

Law Offices

HOLLAND & KNIGHT

A Partnership Including Professional Corporations

315 South Calhoun Street
Suite 600
P.O. Drawer 810 (ZIP 32302-0810)
Tallahassee, Florida 32301

904-224-7000
FAX 904-224-8832

March 13, 1995

Atlanta	Orlando
Fort Lauderdale	St. Petersburg
Jacksonville	Tampa
Lakeland	Washington, D.C.
Miami	West Palm Beach

LAWRENCE N. CURTIN
904-425-5678

RECEIVED

MAR 16 1995

Bureau of
Air Regulation

VIA FACSIMILE

Mr. Clair Fancy
Department of Environmental
Protection
Twin Towers Office Building
2600 Blair Stone Road

Re: Central Power & Lime, Inc.; Hernando County,
Florida

Dear Clair:

As a follow up to our telephone conversation of February 24, 1995, regarding the application to modify the CP&L permit, this letter constitutes our request to withdraw data relating to sulfur dioxide and nitrogen oxide emissions that resulted from testing at the facility during October 6 through 14, 1994.

Based upon our discussions, we understand that as a result of the analyses of the particulate matter testing information from that same time period, the Department has determined there was a slight increase in actual emissions. The performance test results indicated that this increase is statistically insignificant. The increase is approximately 1.43 pounds per hour in the average emission rate at the higher generation rate. We understand that since this "increase" is less than the regulatory significance level for particulate matter emissions, no PSD review will be required. We request that the allowable emissions contained in the current permits not be modified and that the heat input limitation and the megawatt output be changed in accordance with our earlier requests in the application to modify the permit dated December 9, 1994.

As you are aware, we do not believe the change in the heat input or the output of the facility constitute a modification for purposes of PSD review. Nevertheless, since PSD review will not be required under the Department's interpretation, it is not necessary for us to pursue the question of whether a modification will occur.

Mr. Clair Fancy
March 13, 1995
Page 2

Please let us know immediately if you disagree with this approach or if you need additional information. As always, we appreciate your cooperation and assistance.

Sincerely,

HOLLAND & KNIGHT

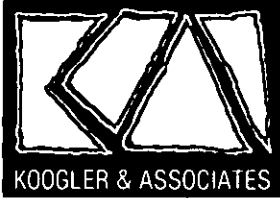
Lawrence N. Curtin (MKH)

Lawrence N. Curtin

cc: Mr. Tom Mountain
Dr. John Koogler

LNC/mrh
TAL-59528

J. Reynolds
C. Holladay



KOOGLER & ASSOCIATES
ENVIRONMENTAL SERVICES
4014 NW THIRTEENTH STREET
GAINESVILLE, FLORIDA 32609
904/377-5822 • FAX 377-7158

KA 307-93-12

March 3, 1995

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MAR 15 1995

Bureau of
Air Regulation

Mr. Clair H. Fancy
Florida Department of
Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Subject: Application To Modify Permit
Coal Fired Power Plant
Central Power & Lime, Inc.
Hernando County, Florida
PSD-FL-090, PA 82-17

Dear Mr. Fancy:

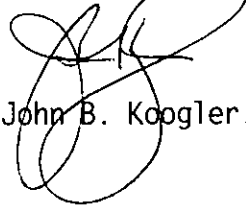
This is a follow up to our telephone conversation on February 24, 1995,
regarding the above referenced project.

Per our conversation, CPL hereby withdraws the December 1994 application.

If you have any questions, please call Pradeep Raval or me.

Very truly yours,

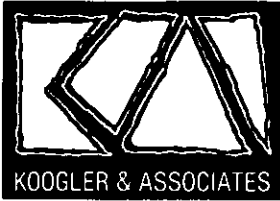
KOOGLER & ASSOCIATES



John B. Koogler, Ph.D., P.E.

