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JUL 16 2002

BUREAU OF AIR REGULATION

July 11, 2002

VIA FACSIMILE

Mr. Edward J. Svec
Florida Department of Environmental Protection
Bureau of Air Resources
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RE: Air Construction Permit Application

Dear Mr. Svec:

South Pond Energy Park, LLC ("South Pond") hereby withdraws its air construction permit application effective today, July 11, 2002. South Pond will refile sometime in the future using a more advanced model gas turbine, probably the GE 7FB which has a slightly different air emission profile.

South Pond appreciates the efforts of Florida DEP on the existing permit application.

Should you have any questions, please do not hesitate to call me at 410-468-1774.

Regards,

A handwritten signature in black ink, appearing to read "Richard L. Wolfinger". The signature is fluid and cursive, written over the typed name and title.

Richard L. Wolfinger
Vice President

Cc: Scott Sheplak – FDEP
Ken Kosky – Golder
Manitia Moultrie – Golder
Larry Curtin – Holland and Knight
Jeff McCormack, Attorney Constellation



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

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BUREAU OF AIR REGULATION

Mr. A. A. Linero, P.E.
Florida Department of Environmental Protection
Mail Station 5500
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Dear Mr. Linero:

Thank you for sending the preliminary determination and draft prevention of significant deterioration (PSD) permit for South Pond Energy Park (PSD-FL-306) dated October 12, 2001. The preliminary determination is for the proposed construction of two simple cycle combustion turbines (CTs) and one combustion turbine which can operate in both combined cycle and simple cycle mode. The total nominal generating capacity of the facility will be 600 MW, and the facility will be located in Hardee County, Florida. The combustion turbines proposed for the facility are General Electric frame 7FA units and will primarily combust natural gas with No. 2 fuel oil combusted as backup fuel. As proposed, the CTs operating in simple cycle mode will be allowed to operate up to 3,390 hours per year and fire fuel oil a maximum of 500 hours/year. The CT operating in combined cycle mode will be allowed to operate 8,760 hours per year and fire fuel oil a maximum of 720 hours/year. Total estimated net emissions increases from the proposed project are above the thresholds requiring PSD review for nitrogen oxides (NO_x), carbon monoxide (CO), sulfur dioxide (SO₂), particulate matter (PM/PM₁₀), and sulfuric acid mist.

Based on our review of the PSD permit application, preliminary determination and draft PSD permit, we have the following comments:

1. We understood the reason for South Pond proposing to configure only one of the combustion turbines as part of a combined cycle system (that is, to avoid the requirements of Florida's Power Plant Siting Act). But at the same time, we were concerned that South Pond might sequentially convert the simple cycle combustion turbines to combined cycle operation without going through the same level of control technology assessment that would have been required had combined cycle operation been proposed from the start. Therefore, we were pleased to see the permit condition requiring a revised CO and NO_x BACT analysis should South Pond propose to convert a simple cycle combustion turbine to combined cycle service and further requiring that this analysis be performed as though the turbine had never been built (thus precluding any "equity in the ground" advantage).

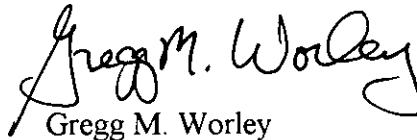
2. We understand Florida Department of Environmental Protection's (FDEP's) expectation that the turbines will typically operate with even lower CO emissions based on inherent combustor design and good combustion practices alone. However, please note that the use of catalytic oxidation for further control of combustion turbine CO emissions, especially for combined cycle combustion turbines, has become much more common as part of BACT determinations for combustion turbine projects. Catalytic oxidation has the added advantage of controlling volatile organic compound (VOC) emissions including volatile organic hazardous air pollutants.
3. We have the following comments concerning the startup and shutdown provisions of the permit package:
 - a. As we have often commented, startup and shutdown are part of normal combustion turbine operation and need to be addressed in PSD permits. FDEP has done so for this project by establishing a work practice standard and by limiting the number of hours of emissions that can be excluded from NO_x and CO compliance demonstrations for the combined cycle combustion turbine and from NO_x compliance demonstration for the simple cycle combustion turbines. Other permit options that could be considered include limitations on the number of startups and shutdowns in any 12-month period; mass emission limits for NO_x and CO emissions during any 24-hour period to include emissions during startup and shutdown; and future establishment of startup and shutdown BACT emission limits for NO_x and CO derived from test results during the first few months of commercial operation. In addition, compliance with any explicit or implicit annual emissions limits should be assessed with startup and shutdown emissions included. Regarding the option of mass emission limits, we acknowledge FDEP's comments that such limits may be difficult to quantify.
 - b. We understand that the draft PSD permit takes precedence over Appendix BD and that any items in Appendix BD that appear to be a requirement must be incorporated in the permit to be enforceable. The only definition of startup that we find is in Appendix BD of the package. Furthermore, the definition in Appendix BD denotes when startup commences but does not state the operating level or other characteristic marking the end of startup and the beginning of normal operation. We recommend that a more complete definition be developed so that the emission measurements eligible for exclusion under the excess emissions provisions can be confirmed easily. This definition should be included in the enforceable portion of the final PSD permit.
 - c. Condition 14c for the simple cycle combustion turbines exempts "no more than 2 hourly emission rate values" from the NO_x compliance demonstration as well as restricting the exemption to "no more than a total of 3 hourly emission rate values" in a calendar day. Since there is no time period associated with the 2-hour restriction, it could be concluded that no more than 2 hourly emission rate values can be exempted from compliance for the entire life of the unit. The time frame for the 2-hour

