STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NOTICE OF PERMIT

In the Matter of an
Application for Permit by:

Robert K. Alff
Senior Vice President, Calpine Eastern Corporation
The Pilot House, 2nd Floor, Lewis Wharf
Boston, MA 02110

DEP File No. PSD-FL-287
Osprey Energy Center
Polk County

Enclosed is the Final Permit Number PSD-FL-287 This permit authorizes Calpine to construct a natural-gas fired combined cycle power plant known as Osprey Energy Center in Auburndale, Polk County. This permit is issued pursuant to Chapter 403, Florida Statutes and 40CFR52.21.

Any party to this order (permit) has the right to seek judicial review of the permit pursuant to Section 120.68, F.S., by the filing of a Notice of Appeal pursuant to Rule 9.110, Florida Rules of Appellate Procedure, with the Clerk of the Department in the Legal Office; 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 30 (thirty) days from the date this Notice is filed with the Clerk of the Department.

In addition to the appeal process described above, federal appeals procedures concerning this PSD permit are outlined in 40CFR 124.19, which is attached. Any person who filed comments on the draft permit may petition the Environmental Appeals Board to review any condition of the permit decision. Any person who failed to file comments on the draft permit may petition for administrative review only to the extent of the changes from the draft to the final permit decision.

The petition must be filed with the Environmental Appeals Board within 30 days of issuance of this Notice. Petitions may be addressed to the Environmental Appeals Board, MC 1103B, U.S. Environmental Protection Agency, 401 M Street, Washington, D.C. 20460. Further details are available at www.epa.gov/eab.

Executed in Tallahassee, Florida.

P.E.

for C.H. Fancy, P.E., Chief
Bureau of Air Regulation

FINAL DETERMINATION

Calpine Construction & Finance Company, L.P.
Osprey Energy Center Combined Cycle Plant
DEP File No. PA 00-41, PSD-FL-287

The Department distributed a public notice package on May 10, 2000 to allow the applicant to construct the Osprey Energy Center combined cycle power plant in Auburndale, Polk County. The Public Notice of Intent to Issue was published in the Lakeland Ledger on April 12, 2001.

COMMENTS/CHANGES

Comments were received from the EPA on June 21, 2000.

Comments on the draft permit were received from the applicant by letter dated September 5, 2000.

Comments were reviewed and incorporated into the Draft Conditions of Certification.

Pursuant to notice, the Division of Administrative Hearings, by its duly designated Administrative Law Judge, J. Lawrence Johnston, conducted a formal site certification hearing (Case No. 00-1288EPP) in this proceeding on April 17, 2001 in Auburndale, Florida. On May 23, 2001, it was recommended that the Siting Board grant full and final certification to Calpine, under Section 403, Part II, Florida Statutes, for the location, construction, and operation of Brandy Branch, representing a combined cycle unit, as described in the Draft Conditions of Certification and the evidence presented at the certification hearing.

On June 27, 2001 the Siting Board concurred with the Administrative Law Judge's recommendation and authorized issuance of related permits via its Final Order.

CONCLUSION

The final action of the Department is to issue the permit consistent with changes described above.

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this NOTICE OF FINAL PERMIT (including the FINAL permit) was sent by certified mail* and copies were mailed by U.S. Mail before the close of business on 7-5-01 to the person(s) listed:

Robert K. Alff, Senior VP, Calpine Eastern Corporation *
Mr. Benjamin Borsch, Environmental Manager, Calpine *
Mr. Kennard F. Kosky, P.E. Golder
Mr. David S. Dee, Landers & Parsons
Mr. Bill Thomas, SWD-DEP
Hamilton S. Oven, DEP-Siting
Mr. Gregg Worley, EPA
Mr. John Bunyak, NPS

Clerk Stamp

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

Kim Tober 7-5-01
(Clerk) (Date)

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

Department of Environmental Protection

Jeb Bush
Governor

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

David B. Struhs
Secretary

PERMITTEE:

Calpine Construction Finance Company, LP (Calpine)
The Pilot House, 2nd floor, Lewis Wharf
Boston, MA 02110

File No.	PSD-FL-287 (PA00-41)
FID No.	1050334
SIC No.	4911
Expires:	December 31, 2003

Authorized Representative:

Mr. Robert K. Alff, Senior Vice President

PROJECT AND LOCATION:

Permit pursuant to the requirements for the Prevention of Significant Deterioration of Air Quality (PSD Permit) for the construction of a nominal 527 megawatt (MW) Combined Cycle plant consisting of: two nominal 170 MW gas-fired, stationary combustion turbine-electrical generators fired solely on natural gas; two supplementally-fired heat recovery steam generators (HRSGs); a nominal 200 MW steam electrical generator; two stacks; an emergency (gas-fired) generator; a diesel fire pump; two selective catalytic reduction units including ancillary equipment and ammonia storage. The combined cycle plant will achieve approximately 585 megawatts in combined cycle operation during extreme winter peaking conditions. The facility is designated as Osprey Energy Center and will be situated adjacent to the Auburndale Power Partners facility, which is located at 1501 Derby Avenue, Auburndale, Polk County. UTM coordinates are: Zone 17; 421.0 km E; 3103.2 km N.

STATEMENT OF BASIS:

This PSD permit is issued under the provisions of Chapter 403 of the 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.) and 40CFR52.21. The above named permittee is authorized to modify the facility in accordance with the conditions of this permit and as described in the application, approved drawings, plans, and other documents on file with the Department of Environmental Protection (Department).

The attached Appendix is made a part of this permit:

Appendix GC Construction Permit General Conditions

Howard L. Rhodes

Howard L. Rhodes, Director
Division of Air Resources
Management

SECTION I - FACILITY INFORMATION

FACILITY DESCRIPTION

The proposed Osprey Energy center is a nominal 527 MW combined cycle plant. It will include: two nominal 170 MW gas-fired, stationary combustion turbine-electrical generators fired solely on natural gas; two supplementally-fired heat recovery steam generators (HRSGs); a nominal 200 MW steam electrical generator; two stacks; an emergency (gas-fired) generator; a diesel fire pump; two selective catalytic reduction units including ancillary equipment and ammonia storage. New major support facilities include a cooling tower, water and wastewater facilities and a transmission line.

Emissions from Osprey Energy Center will be controlled by Dry Low NO_X (DLN) combustors and selective catalytic reduction (SCR). Pipeline quality natural gas and good combustion practices will be employed to control all pollutants.

EMISSIONS UNITS

This permit addresses the following emissions units:

Emissions Unit	System	Emission Unit Description
001	Power Generation	One nominal 170 Megawatt Gas Combustion Turbine-Electrical Generator
002	Power Generation	One nominal 170 Megawatt Gas Combustion Turbine-Electrical Generator
003	Steam Generation	One 250 MMBtu/hr Duct Burner configured as a Supplementally Fired Heat Recovery Steam Generator
004	Steam Generation	One 250 MMBtu/hr Duct Burner configured as a Supplementally Fired Heat Recovery Steam Generator
005	Water Cooling	Cooling Tower
xxx	Miscellaneous	Emergency Generator and Diesel Fire Pump

REGULATORY CLASSIFICATION

The facility is classified as a Major or Title V Source of air pollution because emissions of at least one regulated air pollutant, such as particulate matter (PM/PM_{10}), sulfur dioxide (SO_2), nitrogen oxides (NO_X), carbon monoxide (CO), or volatile organic compounds (VOC) exceeds 100 tons per year (TPY).

SECTION I - FACILITY INFORMATION

This facility is within an industry (fossil fuel-fired steam electric plant) included in the list of the 28 Major Facility Categories per Table 62-212.400-1, F.A.C. Because emissions are greater than 100 TPY for at least one criteria pollutant, the facility is also a Major Facility with respect to Rule 62-212.400, Prevention of Significant Deterioration (PSD). Pursuant to Table 62-212.400-2, this facility modification results in emissions increases greater than 40 TPY of SO_2 and NO_X, 25/15 TPY of PM/PM_{10}, 100 TPY of CO and 40 TPY of VOC's. These pollutants require review per the PSD rules and a determination for Best Available Control Technology (BACT) per Rule 62-212.400, F.A.C.

This project is subject to the applicable requirements of Chapter 403. Part II, F.S., Electric Power Plant and Transmission Line Siting because the steam electric generating capacity of this facility is greater than 75 MW. [Chapter 403.503 (12), F.S., Definitions]

This facility is also subject to certain Acid Rain provisions of Title IV of the Clean Air Act.

PERMIT SCHEDULE

- 06/29/01 PSD Permit Issued
- 06/27/01 Site Certification Issued
- 04/12/01 Notice of Intent to Issue PSD Permit published in The Lakeland Ledger
- 05/10/00 Distributed Intent to Issue Permit
- 03/30/00 Received PSD Application

RELEVANT DOCUMENTS:

The documents listed below are the basis of the permit. They are specifically related to this permitting action, but are not incorporated into this permit. These documents are on file with the Department.

- Application received on March 30, 2000.
- Letter from Fish & Wildlife Service dated April 17, 2000.
- Department's Intent to Issue and Public Notice Package dated May 10, 2000.
- Department's Draft Permit and Draft BACT determination dated May 10, 2000.
- Letter from EPA Region IV dated June 21, 2000.
- Recommended Order of Judge J. Lawrence Johnston dated May 23, 2001.
- Site Certification for the Osprey Energy Center dated June 27, 2001.
- Department's Final Determination and Best Available Control Technology Determination issued concurrently with this Final Permit.

