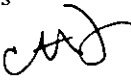


Memorandum

Florida Department of Environmental Protection

TO: Howard Rhodes

FROM: Clair Fancy 

DATE: January 16, 2001

SUBJECT: Florida Power Corporation - Hines Energy Complex Power Block 1
DEP File No. 1050234-005-AC

Attached for approval and signature is the Notice of Permit Denial for this project. This project is for the modification of FPC's Hines Energy Complex Power Block 1 located in Polk County. On October 26, 2000, the Department received an application to modify the permit PSD-FL-195B, by extending the date by which SCR could be removed and replaced with dry low NO_x (DLN) technology, from November 1, 2000 to November 1, 2002. Currently, Hines employs SCR on its two combined cycle Siemens-Westinghouse combustion turbines.

These units were originally required to meet the pound per hour equivalent of 12 ppmvd of NO_x by DLN after start-up in 1998. Thereafter, the lowest possible emission concentration value between 9 and 12 ppmvd was to be achieved by tuning, etc. The Department set a requirement to achieve the full load pound per hour equivalent of 12 ppmvd when the SCR unit was installed. This is the equivalent to roughly 12 - 30 ppm across the typical operating range for these units.

We provided until November 1, 2000, for replacement of the SCR system by DLN. The purpose was to insure that additional PSD/BACT review would not be required by the equipment modification. This was reasonable because the units had not achieved full production and annual emissions could not be estimated. In any case, it was assumed that the potential emissions could be considered as past actual emissions to compare with future potential emissions. Since these would be the same, PSD would not be triggered.

By now, the units have achieved normal operation and annual emissions can be estimated. An extension of two more years would be in effect a waiver of rule applicability.

FPC and Siemens-Westinghouse have not provided reasonable assurances on whether higher emissions of certain pollutants would result from replacing the SCR system. According to compliance test results, the units at Hines Energy Power Block 1, have achieved about 2 ppmvd of CO at full load, versus a permitted value of 25 ppmvd on gas. The DLN technology will very likely increase emissions of CO in the attempt to achieve full lean pre-mix combustion.

I recommend that you deny this application. I do not think that extending this date would yield any appreciable benefits.

Attachments

/raw

cc: Al Linero, P.E.
Scott Sheplak, P.E.

In the Matter of an
Application for Permit by:

Mr. Paul Crimi
Florida Power Corporation
263 13th Avenue South
St. Petersburg, Florida 33701

DEP File No. 1050234-005-AC, PSD-FL-195B
Hines Energy Complex Power Block 1
Polk County

NOTICE OF PERMIT DENIAL

The applicant, Florida Power Corporation, applied on October 26, 2000, to the Department of Environmental Protection for a permit to extend the date by which dry low-NO_x (DLN) technology may be installed in place of Selective Catalytic Reduction (SCR) system on the two Siemens-Westinghouse combined cycle units (Units 1A and 1B) at its Hines Energy Complex. FPC has requested that this time be extended from the November 1, 2000 deadline to November 1, 2002.

The Department has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, and 62-212. The above actions are not exempt from permitting procedures.

The Department hereby denies the permit for the following reasons:

The Department believes that replacement of the SCR unit with DLN combustors will lead to significant emissions increases of at least carbon monoxide. This would trigger a requirement for a review under the Rules for the Prevention of Significant Deterioration of Air Quality at 40 CFR 52.21 and Rule 62-212.400, F.A.C.

The Department does not have reasonable assurance that Siemens-Westinghouse will by October 2002 actually install a non-SCR technology and achieve the present NO_x limitations in a dual-fuel unit.

The Department notes that the units were originally permitted to achieve 9-12 ppmvd of NO_x by DLN technology at start-up in 1998. The technology was not installed at the time and the Department already allowed installation of DLN until October 2000 without necessarily triggering PSD.

A person whose substantial interests are affected by the Department's permit denial may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within fourteen days of receipt of this Notice of Permit Denial. Petitions filed by any persons other than those entitled to written notice under section 120.60(3) of the Florida Statutes must be filed within fourteen days of receipt of this Notice of Permit Denial. 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 will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department'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 how and when petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues

of material fact. If there are none, the petition must so indicate; (c) 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; and (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

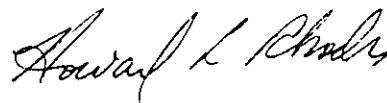
A petition that does not dispute the material facts upon which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Department's final action may be different from the position taken by it in this Notice. Persons whose substantial interests will be affected by any such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above. 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 will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

This Notice constitutes final agency action unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition which conforms to Rule 62-110.106, F.A.C. Upon timely filing of a petition or a request for an extension of time this Notice will not be effective until further Order of the Department.

If either a petition for administrative hearing or a request for extension of time is not timely filed with the Department, then this Notice shall constitute final agency action. Any party to this order would then have the right to seek judicial review pursuant to Rule 9.110, Florida Rules of Appellate Procedure, with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000; and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice of appeal must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.



Howard L. Rhodes, Director
Division of Air Resources
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Notice of Permit Denial and all copies were sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 1/22/01 to the person(s) listed:

Mr. Paul Crimi, Florida Power Corporation *
Ms. Jennifer Stenger, P.E., Florida Power Corporation *
Mr. Bill Thomas, P.E., DEP-SWD
Mr. Gregg Worley, EPA
Mr. John Bunyak, NPS

1/22/01 cc = Reading File
Russell Wicker
Al Linero

Clerk Stamp

FILED AND ACKNOWLEDGMENT
FILED, on this date, pursuant to §120.52,
Florida Statutes, with the designated
Department Clerk, receipt of which is hereby
acknowledged.

Barbara J. Friday 1/22/01
(Clerk) (Date)

SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:
 Ms. Jennifer Stenger, P.E.
 Florida Power Corporation
 263 13th Avenue South
 St. Petersburg, Florida
 33701

2. Article Number (Copy from service label)
 7000 0600 0021 2825 2326

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *Milton McHead* B. Date of Delivery *01/24/01*

C. Signature *Milton McHead* Agent Addressee

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

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

4. Restricted Delivery? (Extra Fee) Yes

**U.S. Postal Service
 CERTIFIED MAIL RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
Ms - Jennifer Stenger

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

Name (Please Print Clearly) (to be completed by mailer)
Ms - Jennifer Stenger
 Street, Apt. No., or PO Box No.
263 13th Avenue South
 City, State, ZIP+4
St - Petersburg, FL 33701

PS Form 3800, July 1999

See Reverse for Instructions

**U.S. Postal Service
 CERTIFIED MAIL RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:
 Mr. Paul Crimi

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

Name (Please Print Clearly) (to be completed by mailer)
 Mr. Paul Crimi
 Street, Apt. No., or PO Box No.
 263 13th Avenue South
 City, State, ZIP+4
 St. Petersburg, FL 33701

PS Form 3800, July 1999

See Reverse for Instructions

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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. Paul Crimi
 Florida Power Corporation
 263 13th Avenue South
 St. Petersburg, Florida
 33701

2. Article Number (Copy from service label)
 7000 0600 0021 2825 2319

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *Milton McHead* B. Date of Delivery *01/24/01*

C. Signature *Milton McHead* Agent Addressee

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

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

4. Restricted Delivery? (Extra Fee) Yes