JBK:par

c: Tom Mountain, CPL
Larry Curtin, Holland & Knight



KOUGLER & ASSOCIATES
ENVIRONMENTAL SERVICES
4014 NW THIRTEENTH STREET
GAINESVILLE, FLORIDA 32609
904/377-5822 • FAX 377-7158

KA 307-93-12

March 3, 1995

Mr. Clair H. Fancy
Florida Department of
Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Subject: Application To Modify Permit
Coal Fired Power Plant
Central Power & Lime, Inc.
Hernando County, Florida
PSD-FL-090, PA 82-17

Dear Mr. Fancy:

This is a follow up to our telephone conversation on February 24, 1995, regarding the above referenced project wherein CPL proposes to increase the power generation rate to 150 MW, net delivered.

In accordance with FDEP approval and protocol, performance tests were conducted by CPL at the baseline rate and later within 90 percent of the requested rate (report submitted previously to FDEP). The performance test results indicated that while statistically there was no increase in particulate matter emissions, there was an increase of 1.43 pounds per hour in the average emission rate at the higher power generation rate.

Based on the results of the performance tests, FDEP has indicated that a PSD review is required for particulate matter. This conclusion was based on the fact that the testing indicated an increase in the average particulate matter emission rate; and, that the net emission increase based on the "actual" tested emissions (6.22 lbs/hr) and the "potential" allowable emissions (37.0 lbs/hr) would exceed the significant emission level pursuant to Rule 62-212, Florida Administrative Code (FAC). The "increase" when annualized, using 8760 hours per year, would be 134.8 tons per year. Although CPL does not agree with the Department's rationale concerning this issue, the information requested is provided in the enclosed permit application to expedite the modified permit issuance.

It is expected that the additional permit processing fee (corresponding to a PSD review) is covered by the fee submitted with the application for Modification of Conditions of Certification. Accordingly, no additional permit processing fees are warranted.

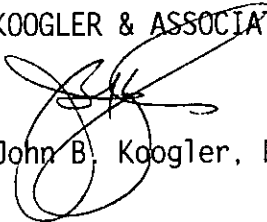
Mr. Clair H. Fancy
Florida Department of
Environmental Protection

March 3, 1995
Page 2

If you have any questions, please call Pradeep Raval or me.

Very truly yours,

KOOGLER & ASSOCIATES


John B. Koogler, Ph.D., P.E.

JBK:par
Enc.

c: Tom Mountain, CPL
Larry Curtin, Holland & Knight



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315 South Calhoun Street
Suite 600
P.O. Drawer 810 (ZIP 32302-0810)
Tallahassee, Florida 32301

904-224-7000
FAX 904-224-8832

February 23, 1995

Bruce

A Partnership Including Professional Corporations

Atlanta	Orlando
Fort Lauderdale	St. Petersburg
Jacksonville	Tampa
Lakeland	Washington, D.C.
Miami	West Palm Beach

VIA FACSIMILE

Mr. C. H. Fancy, P.E.
Chief, Bureau of Air Regulation
Florida Department of Environmental
Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RECEIVED
FEB 24 1995
Bureau of
Air Regulation

Re: Central Power & Lime, Inc.; Hernando County, Florida

Dear Clair:

You will recall that last year we engaged in a series of discussions with you and other representatives of the Department in an effort to remove from the PSD permit and the Conditions of Certification for the Central Power & Lime, Inc. (CPL) cogeneration facility in Brooksville, Florida, a restriction on heat input that results in limitation on the maximum megawatts produced when the power plant is operating by itself. The current limit restricts output to approximately 100 megawatts. We requested the ability to increase that to 133 megawatts, net output.

As a result of a meeting with you and staff on October 3, 1994, we requested permission to operate the power plant at a rate of up to 133 megawatts, net, for a four day period to conduct emissions tests for sulfur dioxide, particulate matter and nitrogen oxides. The data generated were to be used in the regulatory analysis and it was our understanding that if no significant increases were evident, the heat input limitation could be modified to allow the increased output without PSD review. The testing was authorized by letter dated October 6, 1994, from Howard Rhodes to Tom Mountain.