SECTION II - ADMINISTRATIVE REQUIREMENTS

GENERAL AND ADMINISTRATIVE REQUIREMENTS

1. Regulating Agencies: All documents related to applications for permits to construct, operate or modify an emissions unit should be submitted to the Bureau of Air Regulation (BAR), Florida Department of Environmental Protection (FDEP), at 2600 Blairstone Road, Tallahassee, Florida 32399-2400 and phone number (850) 488-0114. All documents related to reports, tests, and notifications should be submitted to the DEP Southwest District Office, 3804 Coconut Palm Drive, Tampa, Florida 33619-8218 and phone number 813/744-6100.
2. General Conditions: The owner and operator is subject to and shall operate under the attached General Permit Conditions G.1 through G.15 listed in Appendix GC of this permit. General Permit Conditions are binding and enforceable pursuant to Chapter 403 of the Florida Statutes. [Rule 62-4.160, F.A.C.]
3. Terminology: The terms used in this permit have specific meanings as defined in the corresponding chapters of the Florida Administrative Code.
4. Forms and Application Procedures: The permittee shall use the applicable forms listed in Rule 62-210.900, F.A.C. and follow the application procedures in Chapter 62-4, F.A.C. [Rule 62-210.900, F.A.C.]
5. Modifications: The permittee shall give written notification to the Department when there is any modification to this facility. This notice shall be submitted sufficiently in advance of any critical date involved to allow sufficient time for review, discussion, and revision of plans, if necessary. Such notice shall include, but not be limited to, information describing the precise nature of the change; modifications to any emission control system; production capacity of the facility before and after the change; and the anticipated completion date of the change. [Chapters 62-210 and 62-212, F.A.C.]
6. Expiration: Approval to construct shall become invalid if construction is not commenced within 18 months after receipt of such approval, or if construction is discontinued for a period of 18 months or more, or if construction is not completed within a reasonable time. The Department may extend the 18-month period upon a satisfactory showing that an extension is justified. [40 CFR 52.21(r)(2)]
7. BACT Determination: In accordance with paragraph (4) of 40 CFR 52.21 (j) and 40 CFR 51.166(j), the Best Available Control Technology (BACT) determination shall be reviewed and modified as appropriate in the event of a plant conversion. This paragraph states: "For phased construction projects, the determination of best available control technology shall be reviewed and modified as appropriate at the latest reasonable time which occurs no later than 18 months prior to commencement of construction of each independent phase of the project. At such time, the owner or operator of the applicable stationary source may be required to demonstrate the adequacy of any previous determination of best available control technology for the source." This reassessment will also be conducted for this project if there are any increases in heat input limits, hours of operation, oil firing, low or baseload operation, short-term or annual emission limits, annual fuel heat input limits or similar changes. [40 CFR 52.21(j), 40 CFR 51.166(j) and Rule 62-4.070 F.A.C.]
8. Permit Extension: The permittee, for good cause, may request that this PSD permit be extended. Such a request shall be submitted to the Bureau of Air Regulation prior to 60 days before the expiration of the permit. In conjunction with extension of the 18-month periods to commence or continue construction, or extension of the December 31, 2003 permit expiration date, the permittee may be required to demonstrate the adequacy of any previous determination of best available control technology for the source. [Rule 62-4.080, F.A.C.]

9. Application for Title IV Permit: An application for a Title IV Acid Rain Permit, must be submitted to the U.S. Environmental Protection Agency Region IV office in Atlanta, Georgia and a copy to the DEP's Bureau of Air Regulation in Tallahassee 24 months before the date on which the new unit begins serving an electrical generator (greater than 25 MW). [40 CFR 72]

10. Application for Title V Permit: An application for a Title V operating permit, pursuant to Chapter 62-213, F.A.C., must be submitted to the DEP's Bureau of Air Regulation, and a copy to the Department's Southwest District Office. [Chapter 62-213, F.A.C.]

11. New or Additional Conditions: Pursuant to Rule 62-4.080, F.A.C., for good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]

12. Annual Reports: Pursuant to Rule 62-210.370(2), F.A.C., Annual Operation Reports, the permittee is required to submit annual reports on the actual operating rates and emissions from this facility. Annual operating reports shall be sent to the DEP's Southwest District Office by March 1st of each year.

13. Stack Testing Facilities: Stack sampling facilities shall be installed in accordance with Rule 62-297.310(6), F.A.C.

14. Quarterly Reports: Quarterly excess emission reports, in accordance with 40 CFR 60.7 (a)(7) (c) (1998 version), shall be submitted to the DEP's Southwest District Office.

APPLICABLE STANDARDS AND REGULATIONS

1. Unless otherwise indicated in this permit, the construction and operation of the subject emission unit(s) shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of Chapter 403, F.S. and Florida Administrative Code Chapters 62-4, 62-17, 62-204, 62-210, 62-212, 62-213, 62-214, 62-296, and 62-297; and the applicable requirements of the Code of Federal Regulations Section 40, Parts 52, 60, 72, 73, and 75.
2. Issuance of this permit does not relieve the facility owner or operator from compliance with any applicable federal, state, or local permitting requirements or regulations. [Rule 62-210.300, F.A.C.]
3. These emission units shall comply with all applicable requirements of 40CFR60, Subpart A, General Provisions including:
   - 40CFR60.7, Notification and Recordkeeping
   - 40CFR60.8, Performance Tests
   - 40CFR60.11, Compliance with Standards and Maintenance Requirements
   - 40CFR60.12, Circumvention
   - 40CFR60.13, Monitoring Requirements
   - 40CFR60.19, General Notification and Reporting requirements
4. ARMS Emissions Units 001 and 002. Direct Power Generation, each consisting of a nominal 170 megawatt combustion turbine-electrical generator, shall comply with all applicable provisions of 40CFR60, Subpart GG, Standards of Performance for Stationary Gas Turbines, adopted by reference in Rule 62-204.800(7)(b), F.A.C. The Subpart GG requirement to correct test data to ISO conditions applies. However, such correction is not used for compliance determinations with the BACT standard(s).
5. ARMS Emissions Units 003 and 004. Steam Power Generation, each consisting of a supplementally-fired heat recovery steam generator equipped with a natural gas fired 250 MMBTU/hr duct burner (HHV) and combined with a 200 MW steam electrical generator shall comply with all applicable provisions of 40CFR60, Subpart Da, Standards of Performance for Electric Utility Steam Generating Units Which Construction is Commenced After September 18, 1978, adopted by reference in Rule 62-204.800(7), F.A.C.
6. ARMS Emission Unit 005. Cooling Tower, is an unregulated emission unit. The Cooling Tower is not subject to a NESHAP because chromium-based chemical treatment is not used.
7. All notifications and reports required by the above specific conditions shall be submitted to the DEP's Southwest District Office.

GENERAL OPERATION REQUIREMENTS

8. Fuels: Only pipeline natural gas shall be fired in these units. [Applicant Request, Rule 62-210.200, F.A.C. (Definitions - Potential Emissions)]
9. Combustion Turbine Capacity: The maximum heat input rates, based on the lower heating value (LHV) of the fuel to this Unit at ISO conditions shall not exceed 1,669 million Btu per hour (mmBtu/hr) when firing natural gas without power augmentation. This maximum heat input rate will vary depending upon ambient conditions and the combustion turbine characteristics. Manufacturer's curves corrected for site conditions or equations for correction to other ambient conditions shall be

provided to the Department of Environmental Protection (DEP) within 45 days of completing the initial compliance testing. [Design, Rule 62-210.200, F.A.C. (Definitions - Potential Emissions)]

10. Heat Recovery Steam Generator equipped with Duct Burner. The maximum heat input rate of the natural gas fired duct burner shall not exceed 250 MMBtu/hour (LHV). [Applicant Request, Rule 62-210.200, F.A.C. (Definitions - Potential Emissions)]

11. Unconfined Particulate Emissions: During the construction period, unconfined particulate matter emissions shall be minimized by dust suppressing techniques such as covering and/or application of water or chemicals to the affected areas, as necessary.

12. Plant Operation - Problems: If temporarily unable to comply with any of the conditions of the permit due to breakdown of equipment or destruction by fire, wind or other cause, the owner or operator shall notify the DEP Southwest District office as soon as possible, but at least within (1) working day, excluding weekends and holidays. The notification shall include: pertinent information as to the cause of the problem; the steps being taken to correct the problem and prevent future recurrence; and where applicable, the owner's intent toward reconstruction of destroyed facilities. Such notification does not release the permittee from any liability for failure to comply with the conditions of this permit and the regulations. [Rule 62-4.130, F.A.C.]

13. Operating Procedures: Operating procedures shall include good operating practices and proper training of all operators and supervisors. The good operating practices shall meet the guidelines and procedures as established by the equipment manufacturers. All operators (including supervisors) of air pollution control devices shall be properly trained in plant specific equipment. [Rule 62-4.070(3), F.A.C.]

14. Circumvention: The owner or operator shall not circumvent the air pollution control equipment or allow the emission of air pollutants without this equipment operating properly. [Rules 62-210.650, F.A.C.]

15. Maximum allowable hours of operation for the 527 MW Combined Cycle Plant are 8760 hours per year while firing natural gas. Fuel oil firing of the combustion turbine is not permitted. [Applicant Request, Rule 62-210.200, F.A.C. (Definitions - Potential Emissions)]

16. Simple Cycle Operation: The plant may not be operated without the use of the SCR system except during periods of startup and shutdown.

CONTROL TECHNOLOGY

17. Dry Low NO_X (DLN) combustors shall be installed on each stationary combustion turbine and the permittee shall install a selective catalytic reduction system to comply with the NO_X and ammonia limits listed in Specific Condition 20. [Design, Rules 62-4.070 and 62-212.400, F.A.C.]

18. The permittee shall design these units to accommodate adequate testing and sampling locations for compliance with the applicable emission limits (per each unit) listed in Specific Conditions No. 20 through 24. [Rule 62-4.070, Rule 62-204.800, F.A.C., and 40 CFR60.40a(b)]

19. Drift eliminators shall be installed on the cooling tower to reduce PM/PM_{10} emissions. A certification following installation (and prior to startup) shall be submitted that the drift eliminators were installed and that the installation is capable of meeting 0.002 gallons/100 gallons recirculation water flowrate.

