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September 19, 2000

9937613A/01

Mr. A. A. Linero, P.E., Administrator
New Source Review Section
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399

RECEIVED

SEP 26 2000

BUREAU OF AIR REGULATION

RE: FPL FORT MYERS PLANT
DEP FILE NO. 0710002-009-AC (PSD-FL-286)
SIMPLE CYCLE GE FRAME 7FA COMBUSTION TURBINES
REQUEST FOR ADDITIONAL INFORMATION

Attention: Ms. Teresa Heron

Dear Teresa:

This correspondence provides the additional information requested in the Department's August 24, 2000 letter concerning FPL's Fort Myers Peaking Project. The information is provided in the same format as requested.

1. Question: Pursuant to Rule 62-210.400(2) (e) 3. F.A.C, please resubmit the emissions netting calculation (each permitted unit actual emissions) considering the adequate contemporaneous period (creditable increases/decreases) for this modification. Refer to attached EPA memos.

Response: Table 1 attached presents the net emissions calculations for the Fort Myers Plant. The table was developed in order of that the projects have occurred so that the sequence of the net emissions can be evaluated. First, the actual emissions were established for the Fort Myers Repowering Project. These emissions were the actual emissions for Fort Myers Units 1 and 2, which were fired exclusively with residual oil. The Fort Myers Repowering Project consisted of replacing these steam units with natural gas fired combined cycle units. These emissions are shown as the combined cycle unit emissions. The project also included a cooling tower, which is also shown in the table. PSD was not applicable to the project with an air construction permit issued by the Department in late 1998. The net emissions resulting from this project are shown in the table as Net Emission #1. The second project was the addition of foggers to the existing simple cycle CTs. PSD was also not applicable to this project and the Department issued an air construction permit in mid-1999. The net emissions resulting from this project are shown in table as Net Emission #2. The third project is the proposed simple cycle CT units. As noted from the application and Table 1, PSD is applicable to VOC emissions.

The EPA guidance attached to the Department's letter is based on both Appendix S of 40 CFR Part 51 and 40 CFR 52.21. The Department's rules in Chapter 62-212, which govern the PSD review for the proposed project, are very similar. These rules are discussed in detail below.

Since the project is located at a major facility, the proposed project would be "modification" under the PSD rules promulgated by the Department if the net emissions increases exceed the PSD significant emission rates (Table 212.400-2). Whether the project is a modification is determined if a net emissions increase occurs as outlined by Rule 62-212.400(2)(e)1.:

"A modification to a facility results in a net emissions increase when, for a pollutant regulated under the Act, the sum of all of the contemporaneous creditable increases and decreases in the actual emissions of the facility, including the increase in emissions of the modification itself and any increases and decreases in quantifiable fugitive emissions, is greater than zero."

Thus, in determining the net emissions, any increases and decreases must be both contemporaneous and creditable.

The determination of whether emissions are contemporaneous is based on Rule 62-212.400(2)(e)3.:

"An increase or decrease in the actual emissions or in the quantifiable fugitive emissions of a facility is contemporaneous with a particular modification if it occurs within the period beginning five years prior to the date on which the owner or operator of the facility submits a complete application for a permit to modify the facility and ending on the date on which the owner or operator of the modified facility projects the new or modified emissions unit(s) to begin operation. The date on which any increase in the actual emissions or in the quantifiable fugitive emissions of the facility occurs is the date on which the owner or operator of the facility begins, or projects to begin, operation of the emissions unit(s) resulting in the increase. The date on which any decrease in the actual emissions or in the quantifiable fugitive emissions of the facility occurs is the date on which the owner or operator of the facility completes, or is committed to complete through a federally enforceable permit condition, a physical change in or change in the method of operation of the facility resulting in the decrease."

The decreases from the Fort Myers Repowering Project are contemporaneous with the simple cycle CTs since they are within the 5 years prior when a complete application is submitted for the simple cycle CT project. The decrease in actual emissions is through a federally enforceable construction permit and these annual emissions decreases from existing Units 1 and 2 will be realized before the annual emissions from the new simple cycle project begin.