The tests were conducted as scheduled and the data have been submitted to the Department for review. We understand that Department staff agree that there are no increases in sulfur dioxide or nitrogen oxide emissions evident as a result of the increase in the output. However, a question has been raised concerning particulate matter.

As we understand it, the issue with respect to particulate matter is whether there should be some reduction in allowable

Mr. C. H. Fancy, P.E.
February 23, 1995
Page 2

emissions from the facility to a level that would equate to those required by the new source performance standards for particulate matter contained in 40 C.F.R. Section 60.40a, or the so called subpart Da standards. The rationale for this apparently is that staff has interpreted the increase in generating rate as a modification that would increase the actual particulate matter emission rate, even though the testing information indicated that the emissions were well below the allowable rate. If the testing data are utilized to establish a baseline for actual emissions, the data apparently indicate that there would be a slight particulate matter increase with the increase in megawatts. The testing data indicate that the actual particulate matter emissions increased by slightly over one pound per hour at the increased generating rate, but the emission rates that were observed at both rates are not statistically different. Moreover, both levels are less than emissions that previously have been observed at the facility. We believe that the data support our request that the heat input limitation be dropped, and we do not believe that there is any justification for the Department to take this opportunity to reduce our allowable emissions, particularly to a level that would be the equivalent of the subpart Da new source performance standards.

We believe that the federal regulations sustain our position. The new source performance standards indicate that more stringent standards can be applied to an affected facility if there is a modification to that facility resulting in an increase in emissions. We do not believe that the increased output constitutes a physical change or a change in the method of operation for purposes of either NSPS or PSD. However, assuming for the sake of argument that it does, the situation appears to be controlled by the provisions of 40 C.F.R. Section 60.14(h), which provides:

(h) No physical change, or change in the method of operation, at an existing electric utility steam generating unit shall be treated as a modification for purposes of this section provided that such change does not increase the maximum hourly emissions of any pollutant regulated under this section above the maximum hourly emissions achievable at that unit during the 5 years prior to the change.

Emissions have been in excess of the levels experienced during the testing period during the past 5 years. Consequently, there is no basis for the application of NSPS to this facility.

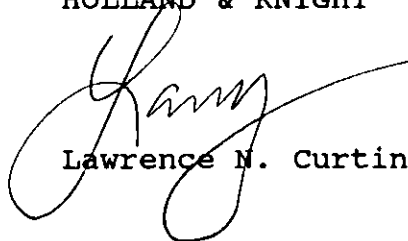
We are anxious to conclude this matter. We hope that you will agree with us that the output of the power plant can be increased without triggering PSD review or the application of NSPS, and that processing should be completed without further delay.

Mr. C. H. Fancy, P.E.
February 23, 1995
Page 3

Please let me know where this matter stands at your earliest convenience.

Sincerely,

HOLLAND & KNIGHT

A handwritten signature in cursive script, appearing to read "Lawrence N. Curtin".

Lawrence N. Curtin

cc: Mr. Tom Mountain
Dr. John Koogler

LNC/mrh
TAL-58275



CENTRAL POWER & LIME, INC.

RECEIVED

DEC 22 1994

Bureau of
Air Regulation

December 19, 1994

Mr. C. H. Fancy, P.E.
Bureau of Air Regulation
Florida Department of Environmental Regulation
Twin Towers Office Building
Tallahassee, Florida 32399-2400

Re: CPL Power Plant Air Construction Application (12/9/94) Hernando County.

Mr. Fancy:

Per our discussion on Friday, 11/18/94, in your office, we agreed that the processing fee for the above referenced application was to be paid for out of the \$10,000 processing fee paid to the Power Plant Siting Office in March 1994 and that an additional fee submitted with the application was not required.

Please call immediately if you have any questions regarding payment of the fee. Your prompt review of the application would be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Tom Mountain".

Tom Mountain
Environmental Manager

TM/lis

cc: G. Reynolds