



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

RECEIVED

OCT 23 2012

DIVISION OF AIR
RESOURCE MANAGEMENT

October 17, 2012

Jill Webster
US Fish and Wildlife Service
National Wildlife Refuge System
Branch of Air Quality
7333 West Jefferson Avenue, Suite 375
Lakewood, Colorado 80235

Subject: Designation of Non-Federal representative and Request for Informal Consultation under Section 7 of the Federal Endangered Species Act for the Proposed Shady Hills Generating Station

Dear Ms. Webster:

By this letter, the United States Environmental Protection Agency Region 4 (Region 4) requests informal consultation and concurrence under Section 7 of the Federal Endangered Species Act (ESA) for the proposed Shady Hills Generating Station (Project). Shady Hills Power Company, LLC (Shady Hills) is proposing to expand their existing operation constructing two additional simple cycle combustion turbines (nominal 218 megawatts (MW) each) which will burn primarily natural gas with fuel oil as backup. A 2.5 MW emergency generator, a natural gas fuel heater, and a 2.8-million gallon distillate fuel oil storage tank are also proposed for construction. The project will result in net emission increase greater than Prevention of Significant Deterioration (PSD) threshold limits for particulate matter (PM) as total suspended particulate matter (TSP), PM₁₀, oxides of nitrogen (NO_x), carbon monoxide (CO), and greenhouse gases (GHGs). Therefore, the project is subject to PSD review. Region 4 will be responsible for issuing a PSD permit regulating GHG emissions and the Florida Department of Environmental Protection (FDEP) is responsible for issuing a PSD permit for the remaining pollutants. The proposed project is located within the City of Shady Hills, in Pasco County, Florida.

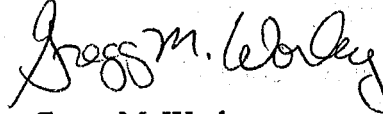
In processing Shady Hills's PSD permit application, the EPA must assure that listed species or their critical habitat will not be jeopardized by the changes at the Shady Hills Generating Station facility. In the PSD permit application, Shady Hills included copy of the correspondence sent to Heath Rauschenberger, Ph.D., of U.S. Fish and Wildlife Service (FWS). The correspondence sent to Dr. Rauschenberger dated March 29, 2012, mentions there is a potential for the eastern indigo snake, a federally listed species, to be present at the site or its vicinity. The applicant sent an Ecological Assessment Report to Dr. Rauschenberger along with a letter dated August 17, 2012, indicating that another federally listed species, the wood stork, has a potential to be present at the site or its vicinity. In an email dated August 9, 2012, Dr. Rauschenberger indicated the Project is not likely to adversely affect federally listed species.

Shady Hills has been designated by Region 4 as the non-federal representative for the Section 7 consultation. In summary, pursuant to Section 7 of the ESA, Region 4 request confirmation in writing that the project is not likely to adversely affect federally listed species and informal consultation has

been completed as indicated through the correspondence referenced above. Assuming informal consultation is complete; we further request a final determination in writing indicating any necessary conditions which should be included in the PSD permit to ensure that the Project will not adversely affect any federally listed species. We look forward to working with you on this matter. Should Region 4 not receive a response from the FWS, we will deem the information provided by Shady Hills as correct and accurate.

If you have any questions concerning the review of this application, please contact Ana M. Oquendo of my staff at (404) 562-9781.

Sincerely,



Gregg M. Worley
Chief
Air Permits Section

Enclosure

cc: Jeff Koerner, FDEP
Roy S. Belden, Shady Hills Power Company, LLC
Scott Osbourn, P.E., Golder Associates, Inc.