Whether the increase or decrease is creditable is based on Rule 62-212.400(2)(e)4.:

"a. An increase or decrease in the actual emissions or in the quantifiable fugitive emissions of a facility is creditable if:

(i) The Department has not relied on it in issuing a permit under the provisions of Rule 17-2.500 (transferred), or 62-212.400, F.A.C., or EPA has not relied on it in issuing a permit under the provisions of 40 CFR 52.21, which permit is in effect when the increase in emissions of the modification occurs; and

(ii) The Department has not relied on it in demonstrating attainment, defining reasonable further progress, or issuing a permit under the provisions of Rule 17-2.17 (repealed), 17-2.510 (transferred), 17-2.650 (transferred), 62-212.500, or 62-296.500 through 62-296.516, F.A.C., which permit is in effect when the increase in emissions of the modification occurs.

b. An increase or decrease in the actual emissions or in the quantifiable fugitive emissions of sulfur dioxide, nitrogen dioxide, or particulate matter which occurs before the applicable minor source baseline date is creditable only to the extent that it must be considered in calculating the amount of any maximum allowable increase in ambient concentration remaining available. With respect to particulate matter, only PM₁₀ emissions shall be used to evaluate the net emissions increase of PM₁₀.

c. A decrease in the actual emissions or in the quantifiable fugitive emissions of a facility is creditable only if:

(i) The old level of actual emissions, the old level of federally enforceable allowable emissions, or the old level of allowable emissions under Rule 62-296.500 through 62-296.516, 62-296.570, 62-296.600 through 605, or 62-296.700 through 62-296.712, F.A.C., whichever is lowest, exceeds the new level of actual emissions;

(ii) It is federally enforceable on and after the date that the owner or operator obtains from the Department a permit to construct the new or modified facility; and

(iii) It has approximately the same qualitative significance for public health and welfare as that attributed to the increase in the emissions of the modification."

For all these criteria, the decrease in emissions resulting from the Fort Myers Repowering Project are creditable to the proposed simple cycle project. A PSD was not applicable to the Repowering Project and the emissions reduction was not required to demonstrate compliance with reasonable further progress. The emissions reductions were based on the difference of the old actual emissions and the new repowered plant's potential emissions. The reductions were made federally enforceable through an air construction permit that is effective on the date when the new CTs would obtain a permit from the Department. Also, as shown through the modeling evaluations the impacts resulting from the Repowering Project including the proposed new simple cycle CTs are much less than those of the existing units.

2. Question: How were actual emissions calculated? State the basis of calculations. If any of the pollutants exceed the PSD significant threshold level due to the new calculations, please submit the appropriate BACT analysis for that pollutant.

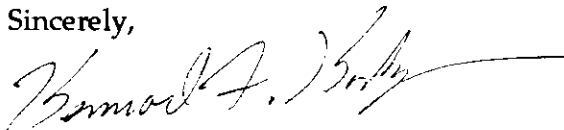
Response: The basis for the net emissions resulting from Fort Myers Repowering Project was contained in detail in the application for that project. These were based on the actual emissions for the facility and identified in the Department's Intent to Issue the Air Construction Permit. The NO_x and SO were based on data from the CEM, the PM data was based on stack tests, CO was based on stack test data from identical units, and VOC data was based on AP-42 emissions data.

3. Question: Were these two simple cycle turbines considered in the initial plan of the 1998 project? Is there another future phase for this facility's repowering project?

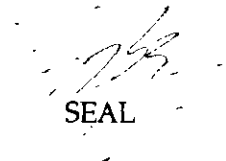
Response: No. The simple cycle turbines were not considered in the initial plan of the 1998 project. The Repowering Project and the proposed simple cycle project are for two different purposes and identified separately. The need for the Fort Myers Repowering Project was identified in 1998 to provide the most efficient baseload electric power for the FPL system. In contrast, the need for new simple cycle units was identified in 1999 based on the increase in peak demand of electric power. At the present time, no additional units are planned for the Fort Myers Plant. However, as the only power facility in growing Southwest Florida area, future demand may require additional units in the region with the Fort Myers Plant as a potential site.

Please call if there are any technical questions on the application. Your assistance is always appreciated.

