

Florida Department of
Environmental Protection

Memorandum

TO: Michael G. Cooke

THRU: *Jr* Trina Vielhauer
Jim Pennington *JMP*

FROM: Jonathan Holtom *J.H.*

DATE: March 1, 2005

SUBJECT: Cooling Tower Replacement

Attached for approval and signature is an exemption (pursuant to Rule 62-4.040(1)(b), F.A.C) from the construction permitting requirements of Rule 62-210.300, F.A.C. for the replacement of the Unit 6 cooling tower at Gulf Power's Crist Generating Station. The previous cooling tower was damaged beyond repair during hurricane Ivan. Gulf Power had been waiting for a settlement commitment from their insurance company before making a final decision on the choice of the replacement unit. In order to meet the water discharge temperature differentials that are required by the NPDES permit, installation of the new cooling tower must be completed during April. Gulf Power has chosen to install a newer version of the same model that was destroyed, but have elected to include additional drift eliminators that were not installed on the old cooling tower. The addition of these drift eliminators will result in a decrease in particulate matter emissions from a potential of 1,465 tons per year down to an estimated 3.4 tons per year. This replacement project does not quite qualify for a generic emissions unit exemption, pursuant to Rule 62-210.300(3)(b), F.A.C., because the potential VOC emissions are just over the 5 ton per year cut-off at 5.17 tons per year. The cooling tower is not subject to 40 CFR 63, Subpart Q because chromium-based water treatment chemicals are not used. Because there are no applicable requirements, the three cooling towers at the Crist plant are included in the Title V permit as unregulated emissions units.

I recommend your approval and signature.

Attachments

/jh



Department of Environmental Protection

Jeb Bush
Governor

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

Colleen M. Castille
Secretary

March 2, 2005

CERTIFIED MAIL – Return Receipt Requested

Mr. Gene L. Ussery, Jr.
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0100

Re: Crist Electric Generating Station
Conditional Exemption for Unit 6 Cooling Tower Replacement

Dear Mr. Ussery:

The Department is in the process of reviewing an air construction permit application which you recently submitted. Included in the application is a request to replace the cooling tower for Unit 6 that was damaged beyond repair during hurricane Ivan. Based on communications with Mr. Dwain Waters, we understand that there is some urgency associated with gaining the approval to reconstruct the damaged cooling tower in order to meet the required water discharge temperature differentials imposed by the NPDES permit. We also understand that the required temperature differentials are seasonal in nature. Because the seasonal temperature differential requirement changes during the spring season, the cooling tower replacement must be operational during the month of April. Based on the information submitted, the cooling tower will be replaced with an identical cooling tower, but will include additional drift eliminators that were not on the original unit. As a result, the particulate matter (PM) emissions will be reduced from a past potential of 1,465 tons per year to an estimated 3.4 tons per year. Potential VOC emissions will remain unchanged at an estimated 5.17 tons per year.

The existing facility is a "major source of air pollution" or "Title V Source" for criteria pollutants and hazardous air pollutant emissions pursuant to Rule 62-210.200, Florida Administrative Code (F.A.C.), Definitions. A renewal of the Title air operation permit became effective on January 1, 2005. Since the cooling tower replacement will result in such a significant decrease in actual PM emissions, the proposal is not subject to PSD new source review pursuant to Rule 62-212.400(5), F.A.C. Also, for PSD review consideration pursuant to Rule 62-212.400(6)(b), F.A.C., it is determined that the proposal is not considered as part of a phased project. Finally, there are no specific emission limiting standards pursuant to Rule 62-204.800 and Chapter 62-296, F.A.C.

Based on the above findings, the Department is granting a conditional exemption from the air construction permitting requirements of the Florida Department of Environmental Protection for the replacement of the cooling tower for Unit 6. The exemption is based on the premise that any air pollutants emitted from the proposed cooling will not be in significant quantities to contribute to air pollution problems in the state pursuant to Rule 62-4.040(1)(b), F.A.C.

The conditions of this exemption for the Unit 6 Cooling Tower are as follows:

1. The new cooling tower will be designed to meet at least the same specifications as the original cooling tower.
2. The design flow rate of the new cooling tower shall not exceed the old design flow rate of 150,960 GPM.
3. No chromium-based water treatment chemicals shall be used.

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4. The design of the old cooling tower shall be improved by the installation of additional drift eliminators in order to reduce the PM emissions to an estimated 3.4 tons per year.
5. The operation of this activity shall not cause or contribute to an objectionable odor.
6. If the conditions on which this exemption are based change, the operator shall notify the Department's Bureau of Air Regulation of the changes and request the exemption be amended.

This conditional exemption will take effect on the clerking date unless a timely petition for an administrative hearing is filed pursuant to Sections 120.569 and 120.57, Florida Statutes (F.S.). The procedures for petitioning for a hearing are set forth below.

A person whose substantial interests are affected by the proposed agency action 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 applicant or any of the parties listed below must be filed within twenty-one days of receipt of this notice. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within twenty-one days of receipt of this notice. Under Section 120.60(3), F.S., however, any person who asked the Department for notice of agency action may file a petition within twenty-one days of receipt of that notice. 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, 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 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, as well as the rules and statutes which entitle the petitioner to relief; and, (f) A demand for relief.

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 request for conditional exemption 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.

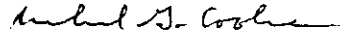
NOTICE OF APPEAL RIGHTS

Any party to this conditional exemption has the right to seek judicial review of it under Section 120.68, F.S., 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 conditional exemption is filed with the Clerk of the Department.

A copy of the conditional exemption and accompanying materials related to the proposed agency action are available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at the Department of Environmental Protection, Division of Air Resources Management, Suite 23, Magnolia Courtyard, 111 South Magnolia Drive, Tallahassee, Florida 32301, and at the Department's Northwest District Office, 160 Governmental Center, Pensacola, Florida 32501-5794.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**



Michael G. Cooke, Director
Division of Air Resource Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this NOTICE OF CONDITIONAL EXEMPTION and all copies were sent by certified mail before the close of business on 3/3/05 to the person(s) listed:

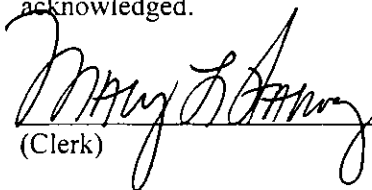
Mr. Gene L. Ussery, Jr., Gulf Power Company

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this NOTICE OF CONDITIONAL EXEMPTION were sent by electronic mail on the same date to the person(s) listed:

Ms. Sandra Veazey, NWD
Mr. Andy Allen, NWD
Mr. G. Dwain Waters, Q.E.P., Gulf Power Company

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), F.S., with the designated agency Clerk, receipt of which is hereby acknowledged.



(Clerk)

3/3/05
(Date)

MGC/TLV/jh

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF RETURN ADDRESS
DO NOT WRITE IN DOTTED LINE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature: <u>James Blakely</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>JAMES BLAKELY</u> C. Date of Delivery <u>03 07</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Mr. Gene L. Ussery V.P. Power Generation Gulf Power Company One Energy Place Pensacola, Florida 32520-0110</p> </div>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label): <u>7000 1670 0013 3109 8918</u></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540</p>	

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To

Sen	Mr. Gene L. Ussery
Stre	V.P. Power Generation
City	Gulf Power Company
	One Energy Place
	Pensacola, Florida 32520-0110

PS Form 3800, May 2000
See Reverse for Instructions