



# Florida Department of Environmental Protection

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

Charlie Crist  
Governor

Jeff Kottkamp  
Lt. Governor

Michael W. Sole  
Secretary

September 15, 2008

Mr. Roy S. Belden, Vice President  
Shady Hills Power Company, LLC  
120 Long Ridge Road  
Stamford, Connecticut 06927

Re: Draft Air Construction Permit No. 1010373-009-AC (PSD-FL-280A)  
Draft Title V Air Operation Permit Revision No. 1010373-010-AV  
Shady Hills Generating Station

Dear Mr. Belden:

On June 23, 2008, Shady Hills Power Company, LLC, submitted an application to revise Air Permit No. 1010373-001-AC (PSD-FL-280) and concurrently revise Title V air operation Permit No. 1010373-006-AV. The project will authorize nominal increases in the heat input rates for the three existing combustion turbines. The facility is located in Pasco County at 14240 Merchant Energy Way, Spring Hill, Florida. The UTM coordinates are Zone 17, 347 km East, and 3139 km North. Enclosed are the following documents:

- The Written Notice of Intent to Issue Air Permits;
- The Public Notice of Intent to Issue Air Permits (the actual notice that you must have published in the legal advertisement section of a newspaper of general circulation in the area affected by this project);
- The Technical Evaluation and Preliminary Determination for the air construction permit revisions;
- The Statement of Basis for the Title V Permit revisions;
- The Draft Air Construction Permit revisions and the Draft Title V Permit revisions.

If you have any questions, please contact the Project Engineer, Bruce Thomas, at 850/488-0114.

Sincerely,

Trina Vielhauer, Chief  
Bureau of Air Regulation

Enclosures

TLV/jfk/bt

**WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS**

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*In the Matter of an  
Application for Air Permits by:*

Shady Hills Power Company, LLC  
120 Long Ridge Road  
Stamford, Connecticut 06927

*Authorized Representative:*  
Mr. Roy S. Belden, Vice President

Project No. 1010373-009-AC  
Project No. 1010373-010-AV  
Heat Input Increases for  
Shady Hills Generating Station  
Pasco County, Florida

**Facility Location:** The applicant, Shady Hills Power Company, LLC operates the existing Shady Hills Generating Station which is located in Pasco County at 14240 Merchant Energy Way in Spring Hill, Florida.

**Project:** The purpose of this project is to revise the original air construction permit 1010373-001-AC/PSD-FL-280 and concurrently revise Title V air operation permit No. 1010373-006-AV to incorporate the specific conditions of air construction Permit No. 1010373-009-AC to allow increases for the three 170 megawatt (MW) simple cycle units (Emissions Unit (EU)-001, EU-002 and EU-003) from 1,612 to 1,704 million Btu per hour (MMBtu/hr) when firing natural gas and an increase from 1,806 to 1,889 MMBtu/hr when firing distillate oil. The increases are requested to correct estimates provided by the gas turbine vendor that underestimate the actual performance of the installed turbines. No physical changes are necessary to realize the requested heat input increases. No increase in the emissions standards (concentrations or mass emissions rates) are requested to accommodate the change. The applicant does not expect any increased utilization as a result of the change. The emissions units will continue to comply with all applicable provisions of the air construction and operation permits.

**Permitting Authority:** Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297 of the Florida Administrative Code (F.A.C.). Applications for Title V air operation permits are subject to review in accordance with provisions of Chapter 403, F.S. and Chapters 62-4, 62-210, 62-213 and 62-214 F.A.C. The projects are not exempt from the permitting procedures for air construction and Title V air operation permits. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

**Project File:** A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above.

**Notice of Intent to Issue Air Permit:** The Permitting Authority gives notice of its intent to issue a revised Title V air operation permit and a concurrent air construction permit revision for the project described above. The applicant has provided reasonable assurance that operation of the proposed equipment will not adversely impact air quality and that the project will comply with all applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-296 and 62-297, F.A.C. The Permitting Authority will issue a final air construction permit revision and a proposed Title V air operation permit revision (and subsequent final Title V air operation permit revision) in accordance with the conditions of the proposed Draft Permits unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment

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## WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

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received in accordance with this notice results in a different decision or a significant change of terms or conditions.

**Public Notice:** Pursuant to Section 403.815, F.S. and Rules 62-110.106 and 62-210.350, F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue Air Permit (Public Notice). The Public Notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The newspaper used must meet the requirements of Sections 50.011 and 50.031, F.S. in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Permitting Authority at the address or phone number listed above. Pursuant to Rule 62-110.106(5) and (9), F.A.C., the applicant shall provide proof of publication to the Permitting Authority at the above address within 7 days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

**Comments on the Draft Air Construction Permit Revision:** The Permitting Authority will accept written comments concerning the Draft Air Construction Permit Revision for a period of 14 days from the date of publication of the Public Notice. Written comments must be received by the close of business (5:00 p.m.), on or before the end of this 14-day period by the Permitting Authority at the above address. If written comments result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

**Comments on the Draft Title V Air Operation Permit Revision:** The Permitting Authority will accept written comments concerning the Draft Permit for a period of 30 days from the date of publication of the Public Notice. Written comments must be received by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location in the Florida Administrative Weekly and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