Sincerely,



Kennard F. Kosky, P.E.
Principal
Florida Registered Engineer No. 14996



KFK/jkw

Enclosure

cc: Rich Piper, FPL
3. Nelson
C. Carlson
D. Kusulis, SD
B. Worley, EPA
Q. Bunyak, NPS

Table 1. Net Emission Increases and Decreases - Fort Myers Plant

	Particulate	Nitrogen Oxides	Sulfur Dioxides	Carbon Monoxide	Volatile Organic Compounds
Past Actual Emissions	607	7,095	20,561	1,507	47
Repowered Plant					
Combined Cycle Units	267	1,845	137	1,267	82
Cooling Tower	46				
<u>Net Emissions Change #1</u>	-295	-5,250	-20,424	-240	36
Foggers	1.82	33.5	24.24	2.3	0.82
<u>Net Emissions Change #2</u>	-293	-5,217	-20,400	-238	36
Simple Cycle CTs	91	741	91.2	280	26
<u>Net Emissions Change #3</u>	-201.68	-4,475.50	-20,308.56	42.30	62.32
PSD Significant Emission Rates:	15	40	40	100	40



Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400
August 24, 2000

David B. Struhs
Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. William Reichel
General Manager
FPL Fort Myers Plant
Post Office Box 430
Fort Myers, Florida 33905

Re: FPL Ft. Myers Repowering Project
Simple Cycle GE Frame 7A Combustion Turbines
DEP File No. PSD-FL-298 and 0710002-009-AC

Dear Mr. Reichel:

On August 10, 2000 the Department received your application and complete fee for an air construction permit for the construction of two (2) simple cycle combustion turbines at the above reference facility. Based on our initial review, the application is incomplete. Pursuant to Rules 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, F.A.C., please submit the information requested below. Should your response to any of the below items require new calculations, please submit the new calculations, assumptions, reference material and appropriate revised pages of the application form.

1. Pursuant to Rule 62-210.400(2) (e) 3. F.A.C, please resubmit the emissions netting calculation (each permitted unit actual emissions) considering the adequate contemporaneous period (creditable increases/decreases) for this modification. Refer to attached EPA memos.
2. How were actual emissions calculated? State the basis of calculations. If any of the pollutants exceed the PSD significant threshold level due to the new calculations, please submit the appropriate BACT analysis for that pollutant.
3. Were these two simple cycle turbines considered in the initial plan of the 1998 project? Is there another future phase for this facility's repowering project?

Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. Permit applicants are advised that Rule 62-4.055(1), F.A.C. now requires applicants to respond to requests for information within 90 days.

If you have any questions regarding this matter, please call Teresa Heron at 850/921-9529 or e-mail her at teresa.heron@dep.state.fl.us.

Sincerely,

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

Cc: David Knowles, DEP SD
Richard Piper, FPL
Gregg Worley, EPA
John Bunyak, NPS
Ken Kosky, P.E., Golder

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Mr. William Reichel
 General Manager
 FPL Fort Myers Plant
 Post Office Box 430
 Fort Myers, FL 33905

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3.33

January 12, 1989

Mr. Michael J. Hayes, Manager
Division of Air Pollution Control
Illinois Environmental Protection Agency
Post Office Box 19276
Springfield, Illinois 62794-9276

Dear Mr. Hayes:

This is in response to your letters of August 17, 1988 and September 9, 1988, requesting guidance on several issues related to determining applicability of new major source regulations in the granting of construction permits to sources of air emissions. These issues arose as a result of CPC International's "Argo II Rebuild Project Phase II" in Bedford Park, Illinois.

The questions you asked concern the following issues:

1. What definitions should be used to determine whether the CPC Phase II Rebuild Project is a major modification?
2. If the Phase II project in and of itself does not represent an increase in emissions, much less a significant increase, should contemporaneous and creditable emission increases and decreases determine whether a major modification has occurred?
3. How would netting provisions in the regulations apply to the CPC situation?

These questions were discussed in a telephone conversation on August 17, 1988, in which Gary McCutchen of my office concurred with the positions previously taken by the Environmental Protection Agency (EPA), Region V, but stated that he would consider the matter further upon receipt of a written request for guidance. The Office of Air Quality Planning and Standards (OAQPS) had a chance to review your letters. As a result, this office reiterates the positions we have taken before.

