Barbara File



Department of Environmental Protection

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

David B. Struhs Secretary

December 29, 1999

Mr. R. Douglas Neeley, Chief Air and Radiation Technology Branch Air, Pesticides and Toxics Management Division United States Environmental Protection Agency Region 4 61 Forsyth Street, SW Atlanta, GA 30303-8909

Re: Proposed Changes to Satisfy EPA Objections

Seminole Electric Cooperative, Seminole Power Plant, PROPOSED Title V Permit 1070025-001-AV

Dear Mr. Neeley:

This letter is to document additional changes that the Department proposes to satisfy EPA Region 4 objections to Florida's PROPOSED Title V permit 1070025-001-AV for Seminole Electric Cooperative, Seminole Power Plant. These objections were detailed in a letter from EPA Region 4 dated October 15, 1999. in which EPA indicated the primary basis for objection was that the permit does not fully meet periodic monitoring requirements of 40 CFR 70.6(a)(3)(i) and does not address all operational requirements and limitations to ensure compliance with the applicable requirements of 40 CFR 70.6(a)(1). The remaining issues addressed in this letter are EPA Objection Issues 3, 5, and 8. Telephone conversations with Ms. Gracy Danois of EPA Region 4 indicate the other issues were satisfactorily addressed in our response dated December 17, 1999.

The changes proposed in this letter result primarily from a letter from Mr. Mike Opalinski, the Director of Environmental Affairs for Seminole Electric Cooperative, and the past resolution to similar objections the EPA found acceptable. Hopefully these changes will allow Florida to issue the FINAL Title V permit for this plant. Please review the following proposed changes to the referenced permits. If you concur with our changes, we will issue the FINAL Title V permit with these changes.

I. EPA Objection Issues

3. Appropriate-Averaging Times - The particulate matter emission limits in condition A.5., the volatile organic compound (VOC) emissions limits in condition B.4., and the visible emissions limits in conditions B.6., C.4., and D.4., do not contain averaging times. Because of the stringency of emission limits is a function of both magnitude and averaging time, appropriate averaging times must be added to the permit in order for the limits to be practicably enforceable. An approach that may be used to address this deficiency is to include a general condition in the, permit stating that the averaging time for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance. If a specific averaging time is selected for the particulate matter emission limit in condition A.5., Region 4 recommends that a six-hour averaging time be used to be consistent with the requirements of permit condition A.40.

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PERMITTEE RESPONSE: EPA is requesting an averaging time for the PM limit for the boiler, the VOC limit for the railcar maintenance unit, and the VE limits for the railcar maintenance unit, coal yard, limestone and FGD sludge handling and storage emissions units in order to make the limits "practicably enforceable." Seminole does not agree with EPA's comment. However, in order to move this process forward, Seminole does not intend to object to the inclusion of separate "permitting notes" following Conditions A.5., B.6., C.4. and D.4. which state that "the averaging time for this condition is based on the run time of the specified test method." This note is acceptable with the understanding that if a different test method (i.e., compliance demonstration method) is imposed in the future. Seminole will have the right to negotiate a different averaging time. For the VOC limit at the railcar maintenance unit in Condition B.4., no permitting note should be included because the compliance determination method is recordkeeping, not a specific performance test.

PROPOSED CHANGE: The following will be added after Specific Conditions A.5., B.6., and C.4.:

Add: {Permitting note: The averaging time for this condition is based on the run time of the specified test method.}

The following will be added after Specific Condition D.4.:

Add: {Permitting note: The averaging time for this condition is based on the application time of the coating being applied.}

5. <u>Periodic Monitoring</u>: Condition A-50, of the permit requires the source to conduct annual testing for particulate matter. The statement of basis for the permit states that this testing frequency is justified by the low emission rate documented in previous emissions tests while firing coal and that the "Department has determined that sources with emissions less than half of the effective standard shall test annually."

While EPA has in the past accepted this approach as adequate periodic monitoring for particulate matter, it has done so only for uncontrolled natural gas and fuel oil fired units. The units addressed in condition A.50. use add-on control equipment to comply with the applicable particulate matter standard. In order to provide reasonable assurance of compliance, the results of annual stack testing will have to be supplemented with additional monitoring. Furthermore, the results of an annual test alone would not constitute an adequate basis for the annual certification of compliance that the facility is required to submit for these units.

The most common approach to addressing periodic monitoring for particulate emission limits on units with add-on controls is to establish either an opacity or a control device parameter indicator range that would provide evidence of proper control device operation. The primary goal of such monitoring is to provide reasonable assurance of compliance, and one way of achieving this goal is to use opacity data or control device operating parameter data from previous successful compliance tests to identify a range of values that has corresponded to compliance in the past. Operating within the range of values identified in this manner would provide assurance that the control device is operating properly and would serve as the basis for an annual compliance certification. Depending upon the margin of compliance during the tests used to establish the opacity or control device indicator range, going outside the range could represent either a period of time when an exceedence of the applicable standard is likely or it could represent a trigger for initiating corrective action to prevent an exceedence of the standard. In order to avoid any confusion regarding the consequences of going outside the indicator range, the permit must clearly state if doing so is evidence that a standard has been exceeded and must specify whether corrective action must be taken when a source operates outside the established indicator range.

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PERMITTEE RESPONSE: EPA is requesting additional periodic monitoring for the PM limit because this unit utilizes an ESP. Seminole disagrees with EPA's comment and believes that the historical data already provided is sufficient. Moreover, the requirement that EPA is attempting to impose is essentially identical to the requirements of the Compliance Assurance Monitoring (CAM) rule, which provides a five-year (minimum) implementation period.

However, in order to move this process forward, Seminole proposes that a condition be added to require an additional steady state PM test whenever the COMS indicates an opacity equal to or above 20 percent, as follows:

"Whenever more than five percent of the COMS readings for any calendar quarter shows 20% or greater opacity (excluding periods of startup, shutdown and periods of COMS outages), a steady state particulate matter stack test shall be performed and submitted within the following calendar quarter. The stack test shall comply with all of the testing and reporting requirements contained in the preceding specific conditions and, where practicable, shall be performed while operating at conditions representative of those showing greater than 20% opacity. Units are not required to be brought on-line solely for the purpose of performing this special compliance test. If the unit does not operate in the following calendar quarter, the special compliance test may be postponed until the unit is brought back on-line. Once back on-line, the special compliance test shall be performed within 20 days."

PROPOSED CHANGE: The following Specific Condition will be added as follows:

Add: A.52. Whenever more than five percent of the COMS readings for any calendar quarter shows 20% or greater opacity (excluding periods of startup, shutdown and periods of COMS outages), a steady state particulate matter stack test shall be performed and submitted within the following calendar quarter. The stack test shall comply with all of the testing and reporting requirements contained in the preceding specific conditions and, where practicable, shall be performed while operating at conditions representative of those showing greater than 20% opacity. Units are not required to be brought on-line solely for the purpose of performing this special compliance test. If the unit does not operate in the following calendar quarter, the special compliance test may be postponed until the unit is brought back on-line. Once back on-line, the special compliance test shall be performed within 20 days.

8. Periodic Monitoring - Conditions C.9. and D.9. of the permit require that annual Method 9 tests be conducted for the units listed in the permitting notes. For units with control equipment, this usually does not constitute adequate periodic monitoring to ensure continuous compliance with the visible emissions standard. The permit must require the source to conduct visible emissions observations on a daily basis (Method 22), and that a Method 9 test be conducted within 24 hours of any abnormal qualitative survey. As an alternative to this approach, a technical demonstration can be included in the statement of basis explaining why the State has chosen not to require any additional visible emissions testing. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once a year.

PERMITTEE RESPONSE: EPA is requesting daily observations of the specified emission points at the coal yard and FGD sludge handling system. To resolve EPA's concern, Seminole suggests that the following language be added to the "permitting notes" following Conditions C.9. and D.9.:

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"For those emissions points specified herein containing a baghouse, the permittee shall maintain daily records of the differential pressure to assure that the baghouse is operating properly. Differential pressure data will be collected and correlated to visible emissions. This data will be used to develop an action plan based on the differential pressure levels."

