Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

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Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

January 16, 2009

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
Mr. Terry Woodard, Power Plant Manager
Central Power and Lime (CP&L)
Delta Power Services, Florida LLC
10311 Cement Plant Road
Brooksville, Florida 34605

Dear Mr. Woodard:

Per the discussion between you, Dr. Max Lee of Koogler Associates and Al Linero of our staff, we sent out letters similar to this one in September 2008 to the other operators of coal-fueled units in Florida.

In the wake of recent court actions which vacated (and then remanded to EPA) the Federal Clean Air Interstate Rule (CAIR) and vacated the Clean Air Mercury Rule (CAMR), the Florida Department of Environmental Protection (Department) has begun an assessment of coal-fueled power generating facilities within the state.

This assessment seeks to determine: (a) the extent to which facilities are planning to implement and operate controls under CAIR and (b) what timeline these facilities are planning to follow to achieve these emission reductions. This assessment by the Department is critical not only for the purpose of allowing us to develop a statewide plan to achieve a reduction in sulfur dioxide (SO_2), nitrogen oxides (NO_X), and mercury (Hg) emissions, but also to provide the most up-to-date and accurate emissions inventory available to assist the state's total maximum daily load (TMDL) project for mercury, which will be conducted over the next three years.

We acknowledge your valuable assistance and input in the recent CAIR/CAMR rulemaking processes, and hope that you can provide us with updated information to help us in our current efforts. To this end, it would be helpful to the Department if you could provide accurate and complete answers to the following questions.

We understand that the power plant usually operates in an interconnected mode with the cement plant and has some common pollution control equipment and stack.

1. **Does the power plant have Hg test results for the exhaust prior to the mixing box where it is mixed with cement plant exhaust?**

   This case would represent the condition when the power plant relies on the cement plant for control of SO_2 and there is minimal if any injection of limestone into the power plant exhaust prior to the mixing box.

2. **Does the power plant have or can it provide Hg material balances based on fuel and additive Hg concentration for the cases when it operates in complex mode with the cement plant as well as when the cement plant is down?**

3. Does the power plant have results of Hg testing conducted when operating in complex mode with the cement plant?

The original consolidated prevention of significant deterioration (PSD) permit (PSD-FL-90 and PSD-FL-91) issued by the United States Environmental Protection Agency (EPA) in 1984 set a combined limit of 0.03 pounds of Hg per hour (lb Hg/hr) from the combined cement kiln and power plant boiler. However we have no records of any stack testing conducted to date.

4. Can you confirm or provide your estimated mercury emissions?

We have been researching several sources of mercury emission estimates. One source of mercury emissions estimates is the recent Florida Electric Power Coordinating Group (FCG) document titled "Fate of Mercury in Coal-Fired Power Plants," prepared by RMB Consulting and Research, Inc., dated May 6, 2008. Following is the information from CP&L from their report and as a projection for 2006:

Controls			2006 HI	1999 Hg	1999 Cl	Hg In	Hg fly ash	Hg ESP Out	Hg FGDS	Hg Stack	Total
NO_X	PM	SO_2	(mmBtu/yr)	lb/TBtu	(ppm)	(lb/yr)	(lb/yr)	(lb/yr)	(lb/yr)	(lb/yr)	%
-	FF	-	10,437,051	4.14	8.49	43.20	33.06	-	-	10.14	77

FF: Fabric Filter **HI**: Heat Input **ppm**: parts per million **TBtu**: trillion Btu **Cl**: Chloride
FGDS: Flue Gas Desulfurization Solids **%**: Means percent removal of Hg

We have also gathered data from: the U.S. Environmental Protection Agency's (EPA) 1999 pre-CAMR estimate (Unit-Specific Estimated Mercury Emissions Rates in 1999); the federal Toxics Release Inventory (TRI); and the Department's Annual Operating Reports (AOR). Our preliminary tabulation is listed below:

1999 EPA Pre-CAMR Estimate for CP&L (lbs)	2007 Stack Test for CP&L (lbs)	2006 AOR CPL/FCS (lbs)	2007 AOR CPL/FCS (lbs)	2006 TRI CPL/FCS (lbs)	2007 TRI CPL/FCS (lbs)
0.47	7.5	203.8	20.2	28	28

Although the Pre-CAMR estimate and the 2007 stack test are for the power plant, the TRI and AOR data do not separate out the power plant contribution from the cement plant.