EMISSION LIMITS AND STANDARDS

20. Nitrogen Oxides (NO_X) Emissions:

   - The concentration of NO_X in the stack exhaust gas, with the combustion turbine operating, the duct burner on or off, shall not exceed 3.5 ppmvd @15% O_2 on a 24-hr block average. This limit shall apply whether or not the unit is operating with duct burner on and/or in power augmentation mode. Compliance shall be determined by the continuous emission monitor (CEMS). [BACT Determination]
   - The emissions of NO_X shall not exceed 27.5 lb/hr (at 95°F ambient temperature) while operating in the power augmentation mode with the duct burner on, to be demonstrated by annual stack test. [BACT Determination]
   - Emissions of NO_X from the duct burner shall not exceed 0.1 lb/MMBtu, which is more stringent than the NSPS (see Specific Condition 29). [Applicant Request, Rule 62-4.070 and 62-204.800(7), F.A.C.]
   - The concentration of ammonia in the exhaust gas from each CT/HRSG shall not exceed 9.0 ppmvd @15% O_2. The compliance procedures are described in Specific Conditions 29 and 46. [BACT, Rules 62-212.400 and 62-4.070, F.A.C.]
   - When NO_X monitoring data is not available, substitution for missing data shall be handled as required by Title IV (40 CFR 75) to calculate any specified average time.

21. Carbon Monoxide (CO) Emissions: Emissions of CO in the stack exhaust gas (at ISO conditions) with the combustion turbine operating on gas shall exceed neither 10 ppmvd @15% O_2 on a 24-hr block average to be demonstrated by CEMS for those days when no valid hour includes the use of duct burner firing, power augmentation or 60-70% operation (otherwise, the limit is 17 ppmvd @15% O_2 on a 24-hr block average to be demonstrated by CEMS); and neither 10 ppmvd @15% O_2 nor 45 lb/hr per unit at 100% output with the duct burner off and no power augmentation to be demonstrated by annual stack test using EPA Method 10 or through annual RATA testing. [BACT, Rule 62-212.400, F.A.C.]

22. Volatile Organic Compounds (VOC) Emissions: Emissions of VOC in the stack exhaust gas (baseload at ISO conditions) with the combustion turbine operating on gas shall exceed neither 2.3 ppmvd @15% O_2 nor 5.8 lb/hr per unit with the duct burner off and neither 4.6 ppmvd @15% O_2 nor 12.4 lb/hr per unit with the duct burner on and operating in the power augmentation mode to be demonstrated by initial stack test using EPA Method 18, 25 or 25A. [BACT, Rule 62-212.400, F.A.C.]

23. Sulfur Dioxide (SO_2) emissions: SO_2 emissions shall be limited by firing pipeline natural gas (sulfur content not greater than 2 grains per 100 standard cubic foot). Compliance with this requirement in conjunction with implementation of the Custom Fuel Monitoring Schedule in Specific Condition 43 will demonstrate compliance with the applicable NSPS SO_2 emissions limitations from the duct burner or the combustion turbine. Note: This will effectively limit the combined SO_2 emissions for EU-001 and EU-002 at 95.4 tons per year. [BACT, 40CFR60 Subpart GG and Rules 62-4.070, 62-212.400, and 62-204.800(7), F.A.C.]

24. PM/PM_{10} and Visible emissions (VE): VE emissions shall not exceed 10 percent opacity from the stack in use. PM/PM_{10} emissions from each combustion turbine and HRSG train shall not exceed 24.1

lb/hr at 100% output with the duct burner on and operating in the power augmentation mode to be demonstrated by initial stack test using EPA Method 5. [BACT, Rules 62-4.070, 62-212.400, and 62-204.800(7), F.A.C.]

EXCESS EMISSIONS

25. Excess emissions resulting from startup, shutdown, or malfunction shall be permitted provided that best operational practices are adhered to and the duration of excess emissions shall be minimized. Excess emissions occurrences shall in no case exceed two hours in any 24-hour period except during both "cold start-up" to and shutdowns from combined cycle plant operation. During cold start-up to combined cycle operation, up to four hours of excess emissions are allowed. During shutdowns from combined cycle operation, up to three hours of excess emissions are allowed. Cold start-up is defined as a startup to combined cycle operation following a complete shutdown lasting at least 48 hours. Operation below 60% output per turbine shall otherwise be limited to 2 hours in any 24-hour period. [Rule 62-210.700, F.A.C.].

26. Excess emissions entirely or in part by poor maintenance, poor operation, or any other equipment or process failure that may reasonably be prevented during startup, shutdown or malfunction, shall be prohibited pursuant to Rule 62-210.700, F.A.C. These emissions shall be included in the 24-hr average for NO_X and the 24-hr average for CO.

27. Excess Emissions Report: If excess emissions occur for more than two hours due to malfunction, the owner or operator shall notify DEP's Southwest District office within (1) working day of: the nature, extent, and duration of the excess emissions; the cause of the excess emissions; and the actions taken to correct the problem. In addition, the Department may request a written summary report of the incident. Pursuant to the New Source Performance Standards, all excess emissions shall also be reported in accordance with 40 CFR 60.7, Subpart A. Following this format, 40 CFR 60.7, and using the monitoring methods listed in Specific Conditions 40 through 46, periods of startup, shutdown, malfunction, shall be monitored, recorded, and reported as excess emissions when emission levels exceed the permitted standards listed in Specific Condition No. 20 through 24. [Rules 62-4.130, 62-204.800, 62-210.700(6), F.A.C., and 40 CFR 60.7 (1998 version)].

COMPLIANCE DETERMINATION

28. Compliance with the allowable emission limiting standards shall be determined within 60 days after achieving the maximum production rate, but not later than 180 days of initial operation of the unit, and annually thereafter as indicated in this permit, by using the following reference methods as described in 40 CFR 60, Appendix A (1998 version), and adopted by reference in Chapter 62-204.800, F.A.C.

29. Initial (I) performance tests shall be performed by the deadlines in Specific Condition 28. Initial tests shall also be conducted after any replacement of the major components of the air pollution control equipment (and shake down period not to exceed 100 days after re-starting the CT), such as replacement of SCR catalyst or change of combustors, if specifically requested by the DEP on a case-by-case basis. Annual (A) compliance tests shall be performed during every federal fiscal year (October 1 - September 30) pursuant to Rule 62-297.310(7), F.A.C., on these units as indicated. The following reference methods shall be used. No other test methods may be used for compliance testing unless prior DEP approval is received in writing. Where initial tests only are indicated, these tests shall be repeated prior to renewal of each operation permit.

- EPA Reference Method 9, "Visual Determination of the Opacity of Emissions from Stationary Sources" (I, A).
- EPA reference Method 5, "Determination of Particulate Emissions from Stationary Sources." Initial test only.
- EPA Reference Method 10, "Determination of Carbon Monoxide Emissions from Stationary Sources" (I, A).
- EPA Reference Method 20, "Determination of Oxides of Nitrogen Oxide, Sulfur Dioxide and Diluent Emissions from Stationary Gas Turbines" (EPA reference Method 7E, "Determination of Nitrogen Oxides Emissions from Stationary Sources" or RATA test data may be used to demonstrate compliance for annual test requirement); Initial test for compliance with 40CFR60 Subpart GG; Initial (only) NO_X compliance test for the duct burners (Subpart Da) shall be accomplished via testing with duct burners "on" as compared to "off" and computing the difference.
- EPA Reference Method 18, 25 and/or 25A, "Determination of Volatile Organic Concentrations." Initial test only.
- EPA Method 26A (modified) for ammonia sample collection (I, A).
- EPA Draft Method 206 for ion chromatographic analysis for ammonia (I,A).

The applicant shall calculate and report the ppmvd ammonia slip (@ 15% O_2) at the measured lb/hr NO_X emission rate as a means of compliance with the BACT standard. The applicant shall also be capable of calculating ammonia slip at the Department's request, according to Specific Condition 46.

30. Continuous compliance with the CO and NO_X emission limits: Continuous compliance with the CO and NO_X emission limits shall be demonstrated by the CEM system on the specified hour average basis. Based on CEMS data, a separate compliance determination is conducted at the end of each period and a new average emission rate is calculated from the arithmetic average of all valid hourly emission rates from the previous period. Valid hourly emission rates shall not include periods of start up or shutdown unless prohibited by 62-210.700 F.A.C. A valid hourly emission rate shall be calculated for each hour in which at least two measurements are obtained at least 15 minutes apart. Excess emissions periods shall be reported as required in Condition 27. [Rules 62-4.070 F.A.C., 62-210.700, F.A.C., 40 CFR 75 and BACT]

31. Compliance with the SO_2 and PM/PM_{10} emission limits: For the purposes of demonstrating compliance with the 40 CFR 60.333 SO_2 standard, ASTM methods D4084-82 or D3246-81 (or equivalent) for sulfur content of gaseous fuel shall be utilized in accordance with the EPA-approved custom fuel monitoring schedule or natural gas supplier data may be submitted or the natural gas sulfur content referenced in 40 CFR 75 Appendix D may be utilized. However, the applicant is responsible for ensuring that the procedures in 40 CFR60.335 or 40 CFR75 are used when determination of fuel sulfur content is made. Analysis may be performed by the owner or operator, a service contractor retained by the owner or operator, the fuel vendor, or any other qualified agency pursuant to 40 CFR 60.335(e) (1998 version).

32. Compliance with CO emission limit: An initial and annual test for CO shall be conducted at 100% capacity with the duct burners off. The NO_X and CO test results shall be the average of three valid

one-hour runs. Annual RATA testing for the CO and NO_X CEMS shall be required pursuant to 40 CFR 75.