PROPOSED CHANGE: The Department agrees that a properly operating baghouse will ensure compliance with the visible emissions standard. The permitting notes following Conditions C.9. and D.9. are changed as follows:

From:

Condition C.9. {Permitting note: The individual coal handling and storage emission points requiring an annual VE test are those containing baghouse controls. These baghouse locations are emission points CH-002, CH-011, and CH-012a and b.}

Condition D.9. {Permitting note: The individual limestone and FGD sludge handling points requiring an annual VE test are those containing filter and wet scrubber equipment. These locations are emissions points L-001, FGD-002, FGD-003 or FGD-004, FGD-005 or FGD-006, FGD-007 or FGD-008, and FGD-009 or FGD-010.}

To:

Condition C.9. {Permitting note: The individual coal handling and storage emission points requiring an annual VE test are those containing baghouse controls. These baghouse locations are emission points CH-002, CH-011, and CH-012a and b. For those emissions points specified herein containing a baghouse, the permittee shall maintain daily records of the differential pressure to assure that the baghouse is operating properly. Differential pressure data will be collected and correlated to visible emissions. This data will be used to develop an action plan based on the differential pressure levels. The facility will provide the Department the results of this study within 180 days of the issuance date of this permit.}

Condition D.9. {Permitting note: The individual limestone and FGD sludge handling points requiring an annual VE test are those containing filter and wet scrubber equipment. These locations are emissions points L-001, FGD-002, FGD-003 or FGD-004, FGD-005 or FGD-006, FGD-007 or FGD-008, and FGD-009 or FGD-010 For those emissions points specified herein containing a baghouse, the permittee shall maintain daily records of the differential pressure to assure that the baghouse is operating properly. Differential pressure data will be collected and correlated to visible emissions. This data will be used to develop an action plan based on the differential pressure levels. The facility will provide the Department the results of this study within 180 days of the issuance date of this permit.}

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As you know, the 90 day period ends January 12th. All parties involved have been expeditiously seeking resolution of these issues. We feel that EPA's concerns have been adequately addressed and we look forward to issuing final permits. Please advise as soon as possible if you concur with the specific changes detailed above. Please call me at 850/921-9503 if you have any questions. You may also contact Mr. Scott M. Sheplak, P.E., at 850/921-9532, or Mr. Edward J. Svec at 850/921-8985, if you need any additional information.

Sincerely,

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

CF/es

Attachments

cc: Scott M. Sheplak

Pat Comer

Mike Opalinski, Seminole Electric Cooperative, Inc. Mike Roddy, Seminole Electric Cooperative, Inc.



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The changes proposed in this letter result primarily from a letter from Mr. Mike Opalinski, the Director of Environmental Affairs for Seminole Electric Cooperative, and the past resolution to similar objections the EPA found acceptable. Hopefully these changes will allow Florida to issue the FINAL Title V permit for this plant. Please review the following proposed changes to the referenced permits. If you concur with our changes, we will issue the FINAL Title V permit with these changes.

I. EPA Objection Issues

1. Applicable Requirements - As a result of comments 7.R. and 9.R., PSD based permit conditions A.10. and A.19. were removed from the title V permit. Since PSD permit conditions are considered to be applicable requirements for title V permits, it is unclear why these conditions were removed. Please provide the basis for removing these conditions from the permit, or replace them if they were removed in error.

PERMITTEE RESPONSE: The conditions that DEP deleted, based on Seminole's request, were from a prior iteration of Seminole's PSD permit, not the Final Determination. Accordingly, these conditions were appropriately deleted.

PROPOSED CHANGE: No change is proposed. The PROPOSED permit reflects the most current PSD requirements.

2. <u>Practical Enforceability</u> - Condition A.3. specifies that steam electric generating units #1 and #2 are permitted to fire coal, coal with a maximum of 30 percent petroleum coke (by weight), No- 2 fuel oil, and on-specification used oil. Additionally, the condition limits the rate of petroleum coke combustion to no more than 186,000 pounds per hour (averaged over 24 hours). However, the permit does not contain adequate record keeping to demonstrate compliance with the fuel combustion limits.

In order for an operational limit to be enforceable as a practical matter- there must be a method of establishing compliance with that limit. Condition A.65, requires the source to maintain documentation verifying that the coal and petroleum coke fuel blends that are combusted do not exceed the 30 percent maximum petroleum coke by weight limit, However, the permit does not contain a requirement for the source to record the daily rate of petroleum coke combustion. Therefore, the permit should include a requirement that the source keep daily records of the mass consumption rate of the petroleum coke that is burned in the electric generating units.

PERMITTEE RESPONSE: EPA is requesting additional recordkeeping to assure that the 186,000 lb/hr (averaged over 24 hours) petcoke usage limit per emissions unit is met. This limit was derived by multiplying the maximum blend rate of 70%/30% coal/petcoke with the maximum amount of fuel that each emissions unit is capable of burning. Therefore, as long as the amount of petcoke is less than 30% of the total amount of fuel used, it is technically impossible to exceed the 186,000 lb/hr (averaged over 24 hours) petcoke limit per unit. Moreover, to assure an adequate margin of compliance, the actual blend rate is typically much less than 30%. Accordingly, there is no need for additional recordkeeping.

PROPOSED CHANGE: Since the 186,000 lbs/hr (averaged over 24 hours) petcoke limit per unit is equivalent to the 30% petcoke by weight limit and the permit currently contains a requirement "verifying that the coal and petroleum coke fuel blends combusted in Units 1 and 2 have not exceeded the 30 percent maximum petroleum coke by weight limit shall be maintained" (Specific condition A.65.), the department feels adequate recordkeeping is in place. To clarify the recordkeeping requirement as it relates to petcoke, Specific Conditions A.3. and A.65. will be linked as follows:

From: A.3. Methods of Operation. Fuel(s). The only fuels allowed to be fired are coal, coal with a maximum of 30 percent petroleum coke (by weight), No. 2 fuel oil, and on-specification used oil. The maximum weight of petroleum coke burned shall not exceed 186,000 pounds per hour (averaged over 24 hours). On-specification used oil containing any quantifiable levels of PCBs can only be fired when the emissions unit is at normal operating temperatures.

[Rule 62-213.410(1), F.A.C.; 40 CFR 271.20(e)(3); and PSD-FL-018(A)]

To: A.3. Methods of Operation. Fuel(s). The only fuels allowed to be fired are coal, coal with a maximum of 30 percent petroleum coke (by weight), No. 2 fuel oil, and on-specification used oil. The maximum weight of petroleum coke burned shall not exceed 186,000 pounds per hour (averaged over 24 hours), **see Specific Condition A.65.** On-specification used oil containing any quantifiable levels of PCBs can only be fired when the emissions unit is at normal operating temperatures. [Rule 62-213.410(1), F.A.C.; 40 CFR 271.20(e)(3); and PSD-FL-018(A)]

3. Appropriate-Averaging Times - The particulate matter emission limits in condition A.5., the volatile organic compound (VOC) emissions limits in condition B.4., and the visible emissions limits in conditions B.6., C.4., and D.4., do not contain averaging times. Because of the stringency of emission limits is a function of both magnitude and averaging time, appropriate averaging times must be added to the permit in order for the limits to be practicably enforceable. An approach that may be used to address this deficiency is to include a

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general condition in the, permit stating that the averaging time for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance. If a specific averaging time is selected for the particulate matter emission limit in condition A.5., Region 4 recommends that a six-hour averaging time be used to be consistent with the requirements of permit condition A.40.

PERMITTEE RESPONSE: EPA is requesting an averaging time for the PM limit for the boiler, the VOC limit for the railcar maintenance unit, and the VE limits for the railcar maintenance unit, coal yard, limestone and FGD sludge handling and storage emissions units in order to make the limits "practicably enforceable." Seminole does not agree with EPA's comment. However, in order to move this process forward, Seminole does not intend to object to the inclusion of separate "permitting notes" following Conditions A.5., B.6., C.4. and D.4. which state that "the averaging time for this condition is based on the run time of the specified test method." This note is acceptable with the understanding that if a different test method (i.e., compliance demonstration method) is imposed in the future, Seminole will have the right to negotiate a different averaging time. For the VOC limit at the railcar maintenance unit in Condition B.4., no permitting note should be included because the compliance determination method is recordkeeping, not a specific performance test.