Background Information

Before responding to your specific questions, it may be helpful to summarize key modifications at CPC that resulted in changes in particulate matter emissions. In 1981, CPC reportedly decreased its particulate emissions by 262 tons per year (tpy). In 1985, it constructed the "Phase I Rebuild Project" which increased particulate emissions by 49.5 tpy. This increase was netted against the prior 262 tpy decrease achieved in 1981, so that the Phase I project was not subject to major new source permitting requirements (i.e., the net emissions increase was less than the de minimis emission rate of 25 tpy).

Construction of the Phase II project began in 1986, but the company did not get a construction permit until June 1988. The permit that was issued was a minor

source permit. Prior to the Phase II project, CPC emitted approximately 600 tpy of particulate matter. It was, therefore, a major stationary source. In Phase II, certain pieces of obsolete equipment were shut down, reportedly reducing emissions by about 600 tpy, but new equipment was added at the same time. The new equipment resulted in an increase in emissions of approximately 600 tpy.

Question 1:

What definitions should be used to determine whether the CPC Phase II Rebuild Project is a "major modification"?

As a preliminary matter, when making a major source applicability determination, a permitting agency must base the determination on "major" source definitions, not on "minor" source definitions. The specific definitions to use in making an applicability determination are found in the specific new source review (NSR) regulations under which the proposed new construction or modification is reviewed. The area of Bedford Park, Illinois, is nonattainment for total suspended particulate (TSP), and Illinois does not have approved Part D NSR requirements in its State implementation plan. For this reason, 40 CFR Part 51, Appendix S, Emission Offset Interpretative Ruling, applies to new major stationary sources and major modifications to existing sources of TSP in that area.

The CPC also emits PM10. Since Bedford Park is attainment for PM10, prevention of significant deterioration (PSD) requirements found at 40 CFR Part 52.21 also apply. Therefore, CPS is subject to the definitions contained in Appendix S (for TSP purposes) and in Part 52.21 (for PM10 purposes).

Question 2:

If the Phase II project in and of itself does not represent an increase in emissions, much less a significant increase, should contemporaneous and creditable emissions increases and decreases determine whether a major modification has occurred?

Because the Phase II Rebuild Project was to result in an increase in emissions of approximately 600 tpy of particulate matter, the change is "significant" (i.e., greater than 25 tpy) and should be scrutinized for applicability to new source requirements using the definitions of "major modification" in 40 CFR Part 51, Appendix S and Part 52.21. Whether a change is "significant" is determined before any netting calculation is done.

A determination as to whether a significant change is a "major modification," as defined at 40 CFR Part 51, Appendix S, II.A.10, requires a decision as to whether the change has resulted in a "significant" net emissions increase (i.e., greater than or equal to 25 tpy for particulate matter). The definition of "net emissions increase" in Appendix S mandates a calculation of all creditable increases and decreases which occurred during the contemporaneous time period and specifies that time period. It begins 5 years before the date construction "commenced" on the project and ends on the date the emissions increase from the particular modification occurs (if after the commencement date). A necessary condition for establishing the commencement date is that the owner or operator has all necessary preconstruction approvals or permits. The Phase II Project was permitted in June 1988; consequently, the contemporaneous time period began in June 1983. How each of the increases and decreases in emissions is taken into account to determine if the change will result in a major modification is discussed in the response to your third question.

Question 3:

How would netting provisions in the regulations apply to the CPC situation?

The mechanics of performing the netting calculation, once the contemporaneous

time period has been established, can be found in the definition of "net emissions increase" at 40 CFR Parts 51.165(a)(1)(vi); 51.166(B)(3); Appendix S, section II.A.6; and 52.21(b)(3). The definitions specifically state:

. . . an increase or decrease in actual emissions is creditable only if the Administrator has not relied on it in issuing a permit for the source under this section, which permit is in effect when the increase in actual emissions from the particular change occurs.

The preamble to the 1980 PSD regulations at 45 FR 52701 explains that the:

. . . prior increase or decrease is creditable only if the relevant reviewing authority has not relied upon it in issuing a permit under the relevant NSR program . . .

As such, EPA's policy is that any prior increase or decrease that has been used in issuing a previous major source permit has been "relied" upon, and therefore cannot be creditable to a subsequent increase. However, emissions increases or decreases that have been used by a source only to net out of review (versus those used in NSR review) have not been "relied" upon and are, therefore, still subject to further consideration. In other words, if a source is able to net out of review, the increase in emissions that triggered the netting action will not have been subject to NSR. Its effect on increments and ambient air quality would not have been determined, and it would only be determined if it happens to fall in a contemporaneous time period of a subsequent project that is determined to be a major new source or major modification. Once included in a major NSR action, the increase that originally netted out of review, but was later subjected to it, will not be subject to review again (i.e., the slate is wiped clean). Similarly, if no major modifications are made for 5 years after the source that netted out of review received its permit, then the slate is wiped clean.