33. Compliance with the VOC emission limit: An initial test is required to demonstrate compliance with the VOC emission limit. Thereafter, the CO emission limit will be employed as a surrogate and no annual testing is required.

34. Testing procedures: Unless otherwise specified, testing of emissions shall be conducted with the combustion turbine operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum heat input rate allowed by the permit, corrected for the average ambient air temperature during the test (with 100 percent represented by a curve depicting heat input vs. ambient temperature). Procedures for these tests shall meet all applicable requirements (i.e., testing time frequency, minimum compliance duration, etc.) of Chapters 62-204 and 62-297, F.A.C.

35. Test Notification: The DEP's Southwest District office shall be notified, in writing, at least 30 days prior to the initial performance tests and at least 15 days before annual compliance tests.

36. Special Compliance Tests: The DEP may request a special compliance test pursuant to Rule 62-297.310(7), F.A.C., when, after investigation (such as complaints, increased visible emissions, or questionable maintenance of control equipment), there is reason to believe that any applicable emission standard is being violated.

37. Test Results: Compliance test results shall be submitted to the DEP's Southwest District office no later than 45 days after completion of the last test run. [Rule 62-297.310(8), F.A.C.].

NOTIFICATION, REPORTING, AND RECORDKEEPING

38. Records: All measurements, records, and other data required to be maintained by Calpine shall be recorded in a permanent form and retained for at least five (5) years following the date on which such measurements, records, or data are recorded. These records shall be made available to DEP representatives upon request.

39. Compliance Test Reports: The test report shall provide sufficient detail on the tested emission unit and the procedures used to allow the Department to determine if the test was properly conducted and if the test results were properly computed. At a minimum, the test report shall provide the applicable information listed in Rule 62-297.310(8), F.A.C.

MONITORING REQUIREMENTS

40. Continuous Monitoring System: The permittee shall install, calibrate, maintain, and operate a continuous emission monitor in the stack to measure and record the nitrogen oxides and carbon monoxide from these units. Periods when emissions (ppmvd @ 15% oxygen) are above the permitted limits, listed in Specific Conditions No. 20 and 21 shall be reported to the DEP Southwest District Office in accordance with the requirements of Specific Condition 27. [Rules 62-204.800, 62-210.700, 62-4.130, 62-4.160(8), F.A.C and 40 CFR 60.7 (1998 version)].

41. CEMS for reporting excess emissions: The CEMS shall be used in lieu of the requirement for reporting excess emissions in accordance with 40 CFR 60.334(c)(1), Subpart GG (1998 version). Upon request from DEP, the CEMS emission rates shall be corrected to ISO conditions to demonstrate compliance with the applicable standards listed within this permit and established in 40 CFR 60.332.

42. Continuous Monitoring System Reports: The monitoring devices shall comply with the certification and quality assurance, and any other applicable requirements of Rule 62-297.520, F.A.C., 40 CFR 60.13, including certification of each device in accordance with 40 CFR 60, Appendix B, Performance Specifications and 40 CFR 60.7(a)(5) or 40 CFR Part 75. Quality assurance procedures must conform to all applicable sections of 40 CFR 60, Appendix F or 40CFR75. The monitoring plan, consisting of data on CEM equipment specifications, manufacturer, type, calibration and maintenance needs, and its proposed location shall be provided to the DEP Bureau of Ambient Monitoring & Mobile Sources (BAMMS) as well as the EPA for review no later than 45 days prior to the first scheduled certification test pursuant to 40 CFR 75.62.

43. Natural Gas Monitoring Schedule: A custom fuel monitoring schedule pursuant to 40 CFR 75 Appendix D for natural gas may be used in lieu of the daily sampling requirements of 40 CFR 60.334 (b)(2) provided the following requirements are met:

   - The permittee shall apply for an Acid Rain permit within the deadlines specified in 40 CFR 72.30.
   - The permittee shall submit a monitoring plan, certified by signature of the Designated Representative, that commits to the sole use of pipeline supplied natural gas (sulfur content less than 20 gr/100 scf pursuant to 40 CFR 75.11(d)(2)) for the CT's.
   - Each unit shall be monitored for SO_2 emissions using methods consistent with the requirements of 40 CFR 75 and certified by the USEPA.

44. Determination of Process Variables:

   - The permittee shall operate and maintain equipment and/or instruments necessary to determine process variables, such as process weight input or heat input, when such data is needed in conjunction with emissions data to determine the compliance of the emissions unit with applicable emission limiting standards. No later than 90 days prior to operation, the permittee shall submit for the Department's approval a list of process variables that will be measured to comply with this permit condition.
   - Equipment and/or instruments used to directly or indirectly determine such process variables, including devices such as belt scales, weigh hoppers, flow meters, and tank scales, shall be calibrated and adjusted to indicate the true value of the parameter being measured with sufficient accuracy to allow the applicable process variable to be determined within 10% of its true value [Rule 62-297.310(5), F.A.C]

45. Subpart Da Monitoring and Recordkeeping Requirements: The permittee shall comply with all applicable requirements of this Subpart [40CFR60, Subpart Da].

46. Selective Catalytic Reduction System (SCR) Compliance Procedures:

   - An annual stack emission test for nitrogen oxides and ammonia from the CT/HRSG pair shall be simultaneously conducted while operating in the power augmentation mode with the duct burner on as defined in Specific Condition 20. The ammonia injection rate necessary to comply with the NO_X standard shall be established and reported during the each performance test.
   - The SCR shall operate at all times that the turbine is operating, except during turbine start-up and shutdown periods, as dictated by manufacturer's guidelines and in accordance with this permit.

- The permittee shall install and operate an ammonia flow meter to measure and record the ammonia injection rate to the SCR system of the CT/HRSG set. It shall be maintained and calibrated according to the manufacturer's specifications.
- During the stack test, the permittee (at each tested load condition) shall determine and report the ammonia flow rate required to meet the emissions limitations. During NO_X CEM downtimes or malfunctions, the permittee shall operate at the ammonia flow rate, which was established during the last stack test.
- Ammonia emissions shall be calculated continuously using inlet and outlet NO_X concentrations from the SCR system and ammonia flow supplied to the SCR system. The calculation procedure shall be provided with the CEM monitoring plan required by 40CFR Part 75. The following calculation represents one means by which the permittee may demonstrate compliance with this condition:

  Ammonia slip @ 15%O_2 = (A-(BxC/1,000,000)) x (1,000,000/B) x D, where:
  A= ammonia injection rate (lb/hr)/ 17 (lb/lb.mol)
  B = dry gas exhaust flow rate (lb/hr) / 29 (lb/lb.mol)
  C = change in measured NO_X (ppmv@15%O_2) across catalyst
  D = correction factor, derived annually during compliance testing by comparing actual to tested ammonia slip

  The calculation along with each newly determined correction factor shall be submitted with each annual compliance test. Calibration data ("as found" and "as left") shall be provided for each measurement device utilized to make the ammonia emission measurement and submitted with each annual compliance test.
- The permittee shall notify the Department within 2 business days if the calculated ammonia emissions exceed 9.0 ppmvd corrected to 15% O_2 over a 3-hour block average. The notification shall include a corrective action plan to reduce ammonia emissions below 9 ppmvd corrected to 15% O_2 over a 3-hour block average.
- Upon specific request by the Department, a special re-test shall occur as described in the previous conditions concerning annual test requirements, in order to demonstrate that all NO_X and ammonia slip related permit limits can be complied with.

G.1 The terms, conditions, requirements, limitations, and restrictions set forth in this permit are "Permit Conditions" and are binding and enforceable pursuant to Sections 403.161, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.

G.2 This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings or exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.

G.3 As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey and vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations. This permit is not a waiver or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.

G.4 This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.

G.5 This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.

G.6 The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit, as required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.

G.7 The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law and at a reasonable time, access to the premises, where the permitted activity is located or conducted to:

a) Have access to and copy and records that must be kept under the conditions of the permit;
b) Inspect the facility, equipment, practices, or operations regulated or required under this permit, and,
c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Department rules.

Reasonable time may depend on the nature of the concern being investigated.

G.8 If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:

a) A description of and cause of non-compliance; and
b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the non-compliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the non-compliance.

The permittee shall be responsible for any and all damages, which may result and may be subject to enforcement action by the Department for penalties or for revocation of this permit.

G.9 In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is prescribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.

G.10 The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance, provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules.

G.11 This permit is transferable only upon Department approval in accordance with Florida Administrative Code Rules 62-4.120 and 62-730.300, F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Department.

G.12 This permit or a copy thereof shall be kept at the work site of the permitted activity.

G.13 This permit also constitutes:

a) Determination of Best Available Control Technology (X)
b) Determination of Prevention of Significant Deterioration (X); and
c) Compliance with New Source Performance Standards (X).

G.14 The permittee shall comply with the following:

a) Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.

b) The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application or this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Department rule.

c) Records of monitoring information shall include:

1. The date, exact place, and time of sampling or measurements;
2. The person responsible for performing the sampling or measurements;
3. The dates analyses were performed;
4. The person responsible for performing the analyses;
5. The analytical techniques or methods used; and
6. The results of such analyses.

G.15 When requested by the Department, the permittee shall within a reasonable time furnish any information required by law, which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.