PROPOSED CHANGE: The following will be added after Specific Conditions A.5., B.6., C.4. and D.4.:

Add: {Permitting note: The averaging time for this condition is based on the run time of the specified test method.}

4. Excess Emissions - Condition A.19. includes the following permitting note: Once a written agreement between Seminole Electric Cooperative and the Northeast District office has been acquired approving a "Protocol for Startup and Shutdown", the protocol is automatically incorporated by reference and is a part of the permit.

EPA Region 4 believes that the "Protocol for Startup and Shutdown" should be subject to public and regulatory review, and processed as a permit modification. Please revise this permitting note to indicate that a permit modification will be required to incorporate this document once it has been approved by the District.

PERMITTEE RESPONSE: EPA is requesting a revision to the existing "permitting note" in Condition A.19. to clarify the requirements to incorporate a startup/shutdown protocol once it is approved by the District. To resolve EPA's concern, Seminole requests that the existing "permitting note" be deleted and a new condition inserted following Condition A.19. to allow for the operation of the emissions unit in accordance with the "Procedures for Startup and Shutdown" that Seminole included in its original Title V application. The application clarified that these Procedures are nonexclusive and are changed from time to time, as operating conditions dictate. Because this plan was part of the Title V application submitted in June of 1996, there should be no concerns regarding public notice. The requested condition could read as follows:

A.20. As necessary, the permittee will operate in accordance with the Procedures for Startup and Shutdown attached to this permit. The Procedures shall be used where applicable and where there is/are conflict with Condition A.19.

PROPOSED CHANGE: The Department will delete the permitting note following Specific Condition A.19. and replace it with a new Specific Condition as follows:

Delete: {Permitting note: Once a written agreement between Seminole Electric Cooperative and the Northeast District office has been acquired approving a "Protocol for Startup and Shutdown", the protocol is automatically incorporated by reference and is a part of the permit. The protocol shall be used where applicable and where there is/are conflict with the rule.}

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Add: A.20. As necessary, the permittee will operate in accordance with the Procedures for Startup and Shutdown attached to this permit. The Procedures shall be used where applicable and where there is/are conflict with Condition A.19.

5. <u>Periodic Monitoring</u>: Condition A-50. of the permit requires the source to conduct annual testing for particulate matter. The statement of basis for the permit states that this testing frequency is justified by the low emission rate documented in previous emissions tests while firing coal and that the "Department has determined that sources with emissions less than half of the effective standard shall test annually."

While EPA has in the past accepted this approach as adequate periodic monitoring for particulate matter, it has done so only for uncontrolled natural gas and fuel oil fired units. The units addressed in condition A.50. use add-on control equipment to comply with the applicable particulate matter standard. In order to provide reasonable assurance of compliance, the results of annual stack testing will have to be supplemented with additional monitoring. Furthermore, the results of an annual test alone would not constitute an adequate basis for the annual certification of compliance that the facility is required to submit for these units.

The most common approach to addressing periodic monitoring for particulate emission limits on units with add-on controls is to establish either an opacity or a control device parameter indicator range that would provide evidence of proper control device operation. The primary goal of such monitoring is to provide reasonable assurance of compliance, and one way of achieving this goal is to use opacity data or control device operating parameter data from previous successful compliance tests to identify a range of values that has corresponded to compliance in the past. Operating within the range of values identified in this manner would provide assurance that the control device is operating properly and would serve as the basis for an annual compliance certification. Depending upon the margin of compliance during the tests used to establish the opacity or control device indicator range, going outside the range could represent either a period of time when an exceedence of the applicable standard is likely or it could represent a trigger for initiating corrective action to prevent an exceedence of the standard. In order to avoid any confusion regarding the consequences of going outside the indicator range, the permit must clearly state if doing so is evidence that a standard has been exceeded and must specify whether corrective action must be taken when a source operates outside the established indicator range.

PERMITTEE RESPONSE: EPA is requesting additional periodic monitoring for the PM limit because this unit utilizes an ESP. Seminole disagrees with EPA's comment and believes that the historical data already provided is sufficient. Moreover, the requirement that EPA is attempting to impose is essentially identical to the requirements of the Compliance Assurance Monitoring (CAM) rule, which provides a five-year (minimum) implementation period.

However, in order to move this process forward, Seminole proposes that a "permitting note" be added to Condition A.50. to require an additional steady state PM test whenever the COMS indicates an opacity equal to or above 20 percent, as follows:

"Whenever more than five percent of the COMS readings for any calendar quarter shows 20% or greater opacity (excluding periods of startup, shutdown and periods of COMS outages), a steady state particulate matter stack test shall be performed and submitted within the following calendar quarter. The stack test shall comply with all of the testing and reporting requirements contained in the preceding specific conditions and, where practicable, shall be performed while operating at conditions representative of those showing greater than 20% opacity. Units are not required to be brought on-line solely for the purpose of performing this special compliance test. If the unit does not operate in the following calendar quarter, the special compliance test may be postponed until the unit is brought back on-line. Once back on-line, the special compliance test shall be performed within 20 days."

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PROPOSED CHANGE: A permitting note will be added following Specific Condition A.50. as follows:

Add: {Permitting note: Whenever more than five percent of the COMS readings for any calendar quarter shows 20% or greater opacity (excluding periods of startup, shutdown and periods of COMS outages), a steady state particulate matter stack test shall be performed and submitted within the following calendar quarter. The stack test shall comply with all of the testing and reporting requirements contained in the preceding specific conditions and, where practicable, shall be performed while operating at conditions representative of those showing greater than 20% opacity. Units are not required to be brought on-line solely for the purpose of performing this special compliance test. If the unit does not operate in the following calendar quarter, the special compliance test may be postponed until the unit is brought back on-line. Once back on-line, the special compliance test shall be performed within 20 days.}

6. <u>Periodic Monitoring</u> - Condition B.4. specifies that volatile organic compound emissions shall not exceed 11.84 tons per year. Based on the short-term limit for this unit (38.75 pounds per hour) and 8,760 hours of operation per year, unit 003 could emit 167.72 tons per year. Since this value exceeds the annual emission limit of 11.84 tons per year, the permit must be revised to ensure that the annual limit is not exceeded through restriction of operating, hours or by some other enforceable means.

PERMITTEE RESPONSE: EPA is requesting additional recordkeeping to assure compliance with the 11.84 tons per year VOC limit on the railcar maintenance unit. Based on the data submitted to DEP in Annual Operating Reports, the annual tons of VOC emitted for the past five years are as follows: 1994 - 7.6; 1995 – 4.14; 1996 – 4.62; 1997 – 2.32; and 1998 – 1.02. Therefore, the existing recordkeeping requirements (i.e., annual mass balance) provide sufficient assurance that Seminole is in compliance with the annual limit.

PROPOSED CHANGE: This emissions unit is a maintenance area where railcars owned by Seminole Electric are repainted. Numerous types of coatings with various VOC contents, some coatings do not contain VOC, are used. When this emissions unit was permitted, the coating with the maximum VOC content would result in an emissions rate of 38.75 pounds of VOC per hour, other coatings would have emissions far less than this value. Seminole Electric also requested that the hours of operation not be restricted. Seminole Electric estimated that the annual emissions of VOC would never exceed 11.84 tons per year. Since the time this emissions unit was permitted, the coatings industry has developed products for this application with VOC contents where Seminole's actual total annual VOC emissions have decreased from 7.6 tons per year in 1994 to 1.02 tons per year in 1998. Proper recordkeeping will ensure compliance with the annual limit (see the response to objection issue 7., below.) Therefore, no change is required.

7. Practical Enforceability - The record keeping requirements of condition B.10. are not specific, enough to adequately demonstrate compliance with the hourly VOC emission limit. In addition to recording the application rate of surface coatings, the source must also maintain records for the density and VOC content of each coating that is used. Additionally, the permit must specify a record keeping frequency that corresponds to the averaging time required under Objection Item 3. If the averaging time is short, the proposed mass balance methodology may not be accurate enough to ensure compliance with the pound per hour limit.