For the reasons stated above, we reaffirm the guidance that Region V and OAQPS conveyed in previous discussions with you. Each netting transaction involves a "snapshot" of the creditable emissions increases and decreases within the applicable contemporaneous time period. Emissions reductions that have occurred prior to the current contemporaneous time period are not creditable, even though they may have been used to allow one or more individual increases which are still inside the current contemporaneous time period to net out of review. To consider netting transactions that involve emission increases and decreases which occur outside of the current contemporaneous time period would effectively lengthen the contemporaneous time period to greater than 5 years. This is contrary to the existing NSR regulations. Any increases that occur inside the current contemporaneous time period are not double counted as you have alluded, because they will never be subjected to NSR more than once.

The netting calculation for the Phase II project starts with the 600 tpy increase from the new equipment. It is not clear that the 600 tpy decrease that occurred simultaneously with the 600 tpy increase is creditable because of issues concerning the requirement that the decrease be federally enforceable at the time actual construction commenced, but if we assume that the 600 tpy decrease was creditable, the 600 tpy increase and 600 tpy decrease essentially cancel each other out. However, these are not the only emissions changes within the 5-year contemporaneous time period, and the NSR regulations require that all such changes be totaled, not just certain ones. Therefore, the 49.5 tpy increase from Phase I must be added, because it occurred within the 5-year contemporaneous period. The 262 tpy decrease in particulate matter emissions in 1981, which had been used to net out of review the 49.5 tpy increase in 1985, cannot be used because it occurred outside of the five-year contemporaneous time period.

It would appear then that CPC has two options for resolving the permitting requirements for the Phase II project. The first option would be for CPC to determine if its emissions were reduced by at least 25 tpy due to other changes within the contemporaneous time period (in addition to the 600 tpy reductions associated with the Phase II Project) to net against the 49.5 tpy and enable the source to obtain a minor source permit. Of course, a second option would be for

the source to go through NSR, (i.e., install LAER, obtain offsets greater than 1:1, etc.), and thereby "wipe the slate clean."

Please contact me at (919) 541-5586 or Gary McCutchen at (919) 541-5592 if you have additional questions regarding the matters discussed in this letter.

Sincerely,

Edward J. Lillis, Chief
Noncriteria Pollutant Programs Branch
Air Quality Management Division

cc: Richard Wagner, Region V
David Kee, Region V
Judy Katz, OECM
Sally Farrell, SSCD
Gary McCutchen, AQMD

Crumpler 1-39-4
AQMD:NPPB:NSRS:D.CRUMPLER:629-0871:RTP MD-15
Revised 01/11/89 (cb)
Notebook Entries: 4.40; 23.30

Guidance on several issues related to determining applicability of new major source regulations in the granting of construction permits to sources of air emissions

Memo provides guidance on several issues related to determining applicability of major source regulations in granting construction permits to modified sources.

1. A reviewing agency must base determination of whether a source is "major" on "major" source definitions in the Federal Register.
2. Whether the emissions increase related to a modification is significant is determined before any netting calculation is done. If it is, netting calculations are then performed to determine whether the "net emissions increase" associated with that modification is significant.
3. Contemporaneous emissions increases and decreases are discussed, as well as other factors affecting whether they are "creditable".
4. An example of a netting calculation is shown. Emissions increases or decreases used in issuing previous major source permit cannot be creditable to a subsequent increase.

Notebook Entries: 4.40; 23.30

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4.44

December 29, 1989

MEMORANDUM

SUBJECT: Use of Netting Credits

FROM: John Calcagni, Director
Air Quality Management Division (MD-15)

TO: Bruce P. Miller, Chief
Air Programs Branch, Region IV

This memorandum is in response to your October 27, 1989 memorandum which asked several questions concerning the Environmental Protection Agency's (EPA's) position on netting. Specifically, you asked the following questions:

1. Can "leftover" contemporaneous emissions reductions be used in future netting transactions?
2. If so, can these emissions credits be sold or otherwise be used by a separate facility with a different, major, standard industrial classification (SIC) number under any circumstances?
3. If a source is allowed to use the leftover emissions credits in the future, is the 5-year netting time frame opened for all pollutants, even though a modification may be major for only a limited number of pollutants?