APPENDIX BD
BEST AVAILABLE CONTROL TECHNOLOGY DETERMINATION (BACT)

Osprey Energy Center
Calpine Construction Finance Company, L.P.
PSD-FL-287 and PA00-41
Auburndale, Polk County, Florida

BACKGROUND

The applicant, Calpine Construction Finance Company, L.P. (Calpine), proposes to build a 527 MW (average ambient net megawatts) combined cycle power plant as a new facility. The location of the proposed plant is adjacent to the existing Auburndale Power Partners facility, in Auburndale, Polk County. The proposed project will result in "significant increases" with respect to Table 62-212.400-2, Florida Administrative Code (F.A.C.) of emissions of particulate matter (PM and PM_{10}), sulfur dioxide (SO_2), sulfuric acid mist (SAM), carbon monoxide (CO), volatile organic compounds (VOC), and nitrogen oxides (NO_X). The project is therefore subject to review for the Prevention of Significant Deterioration (PSD) and a determination of Best Available Control Technology (BACT) in accordance with Rules 62-212.400, F.A.C.

The primary units to be installed are two nominal 170 MW, Siemens Westinghouse "F" Class (501FD) combustion turbine-electrical generators, fired solely with pipeline natural gas and equipped with evaporative coolers on the inlet air system. The project includes two heat recovery steam generators (HRSGs), each with a 135 ft. stack and one steam turbine-electrical generator rated at approximately 200 MW. Duct burners will be installed in the HRSGs for supplemental firing and to achieve peak output. The project also includes a mechanical draft cooling tower, an emergency (gas-fired) generator and a diesel fire pump. Descriptions of the process, project, air quality effects, and rule applicability are given in the Technical Evaluation and Preliminary Determination dated May 10, 2000, accompanying the Department's Intent to Issue.

BACT APPLICATION:

The application was received on March 30, 2000 and included a proposed BACT proposal prepared by the applicant's consultant, Golder Associates. The proposal is summarized in the table below (MW loads are assumed to be at 70% or higher).

POLLUTANT	CONTROL TECHNOLOGY	BACT PROPOSAL
PM/PM_{10}, VE	Pipeline Natural Gas Good Combustion	10 Percent Opacity 9 ppmvd Ammonia Slip
SO_2 / SAM	Pipeline Natural Gas	2 grains S / 100 scf
CO	Pipeline Natural Gas Good Combustion	10 ppmvd 16 ppmvd with Duct Burners on (DB) 25 ppmvd during power augmentation (PA) 30 ppmvd during DB plus PA
VOC	Pipeline Natural Gas Good Combustion	2.3 ppmvd 4.6 ppmvd during DB plus PA
NO_X	DLN & SCR	4.0 ppmvd
PM (cooling tower)	High efficiency drift eliminators	0.002% drift loss

Based upon the applicant's submittal, the maximum annual emissions that the facility has the potential to emit (PTE) are as follows: 95 TPY SO_2, 15 TPY SAM, 199 TPY PM/PM_{10}, 258 TPY NO_X, 797 TPY CO and 70 TPY of VOC.

BACT DETERMINATION PROCEDURE:

In accordance with Chapter 62-212, F.A.C., this BACT determination is based on the maximum degree of reduction of each pollutant emitted which the Department of Environmental Protection (Department), on a case by case basis, taking into account energy, environmental and economic impacts, and other costs, determines is achievable through application of production processes and available methods, systems, and techniques. In addition, the regulations state that, in making the BACT determination, the Department shall give consideration to:

- Any Environmental Protection Agency determination of BACT pursuant to Section 169, and any emission limitation contained in 40 CFR Part 60 - Standards of Performance for New Stationary Sources or 40 CFR Part 61 - National Emission Standards for Hazardous Air Pollutants.
- All scientific, engineering, and technical material and other information available to the Department.
- The emission limiting standards or BACT determination of any other state.
- The social and economic impact of the application of such technology.

The EPA currently stresses that BACT should be determined using the "top-down" approach. The first step in this approach is to determine, for the emission unit in question, the most stringent control available for a similar or identical emission unit or emission unit category. If it is shown that this level of control is technically or economically unfeasible for the emission unit in question, then the next most stringent level of control is determined and similarly evaluated. This process continues until the BACT level under consideration cannot be eliminated by any substantial or unique technical, environmental, or economic objections.

STANDARDS OF PERFORMANCE FOR NEW STATIONARY SOURCES:

The minimum basis for a BACT determination is 40 CFR 60, Subpart GG, Standards of Performance for Stationary Gas Turbines (NSPS). Subpart GG was adopted by the Department by reference in Rule 62-204.800, F.A.C. The key emission limits required by Subpart GG are 75 ppmvd NO_X @ 15% O_2. (assuming 25 percent efficiency) and 150 ppmvd SO_2 @ 15% O_2 (or <0.8% sulfur in fuel). The BACT proposed by Calpine is consistent with the NSPS, which allows NO_X emissions in the range of 110 ppmvd for the high efficiency units to be purchased. No National Emission Standard for Hazardous Air Pollutants exists for stationary gas turbines.

The duct burners required for supplementary gas-firing of the HRSGs are subject to 40 CFR 60, Subpart Da, Standards of Performance for Electric Utility Steam Generating Units for Which Construction is Commenced After September 18, 1978. The 0.1 lb/MW-hr NO_X emission rate proposed by Calpine is well below the revised Subpart Da <u>output</u>-based limit of 1.6 lb/MW-hr promulgated on September 3, 1998. No National Emission Standards for Hazardous Air Pollutants exist for stationary gas turbines or gas-fired duct burners.

The gas-fired emergency generator and diesel fire pump will only be operated a few hours per month (so as to ensure their reliability for emergency use) and are considered insignificant for this analysis.

DETERMINATIONS BY EPA AND STATES:

The following table is a sample of information on some recent BACT determinations by states for combined cycle stationary gas turbine projects. These are projects incorporating large prime movers capable of producing more than 150 MW excluding the steam cycle. Such units are typically categorized as F or G Class Frame units. The applicant's proposed BACT is included for reference.

TABLE 1

RECENT BACT LIMITS FOR NITROGEN OXIDES FOR LARGE STATIONARY GAS TURBINE COMBINED CYCLE PROJECTS

Project Location	Power Output Megawatts	NO_X Limit ppmvd @ 15% O_2 and Fuel	Technology	Comments
Mobile Energy, AL	~250	~3.5 - NG (CT&DB) ~11 – FO (CT&DB)	DLN & SCR	178 MW GE 7FA CT 1/99 585 mmBtu Duct Burner
KUA Cane Island 3	250	3.5 - (CT&DB)	DLN/SCR	170 MW GE 7FA. 11/99 Ammonia slip = 5 ppmvd
Lake Worth LLC, FL	250	9/3.5 - NG (CT) 9.4/3.5 - (CT&DB) 42 - FO	DLN/SCR DLN/SCR WI	170 MW GE 7FA. 11/99 Increase allowed for DB. Project repowers one + units
Calpine Sutter	545	2.5 – (CT) 1 hour average (LAER)	DLN/SCR	Nearly identical to Osprey.
Calpine Delta	880	2.5 – (CT & DB) 1 hour average (LAER)	DLN/CSR	3 GE 7FA's or 3 WH 501FD's; 10 ppm max ammonia slip
Calpine Bullhead City	545	3.0 – (CT&DB)	DLN/SCR	Nearly identical to Osprey; Replace SCR catalyst after 36 mo.
Calpine Osprey (proposed)	545	4.0 – (CT& DB)	DLN/SCR	Ammonia slip design = 9 ppm

DB = Duct Burner
NG = Natural Gas
FO = Fuel Oil
DLN = Dry Low NO_X Combustion
SCR = Selective Catalytic Reduction
WI = Water or Steam Injection
PA = Power Augmentation
WH = Westinghouse
GE = General Electric

TABLE 2

RECENT BACT LIMITS FOR CARBON MONOXIDE, VOLATILE ORGANIC COMPOUNDS, PARTICULATE MATTER, AND VISIBILITY FOR LARGE STATIONARY GAS TURBINE COMBINED CYCLE PROJECTS

Project Location	CO - ppmvd (or lb/mmBtu)	VOC - ppm (or lb/mmBtu)	PM - lb/mmBtu (or gr/dscf or lb/hr)	Technology and Comments
Mobile Energy, AL	~18 – NG (CT&DB) ~26 – FO (CT&DB)	~5 – NG ~6 - FO	10% Opacity	Clean Fuels Good Combustion
KUA Cane Island	10 - NG (CT) 20 - NG (CT&DB) 30 - FO	1.4 - NG (CT) 4 - NG (CT&DB) 10 - FO	10% Opacity	Clean Fuels Good Combustion
Lake Worth LLC, FL	9 - NG (CT) 15 – NG (CT & DB) 20 - F.O. (3-hr)	1.4 - NG (CT) 1.8 - NG (CT & DB) 3.5 – F.O.	10% Opacity	Clean Fuels Good Combustion
Calpine Sutter	4 – NG Oxidation Catalyst		11.5 lb/hr	Clean Fuels Good Combustion
Calpine Delta	10 – NG (CT & DB) 10 – NG (DB & PA) 3 hr avg. – No Ox. Cat.	2 - NG	0.25 gr.S/100 scf Nat. Gas	Clean Fuels Good Combustion
Calpine Bullhead City	10 – NG (CT & DB) 33.9 – NG (DB & PA) 3 hour rolling average	1.5 - NG	18.3 lb/hr (CT) 22.8 lb/hr (DB & PA)	Clean Fuels Good Combustion
Calpine Osprey (proposed)	10 – NG (CT only) 16 – NG (CT & DB) 30 – NG (DB & PA)	2.3 – NG (CT) 4.6 – NG (DB & PA)	10% Opacity 24.1 lb/hr (CT & DB)	Clean Fuels Good Combustion

OTHER INFORMATION AVAILABLE TO THE DEPARTMENT:

Besides the initial information submitted by the applicant, the summary above, and the references at the end of this document, key information reviewed by the Department includes:

- Master Overview for Alabama Power Plant Barry Project received in 1998
- Letters from EPA Region IV dated February 2, and November 8, 1999 regarding KUA Cane Island 3
- Letter from Air Quality Branch, Fish & Wildlife Service dated April 17, 2000
- Presentations by Black & Veatch and General Electric at EPA Region IV on March 4, 1999
- Letter from Black & Veatch to EPA Region IV dated March 10, 1999
- Letter from Black & Veatch to the Department and EPA Region IV dated March 24, 1999
- Texas Natural Resource Conservation Commission Draft Tier I BACT for August, 1999
- Texas Natural Resource Conservation Commission Website – www.tnrcc.state.tx.us
- DOE website information on Advanced Turbine Systems Project
- Alternative Control Techniques Document - NO_X Emissions from Stationary Gas Turbines
- General Electric 39th Turbine State-of-the-Art Technology Seminar Proceedings
- GE Guarantee for Jacksonville Electric Authority Kennedy Plant Project
- GE Power Generation - Speedtronic™ Mark V Gas Turbine Control System
- GE Combined Cycle Startup Curves
- Coen website information and brochure on Duct Burners

REVIEW OF NITROGEN OXIDES CONTROL TECHNOLOGIES:

Some of the discussion in this section is based on a 1993 EPA document on Alternative Control Techniques for NO_X Emissions from Stationary Gas Turbines. Project-specific information is included where applicable.

