



Jeb Bush
Governor

Department of Environmental Protection

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

October 30, 2000

David B. Struhs
Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Michael F. Vogt
Granite Power Partners II, L.P.
655 Craig Road, Suite 336
St. Louis, Missouri 63141

Re: DEP File No. 0490044-001-AC (PSD-FL-281)
Hardee County Generation Facility
Three Simple Cycle Combustion Turbines

Dear Mr. Vogt:

We received your letter dated October 26 requesting a modification of the referenced permit to include 300 hours of fuel oil firing for the Siemens-Westinghouse 501F option. Please submit a \$250 fee and four copies of the information required by the first four pages of Form DEP No. 62-210.900(1). The form must be signed and sealed by a professional engineer licensed to practice in the State of Florida.

After receipt of the fee and form, we will review the application for completeness. At this time, we do not have reasonable assurance that the proposed Siemens-Westinghouse 501F can continuously achieve a 15 ppmvd nitrogen oxides emission rate while firing gas in a dual fuel unit. We need updated information from the manufacturer on that matter.

Per the enclosed table, please note that all recent PSD permits issued by the Department for simple cycle dual-fuel units require achievement of less than 15 ppmvd NO_x. Therefore we would be interested in knowing how much under 15 ppmvd this unit will be able to achieve if it is permitted to burn limited fuel oil quantities.

As an example of our concern, attached is a letter from the City of Lakeland detailing the problems with oil burning at a similar but larger unit (501G). Although these are problems associated with new technology (higher flame temperature and a bigger unit), the Dry Low NO_x technology for the 501F (to achieve less than 15 ppmvd) is also new technology for Siemens-Westinghouse that may be complicated in an analogous manner by a dual-fuel design.

We are aware that Siemens-Westinghouse plans to upgrade the combustors on the 501F units at the FPC Hines Energy Complex to achieve 12 ppmvd while firing gas in a dual-fuel combined cycle unit. Per the enclosed letter, they recently requested an extension to October 2002 to meet these commitments. If they remain on the newly proposed schedule, it would appear that they could provide the same combustors for your project.

In short, the Department requires much more detail about the proposal to satisfy the requirements for reasonable assurance under Rule 62-4.070, Standards for Issuing and Denying Permits. If you have any questions regarding this matter, please call me at 850/921-9523.

Sincerely,

A. A. Linero, P.E. Administrator
New Source Review Section

AAL/al

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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Article Sent To:
 Mr. Michael F. Vogt

Postage	\$	Grainite Power
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	Postmark Here

Name (Please Print Clearly) (to be completed by mailer)
 Mr. Michael F. Vogt
 Street, Apt. No. or PO Box No.
 655 Craig Rd.-Ste 336
 City, State, ZIP+4
 St. Louis, MO 63141

PS Form 3800, July 1999 See Reverse for Instructions

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. Received by (Please Print Clearly) B. Date of Delivery 11-30</p> <p>C. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to: Mr. Michael F. Vogt Granite Power Partners II, L.P. 655 Craig Rd., Ste 336 St. Louis, Mo 63141</p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Copy from service label) 7099 3400 0000 1453 1460</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