PERMITTEE RESPONSE: EPA is requesting additional recordkeeping to assure compliance with the pound per hour VOC limit on the railcar maintenance unit. Because of the physical limitations of this emissions unit, it is technically impossible for Seminole to exceed the pound per hour VOC limit. Facts justifying this conclusion include: (1) there is only physical space to paint one railcar at a time, (2) the maximum application capacity is limited to 50 gallons in a 3-hour period (i.e., approximately 16.7 gallons per hour), and (3) the drying time between coats limits the number of railcars that can be painted in an hour to 1.

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PERMITTEE ADDITIONAL RESPONSE: This letter (dated December 14, 1999) is in response to EPA's objection number 7 concerning practical enforceability of the Railcar Maintenance Facility hourly VOC limit of 38.75 pounds per hour. Seminole believes that the painting process itself, as described in our previous response, is more than adequate to demonstrate compliance. However, in order to continue to move the process forward, Seminole will keep records of hourly quantities (gallons) of paint consumed during painting operations. These hourly records, combined with the pound per gallon VOC concentration contained in the product MSDS, will further verify compliance with the pound per hour VOC limit of 38.75.

PROPOSED CHANGE: Specific Condition B.10. will be changed as follows:

From: B.10. Record Keeping. The owner or operator shall record the application rate of all surface coatings, the total of all coatings applied and calculate the rate of volatile organic compound emissions through the use of materials balance. These records will be maintained for five years and will be made available to the Department upon request. [Rule 62-213,400, F.A.C.]

To: B.10. Record Keeping. The owner or operator shall record the application rate of all surface coatings, the total of all coatings applied and calculate the rate of volatile organic compound emissions through the use of materials balance. Seminole will keep records of hourly quantities (gallons) of paint consumed during painting operations. These hourly records, combined with the pound per gallon VOC concentration contained in the product's MSDS will be utilized to determine the hourly emissions rate and the total annual emissions. These records will be maintained for five years and will be made available to the Department upon request.

[Rule 62-213.400, F.A.C.; and, Applicant Request of 12/14/99]

8. Periodic Monitoring - Conditions C.9. and D.9. of the permit require that annual Method 9 tests be conducted for the units listed in the permitting notes. For units with control equipment, this usually does not constitute adequate periodic monitoring to ensure continuous compliance with the visible emissions standard. The permit must require the source to conduct visible emissions observations on a daily basis (Method 22), and that a Method 9 test be conducted within 24 hours of any abnormal qualitative survey. As an alternative to this approach, a technical demonstration can be included in the statement of basis explaining why the State has chosen not to require any additional visible emissions testing. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once a year.

PERMITTEE RESPONSE: EPA is requesting daily observations of the specified emission points at the coal yard and FGD sludge handling system. To resolve EPA's concern, Seminole suggests that the following language be added to the "permitting notes" following Conditions C.9. and D.9.:

"For those emissions points specified herein containing a baghouse, the permittee shall maintain daily records of the differential pressure to assure that the baghouse is operating properly."

PROPOSED CHANGE: The Department agrees that a properly operating baghouse will ensure compliance with the visible emissions standard. The permitting notes following Conditions C.9. and D.9. are changed as follows:

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From:

Condition C.9. {Permitting note: The individual coal handling and storage emission points requiring an annual VE test are those containing baghouse controls. These baghouse locations are emission points CH-002, CH-011, and CH-012a and b.}

Condition D.9. {Permitting note: The individual limestone and FGD sludge handling points requiring an annual VE test are those containing filter and wet scrubber equipment. These locations are emissions points L-001, FGD-002, FGD-003 or FGD-004, FGD-005 or FGD-006, FGD-007 or FGD-008, and FGD-009 or FGD-010.}

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Condition D.9. {Permitting note: The individual limestone and FGD sludge handling points requiring an annual VE test are those containing filter and wet scrubber equipment. These locations are emissions points L-001, FGD-002, FGD-003 or FGD-004, FGD-005 or FGD-006, FGD-007 or FGD-008, and FGD-009 or FGD-010. For those emissions points specified herein containing a baghouse, the permittee shall maintain daily records of the differential pressure to assure that the baghouse is operating properly.}

II. EPA General Comments

1. <u>Compliance Certification</u> - Facility-wide Condition 12. of the permit should specifically reference the required components of Appendix TV-3, item 51, which lists the compliance certification requirements of 40 C.F.R. 70.6(c)(5)(iii), to ensure that complete certification information is submitted to EPA.

PERMITTEE RESPONSE: Seminole does not object to the suggested change.

PROPOSED CHANGE: Facility-wide Condition 12. provides the address to which any report, certification (including the annual statement of compliance), request, etc., for the EPA is to be sent (Condition 11. does the same for DEP's district office). Facility-wide Condition 9. addresses the Annual Compliance Certification requirements and directs the reader to Condition 51. of Appendix TV-3, which lists the compliance certification requirements of 40 C.F.R. 70.6(c)(5)(iii). Therefore, no change is required.

2. Excess Emissions - Conditions A.19. and A.20. address the occurrence of excess emissions from the electric generating units. More specifically, excess emission resulting from malfunction are permitted provided that best operational practices to minimize emission are adhered to and the duration of excess emissions are minimized. EPA has recently addressed the issue of excess emissions in a September 20, 1999, policy memorandum from Steven A. Herman, Assistant Administrator for Enforcement and Compliance Assurance, and Robert Periasepe, Assistant Administrator for Air and Radiation. The September 20, 1999, memo reaffirms and supplements the EPA's original policy regarding excess emissions during malfunction, startup, shutdown, and maintenance, which is contained in memoranda from Kathleen Bennett, formerly Assistant Administrator for Air, Noise and Radiation dated September 28, 1982, and February 15, 1983. The permit conditions that address excess emissions should be consistent with EPA's policy.

Mr. R. Douglas Neeley December 17, 1999 Page 8 of 10

PERMITTEE RESPONSE: Florida's excess emissions rule, Rule 62-210.700, F.A.C., is part of the EPA-approved SIP and therefore must be included in the Title V permit.

PROPOSED CHANGE: Florida is charged to include all applicable requirements in Title V permits. EPA has objected when they believe applicable requirements were absent (see objection issue No.1 for this permit). The Excess Emissions Rule 62-210.700, F.A.C., is currently a part of an EPA approved SIP and is therefore, by definition, an applicable requirement. As such, it must be included in the permit. Florida understands that the EPA disagrees with some of the terms of this rule, as currently written. To resolve this comment on a prior permit, a permitting note, located in this permit prior to Specific Condition A.19., was crafted and included in all NSPS, NESHAP, or Acid Rain permits. The note states "The Excess Emissions Rule at Rule 62-210.700, F.A.C., cannot vary any requirement of a NSPS, NESHAP, or Acid Rain program provision." The Department believes that the permit is correctly written regarding this issue.

3. Minimum, Sampling Volume for Particulate Testing - Condition A.40. specifies a sample time and volume of at least 10 minutes and 60 dry standard cubic feet, respectfully, for particulate testing in accordance with 40 CFR 60.48a(b) and 40 CFR 60.11(b). Condition A.48 specifies a sample time from one to four hours and a minimum sample volume of 25 dscf, or other volume as required by rule. Since these permit conditions are inconsistent, a permitting note should be added to Condition A.48. to clarify the required sample time and volume or refer the permittee to Condition A.40.

PERMITTEE RESPONSE: Seminole does not object to inserting a reference to Condition A.40.

PROPOSED CHANGE: Condition A.48. is changed as follows:

From: (b) Minimum Sample Volume. Unless otherwise specified in the applicable rule, the minimum sample volume per run shall be 25 dry standard cubic feet.

To: (b) Minimum Sample Volume. Unless otherwise specified in the applicable rule, the minimum sample volume per run shall be 25 dry standard cubic feet. See Specific Condition A.40.

4. <u>Frequency of Compliance Tests</u> - Condition B.9. is unclear about whether compliance testing is required on an annual basis or just prior to renewal. Conditions C.9. and D.9. each contain permitting notes which clarify which units are to be tested annually, if any. A similar permitting note should be added for Condition B.9.