**Petitions:** A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/245-2241; Fax: 850/245-2303). Petitions filed by the applicant or any of the parties listed below must be filed within 14 days of receipt of this Written Notice of Intent to Issue Air Permit. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of publication of the attached Public Notice or within fourteen 14 days of receipt of this Written Notice of Intent to Issue Air Permit, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within 14 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 (in a proceeding initiated by another party) will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

**WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS**

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A petition that disputes the material facts on which the Permitting Authority'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 when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact; (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 including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the 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 Permitting Authority'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, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Written Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

**Mediation:** Mediation is not available in this proceeding.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief  
Bureau of Air Regulation

**WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS**

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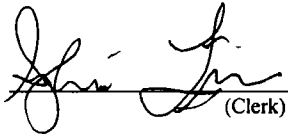
**CERTIFICATE OF SERVICE**

The undersigned duly designated deputy agency clerk hereby certifies that this Notice of Intent to Issue Air Permit package (including the Written Notice of Intent to Issue Air Permit, the Public Notice of Intent to Issue Air Permit, the Technical Evaluation and Preliminary Determination, and the Draft Permit Revisions) was sent by electronic mail or a link to these documents made available electronically on a publicly accessible server with received receipt requested before the close of business on 9/16/08 to the persons listed below.

- Mr. Roy S. Belden, Shady Hills Power Company, LLC ([Roy.Belden@GE.com](mailto:Roy.Belden@GE.com))
- Mr. Scott Osbourn, Golder Associates, Inc. ([SOsbourn@golder.com](mailto:SOsbourn@golder.com))
- Ms. Cindy Zhang-Torres, Southwest District Office ([Cindy.Zhang-Torres@dep.state.fl.us](mailto:Cindy.Zhang-Torres@dep.state.fl.us))
- Ms. Kathleen Forney, EPA Region 4 ([forney.kathleen@epa.gov](mailto:forney.kathleen@epa.gov))

Clerk Stamp

**FILED AND ACKNOWLEDGMENT FILED**, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.

  
(Clerk)

9/16/08  
(Date)

## PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

Florida Department of Environmental Protection  
Division of Air Resource Management, Bureau of Air Regulation

Draft Air Construction Permit No. 1010373-009-AC, Air Construction Permit Revision  
Draft Permit No. 1010373-010-AV, Concurrent Title V Air Operation Permit Revision

Shady Hills Generating Station  
Pasco County

**Applicant:** The applicant for this project is Shady Hills Power Company, LLC. The applicant's authorized representative and mailing address is: Mr. Roy S. Beldon, 120 Long Ridge Road, Stamford, Connecticut 06927.

**Facility Location:** The Shady Hills Power Company, LLC operates an existing electrical generating power plant in Pasco County located at 14240 Merchant Energy Way located in Spring Hill, Florida.

**Project:** The purpose of this project is to revise the original air construction permit 1010373-001-AC/PSD-FL-280 and concurrently revise Title V air operation permit No. 1010373-006-AV to incorporate the specific conditions of air construction Permit No. 1010373-009-AC to allow increases for the three 170 megawatt (MW) simple cycle units (Emissions Unit (EU)-001, EU-002 and EU-003) from 1,612 to 1,704 million Btu per hour (MMBtu/hr) when firing natural gas and an increase from 1,806 to 1,889 MMBtu/hr when firing distillate oil. The increases are requested to correct estimates provided by the gas turbine vendor that underestimate the actual performance of the installed turbines. No physical changes are necessary to realize the requested heat input increases. No increase in the emissions standards (concentrations or mass emissions rates) are requested to accommodate the change. The applicant does not expect any increased utilization as a result of the change. The emissions units will continue to comply with all applicable provisions of the air construction and operation permits.

**Permitting Authority:** Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297 of the Florida Administrative Code (F.A.C.). Applications for Title V air operation permits are subject to review in accordance with provisions of Chapter 403, F.S. and Chapters 62-4, 62-210, 62-213 and 62-214 F.A.C. The projects are not exempt from the permitting procedures for air construction and Title V air operation permits. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

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**Notice of Intent to Issue Air Permit:** The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the proposed equipment will not adversely impact air quality and that the project will comply with all applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-296 and 62-297 F.A.C. The Permitting Authority will issue a final air construction permit revision and a proposed Title V air operation permit revision (and subsequent final Title V air operation permit revision) in accordance with the conditions of the proposed Draft Permits unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

**Comments on the Draft Air Construction Permit Revision:** The Permitting Authority will accept written comments concerning the Draft Air Construction Permit Revision for a period of 14 days from the date of

(Public Notice to be Published in the Newspaper)

## PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

publication of the Public Notice. Written comments must be received by the close of business (5:00 p.m.), on or before the end of this 14-day period by the Permitting Authority at the above address. If written comments result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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A petition that disputes the material facts on which the Permitting Authority'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 when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact; (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 including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the 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 Permitting Authority'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, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Public Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

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## **PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS**

**Mediation:** Mediation is not available in this proceeding.

**Objections to the Draft Title V Air Operation Permit:** Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the administrator of the EPA within 60 days of the expiration of the Administrator's 45-day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any Title V permit. Any petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any Title V permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C Section 7661d(b)(2), and must be filed with the Administrator of the EPA at: U.S. EPA. 401 M Street, S.W., Washington, D.C. 20460.