Project Location	Power Output (MW)	NO _x Limit ppmvd @ 15% O ₂ and Fuel	Technology	Comments
DeSoto County, FL	510	9 - NG 42 - No. 2 FO	DLN WI	3x170 MW GE PG7241FA CTs Application 10/99. 1000 hrs on oil
Shady Hills Pasco, FL	510	9 - NG 42 - No. 2 FO	DLN WI	3x170 MW GE PG7241FA CTs Application 10/99. 1000 hrs on oil
Vandolah Hardee, FL	680	9 - NG 42 - No. 2 FO	DLN WI	4x170 MW GE PG7241FA CTs Issued 11/99. 1000 hrs on oil
Oleander Brevard, FL	850	9 - NG 42 - No. 2 FO	DLN WI	5x170 MW GE PG7241FA CTs Issued 11/99. 1000 hrs on oil
JEA Baldwin, FL	510	10.5 - NG 42 - No. 2 FO	DLN WI	3x170 MW GE MS7241FA CTs Issued 10/99. 750 hrs on oil
Reliant Osceola, FL	510	10.5 - NG 42 - No. 2 FO	DLN WI	3x170 MW GE MS7241FA CTs Draft 11/99. 750 hrs on oil
TEC Polk Power, FL	330	10.5 - NG 42 - No. 2 F.O.	DLN WI	2x165 MW GE MS7241FA CTs Issued 10/99. 750 hrs on oil
Dynegy, FL	510	15 - NG	DLN	3x170 MW WH 501F CTs Issued. Gas only
Granite Hardee, FL	510	10.5 - NG 42 - No. 2 FO	DLN WI	3x170 MW GE 7FA CTs 500 hrs on oil
Granite Hardee, FL	510	15 - NG	DLN	3x170 MW WH 501F CTs Gas Only
Granite Hardee, FL	360	15 - NG	DLN	3x170 MW WH 501D5A CTs Gas Only
Granite Hardee, FL	540	5 - NG 10/42 - FO	HSCR HSCR/WI	3x180 MW ABB GT-24 CTs 500 hrs on oil
Peace River, FL	510	10 - NG 42 - No. 2 FO	DLN WI	3x170 MW GE 7FA CTs 720 hrs on oil
FPL Martin, FL	340	10/12 - NG/PA 42 - FO	DLN WI	2x170 MW GE 7FA CTs 500 hrs on oil, 500 hrs on PA

CON = Continuous
SC = Simple Cycle
INT = Intermittent

DLN = Dry Low NO_x Combustion
SCR = Selective Catalytic Reduction
HSCR = Hot SCR

FO = Fuel Oil
NG = Natural Gas
WI = Water or Steam Injection

GE = General Electric
WH = Westinghouse
ABB = Asca Brown Bovari



LS POWER, LLC

655 Craig Road, Suite 336
St. Louis, Missouri 63141
(314) 993-2700 • Fax: (314) 993-2790

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OCT 27 2000

BUREAU OF AIR REGULATION

Michael F. Vogt
Project Manager

October 26, 2000

Mr. A. A. Linero, P.E.
Administrator, New Source Review Section
Division of Air Resources Management
Florida Department of Environmental Protection
2600 Blair Stone Road, MS # 5505
Tallahassee, Florida 32399-2400

Re: Hardee County Generating Facility
DEP File No. 0490044-001-AC (PSD-FL-281)

Dear Mr. Linero:

Based on our recent discussions, Granite Power Partners II, L.P. hereby requests the Florida Department of Environmental Protection ("FDEP") to consider a request to modify the above referenced PSD permit. The amendment that we are requesting would allow the Westinghouse 501F alternative to operate on low sulfur fuel oil in accordance with the control technology and emission rates as previously requested (and modeled) in our air permit application. As further described below, we believe the permit modification being proposed can be implemented with no incremental impact to the environment above what is currently permitted.

The permit change is being requested for two main reasons. First, we have secured delivery of and currently contemplate utilizing three Westinghouse 501F machines for the Hardee County Generating Facility and second, and more importantly, ensuring that the facility has a reliable source of fuel. It is critically important for us, and the customers served by this facility, to have the permitted ability, even if limited, to be able to operate on fuel oil as a backup.

The permit amendment that we are proposing is simple; each Westinghouse 501F turbine would be allowed to operate up to 300 hours per year on fuel oil. Fuel oil operation would only be allowed provided that the total annual NO_x emissions (for all hours of operation except hours of excess emission allowed by the permit) do not exceed 175.5 tons per year per turbine (175.5 tons represents 3000 hours of operation for the Westinghouse 501F utilizing natural gas). The following is an illustrative example: 234 FO hours @ 329 lb/hr + 2342 NG hours @ 117 lb/hr = 175.5 tons/year.

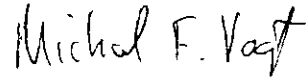
Mr. A. A. Linero, P.E.
October 26, 2000

Page 2

It is our understanding that this request for permit modification can be processed (and/or denied or withdrawn) without affected the validity of our existing permit. If this is not the case, please notify us prior to processing this request.

We appreciate your consideration of this request and look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Michael F. Vogt". The signature is written in a cursive style with a large, stylized 'M' and 'V'.