PERMITTEE RESPONSE: Condition B.9. requires an annual test for opacity for this unit pursuant to paragraph 4(a). Therefore, no changes are necessary.

PROPOSED CHANGE: Rule 62-297.310(7)(a)3., F.A.C., quoted in Specific Condition B.9., states an emissions unit is required to conduct an annual compliance test during the year prior to renewal of the permit. In addition, Rule 62-297.310(7)(a)4.a., F.A.C., quoted in Specific Condition B.9., states the owner or operator of each emissions unit shall have a formal compliance test conducted for visible emissions, if there is an applicable standard, during each federal fiscal year. Therefore, because the emissions unit has an opacity standard, the emissions is required to conduct an annual compliance test and no further clarification is required.

5. Acid Rain The Phase II Acid Rain Application/Compliance Plan dated December 5, 1995, the Phase I Acid Rain permit dated March 27, 1997, and the Phase II NO_x Compliance Plan dated November 21, 1997, which

Mr. R. Douglas Neeley December 17, 1999 Page 9 of 10

are referenced as attachments made part of the permit should also be referenced under Section IV, Subsection A.1.

PERMITTEE RESPONSE: Seminole does not object to the suggested change.

PROPOSED CHANGE: The Phase II Acid Rain Application/Compliance Plan dated December 5, 1995, is already referenced in Specific Condition A.1.a. The Phase I Acid Rain permit dated March 27, 19971, is already referenced in Specific Condition B.1.a. The Department will reference the Phase II NO_X Compliance Plan dated November 21, 1997, because the Phase II plan includes an Early Election Plan for NO_X, as follows:

From:

- **A.1.** The Phase II permit application(s) submitted for this facility, as approved by the Department, are a part of this permit. The owners and operators of these Phase II acid rain unit(s) must comply with the standard requirements and special provisions set forth in the application(s) listed below:
- a. DEP Form No. 62-210.900(1)(a), dated December 5, 1995; and [Chapter 62-213, F.A.C. and Rule 62-214.320, F.A.C.]
- **B.1.** The owners and operators of these Phase I acid rain unit(s) must comply with the standard requirements and special provisions set forth in the permit(s) listed below:
- a. Phase I permit dated 03/27/97. [Chapter 62-213, F.A.C.]

To:

- A.1. The Phase II permit application(s) submitted for this facility, as approved by the Department, are a part of this permit. The owners and operators of these Phase II acid rain unit(s) must comply with the standard requirements and special provisions set forth in the application(s) listed below:
- a. DEP Form No. 62-210.900(1)(a), dated December 5, 1995; and
- b. Phase II NO_X Compliance Plan dated 11/21/97. **See Specific Condition B.2.** [Chapter 62-213, F.A.C. and Rule 62-214.320, F.A.C.]
- **B.1.** The owners and operators of these Phase I acid rain unit(s) must comply with the standard requirements and special provisions set forth in the permit(s) listed below:
- a. Phase I permit dated 03/27/97; and
- b. Phase II NO_x Compliance Plan dated 11/21/97. [Chapter 62-213, F.A.C.]
- 6. Acid Rain We recommend that a note be placed in Section IV, Subsection A, A.2., referencing the NO_X requirements indicated under Subsection B, B.2. This note should clarify that Florida DEP has approved and incorporated the NO_X Early Election requirements into the Phase II permit (part).

PERMITTEE RESPONSE: Seminole does not object to the suggested change.

PROPOSED CHANGE: Florida is required by statute to issue the Acid Rain part of the permit concurrently with the Title V permit. Since the facility elected into the Phase I Early Election Plans for NO_X , of the NO_X requirements are contained in Subsection B of the Acid Rain Part of the permit. In order to eliminate any confusion, Specific Condition A.2. will be changed as follows:

From: A.2. Sulfur dioxide (SO_2) allowance allocations and nitrogen oxide (NO_x) requirements for each Acid Rain unit is as follows:

Mr. R. Douglas Neeley December 17, 1999 Page 10 of 10

To: A.2. Sulfur dioxide (SO₂) allowance allocations for each Acid Rain unit is as follows:

As you know, the 90 day period ends January 12th. All parties involved have been expeditiously seeking resolution of these issues. We feel that EPA's concerns have been adequately addressed and we look forward to issuing final permits. Please advise as soon as possible if you concur with the specific changes detailed above. Please call me at 850/921-9503 if you have any questions. You may also contact Mr. Scott M. Sheplak, P.E., at 850/921-9532, or Mr. Edward J. Svec at 850/921-8985, if you need any additional information.

Sincerely,

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

CF/es

Attachments

cc: Scott M. Sheplak

Pat Comer

Mike Opalinski, Seminole Electric Cooperative, Inc. Mike Roddy, Seminole Electric Cooperative, Inc.



December 14, 1999

RECEIVED

DEC 21 1999

BUREAU OF AIR REGULATION

Mr. Ed Svec Florida Department of Environmental Protection 2600 Blair Stone Road Tallahassee, FL 32399-2400

Dear Mr. Svec:

This letter is in response to EPA's objection number 7 concerning practical enforceability of the Railcar Maintenance Facility hourly VOC limit of 38.75 pounds per hour. Seminole believes that the painting process itself, as described in our previous response, is more than adequate to demonstrate compliance. However, in order to continue to move the process forward, Seminole will keep records of hourly quantities (gallons) of paint consumed during painting operations. These hourly records, combined with the pound per gallon VOC concentration contained in the product MSDS, will further verify compliance with the pound per hour VOC limit of 38.75.

1125

Sincerely,

Mike Roddy

Senior Environmental Engineer

MR/lar

cc: M. Opalinski



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NOV 24 1999

BUREAU OF AIR REGULATION

November 22, 1999

Mr. Scott Sheplak, P.E. Florida Department of Environmental Protection 2600 Blair Stone Rd. Tallahassee, Florida 32399-2400

Re: Seminole Electric Cooperative, Inc.'s Palatka Power Plant

EPA Objection to Proposed Title V Permit No. 1070025-001-AV

Dear Mr. Sheplak:

Seminole Electric Cooperative, Inc. (Seminole) is in receipt of a letter from the U.S. EPA, Region IV, dated October 15, 1999, which objects to the issuance of the above-referenced Title V permit. EPA's basis for objection is that "the permit does not fully meet the periodic monitoring requirements of 40 C.F.R. §70.6(a)(3)(i), and does not address all operational requirements and limitations to ensure compliance with all applicable requirements as specified under 40 C.F.R. §70.6(a)(1)." Following is Seminoles's response to EPA's letter.

I. EPA Objections Issues

- (1) The conditions that DEP deleted, based on Seminole's request, were from a prior iteration of Seminole's PSD permit, not the Final Determination. Accordingly, these conditions were appropriately deleted.
- (2) EPA is requesting additional recordkeeping to assure that the 186,000 lb/hour (averaged over 24 hours) petcoke usage limit per emissions unit is met. This limit was derived by multiplying the maximum blend rate of 70%/30% coal/petcoke with the maximum amount of fuel that each emissions unit is capable of burning. Therefore, as long as the amount of petcoke is less than 30% of the total amount of fuel used, it is technically impossible to exceed the 186,000 lb/hr (averaged over 24 hours) petcoke limit per unit. Moreover, to assure an adequate margin of compliance, the actual blend rate is typically much less than 30%. Accordingly, there is no need for additional recordkeeping.
- (3) EPA is requesting an averaging time for the PM limit for the boiler, the VOC limit

for the railcar maintenance unit, and the VE limits for the rail car maintenance unit, coal yard, limestone and FGD sludge handling and storage emission units in order to make the limits "practicably enforceable." Seminole does not agree with EPA's comment. However, in order to move this process forward, Seminole does not intend to object to the inclusion of separate "permitting notes" following Conditions A.5, B.6, C.4, and D.4 which state that "the averaging time for this condition is based on the run time of the specified test method." This note is acceptable with the understanding that if a different test method (i.e., compliance determination method) is imposed in the future, Seminole will have the right to negotiate a different averaging time at that time. For the VOC limit at the railcar maintenance unit in Condition B.4, no "permitting note" should be included because the compliance determination method is recordkeeping, not a specific performance test.