restriction should be clarified or the restriction should be removed from the final PSD permit. Additionally, to remain consistent with previous FDEP simple cycle combustion turbine permits, we recommend that instead of exempting a total of 3 hourly emission rate values, no more than 2 hours out of a 24-hour period (or calendar day) should be exempted from compliance demonstrations.

4. Section III, condition B7 contains a typographical error. This condition restricts operation of the simple cycle CTs to 3,390 hour/year when firing natural gas, but the limit of 500 hours per year should apply when firing fuel oil, not natural gas, as indicated in the draft PSD permit condition.

Thank you for the opportunity to comment on the South Pond Energy Park preliminary determination and draft PSD permit. If you have any questions regarding these comments, please direct them to either Katy Forney at 404-562-9130 or Jim Little at 404-562-9118.

Sincerely,



Gregg M. Worley
Chief
Air Permits Section

cc: E. Sues
C. Holladay
R. Wolfinger, South Pond Energy Park
D. Bennett, NPS
B. Thomas, SWD
K. Koshy, Guilder



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BUREAU OF AIR REGULATION

November 8, 2001

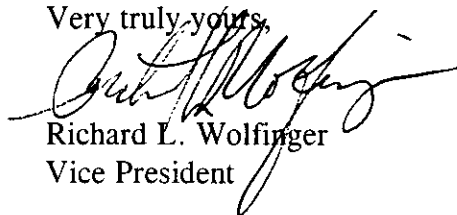
Florida Department of Air Quality
Bureau of Air Quality
2600 Blair Stone Road
Mail Station #5505
Tallahassee, Florida 32399-2400

RE: DEP File NO. 0490046-001-AC (PSD-FL-306)
Proof of Publication

Dear Sir:

Enclosed is a full copy of page 10A of The Herald-Advocate which is published in Hardee County, the site of the South Pond Energy Park dated October 25, 2001 which contains the public notice on the above subject draft air permit. This notice was published in the legal section of the newspaper. The Herald-Advocate was instructed to send the newspaper affidavit direct to the Department. Please advise if you have not received it by calling me at toll free at 877-212-6730 or advise by mail.

Very truly yours,



Richard L. Wolfinger
Vice President

AFFIDAVIT OF PUBLICATION

The Herald-Advocate

Published Weekly at Wauchula, Florida

REC.

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PUBLIC NOTICE OF INTENT TO ISSUE AIR CONSTRUCTION PERMIT

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. 0490046-001-AC (PSD-FL-306)

South Pond Energy Park Hardee County

STATE OF FLORIDA, COUNTY OF HARDEE

Before the undersigned authority personally appeared Denise Maye who on oath says he is the bookkeeper of The Herald-Advocate, a news paper published at Wauchula, in Hardee County, Florida; that the attached copy of advertisement, being a Pub. Not. of Intent in the matter of _____ in the _____ Court, was published in said newspaper in the issues of 10.25.01

Affiant further says that the said Herald-Advocate is a newspaper published at Wauchula, in said Hardee County, Florida, and that the said newspaper has heretofore been continuously published in said Hardee County, Florida, each week and has been entered as second class mail matter at the post office in Wauchula, in said Hardee County, Florida, for a period of one year next preceding the publication of the attached copy of advertisement; and affiant further says that he 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.

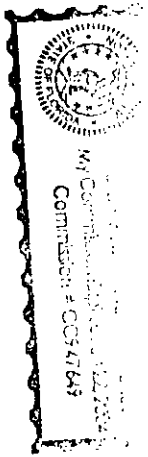
Denise Maye

Sworn to and subscribed before me this 30 day of October

Army Jay Brown Notary Public

My Commission Expires June 22 19 2004

- cc: E. Sule G. Worley, EPA Q. Bernick, NPS B. Thomas, SWD



The Department of Environmental Protection (Department) gives notice of its intent to issue an air construction permit under the requirements for the Prevention of Significant Deterioration (PSD) of Air Quality to South Pond Energy Park. The permit is to construct a nominal 600-megawatt (MW) natural gas-fueled power plant two miles south of Ft. Green on Ft. Green Road, Hardee County. A Best Available Control Technology (BACT) determination was required for sulfur dioxide (SO2), particulate matter (PM/PM10), nitrogen oxides (NOx), volatile organic compounds (VOC), sulfuric acid mist (SAM), and carbon monoxide (CO) pursuant to Rule 62-212.400, F.A.C. The applicant's name and address are South Pond Energy Park, LLC, 111 Market Place, Suite 200, Baltimore, Maryland 21202.