Nitrogen Oxides Formation

Nitrogen oxides form in the gas turbine combustion process as a result of the dissociation of molecular nitrogen and oxygen to their atomic forms and subsequent recombination into seven different oxides of nitrogen. Thermal NO_X forms in the high temperature area of the gas turbine combustor. Thermal NO_X increases exponentially with increases in flame temperature and linearly with increases in residence time. Flame temperature is dependent upon the ratio of fuel burned in a flame to the amount of fuel that consumes all of the available oxygen.

By maintaining a low fuel ratio (lean combustion), the flame temperature will be lower, thus reducing the potential for NO_X formation. Prompt NO_X is formed in the proximity of the flame front as intermediate combustion products. The contribution of Prompt to overall NO_X is relatively small in near-stoichiometric combustors and increases for leaner fuel mixtures. This provides a practical limit for NO_X control by lean combustion.

Fuel NO_X is formed when fuels containing bound nitrogen are burned. This phenomenon is not important when combusting natural gas. Although low sulfur fuel oil has more fuel-bound nitrogen than natural gas, its use is not planned for this project.

Uncontrolled emissions range from about 100 to over 600 parts per million by volume, dry, corrected to 15 percent oxygen (ppmvd @15% O_2). The Department estimates uncontrolled emissions at approximately 200 ppmvd @15% O_2 for the proposed Calpine turbine. The proposed NO_X controls will reduce these emissions significantly.

NO_X Control Techniques

Wet Injection

Water or steam is injected into the primary combustion zone to reduce the flame temperature, resulting in lower NO_X emissions. Water injected into this zone acts as a heat sink by absorbing heat necessary to vaporize the water and raise the temperature of the vaporized water to the temperature of the exhaust gas stream. Steam injection uses the same principle, excluding the heat required to vaporize the water. Therefore, much more steam is required (on a mass basis) than water to achieve the same level of NO_X control. However, there is a physical limit to the amount of water or steam that may be injected before flame instability or cold spots in the combustion zone would cause adverse operating conditions for the combustion turbine. Standard combustor designs with wet injection can generally achieve NO_X emissions of 42/65 ppmvd for gas/oil firing. Advanced combustor designs generate lower NO_X emissions to begin with and can tolerate greater amounts of water or steam injection before causing flame instability. Advanced combustor designs with wet injection can achieve NO_X emissions of 25/42 ppmvd for gas/oil firing. Wet injection results in 60% to 80% control efficiencies.

Combustion Controls

The U.S. Department of Energy has provided millions of dollars of funding to a number of combustion turbine manufacturers to develop inherently lower pollutant-emitting units. Efforts over the last ten years have focused on reducing the peak flame temperature for natural gas fired units by staging combustors and premixing fuel with air prior to combustion in the primary zone. Typically, this occurs in four distinct modes: primary, lean-lean, secondary, and premix. In the primary mode, fuel is supplied only to the primary nozzles to ignite, accelerate, and operate the unit over a range of low- to mid-loads and up to a set combustion reference temperature. Once the first combustion reference temperature is reached, operation in the lean-lean mode begins when fuel is also introduced to the secondary nozzles to achieve the second combustion reference temperature. After the second combustion reference temperature is reached, operation in the secondary mode begins by shutting off fuel to the primary nozzle and extinguishing the flame in the primary zone. Finally, in the premix mode, fuel is reintroduced to the primary zone for premixing fuel and air. Although fuel is supplied to both the primary and secondary nozzles in the premix mode, there is only flame in the secondary stage. The premix mode of operation occurs at loads between 50% to 100% of base load and provides the lowest NO_X emissions. Due to the intricate air and fuel staging necessary for dry low-NO_X combustor technology, the gas turbine control system becomes a very important component of the overall system. DLN systems result in control efficiencies of 80% to 95%.

Figure A (below) is an example of an in-line duct burner arrangement. Since duct burners operate at lower temperature and pressure than the combustion turbine, the potential for emissions is generally lower. Furthermore the duct burner size is only 250 MMBtu/hr compared with the turbine that can accommodate a heat input greater than 1600 MMBtu/hr (LHV). The duct burner will be of a Low NO_X design and will be used to compensate for loss of capacity at high ambient temperatures.

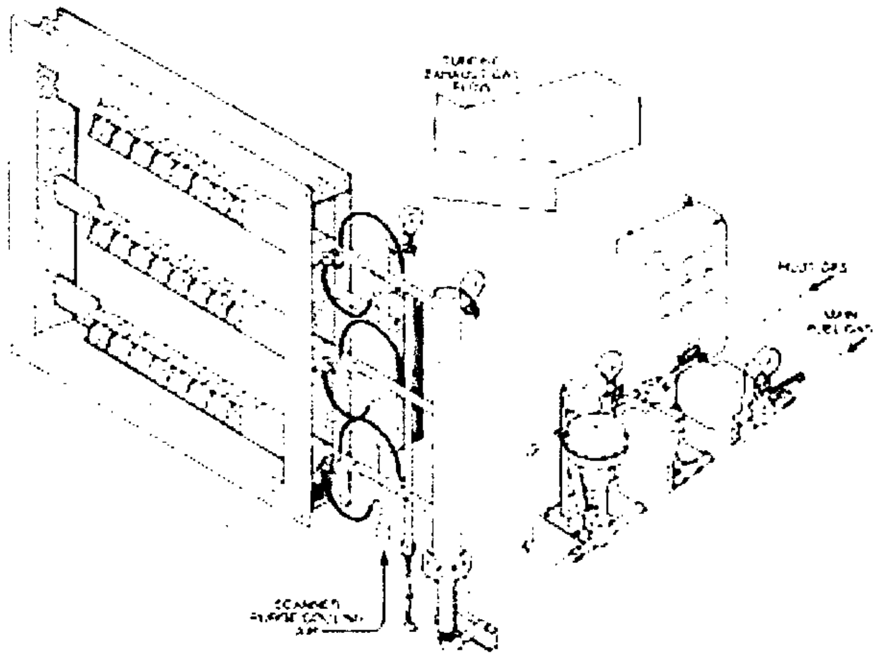

FIGURE A

Selective Catalytic Combustion

Selective catalytic reduction (SCR) is an add-on NO_X control technology that is employed in the exhaust stream following the gas turbine. SCR reduces NO_X emissions by injecting ammonia into the flue gas in the presence of a catalyst. Ammonia reacts with NO_X in the presence of a catalyst and excess oxygen yielding molecular nitrogen and water. The catalysts used in combined cycle, low temperature applications (conventional SCR), are usually vanadium or titanium oxide and account for almost all installations. For high temperature applications (Hot SCR up to 1100 °F), such as simple cycle turbines, zeolite catalysts are available but used in few applications to-date. SCR units are typically used in combination with wet injection or DLN combustion controls.

In the past, sulfur was found to poison the catalyst material. Sulfur-resistant catalyst materials are now becoming more available. Catalyst formulation improvements have proven effective in resisting sulfur-induced performance degradation with fuel oil in Europe and Japan, where conventional SCR catalyst life in excess of 4 to 6 years has been achieved, while 8 to 10 years catalyst life has been reported with natural gas.

As of early 1992, over 100 gas turbine installations already used SCR in the United States. Only one combustion turbine project in Florida (FPC Hines Power Block 1) employs SCR. The equipment was installed on a temporary basis because Westinghouse had not yet demonstrated emissions as low as 12 ppmvd by DLN technology at the time the units were to start up in 1998. Seminole Electric will install SCR on a previously permitted 501F unit at the Hardee Unit 3 project and Kissimmee Utility Authority will install SCR on newly permitted Cane Island Unit 3.

Figure B is a photograph of FPC Hines Energy Complex. The magnitude of the installation can be appreciated from the relative size compared with nearby individuals and vehicles. Figure C below is a diagram of a HRSG including an SCR reactor with honeycomb catalyst and the ammonia injection grid. The SCR system lies between low and high-pressure steam systems where the temperature requirements for conventional SCR can be met.