(4) EPA is requesting a revision to the existing "permitting note" in Condition A.19 to clarify the requirements to incorporate a startup/shutdown protocol once it is approved by the District. To resolve EPA's concern, Seminole requests that the existing "permitting note" be deleted and a new condition inserted following Condition A.19 to allow for the operation of the emissions unit in accordance with the "Procedures for Startup and Shutdown" that Seminole included in its original Title V application. The application clarified that these Procedures are nonexclusive and are changed from time to time, as operating conditions dictate. Because this Plan was part of the Title V application submitted in June of 1996, there should be no concerns regarding public notice. The requested condition could read as follows:

A.20. As necessary, the permittee will operate in accordance with the Procedures for Startup and Shutdown attached to this permit. The Procedures shall be used where applicable and where there is/are conflict with Condition A.19.

(5) EPA is requesting additional periodic monitoring for the PM limit because this unit utilizes an ESP. Seminole disagrees with EPA's comment and believes that the historical data already provided is sufficient. Moreover, the requirement that EPA is attempting to impose is essentially identical to the requirements of the Compliance Assurance Monitoring (CAM) rule, which provides a five-year (minimum) implementation period.

However, in order to move this process forward, Seminole proposes that a "permitting note" be added to Condition A.50 to require an additional steady state PM test whenever the COMS indicates an opacity equal to or above 20 percent, as follows:

"Whenever more than five percent of the COMS readings for any calendar quarter shows 20% or greater opacity (excluding periods of startup, shutdown and periods of COMS outages), a steady state particulate matter stack test shall be performed and

submitted within the following calendar quarter. The stack test shall comply with all of the testing and reporting requirements contained in the preceding specific conditions and, where practicable, shall be performed while operating at conditions representative of those showing greater than 20% opacity. Units are not required to be brought on-line solely for the purpose of performing this special compliance test. If the unit does not operate in the following calendar quarter, the special compliance test may be postponed until the unit is brought back on-line. Once back on-line, the special test shall be performed within 20 days."

- (6) EPA is requesting additional recordkeeping to assure compliance with the 11.84 tons per year VOC limit on the railcar maintenance unit. Based on the data submitted to DEP in the Annual Operating Reports, the annual tons of VOC emitted for the past 5 years are as follows: 1994 7.6; 1995 4.14; 1996 4.62; 1997 2.32; and 1998 1.02. Therefore, the existing recordkeeping requirements (i.e., annual mass balance) provide sufficient assurance that Seminole is in compliance with the annual limit.
- (7) EPA is requesting additional recordkeeping to assure compliance with the pound per hour VOC limit on the railcar maintenance unit. Because of the physical limitations of this emissions unit, it is technically impossible for Seminole to exceed the pound per hour VOC limit. Facts justifying this conclusion include: (1) there is only physical space to paint one railcar at a time, (2) the maximum application capacity is limited to 50 gallons in a 3-hour period (i.e., approximately 16.7 gallons per hour), and (3) the drying time between coats limits the number of railcars that can be painted in an hour to 1.
- (8) EPA is requesting daily observations of the specified emission points at the coal yard and FGD sludge handling system. To resolve EPA's concern, Seminole suggests that the following language be added to the "permitting notes" following Conditions C.9 and D.9:

"For those emissions points specified herein containing a baghouse, the permittee shall maintain daily records of the differential pressure to assure that the baghouse is operating properly."

II. General Comments

- 1. Seminole does not object to the suggested change.
- 2. Florida's excess emissions rule, Rule 62-210.700, F.A.C., is part of the EPA-approved SIP and therefore must be included in the Title V permit.
- 3. Seminole does not object to inserting a reference to Condition A.40.

- 4. Condition B.9 requires an annual test for opacity for this unit pursuant to paragraph (a)4. Therefore, no changes are necessary.
- 5. Seminole does not object to the suggested change.
- 6. Seminole does not object to the suggested change.

Thank you for attention to this important matter. If you have any questions regarding Seminole's response or wish to discuss this matter further, please contact me as soon as possible at (813) 963-0994.

Sincerely,

Mike Opalinski

Director of Environmental Affairs

MPO/MR/vr

Howard Rhodes, DEP cc:

Clair Fancy, DEP

Ed Svec, DEP

Winston A. Smith, EPA

Elizabeth Bartlett, EPA

Robert Manning, HGSS

copy ed orgin to fir 11/30/99 cc = & Svec



Department of Environmental Protection

Tile/Bustora

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

David B. Struhs Secretary

October 28, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. James R. Duren Seminole Electric Cooperative, Inc. 16313 North Dale Mabry Highway Tampa, Florida 33618

Re:

EPA Objection to PROPOSED Title V Permit No. 1070025-001-AV

Seminole Electric Cooperative, Inc. - Seminole Power Plant, Palatka, Florida

Dear Mr. Duren:

On October 15, the department received a timely written objection from the United States Environmental Protection Agency to the referenced proposed permit. A copy of EPA's objection is attached.

In accordance with Section 403.0872(8), Florida Statues (F.S.), the department must not issue a final permit until the objection is resolved or withdrawn. Pursuant to Section 403.0872(8), F.S., the applicant may file a written reply to the objection with 45 days after the date on which the department serves the applicant with a copy of the objection. {Day 45 = November 28}. The written reply must include any supporting materials that the applicant desires to include in the record relevant to the issues raised by the objection. The written reply must be considered by the department in issuing a final permit to resolve the objection of EPA. Please submit any written comments you wish to have considered concerning the objection to Mr. Scott M. Sheplak, P.E. at the above letterhead address.

Pursuant to 40 CFR 70.8(c)(4) the department will have to resolve the objection by issuing a permit that satisfies EPA within 90 days of the objection, or EPA will assume authority for the permit. {Day 90 = January 12}.

If you should have any other questions, please contact Mr. Scott M. Sheplak, P.E. at 850/921-9532.

Sincerely,

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

CHF/sms/k

Enclosures

cc: Thomas Davis, P.E., ECT, Inc.

Mike Roddy, Seminole Electric Cooperative, Inc.

Chris Kirts, P.E., FDEP, NED

Patricia Comer, Esquire, OGC w/enclosures Douglas Neeley, USEPA w/o enclosures Gregg Worley, USEPA w/o enclosures

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Do not use for International Mail (See reverse) Mr. James R. Duren Seminole Electric Cooperative, Inc. 16313 North Dale Mabry Highway Fampa, FL 33618 US Postal Service

Receipt for Certified Mai

No Insurance Coverage Provided. Return Receipt Showing to Whom Date, & Addressee's Address Return Receipt Showing to TOTAL Postage & Fees Whom & Date Delivered Restricted Delivery Fee Special Delivery Fee Postmark or Date ΠJ Certified Fee Δ. 2661 linqA PS Form **3800**, SENDE ... is your <u>RETURN ADDRESS</u> completed on the reverse side? Complete items 1 and/or 2 for additional services I also wish to receive the Complete items 3, 4a, and 4b.

Print your name and address on the reverse of this form so that we can return this card to you.

Attach this form to the front of the mailpiece, or on the back if space does not following services (for an extra fee): 1. Addressee's Address permit.

Write "Return Receipt Requested" on the mailpiece below the article number.