The following response is based on our reading of the Federal regulations. However, States with federally approved prevention of significant deterioration (PSD) State implementation plans are free to follow a more stringent interpretation of their regulations.

Your first question asked whether a source could use "leftover" emissions reduction credits from a netting transaction in future netting transactions. We assume by "leftover" emissions reductions you mean some portion of an emissions decrease that does not appear to be fully utilized in allowing a source to net out of review. As explained below [and in the January 12, 1989 letter (see attached) from Ed Lillis to Michael Hayes], the procedure we recommend for considering emissions increases and decreases in a netting calculation does not result in "leftover" emissions credits, since emissions increases and decreases are considered in their entirety.

The pertinent PSD criteria for emissions increases and decreases to be creditable for netting transactions is CFR 40 Part 52.21(b)(3)(iii) or Part 51.166(b)(3)(iii), which states that the emissions increases and decreases are creditable:

b)... "if the reviewing authority has not relied on it (e.g., an emissions decrease) in issuing a permit for the source under regulations approved pursuant to this section, which permit is in effect when the increase in actual emissions from the particular change occurs." [NOTE: EPA's policy is to interpret the permit to be a PSD permit.]

There are situations, such as when a source nets out of review, when the permitting authority does not rely on creditable emissions increases or decreases "in issuing a PSD permit." For example, when a source nets out of review, no PSD permit is issued. As such, the reviewing authority has not relied on any creditable emissions increases or decreases in issuing a permit, so the emissions increases and decreases are still available for future applications.

For example, a major source proposes to replace a boiler that emits 30 tons per year (tpy) of sulfur dioxide (SO₂) with a new unit that has a potential to emit 50 tpy SO₂. Also, the source shut down a 40 tpy SO₂ unit 3 years prior to the proposed modification. As such, the netting equation for the example is:

$$+50 \text{ tpy (proposed increase) minus } 30 \text{ tpy (current shutdown) minus } 40 \text{ tpy (previous shutdown) = } -20 \text{ tpy SO}_2$$

Note that these shutdowns, as all other decreases, must be federally enforceable in order to be creditable. Consequently, the source nets out of review, and no PSD permit is issued.

We do not view the -20 tpy SO₂ that results from the netting calculation as "leftover" credit. Rather, we view each of the contemporaneous and otherwise creditable emissions increases and decreases considered by the source in netting out of review as still being fully available, and must therefore be included in the next netting transaction at the source. To further illustrate, suppose the source in the example plans to add another new boiler in 3 years, which will increase SO₂ emissions by 50 tpy without replacing any existing units. A new net emissions increase must be calculated. The 40 tpy reduction that was creditable in the previous netting transaction will have passed out of the contemporaneous window, so it is no longer available. The new net emissions increase is calculated as follows:

$$+50 \text{ tpy (proposed increase) plus } 50 \text{ tpy (previous increase) minus } 30 \text{ tpy (previous shutdown) = } 70 \text{ tpy SO}_2$$

In this case, the source does not net out of review and must get a PSD permit.

Where a source is not able to net out of review, any emissions increase or decrease used in the netting equation to determine source applicability must also be used in its entirety in the subsequent air quality impact analysis. In this manner, a reviewing authority relies on the full emissions increase or

3

decrease in determining whether the proposed project would or would not cause, or contribute to, a violation of an increment or ambient standard. At this point, these increases and decreases are no longer creditable.

Your second question asked if "leftover" credits existed, could those credits be sold or otherwise used by a separate facility (with a different major SIC number) under any circumstances. As a hypothetical example, you asked if a new major source, with a different SIC number and under separate ownership, located on the property of another source, could it use the "leftover" netting credits under any circumstances. The answer to this situation is no, since netting is source-specific. Emissions reduction credits cannot be sold to, or used by, separate sources for PSD netting purposes, even if they are collocated at the same site.