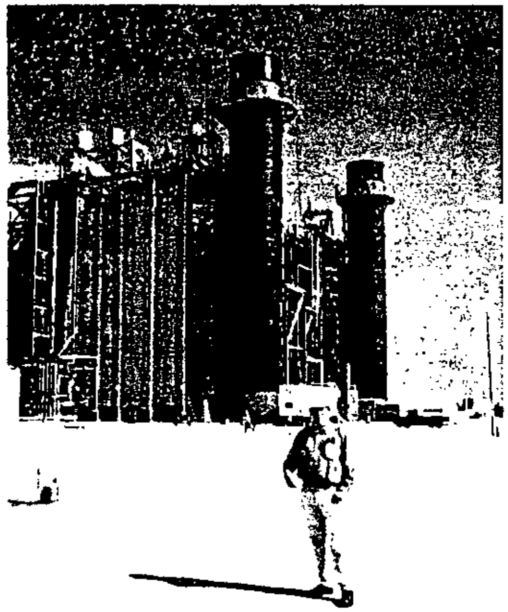

Figure B

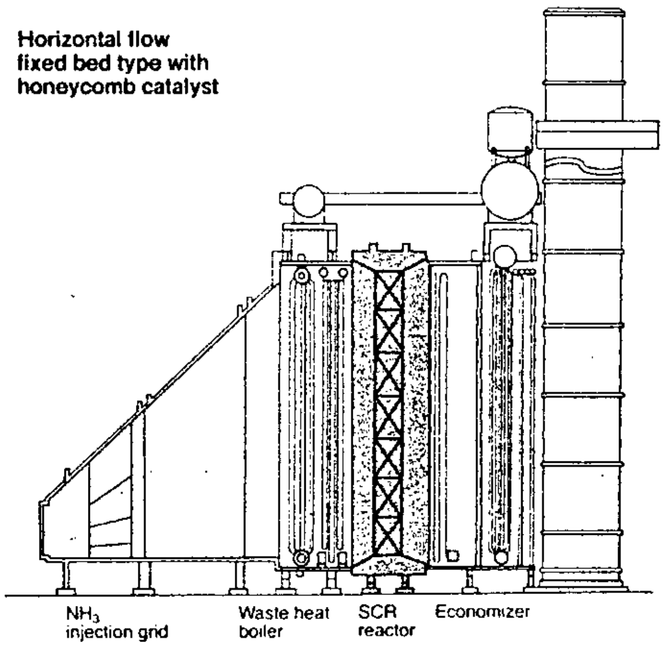

Figure C

Excessive ammonia use tends to increase emissions of CO, ammonia (slip), and particulate matter (when sulfur-bearing fuels are used). Permit limits as low as 2 to 3.5 ppmvd NO_X have been specified using SCR on combined cycle F Class projects throughout the country. Permit BACT limits as low as 3.5 ppmvd NO_X have been specified using SCR for at least one F Class project (with large in-line duct burners) in the Southeast and lower in the southwest.

Selective Non-Catalytic Combustion

Selective non-catalytic reduction (SNCR) reduction works on the same principle as SCR. The differences are that it is applicable to hotter streams than conventional or hot SCR, no catalyst is required, and urea can be used as a source of ammonia. Certain manufacturers, such as Engelhard, market an SCNR for NO_X control within the temperature ranges for which this project will operate (700 – 1400°F). However, the process also requires a low oxygen content in the exhaust stream in order to be effective. The oxygen levels greater than 12%, which are expected in this application, cause SNCR to not be technically feasible for the Calpine Osprey project.

Emerging Technologies: SCONOx™ and XONON™

SCONOx™ is a catalytic technology that achieves NO_X control by oxidizing and then absorbing the pollutant onto a honeycomb structure coated with potassium carbonate. The pollutant is then released as harmless molecular nitrogen during a regeneration cycle that requires dilute hydrogen gas. The technology has been demonstrated on small units in California and has been purchased for a small source in Massachusetts.[1] California regulators and industry sources have permitted the La Paloma Plant near Bakersfield for the installation of one 250 MW block with SCONOx ™[2]. The overall project includes several more 250 MW blocks with SCR for control.[3] According to industry sources, the installation has proceeded with a standard SCR due to schedule constraints. Recently, PG&E has applied for the installation of SCONOx™ on an F frame unit at Otay Mesa in Southern California. Additionally, USEPA has identified an "achieved in practice" BACT value of 2.0 ppmvd over a three-hour rolling average based upon the recent performance of a Vernon, California natural gas-fired 32 MW combined cycle turbine (without duct burners) equipped with the patented SCONOx™ system.

SCONOx™ technology (at 2.0 ppmvd) is considered to represent LAER in non-attainment areas where cost is not a factor in setting an emission limit. It competes with less-expensive SCR in those areas, but has the advantages that it does not cause ammonia emissions in exchange for NO_X reduction. Advantages of the SCONOx ™ process include (in addition to the reduction of NO_X) the elimination of ammonia and the control of VOC and CO emissions. SCONOx™ has not been applied on any major sources in ozone attainment areas, apparently only due to cost considerations. The Department is interested in seeing this technology implemented in Florida and intends to continue to work with applicants seeking an opportunity to demonstrate ammonia-free emissions on a large unit.

XONON™, which works by partially burning fuel in a low temperature pre-combustor and completing the combustion in a catalytic combustor. The overall result is low temperature partial combustion (and thus lower NO_X combustion) followed by flameless catalytic combustion to further attenuate NO_X formation. The technology has been demonstrated on combustors on the same order of size as SCONOx™ has. XONON™ avoids the emissions of ammonia and the need to generate hydrogen. It is also extremely attractive from a mechanical point of view.

Catalytica Combustion Systems, Inc. develops, manufactures and markets the XONON™ Combustion System. In a press release on October 8, 1998 Catalytica announced the first installation of a gas turbine equipped with the XONON™ Combustion System in a municipally owned utility for the production of electricity. The turbine was started up on that day at the Gianera Generating Station of Silicon Valley Power, a municipally owned utility serving the City of Santa Clara, Calif. The XONON™ Combustion System, deployed for the first time in a commercial setting, is designed to enable turbines to produce environmentally sound power without the need for expensive cleanup solutions. Previously, this XONON™ system had successfully completed over 1,200 hours of extensive full-scale tests which documented its ability to limit emissions of nitrogen oxides, a primary air pollutant, to less than 3 parts per million.

In a definitive agreement signed on November 19, 1998, GE Power Systems and Catalytica agreed to cooperate in the design, application, and commercialization of XONON™ systems for both new and installed GE E and F-class turbines used in power generation and mechanical drive applications. This appears to be an up-and-coming technology, the development of which will be watched closely by the Department for future applications.

REVIEW OF PARTICULATE MATTER (PM/PM_{10}) AND SO_2 CONTROL TECHNOLOGIES:

Particulate matter is generated by various physical and chemical processes during combustion and will be affected by the design and operation of the NO_X controls. The particulate matter emitted from this unit will mainly be less than 10 microns in diameter (PM_{10}).

Natural gas is an inherently clean fuel and contains no ash. Natural gas will be the only fuel fired at the Osprey Energy Center and is efficiently combusted in gas turbines making any conceivable add-on control technique for PM/PM_{10} or SO_2 either unnecessary or impractical.

A technology review indicated that the top control option for PM/PM_{10} as well as SO_2 is a combination of good combustion practices, fuel quality, and filtration of inlet air.

The applicant has identified PM emissions from the fresh-water cooling tower, due to an approximate 1400-ppm of suspended solids resulting from the use of reclaim water. Accordingly, drift eliminators shall be installed on the fresh-water cooling tower to reduce PM/PM_{10}. The drift eliminators shall be designed and maintained to reduce drift to 0.002 percent of the circulating water flow rate. No PM testing is required because the Department's Emission Monitoring Section has determined that there is no appropriate PM test method for this type of cooling tower.

REVIEW OF CARBON MONOXIDE(CO) CONTROL TECHNOLOGIES

CO is emitted from combustion turbines due to incomplete fuel combustion. Combustion design and catalytic oxidation are the control alternatives that are viable for the project. The most stringent control technology for CO emissions is the use of an oxidation catalyst.

Among the most recently permitted projects with oxidation catalyst requirements are the 500 MW Wyandotte Energy project in Michigan, the El Dorado project in Nevada, Ironwood in Pennsylvania, Millenium in Massachusetts, and Calpine Sutter in California. The permitted CO values of these units are between 3 and 5 ppmvd. Catalytic oxidation was recently installed at a cogeneration plant at Reedy Creek (Walt Disney World), Florida to avoid PSD review which would have been required due to increased operation at low load. Seminole Electric will install oxidation catalyst to meet the permitted CO limit at its planned 244 MW Westinghouse 501FD combined cycle unit in Hardee County, Florida.[4]

Most combustion turbines incorporate good combustion to minimize emissions of CO. These installations typically achieve emissions between 10 and 30 ppmvd at full load, even as they achieve relatively low NO_X emissions by SCR or dry low NO_X means. Calpine proposes to meet a limit of 10 ppmvd while firing natural gas above 70% output with the duct burner off. However, the applicant proposes higher values of 16, 25 and 30 for the operating modes of duct burner firing, power augmentation and their combination, respectively. The combined operating modes have been requested for 2880 hours per year. The applicant additionally notes that CO emissions approach 50 ppmvd at loads between 60% and 70% and requests the ability to operate up to 1500 hours per year in this reduced output range.