The Return Receipt will show to whom the article was delivered and the date delivered. 2. Restricted Delivery Consult postmaster for fee. 4a. Article Number P 265 3. Article Addressed to: 657 Mr. James R. Duren 4b. Service Type Seminole Electric Cooperative, Inc. 16313 North Dale Mabry Highway ☐ Registered **⊠** Certified Tampa, FL 33618 ☐ Express Mail ☐ Insured ☐ Return Receipt for Merchandise ☐ COD 7. Date of Delivery Thank you 5. Received By: (Print Name) 8. Addressee's Address (Only if requested and fee is paid) 6. Signature: (Addressee or Agent)

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8960

Scott

for received 10/15

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Howard L. Rhodes, Director Department of Environmental Protection Air Resources Management Division Mail Station 5500 2600 Blair Stone Road Tallahassee, Florida 32399-2400

SUBJ: EPA's Review of Proposed Title V Permit Seminole Electric Cooperative, Inc. Seminole Power Plant, Palatka, Florida Permit No. 1070025-001-AV gm in 68 in in items

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OCT 21 1999

BUREAU OF AIR REGULATION

Dear Mr. Rhodes:

The purpose of this letter is to provide comments to the Florida Department of Environmental Protection (DEP) on the proposed title V operating permit for the Seminole Power Plant, which was posted on DEP's web site on August 31, 1999. Based on the Environmental Protection Agency's (EPA's) review of the proposed permit and the supporting information for this facility, EPA formally objects, under the authority of Section 505(b) of the Clean Air Act (the Act) and 40 C.F.R. § 70.8(c) (see also Florida Regulation 62-213.450), to the issuance of the title V permit for this facility. The basis of EPA's objection is that the permit does not fully meet the periodic monitoring requirements of 40 C.F.R. § 70.6(a)(3)(i), and does not address all operational requirements and limitations to ensure compliance with all applicable requirements as specified under 40 C.F.R. § 70.6(a)(1).

Section 70.8(c) requires EPA to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the Act or 40 C.F.R. Part 70. Section 70.8(c)(4) and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA and EPA will act accordingly. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised permit be submitted in advance in order that any outstanding issues may be addressed prior to the expiration of the 90-day period.

Pursuant to 40 C.F.R. § 70.8(c), this letter and its enclosure contain a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. Part 70. The enclosure also contains general comments applicable to the permit.

If you have any questions or wish to discuss this further, please contact Mr. Gregg Worley, Chief, Operating Source Section at (404) 562-9141. Should your staff need additional information they may contact Ms. Elizabeth Bartlett, Florida Title V Contact, at (404) 562-9122, or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,

Winston A. Smith

Director

Air, Pesticides and Toxics Management Division

Enclosure

cc: Mr. James R. Duren, Seminole Electric Cooperative

Enclosure

U.S. EPA Region 4 Objection Proposed Part 70 Operating Permit Seminole Electric Cooperative, Inc. Seminole Power Plant Permit no. 1070025-001-AV

I. EPA Objection Issues

- 1. Applicable Requirements As a result of Comments 7.R and 9.R, PSD-based permit conditions A.10. and A.19. were removed from the title V permit. Since PSD permit conditions are considered to be applicable requirements for title V permits, it is unclear why these conditions were removed. Please provide the basis for removing these conditions from the permit, or replace them if they were removed in error.
- 2. Practical Enforceability Condition A.3 specifies that steam electric generating units # 1 and # 2 are permitted to fire coal, coal with a maximum of 30 percent petroleum coke (by weight), No. 2 fuel oil, and on-specification used oil. Additionally, the condition limits the rate of petroleum coke combustion to no more than 186,000 pounds per hour (averaged over 24 hours). However, the permit does not contain adequate record keeping to demonstrate compliance with the fuel combustion limits.

In order for an operational limit to be enforceable as a practical matter there must be a method of establishing compliance with that limit. Condition A.65 requires the source to maintain documentation verifying that the coal and petroleum coke fuel blends that are combusted do not exceed the 30 percent maximum petroleum coke by weight limit. However, the permit does not contain a requirement for the source to record the daily rate of petroleum coke combustion. Therefore, the permit should include a requirement that the source keep daily records of the mass consumption rate of the petroleum coke that is burned in the electric generating units.

Appropriate Averaging Times - The particulate matter emission limits in condition A.5, the volatile organic compound (VOC) emissions limit in condition B.4, and the visible emissions limits in conditions B.6, C.4, and D.4, do not contain averaging times. Because the stringency of emission limits is a function of both magnitude and averaging time, appropriate averaging times must be added to the permit in order for the limits to be practicably enforceable. An approach that may be used to address this deficiency is to include a general condition in the permit stating that the averaging times for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance. If a specific averaging time is selected for the particulate matter emission limit in

- Excess Emissions Conditions A.19 and A.20 address the occurrence of excess emissions from the electric generating units. More specifically, excess emission resulting from malfunction are permitted provided that best operational practices to minimize emission are adhered to and the duration of excess emissions are minimized. EPA has recently addressed the issue of excess emissions in a September 20, 1999, policy memorandum from Steven A. Herman, Assistant Administrator for Enforcement and Compliance Assurance, and Robert Perciasepe, Assistant Administrator for Air and Radiation. The September 20, 1999, memo reaffirms and supplements the EPA's original policy regarding excess emissions during malfunction, startup, shutdown, and maintenance, which is contained in memoranda from Kathleen Bennett, formerly Assistant Administrator for Air, Noise and Radiation dated September 28, 1982, and February 15, 1983. The permit conditions that address excess emissions should be consistent with EPA's policy.
- 3. Minimum Sample Volume for Particulate Testing Condition A.40. specifies a sample time and volume of at least 120 minutes and 60 dry standard cubic feet, respectively, for particulate testing, in accordance with 40 CFR 60.48a(b) and 40 CFR 60.11(b). Condition A.48 specifies a sample time from one to four hours and a minimum sample volume of 25 dscf, or other volume as required by rule. Since these permit conditions are inconsistent, a permitting note should be added to Condition A.48. to clarify the required sample time and volume or refer the permittee to Condition A.40.
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- 5. Acid Rain The Phase II Acid Rain Application/Compliance Plan dated December 5, 1995, the Phase I Acid Rain permit dated March 27, 1997, and the Phase II NO_x Compliance Plan dated November 21, 1997, which are referenced as attachments made part of the permit should also be referenced under Section IV, Subsection A.1.
- 6. Acid Rain We recommend that a note be placed in Section IV, Subsection A, A.2, referencing the NOx requirements indicated under Subsection B, B.2. This note should clarify that Florida DEP has approved and incorporated the NOx Early Election requirements into the Phase II permit (part).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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

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Howard L. Rhodes, Director Department of Environmental Protection Air Resources Management Division Mail Station 5500 2600 Blair Stone Road Tallahassee, Florida 32399-2400

OCT 2 1 1999 DIVISION OF AIR RESOURCES MANAGEMENT

SUBJ: EPA's Review of Proposed Title V Permit Seminole Electric Cooperative, Inc. Seminole Power Plant, Palatka, Florida Permit No. 1070025-001-AV

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OCT 21 1999

BUREAU OF AIR REGULATION

Dear Mr. Rhodes:

The purpose of this letter is to provide comments to the Florida Department of Environmental Protection (DEP) on the proposed title V operating permit for the Seminole Power Plant, which was posted on DEP's web site on August 31, 1999. Based on the Environmental Protection Agency's (EPA's) review of the proposed permit and the supporting information for this facility, EPA formally objects, under the authority of Section 505(b) of the Clean Air Act (the Act) and 40 C.F.R. § 70.8(c) (see also Florida Regulation 62-213.450), to the issuance of the title V permit for this facility. The basis of EPA's objection is that the permit does not fully meet the periodic monitoring requirements of 40 C.F.R. § 70.6(a)(3)(i), and does not address all operational requirements and limitations to ensure compliance with all applicable requirements as specified under 40 C.F.R. § 70.6(a)(1).

Section 70.8(c) requires EPA to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the Act or 40 C.F.R. Part 70. Section 70.8(c)(4) and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA and EPA will act accordingly. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised permit be submitted in advance in order that any outstanding issues may be addressed prior to the expiration of the 90-day period.

Pursuant to 40 C.F.R. § 70.8(c), this letter and its enclosure contain a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. Part 70. The enclosure also contains general comments applicable to the permit.