There is a great variation in the reported values for Hg emission from CP&L. Although the 2007 stack test conducted without the cement plant operating suggest 7.5 lb/yr, the results do not represent the continuous Hg contribution of the power plant to stack emissions when the cement plant operates.

When the two are operated simultaneously, the cement plant reduces SO_2 emissions from the power plant, but it also releases all Hg originating from CP&L power plant. Therefore a more representative value of emissions would be that shown as "Hg in" from the FCG evaluation (43.2 lb) shown above. This suggests that CP&L emissions are greater than 29 lb/yr and that CP&L would not have qualified for the "alternative mercury monitoring methodology" under the vacated CAMR.

Because the different data sources have different estimates, we need your assistance to determine the reasons for discrepancies and to develop more accurate estimates.

5. **Do you have mercury related specifications in your fuel contracts?**

   For example, describe any current and future specifications regarding mercury content. Does mercury related coal cleaning take place? If so, is the coal cleaning performed on-site, off-site, or both?

6. **What is your current coal use and plan for coal usage in the future?**

   For example, provide your coal use information such as percentage of coal type used (e.g., eastern bituminous, sub-bituminous, petroleum coke) and any plans to alter usage in the future. Also, please provide recent fuel analyses (proximate, ultimate, or both) if available.

7. **How does your facility handle treatment of coal combustion products (CCP)?**

   Explain any current and future CCP treatment and disposal, such as for fly ash and bottom ash. Are all CCP recycled to the cement plant? If available, please provide estimated approximate annual tons of byproducts by type, as well as estimates of mercury content in these byproducts and how these estimates were determined. In addition, discuss any contracts currently under negotiation for the utilization of CCP.

8. **How does your facility handle monitoring of mercury emissions?**

   For example, does your facility have or plan to add continuous emission monitors (CEMS) to the mercury emitting emission units? If so, please provide information such as when they may be installed and what types of CEMS will be or are being used. Would the facility consider operating CEMS with a minimum operation and maintenance (O&M) procedure or as an uncertified system? Are there incentives that the Department could pursue to encourage the addition of mercury CEMS? Outside of CEMS, does the facility plan to add any other mercury monitoring equipment (such as sorbent tubes), or implement any type of mercury monitoring program?

9. **How does your facility plan to continue with CAIR control plans?**

   For example, is the facility continuing with plans regarding installing controls for CAIR? If the facility does plan on following through with CAIR plans, has the timeline for installation of these controls been changed at all and if so, how? What is the status of construction or planning with regard to these CAIR controls? Does the facility have a vendor's guarantee or plans to test the control devices' expected mercury control efficiency? If available, what are these efficiency values? In addition, please describe your current compliance control plan and if you intend on continuing to operate the current control equipment. If not, do you plan to operate the control equipment in the future, and when and at what level of operation if not full?

Thank you in advance for your assistance. If you have any questions or comments, please contact Mr. David Read at (850) 414-7268 or by e-mail at david.read@dep.state.fl.us. We are requesting that your response and any additional information be received by February 27, 2009.

Sincerely,

Joseph Kahn, Director
Division of Air Resource Management

JK/tlv/aal/dr

Cc: James S. Daniel, CEMEX: jdaniel@cemexusa.com

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City, State, ZIP+4: Brooksville, FL

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TERRY WOODARD
CENTRAL POWER AND LIME
DELTA POWER SERVICES, FLORIDA LLC
10311 CEMENT PLANT ROAD
BROOKSVILLE, FL 34605

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1. Article Addressed to:

JAMES S. DANIEL, PLANT MANAGER
SOUTH BROOKSVILLE CEMENT PLANT
FLORIDA CRUSHED STONE COMPANY
D.B.A. CEMEX INC
10311 CEMENT PLANT RD
BROOKSVILLE, FL 34605

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