDEP Draft Permit Item #13. Fuel Sampling: During each required test, a representative fuel sample shall be taken and analyzed for the following fuel properties: heating value (Btu/lb), moisture (% by weight), nitrogen (% by weight), sulfur (% by weight), ash (% by weight), fluorides (ppm by weight), lead (ppm by weight), and mercury (ppm by weight). This includes coal samples for the baseline tests. Representative samples of each carbonaceous fuel shall also be taken and analyzed for these properties upon initial receipt and once each month when stored on site. At least three samples of each carbonaceous fuel shall be analyzed for these properties. [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: Gulf Power agrees to analyze representative fuels during each official emissions test for the above referenced parameters. These tests will be conducted however only when Gulf Power feels that a test fuel has the potential for long term use. Gulf Power agrees to analyze the fuel upon receipt but doesn't believe that samples must be taken and analyzed when stored on site. Furthermore, Gulf Power does not agree that "at least three samples of each carbonaceous fuel shall be analyzed for these properties".

FDEP Draft Permit Item # 14. Ash Sampling: After each required stack test, a representative sample shall be taken from the ESP ash and analyzed for resistivity. [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: Gulf Power does not believe that a representative sample should be taken from the ESP for ash resistivity. Gulf Power does not believe that this is necessary for reasonable assurances since particulate stack test data will be provided as part of the emissions tests for each viable carbonaceous fuel.

FDEP Draft Permit Item #15. Rate During Testing: All tests shall be performed at permitted capacity, which is defined as 90% to 100% of the maximum operating rate allowed by permit (total heat input rate of coal and carbonaceous fuel). If the co-firing of any carbonaceous fuel results in any emissions that are not in accordance with the existing permits, co-firing shall cease as soon as practicable. Co-firing that fuel shall not resume until appropriate actions are taken to correct the problem. The Compliance Authority shall be notified immediately upon such cessation and resumption of co-firing the carbonaceous fuel. [Rules 62-297.310(7)(a)9 and 62-4.070(3), F.A.C.]

Gulf Power Comment: Gulf Power believes that any official emissions tests should not be limited to only 90-100% of the rated capacity as outlined in the above condition. Gulf Power believes that the standard FDEP language "Operating Rate During Testing" should be sufficient to address the unit's capacity during testing. Gulf Power believes that tests should be conducted that 90-100% if possible but allowed at lower rates if the source determines it is feasible to operate at these loads using carbonaceous fuels.

FDEP Draft Permit Item #16. Test Notification: Within ten days of beginning the field-testing, the permittee shall provide a test schedule that summarizes the proposed program for co-firing carbonaceous fuels and identifies the preliminary dates for conducting stack testing. If unavoidable changes to the proposed schedule occur, the permittee shall provide the Compliance Authority with at least a 5-day advance notice of any rescheduled stack tests. [Rule 62-297.310(7)(a)9, F.A.C.]

Gulf Power Comment: Gulf Power will attempt to comply with the standard 10 day pre-test notice as much as possible but does not believe it will be possible in all cases. Gulf Power will provide a tentative test schedule and as much pre-notice as possible on field testing but can not guarantee a full 10 day notice due to the availability of carbonaceous fuels. This will be determined on a case by case basis of delivery and amounts of carbonaceous fuels available.

FDEP Draft Permit Item #19. Final Report: Within 90 days of completing the field-testing project, the permittee shall submit a report summarizing the following: a description of the entire project; baseline emissions when firing coal; emissions when firing each carbonaceous fuel; ambient conditions during each test; properties of each carbonaceous fuel compared to coal; fuel feed rates; heat input rates; critical ESP parameters (field voltages, rapping intensity, and rapping frequency); and ash resistivity of each carbonaceous fuel compared to coal. The report shall note and discuss any adjustments to the boiler or ESP that were made to accommodate the co-firing of carbonaceous fuels. It shall also detail any operational concerns related to the following items: storage, handling, pulverizing, and charging carbonaceous fuels; co-firing carbonaceous fuels with coal; ash generation; boiler combustion efficiency; and opacity. Finally, the report shall quantify expected NOx reductions and discuss the feasibility of co-firing carbonaceous fuels as a NOx reduction technique. [Rule 62-4.070(3), F.A.C.]

Gulf Power Comment: Gulf Power agrees to submit a final summary of the field testing within 90 days of the expiration of the permit if the company wishes to pursue permit revisions to allow

use of the carbonaceous fuels. Gulf Power does not believe that all the items listed in the above condition are necessary and should be included in the final report. The final report will quantify expected NOx reductions and discuss the feasibility of co-firing carbonaceous fuels as a NOx reduction technique and as a renewable resource.