South Pond Energy Park proposes to construct three nominal 174-MW General Electric Frame 7FA natural gas-fired combustion turbine-electrical generators: Two of the units will operate in simple cycle mode and intermittent duty. The other unit will operate in combine cycle mode and will include an unfired heat recovery steam generator and a separate steam-electrical generator.

Additional equipment includes an 84 million Btu auxiliary boiler, a 2.8 million gallon fuel oil storage tank, an emergency diesel powered fire pump, and, an emergency diesel fired generator.

NOx emissions will be controlled by Dry Low NOx combustors. The two simple cycle units must meet an emission limit of 9 parts per million by volume, dry, at 15 percent oxygen (ppmvd @ 15% O2). NOx emissions from the combined cycle unit will be further controlled by selective catalytic reduction (SCR) to achieve 2.5 ppmvd at 15% O2. Emissions of CO will be controlled to 7.4 ppmvd @ 15% O2.

Emissions of PM/PM10, SO2 sulfuric acid mist, volatile organic compounds, and hazardous air pollutants

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 of the Florida Statutes. 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 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) of the Florida Statutes must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within fourteen 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 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.

operate in combine cycle mode and will include an unfired heat recovery steam generator and a separate steam-electrical generator.

Additional equipment includes an 84 million Btu auxiliary boiler, a 2.8 million gallon fuel oil storage tank, an emergency diesel powered fire pump, and, an emergency diesel fired generator.

NO_x emissions will be controlled by Dry Low NO_x combustors. The two simple cycle units must meet an emission limit of 9 parts per million by volume, dry, at 15 percent oxygen (ppmvd @ 15% O₂). NO_x emissions from the combined cycle unit will be further controlled by selective catalytic reduction (SCR) to achieve 2.5 ppmvd at 15% O₂. Emissions of CO will be controlled to 7.4 ppmvd @ 15% O₂.

Emissions of PM/PM₁₀, SO₂ sulfuric acid mist, volatile organic compounds, and hazardous air pollutants (HAP) will be controlled to very low levels by good combustion and use of inherently clean pipeline quality natural gas. Ammonia emissions (NH₃) generated due to NO_x control on the combined cycle unit will be limited to 5 ppmvd.

The combined maximum emissions from the four units in tons per year are summarized below. These include the minor emissions from the emergency diesel engines and the cooling towers.

Pollutant

PM/PM₁₀ (filterable plus condensable)
CO
NO_x
VOC
SO₂
Sulfuric Acid Mist

Maximum Potential Emissions

120
346
654
46
145
15.1

PSD Significant Emission Rate

25/15
100
40
40
40
7

Maximum predicted air quality impacts due to emissions from the South Pond project are less than the applicable PSD Class II significant impact levels. Maximum predicted air quality impacts due to emissions from the South Pond Energy Park project are less than the applicable PSD Class I significant impact levels in Chassahowitzka National Wilderness Area located 135 km northwest of the facility.

A CALPUFF modeling analysis for the South Pond project was submitted to the Fish and Wildlife Service (FWS) by the applicant. On the basis of the submittal, the FWS advised the Department "the South Pond project is not expected to significantly impact air quality or visibility at the Chassahowitzka National Wilderness Area."

Based on the required analyses, the Department has reasonable assurance that the proposed project will not cause or significantly contribute to a violation of any ambient air quality standard or PSD increment.

other than those entitled to written notice under section 120.60(3) of the Florida Statutes must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within fourteen 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 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 of the Florida Administrative Code.

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, 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.

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:

Dept of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Telephone: 850-488-0114
Fax: 850-922-6979

Dept. of Environmental Protection
Southwest District Office
3804 Coconut Palm Drive
Tampa, Florida 33619-8218
Telephone: 813-744-6100
Fax: 813-744-6084

The complete project file includes the application, technical evaluation, 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 Administrator, Title V Section at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850-488-0114, for additional information. 10:25c

The project is not subject to Section 403.501-518, F.S., Florida Electrical Power Plant Siting Act, based on information regarding gross electrical power generated from the steam cycle submitted by the Department.

The Department will issue the FINAL Permit, in accordance with the conditions of the DRAFT Permit, 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 and requests for a public meeting concerning the proposed permit issuance action for a period of 30 (thirty) 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 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If 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.