Michael F. Vogt



Farzie Shelton, chE; REM

Manager of Environmental Affairs - Energy Supply

October 23, 2000

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OCT 26 2000

BUREAU OF AIR REGULATION

Greg Worley, Chief
Pre-Construction/HAP Section
United States Environmental Protection Agency
Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303-8909

Re: Air Construction Permit, DEP File No. 1050004-004-AC (PSD-FL-245)
250 Megawatt Combustion Turbine - McIntosh Power Plant Unit No. 5

Dear Mr. Worley:

As you are aware, Unit No. 5 is the first generation of Westinghouse 501G series Combustion Turbine that commenced initial operation on April 14, 1999. In accordance with the 40 CFR 60.8(a) as referenced in Specific Condition 29 of our permit, demonstration of compliance with the New Source Performance Standards (NSPS) and emission limits while burning Natural gas was conducted on March 2, 2000. However, this demonstration did not include tests while burning fuel oil as the unit had not commenced oil burning at that time.

On July 24, 2000 Siemens Westinghouse Power Corporation (SWPC), the manufacturer and supplier of the gas turbine 501G series, commenced firing fuel oil in this unit with the intention of demonstrating NSPS compliance tests after the initial shake down of equipment and tuning of the control system. Hence, on August 31, 2000 SWPC was able to synchronize the unit. However, due to multitude of problems (please see attached letter from SWPC addressed to Mr. Al Dodd) the operation of Unit No. 5 had to be stopped and presently the unit is none operational while SWPC is trying to remedy the problems.

As you will note from the attached document this unit operated a mere 13 hours at below 25% load (unit rated at 250 MW) utilizing 11000 MMBTU of fuel oil. Therefore, with the present circumstances SWPC does not believe they will be able to meet the requirement of our construction permit as specified in condition 29 as modified on December 9, 2000 which reads:

Compliance with allowable emission limiting standards shall be determined for applicable New Source Performance Standards in accordance with the most recent approved EPA schedule. Initial compliance with all other applicable emission limiting standards shall be determined concurrently with the

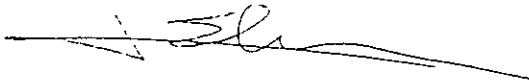
City of Lakeland • Department of Electric

October 23, 2000
Page 2

demonstration of compliance with New Source Performance Standards with the exception that compliance with emissions limits applicable to fuel oil firing shall be determined not later than 90 days after the first oil firing that occurs after December 8, 1999. ...

Therefore, we are writing to request a 90-day window from the time Unit No. 5 is operational again and burning fuel oil to perform NSPS compliance testing while utilizing fuel oil. Your cooperation in this matter is greatly appreciated. As always, we look forward to working with you and your staff in finding a suitable solution to our request. If you should have questions, please do not hesitate to contact me.

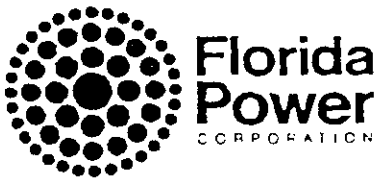
Sincerely,



Farzie Shelton

Cc: Mr. C.H. Fancy, P.E. - DEP
Mr. Hamilton Owen P.E. - DEP
Mr. AJ Linero P.E. - DEP
Mr. David McNeal - EPA

Attachment



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AUG 11 2000

BUREAU OF AIR REGULATION

August 4, 2000

Mr. Al Linero, P.E.
Bureau of Air Regulation
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Dear Mr. Linero:

Re: Hines Power Block 1 - Extension of Time to Install Dry Low-NOx Combustors

Specific Condition B.1.i. of the PSD permit for Power Block 1 of Florida Power Corporation's (FPC) Hines Energy Complex (PSD-FL-195A) states that a dry low-NOx (DLN) burner system may be installed to replace the selective catalytic reduction control system under certain conditions. The DLN system must control NOx emissions to the limit of 12 ppm corrected to 15% O₂, and the burners must be installed by November 1, 2000.

Based on the enclosed letter from Siemens Westinghouse outlining its continuing low-NOx development program, FPC requests that the DEP extend the November 1, 2000 deadline by two years, to November 1, 2002. Siemens Westinghouse requests that the DEP treat the enclosed information as proprietary.

Please contact Mike Kennedy at (727) 826-4334 if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Jeffrey Pardue", written over a horizontal line.

W. Jeffrey Pardue, C.E.P.
Director

Enclosure