The Department has not reviewed an extensive body of actual data, but has reasonable assurance that the WH 501FD unit selected by Calpine will achieve values below those proposed, without requiring installation of an oxidation catalyst. However, the authorized hours of off-normal operation will be decreased from the applicant's request to 2 hours per day at 60% - 70% output as well as 2 hours per day for each of the above operating modes (on an equivalent basis). The remaining 16 equivalent hours per day will be allotted for routine (10 ppmvd CO emission rate) operation. The Department will require the use of a CEMS for compliance on a 24-hour block average, with two limits depending upon actual operation. The limits will be:

a) 10 ppmvd based upon a 24-hour block average for those days when no valid hour includes the use of duct burner firing, power augmentation or 60-70% operation; otherwise, the limit is
b) 17 ppmvd based upon a 24-hour block average {rationale: 10 ppmvd x 16/24 hours plus 16 ppmvd x 2/24 hours plus 25 ppmvd x 2/24 hours plus 30 ppmvd x 2/24 hours plus 50 ppmvd x 2/24 hours}

REVIEW OF VOLATILE ORGANIC COMPOUND (VOC) CONTROL TECHNOLOGIES

Volatile organic compound (VOC) emissions, like CO emissions, are formed due to incomplete combustion of fuel. The high flame temperature is very efficient at destroying VOC. The applicant has proposed good combustion practices to control VOC. The limits proposed by Calpine for this project are 4.2 ppm with the duct burner off (between 60% and 70% output) and 4.6 ppm with the duct burner on during power augmentation. According to the applicant's submittals, VOC emissions less than 3 ppm will be achieved at 100% output and duct burners off. [5]

DEPARTMENT BACT DETERMINATION

Following are the BACT limits determined for the Calpine project assuming full load. Values for NO_X and CO are corrected to 15% O_2. The emission limits or their equivalents in terms of pounds per hour and NSPS units, as well as the applicable averaging times, are given in the permit Specific Conditions No. 20 through 24.

POLLUTANT	CONTROL TECHNOLOGY	BACT DETERMINATION
PM/PM_{10}, VE	Pipeline Natural Gas Good Combustion Inlet Air Filtering	10 Percent Opacity 24.1 lb/hr during DB plus PA 9 ppmvd Ammonia Slip
SO_2 / SAM	Pipeline Natural Gas	2 grains S / 100 scf
VOC	Pipeline Natural Gas Good Combustion	2.3 ppmvd 4.6 ppmvd during DB plus PA
CO	Pipeline Natural Gas Good Combustion	10 ppmvd – 24 hour block average, or 17 ppmvd – 24 hour block average; and 10 ppmvd and 45 lb/hr w/o DB plus PA
NO_X (all operating modes)	DLN & SCR	3.5 ppmvd (SCR) DB limited to 0.1 lb/MW-hr 27.5 lb/hr during DB plus PA
PM (cooling tower)	High efficiency drift eliminators	0.002% drift loss

RATIONALE FOR DEPARTMENT'S DETERMINATION

- The Lowest Achievable Emission Rate (LAER) for NO_X is approximately 2 ppmvd. It has been achieved at a small combustion turbine installation using $SCONO_X$.
- EPA Region IV advised that the Department (in a draft BACT) did not present "any unusual site-specific conditions associated with the KUA Cane Island 3 project to indicate that the use of SCR to achieve 3.5 ppmvd would create greater problems than experienced elsewhere at other similar facilities."[6] The Fish & Wildlife Service has similar comments for Calpine Osprey Energy Center.[9]
- EPA advised FDEP that it intended to appeal the KUA Permit if the Department did not require a NO_X emissions rate of 3.5 ppmvd when firing natural gas.[7]
- FDEP considered a shorter (3-hour) averaging time for NO_X compliance, but was ultimately persuaded to provide the higher (24-hour) averaging time due to Calpine's BACT proposal being the first one submitted in Florida where a low (4.0 ppmvd) emission rate SCR was proposed by the applicant. FDEP intends to issue subsequent BACT Determinations with lower averaging time requirements.
- Uncertainties (and statistical variances) in NO_X emissions related to instrumentation, methodology, calibration and sampling errors, exhaust flow, ammonia slip bias, corrections to 15% O_2 and ambient conditions, etc., are approximately equal to "ultra low NO_X" limits (2.5-3.5 ppmvd).[8]
- VOC emissions of 2.3 ppm from the combustion turbine by Good Combustion proposed by the applicant are acceptable values determined as BACT. However even lower values have already been achieved by the previous generation DLN 2 combustors on the GE's 7FA units after tuning. Similar VOC performance is expected with the Westinghouse combustors while firing natural gas.
- The CO concentrations of 10 ppmvd are low, for operation with the duct burner off. This emission rate will be verified on an annual basis via stack test. With the duct burner on, emissions will be less than 20 ppmvd, which is within the range of recent Department BACT determinations for combustion

turbines alone. However, values as high as 50 ppmvd for 60% - 70% operation will not be authorized for up to 1500 hours annually, as requested by the applicant. The CO limit will be 10 ppmvd on a 24-hour block average, or 17 ppmvd on a weighted daily (24-hour block) average, which incorporates a reasonable allowance for all daily off-normal operations. CEMS will be used for compliance.

- For reference, CO limits for the Lakeland and Tallahassee projects are 25 ppmvd on gas while the limit for the FPL Fort Myers project is 12 ppmvd. Limits for the Santa Rosa Energy Center are 9 ppmvd with the duct burner off and 24 ppmvd with the duct burner on. The CO impact on ambient air quality is lower compared to other pollutants because the allowable concentrations of CO are much greater than for NO_X, SO_2, VOC (ozone) or PM_{10}.
- BACT for PM_{10} was determined to be good combustion practices consisting of: inlet air filtering; use of pipeline natural gas; and operation of the unit in accordance with the manufacturer-provided manuals.
- PM_{10} emissions will be very low and difficult to measure. Therefore, the Department will set a Visible Emission standard of 10 percent opacity as BACT.

COMPLIANCE PROCEDURES

POLLUTANT	COMPLIANCE PROCEDURE
PM/Visible Emissions	Method 5 (initial test only) and Method 9
Volatile Organic Compounds	Method 18, 25, or 25A (initial tests only)
Carbon Monoxide	CEMS plus annual method 10 during operation at capacity without use of duct burners and power augmentation
NO_X 24-hr block average	NO_X CEMS, O_2 or CO_2 diluent monitor, and flow device as needed
NO_X (performance)	Annual Method 20 or 7E
Ammonia Slip	EPA Method 26A (modified) and Draft Method 206 (Annual)

BACT EXCESS EMISSIONS APPROVAL

Pursuant to the Rule 62-210.700 F.A.C., the Department through this BACT determination will allow excess emissions as follows: Valid hourly emission rates shall not included periods of startup, shutdown, or malfunction as defined in Rule 62-210.200 F.A.C., where emissions exceed the applicable NO_X or CO standard. These excess emissions periods shall be reported as required in Specific Condition 27 of the Permit. A valid hourly emission rate shall be calculated for each hour in which at least two pollutant concentrations are obtained at least 15 minutes apart [Rules 62-4.070 F.A.C., 62-210.700 F.A.C. and applicant request].

Excess emissions may occur under the following startup scenarios:

Hot Start: One hour following a HRSG shutdown less than or equal to 8 hours.
Warm Start: Two hours following a HRSG shutdown between 8 and 48 hours.
Cold Start: Four hours following a HRSG shutdown greater than or equal to 48 hours.

DETAILS OF THE ANALYSIS MAY BE OBTAINED BY CONTACTING:

Michael P. Halpin, P.E. Review Engineer MP Halpin, P.E.
A. A. Linero, P.E. Administrator, New Source Review Section
Cleve Holladay, Meteorologist, New Source Review Section

Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Recommended By:

for C. H. Fancy, P.E., Chief
Bureau of Air Regulation

Date:

Approved By:

Howard L. Rhodes, Director
Division of Air Resources Management

Date: July 3, 2001

REFERENCES

[1] News Release. Goaline Environmental. Genetics Institute Buys SCONOx Clean Air System. August 20, 1999.

[2] "Control Maker Strives to Sway Utility Skeptics." Air Daily. Volume 5, No. 199. October 14, 1998.

[3] Telecom. Linero, A.A., FDEP, and Beckham, D., U.S. Generating. Circa November 1998.

[4] Letter. Opalinski, M.P., SECI to Linero, A.A., FDEP. Turbines and Related Equipment at Hardee Unit 3. December 9, 1998.

[5] Table A-2, referencing Siemens-Westinghouse. Calpine Osprey Energy Center application received 3-30-2000.

[6] Letter. Neeley, R. Douglas, EPA Region IV, to Fancy, C.H., FDEP. Draft PSD Permit – KUA Project. February 2, 1999.

[7] Letter. Smith, Winston, EPA Region IV, to Rhodes, H.L., FDEP. Proposed KUA Permit. November 8, 1999.

[8] Zachary, J, Joshi, S., and Kagolanu, R., Siemens. "Challenges Facing the Measurement and Monitoring of Very Low Emissions in Large Scale Gas Turbine Projects." Power-Gen Conference. Orlando, Florida. December 9-11, 1998.

[9] Letter. Porter, Ellen to Linero, A.A., FDEP. Technical Review of Prevention of Significant Deterioration Permit Application For Osprey Energy Center. April 17, 2000.

Memorandum

Florida Department of Environmental Protection

TO: Howard L. Rhodes

THRU: ~~Clair Fancy~~
Al Linero *AL*

FROM: Michael P. Halpin *MPH*

DATE: June 29, 2001

SUBJECT: Calpine – Osprey Energy Center

File copy

Attached for approval and signature is a PSD permit for the subject (new) facility. The facility will consist of two Westinghouse "F" frame combustion turbines, each with a supplementally fired HRSG for use with a 200 MW steam turbine. The draft permit was issued over a year ago, as this project was subject to Power Plant Siting and encountered several hurdles.

The permit allows for NO_X emissions of 3.5 ppmvd on a 24-hour block average (via SCR). Additionally, the permit will require a CEMS for the continuous measurement of CO emissions, which will also be based upon a 24-hour block average. Lastly, although ammonia slip emissions of up to 9 ppmvd are allowed, there are a variety of "triggers" within the permit to ensure that the actual ammonia slip remains below 7 ppmvd.

Emissions of sulfur dioxide, sulfuric acid mist, and particulate matter will be very low because of the inherently clean pipeline quality natural gas with no fuel oil usage.

The Siting Board met on June 26 and approved the Recommended Order of Judge Johnston. On June 27, OGC informed us that the PSD permit could be issued.

I recommend your approval and signature.

Attachments

/mph