The answer to your third question is no. It was addressed in my September 18, 1989 memorandum to William B. Hathaway, Director of the Air, Pesticides, and Toxics Division, EPA Region VI, a copy of which is attached. Please refer to the response to question 2 in that memorandum.

If you have any questions, please contact Gary McCutchen or Dennis Crumpler of my staff at FTS 629-5592 or FTS 629-0871, respectively.

2 Attachments

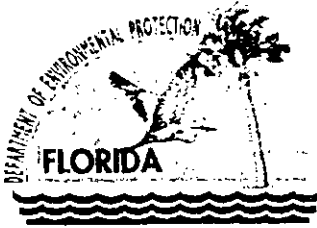
cc: G. Foote, OGC
Air Branch Chief, Regions I-III, V-X
New Source Review Contacts

Use of Netting Credits

Emissions decreases that are not fully utilized in allowing a source to net out of review do not result in "leftover" emissions credits that could be used in any future netting transactions. All contemporaneous and creditable emissions changes used to net out of review remain fully available and must be included in subsequent netting transactions at the source unless they occur before the contemporaneous time period of the subsequent modification under consideration or they are "relied upon" in issuing a major source permit. The memo provides an example of a netting calculus.

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Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

August 14, 2000

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Gregg Worley, Chief
Air, Radiation Technology Branch
Preconstruction/HAP Section
U.S. EPA – Region 4
61 Forsyth Street
Atlanta, Georgia 30303

RE: Florida Power and Light Company
Fort Myers Plant
PSD-FL-298
Facility ID No. 0710002-009-AC

Dear Mr. Worley:

Enclosed for your review and comment is an application for construction of a PSD source. The applicant, Florida Power and Light Company, proposes to construct two natural gas fired combustion turbines at their Fort Myers plant in Lee County, Florida.

Your comments may be forwarded to my attention at the letterhead address or faxed to the Bureau of Air Regulation at 850/922-6979. If you have any questions, please contact the project engineer, Jeffrey Koerner, at 850/414-7268.

Sincerely,

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

AAL/jka

Enclosures

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

9222 1453 2726
 0000 004E 6602

Article Sent To:
Greg Worley

Postage \$		Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

To:
 Name: **Mr. Greg Worley**
Air, Radiation Technical Branch
 Street: **US EPA - Region 4**
61 Forsyth St.
 City: **Atlanta, GA 30303**

PS Form 3811, July 1999 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Greg Worley
Air, Radiation Technical Branch
US EPA - Region 4
61 Forsyth St.
Atlanta, GA 30303

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature *[Signature]* 8-17
 Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
7699 34000100 1453 2726



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

August 14, 2000

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. John Bunyak, Chief
Policy, Planning & Permit Review Branch
NPS – Air Quality Division
Post Office Box 25287
Denver, Colorado 80225

RE: Florida Power and Light Company
Fort Myers Plant
PSD-FL-298
Facility ID No. 0710002-009-AC

Dear Mr. Bunyak:

Enclosed for your review and comment is an application for construction of a PSD source. The applicant, Florida Power and Light Company, proposes to construct two natural gas fired combustion turbines at their Fort Myers plant in Lee County, Florida.

Your comments may be forwarded to my attention at the letterhead address or faxed to the Bureau of Air Regulation at 850/922-6979. If you have any questions, please contact the project engineer, Jeffrey Koerner, at 850/414-7268.

Sincerely,

for Betty Adams

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

AAL/jka

Enclosures

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

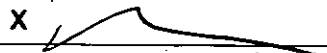
7099 3400 0000 1453 2757

Article Sent To:
John Bunyak

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		

Mr. John Bunyak, Chief
 Policy, Planning & Permit Review Branch
 NPS-Air Quality Division
 P.O. Box 25287
 Denver, CO 80225

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 <i>(Please Print Clearly)</i> B. Date of Delivery</p> <hr/> <p>C. Signature <i>X</i>  <input type="checkbox"/> Agent <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:</p> <p>Mr. John Bunyak, Chief Policy, Planning & Permit Review Branch NPS-Air Quality Division P.O. Box 25287 Denver, CO 80225</p>	<p>3. Service Type</p> <p><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 <i>(Copy from service label)</i></p> <p><i>7099 3400 0000 1453 2757</i></p>	<p>4. Restricted Delivery? <i>(Extra Fee)</i> <input type="checkbox"/> Yes</p>