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July 28, 1995

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BY HAND DELIVERY

Mr. Clair E. Fancy, P.E.
Bureau of Air Regulation
Department of Environmental Protection
111 South Magnolia Street, Suite 29
Tallahassee, Florida 32399-2400

RE: Vero Beach Municipal Power Plant, Unit 5
Request for Extension of Air Construction
Permit No. AC 31-184928, PSD-FL-152

RECEIVED

JUL 28 1995

Bureau of
Air Regulation

Dear Mr. Fancy:

I am writing on behalf of the City of Vero Beach to request extension of the referenced air construction permit for Unit 5 at the City's Municipal Power Plant in Indian River County, pursuant to Rule 62-4.080(3) F.A.C. The current expiration date for the permit is July 31, 1995, in accordance with Division Director Rhodes' letter of January 31, 1995. By letter dated June 30, 1994, the City requested amendment of certain conditions in the construction permit, including those rendered obsolete by the installation of Dry Low NOx burners in Unit 5. Since that time, the City has responded to the Department's request for additional information and representatives of the City have met with Department officials regarding the requested amendments. Currently, the City is awaiting the Department's final action on the request. As discussed in our meeting regarding the requested amendments, resolution of the construction permit issues will help to facilitate issuance of a mutually acceptable air operation permit.

The City hereby requests a further extension of the permit expiration date until October 29, 1995, to allow sufficient time for the Department to take final action on the proposed amendments. A check in the amount of fifty dollars (\$50.00) is enclosed, pursuant to Rule 62-4.050(4)(q)3, F.A.C.

Initial emissions compliance testing of Unit 5 with the Dry Low NOx combustors has been completed and test reports demonstrating compliance with applicable limits were forwarded to the Department on February 25, 1994. In addition, annual compliance testing was conducted in accordance with the current provisions of the construction permit on or about January 11, 1994. Test reports of the annual compliance testing which demonstrate compliance with

Mr. Clair E. Fancy, P.E.
July 28, 1995
Page 2

applicable limits, have been forwarded to the Department Central upon receipt from the City's testing contractor.

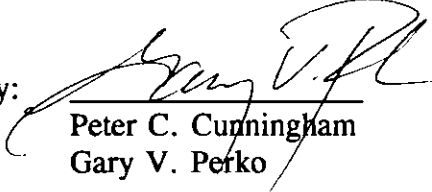
The City recognizes that all current construction permit conditions will remain in effect if the expiration date extension is approved. Accordingly, the City has demonstrated reasonable assurances that, upon completion, the extended permit will comply with the standards and conditions required by applicable regulation.

Your consideration in this matter is very much appreciated. If there are any questions regarding the City's request, please do not hesitate to call.

Sincerely,

HOPPING BOYD GREEN & SAMS

By:


Peter C. Cunningham
Gary V. Perko

Attorneys for CITY OF VERO BEACH

cc: Mr. Charles Logan (DEP/BAR)
Mr. Charles Collins (DEP/Central District)
Mr. Doug Beason, Esq. (DEP/OGC)
Mr. Mike Siefert (CVB)

CD

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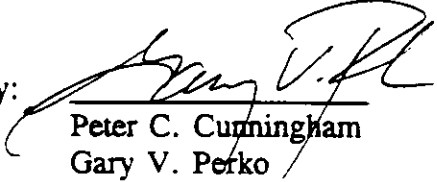
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Attorneys for CITY OF VERO BEACH

cc: Mr. Charles Logan (DEP/BAR)
Mr. Charles Collins (DEP/Central District)
Mr. Doug Beason, Esq. (DEP/OGC)
Mr. Mike Siefert (CVB)

cc: Bruce Mitchell CW 8/2/95

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May 16, 1995

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VIA HAND DELIVERY

Clair H. Fancy, P.E., Chief
Bureau of Air Regulation
Division of Air Resources Management
Department of Environmental Protection
111 South Magnolia, Suite 4
Tallahassee, FL 32301

RE: Vero Beach Municipal Power Plant - Unit 5
Permit No. AC 31-184928, PSD-FL-152

Dear Mr. Fancy:

On behalf of the City of Vero Beach ("City"), we appreciate the opportunity to meet with you, Bruce Mitchell, and Charles Logan on May 2, 1995, regarding the City's pending request to amend the above-referenced air construction permit. Based on our discussions, we understand that the Department will make certain amendments to the construction permit in addition to or in place of those included in the Department's proposed letter amendment of March 27, 1995. Additionally, although the Department has decided not to make other amendments requested by the City, you have agreed to issue a guidance memorandum to explain how certain provisions of the construction permit will be addressed in future operation permits for Unit 5. We also understand that the Department will consider amending the construction permit in the future if EPA approves an alternative monitoring method allowing use of CEMS in lieu of fuel nitrogen and water-to-fuel ratio monitoring under 40 CFR 60, Subpart GG.

To assist the Department in resolving this matter, we are providing two attachments. First, Attachment "A" provides suggested language for a revised letter amendment to the Unit 5 construction permit. For the most part, we have taken language from the Department's letter of March 27, 1995, and made minor changes based on the discussions at our recent meeting. The only matter potentially worthy of further discussion is Specific Condition No.2. As you can see, we have taken the language from the Department's prior letter, but have deleted the final two sentences relating to SCR-based emission limits. We view this language as unnecessary and potentially confusing in light of the fact that low NOx combustors have been installed in accordance with the Department's 1991 BACT determination. Since the Department has already

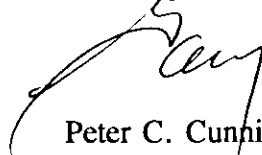
Clair H. Fancy, Chief
Bureau of Air Regulation
May 16, 1995
Page 2

decided to amend this condition, we believe this language should simply be deleted to avoid any confusion in the future. Any concern about retaining the ability to install SCR in the future is covered by Specific Condition No.1. That condition, which would remain unchanged under both the Department's prior letter amendment and the suggested language in Attachment "A", requires the City to install duct modules suitable for later installation of an SCR system. The City has installed these duct modules and has no intention of removing them.

Attachment "B" provides a draft guidance memorandum explaining how certain provisions of the construction permit will be addressed in future operation permits for Unit 5. As you can see, the draft memorandum would address the currently pending operation permit for Unit 5, as well as future Title V permits for the Vero Beach facility. Although we did not specifically discuss the onset of Title V in our recent meeting, the same logic applies to all future operation permits whether issued by the Department's Central District or the Bureau of Air Regulation.

For your convenience, we have enclosed a computer diskette containing the suggested permit language (document #57928) and draft guidance memorandum (#57932) in Wordperfect format. If you or your staff have any questions or comments regarding the suggested permit language or draft memorandum, please do not hesitate to call. As always, we appreciate your continued cooperation in this matter.

Sincerely,



Peter C. Cunningham
Gary V. Perko

Attachments

cc: Bruce Mitchell (DEP)
Charles Logan (DEP)
Mike Siefert (CVB)