If you have any questions or wish to discuss this further, please contact Mr. Gregg Worley, Chief, Operating Source Section at (404) 562-9141. Should your staff need additional information they may contact Ms. Elizabeth Bartlett, Florida Title V Contact, at (404) 562-9122, or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,

Winston A. Smith

Director

Air, Pesticides and Toxics Management Division

Enclosure

cc: Mr. James R. Duren, Seminole Electric Cooperative

Enclosure

U.S. EPA Region 4 Objection Proposed Part 70 Operating Permit Seminole Electric Cooperative, Inc. Seminole Power Plant Permit no. 1070025-001-AV

I. EPA Objection Issues

- 1. <u>Applicable Requirements</u> As a result of Comments 7.R and 9.R, PSD-based permit conditions A.10. and A.19. were removed from the title V permit. Since PSD permit conditions are considered to be applicable requirements for title V permits, it is unclear why these conditions were removed. Please provide the basis for removing these conditions from the permit, or replace them if they were removed in error.
- 2. Practical Enforceability Condition A.3 specifies that steam electric generating units # 1 and # 2 are permitted to fire coal, coal with a maximum of 30 percent petroleum coke (by weight), No. 2 fuel oil, and on-specification used oil. Additionally, the condition limits the rate of petroleum coke combustion to no more than 186,000 pounds per hour (averaged over 24 hours). However, the permit does not contain adequate record keeping to demonstrate compliance with the fuel combustion limits.

In order for an operational limit to be enforceable as a practical matter there must be a method of establishing compliance with that limit. Condition A.65 requires the source to maintain documentation verifying that the coal and petroleum coke fuel blends that are combusted do not exceed the 30 percent maximum petroleum coke by weight limit. However, the permit does not contain a requirement for the source to record the daily rate of petroleum coke combustion. Therefore, the permit should include a requirement that the source keep daily records of the mass consumption rate of the petroleum coke that is burned in the electric generating units.

Appropriate Averaging Times - The particulate matter emission limits in condition A.5, the volatile organic compound (VOC) emissions limit in condition B.4, and the visible emissions limits in conditions B.6, C.4, and D.4, do not contain averaging times. Because the stringency of emission limits is a function of both magnitude and averaging time, appropriate averaging times must be added to the permit in order for the limits to be practicably enforceable. An approach that may be used to address this deficiency is to include a general condition in the permit stating that the averaging times for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance. If a specific averaging time is selected for the particulate matter emission limit in

condition A.5, Region 4 recommends that a six-hour averaging time be used to be consistent with the requirements of permit condition A.40.

4. <u>Excess Emissions</u> - Condition A.19 includes the following permitting note:

Once a written agreement between Seminole Electric Cooperative and the Northeast District office has been acquired approving a "Protocol for Startup and Shutdown", the protocol is automatically incorporated by reference and is a part of the permit.

EPA Region 4 believes that the "Protocol for Startup and Shutdown" should be subject to public and regulatory review, and processed as a permit modification. Please revise this permitting note to indicate that a permit modification will be required to incorporate this document once it has been approved by the District.

5. <u>Periodic Monitoring:</u> Condition A.50 of the permit requires the source to conduct annual testing for particulate matter. The statement of basis for the permit states that this testing frequency is justified by the low emission rate documented in previous emissions tests while firing coal and that the "Department has determined that sources with emissions less than half of the effective standard shall test annually."

While EPA has in the past accepted this approach as adequate periodic monitoring for particulate matter, it has done so only for uncontrolled natural gas and fuel oil fired units. The units addressed in condition A.50 use add-on control equipment to comply with the applicable particulate matter standard. In order to provide reasonable assurance of compliance, the results of annual stack testing will have to be supplemented with additional monitoring. Furthermore, the results of an annual test alone would not constitute an adequate basis for the annual certification of compliance that the facility is required to submit for these units.

The most common approach to addressing periodic monitoring for particulate emission limits on units with add-on controls is to establish either an opacity or a control device parameter indicator range that would provide evidence of proper control device operation. The primary goal of such monitoring is to provide reasonable assurance of compliance, and one way of achieving this goal is to use opacity data or control device operating parameter data from previous successful compliance tests to identify a range of values that has corresponded to compliance in the past. Operating within the range of values identified in this manner would provide assurance that the control device is operating properly and would serve as the basis for an annual compliance certification. Depending upon the margin of compliance during the tests used to establish the opacity or control device indicator range, going outside the range could represent either a period of time

when an exceedance of the applicable standard is likely or it could represent a trigger for initiating corrective action to prevent an exceedance of the standard. In order to avoid any confusion regarding the consequences of going outside the indicator range, the permit must clearly state if doing so is evidence that a standard has been exceeded and must specify whether corrective action must be taken when a source operates outside the established indicator range.

- 6. Periodic Monitoring Condition B.4 specifies that volatile organic compound emissions shall not exceed 11.84 tons per year. Based on the short term limit for this unit (38.75 pounds per hour) and 8,760 hours of operation per year, unit 003 could emit 167.72 tons per year. Since this value exceeds the annual emission limit of 11.84 tons per year, the permit must be revised to ensure that the annual limit is not exceeded through restriction of operating hours or by some other enforceable means.
- 7. Practical Enforceability The record keeping requirements of Condition B.10 are not specific enough to adequately demonstrate compliance with the hourly VOC emission limit. In addition to recording the application rate of surface coatings, the source must also maintain records for the density and VOC content of each coating that is used. Additionally, the permit must specify a record keeping frequency that corresponds to the averaging time required under Objection Item 3. If the averaging time is short, the proposed mass balance methodology may not be accurate enough to ensure compliance with the pound per hour limit.
- 8. Periodic Monitoring Conditions C.9 and D.9 of the permit require that annual Method 9 tests be conducted for the units listed in the permitting notes. For units with control equipment, this usually does not constitute adequate periodic monitoring to ensure continuous compliance with the visible emissions standard. The permit must require the source to conduct visible emissions observations on a daily basis (Method 22), and that a Method 9 test be conducted within 24 hours of any abnormal qualitative survey. As an alternative to this approach, a technical demonstration can be included in the statement of basis explaining why the State has chosen not to require any additional visible emissions testing. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once a year.

II. General Comments

1. <u>Compliance Certification</u> - Facility-wide Condition 12 of the permit should specifically reference the required components of Appendix TV-3, item 51, which lists the compliance certification requirements of 40 C.F.R. 70.6(c)(5)(iii), to ensure that complete certification information is submitted to EPA.

- Excess Emissions Conditions A.19 and A.20 address the occurrence of excess emissions from the electric generating units. More specifically, excess emission resulting from malfunction are permitted provided that best operational practices to minimize emission are adhered to and the duration of excess emissions are minimized. EPA has recently addressed the issue of excess emissions in a September 20, 1999, policy memorandum from Steven A. Herman, Assistant Administrator for Enforcement and Compliance Assurance, and Robert Perciasepe, Assistant Administrator for Air and Radiation. The September 20, 1999, memo reaffirms and supplements the EPA's original policy regarding excess emissions during malfunction, startup, shutdown, and maintenance, which is contained in memoranda from Kathleen Bennett, formerly Assistant Administrator for Air, Noise and Radiation dated September 28, 1982, and February 15, 1983. The permit conditions that address excess emissions should be consistent with EPA's policy.
- 3. Minimum Sample Volume for Particulate Testing Condition A.40. specifies a sample time and volume of at least 120 minutes and 60 dry standard cubic feet, respectively, for particulate testing, in accordance with 40 CFR 60.48a(b) and 40 CFR 60.11(b). Condition A.48 specifies a sample time from one to four hours and a minimum sample volume of 25 dscf, or other volume as required by rule. Since these permit conditions are inconsistent, a permitting note should be added to Condition A.48. to clarify the required sample time and volume or refer the permittee to Condition A.40.
- 4. <u>Frequency of Compliance Tests</u> Condition B.9 is unclear about whether compliance testing is required on an annual basis or just prior to renewal. Conditions C.9 and D.9 each contain permitting notes which clarify which units are to be tested annually, if any. A similar permitting note should be added for Condition B.9.
- 5. Acid Rain The Phase II Acid Rain Application/Compliance Plan dated December 5, 1995, the Phase I Acid Rain permit dated March 27, 1997, and the Phase II NO_x Compliance Plan dated November 21, 1997, which are referenced as attachments made part of the permit should also be referenced under Section IV, Subsection A.1.
- 6. Acid Rain We recommend that a note be placed in Section IV, Subsection A, A.2, referencing the NOx requirements indicated under Subsection B, B.2. This note should clarify that Florida DEP has approved and incorporated the NOx Early Election requirements into the Phase II permit (part).