Memorandum

Florida Department of Environmental Protection

To:

Joseph Kahn, Division of Air Resource Management

Through:

Trina Vielhauer, Bureau of Air Regulation

Jon Holtom, Title V Section &

From:

Andrew Bass, Title V Section As

Date:

8/2/2010

Subject:

Final Air Permit No. 1070025-016-AC / PSD-FL-372B

Seminole Electric Cooperative, Inc., Seminole Generating Station

SGS Unit 3 Removal Project

The final permit for this project is attached for your approval and signature. The applicant has requested the removal of the sulfuric acid mist (SAM) emissions limit that was established in permit No. 1070025-004-AC (PSD-FL-372), which authorized the replacement and upgrades of pollution control devices in order to satisfy the upcoming requirements of the Clean Air Interstate Rule (CAIR). That permit also established certain emissions limits in preparation for the planned addition of a third coal-fired electric utility steam generating unit, in order to avoid any significant pollution increases that would require a Best Available Control Technology review under the PSD program. The applicant has submitted that the SAM limit was only established to avoid PSD for the new unit and that it should be removed since the new unit will not be built. This project does not authorize any construction or increase any emission limits. It only removes obsolete conditions relating to SAM. The project is not considered a new source review reform project.

The attached Final Determination summarizes the publication and comment process. There are no pending petitions for administrative hearings or extensions of time in which to file a petition for an administrative hearing. I recommend your approval of the attached final permit for this project.

Attachments

TLV/jfk/adb

FINAL DETERMINATION

PERMITTEE

Seminole Electric Cooperative, Inc. 890 North U.S. Highway 17 Palatka, Florida 33688

PERMITTING AUTHORITY

Florida Department of Environmental Protection (Department) Division of Air Resource Management Bureau of Air Regulation, New Source Review Section 2600 Blair Stone Road, MS #5505 Tallahassee, Florida 32399-2400

PROJECT

Air Permit No. 1070025-016-AC / PSD-FL-372B Minor Air Construction Permit Seminole Generating Station

This project is for the revision of permit No. 1070025-004-AC for the above referenced facility. The applicant requested to remove the sulfuric acid mist emissions limit from the permit, as it was established in relation to the proposed SGS Unit 3, which has been abandoned. The revision deletes condition 10 of permit No. 1070025-004-AC, since a potential increase in SAM from the operation of the control devices authorized by that permit is not a concern.

NOTICE AND PUBLICATION

The Department distributed a draft minor air construction permit package on 7/12/2010. The applicant published the Public Notice in the Palatka Daily News on 7/16/2010. The Department received the proof of publication on 7/20/2010. No requests for administrative hearings or requests for extensions of time to file a petition for administrative hearing were received.

COMMENTS

No comments on the draft permit were received from the public, the EPA Region 4 Office or the applicant.

CONCLUSION

The final action of the Department is to issue the permit with no changes.



Florida Department of Environmental Protection

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

Jeff Kottkamp Lt. Governor

Michael W. Sole Secretary

PERMITTEE

Seminole Electric Cooperative, Inc. P.O. Box 272000 Tampa, Florida 33688-2000

Authorized Representative:

Mike Opalinski, Senior Vice President of Strategic Services

Air Permit No. 1070025-016-AC/ PSD-FL-372B Minor Air Construction Permit Seminole Generating Station Removal of SAM Limit

PROJECT

This is the final air construction permit, which revises Permit No. 1070025-004-AC (PSD-FL-372) for the following items: removal of Sulfuric Acid Mist (SAM) emissions limit. Seminole Generating Station is an existing coal and petcoke-fired electric generating facility categorized under Standard Industrial Classification No. 4911. The existing facility is located in Putnam County at 890 North U.S. Highway 17, Palatka, Florida. The UTM coordinates are Zone 17, 438.8 km East and 3289.2 km North.

This final permit is organized into the following sections: Section 1 (General Information) and Section 2 (Permit Revisions).

STATEMENT OF BASIS

This air pollution construction 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.). This project is subject to the general preconstruction review requirements in Rule 62-212.300, F.A.C. and is not subject to the preconstruction review requirements for major stationary sources in Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality. A copy of this permit modification shall be filed with the referenced permit and shall become part of the permit.

Upon issuance of this final permit, any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel (Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000) and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida

Joseph Kahn, Director

Division of Air Resource Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Air Permit package (including the Final Determination and Final Permit Revision) was sent by electronic mail, or a link to these documents made available electronically on a publicly accessible server, with received receipt requested before the close of business on $\frac{8/4/10}{1000}$ to the persons listed below.

Michael Opalinski, Seminole Electric Cooperative, Inc.: mopalinski@seminole-electric.com

Mike Roddy, Seminole Electric Cooperative, Inc.: wmroddy@seminole-electric.com

Tom Davis, ECT, Inc.: tdavis@ectinc.com

Robert Manning, Hopping, Green & Sams: rmanning@hgslaw.com

Jim Alves, Hopping, Green & Sams: jalves@hgslaw.com

Katy Forney, U.S. EPA Region 4: forney.kathleen@epamail.epa.gov

Ana Oquendo, EPA Region 4: oquendo.ana@epamail.epa.gov

Catherine Collins, U.S. Fish and Wildlife Service: catherine_collins@fws.gov

Chris Kirts, DEP-Northeast District: christopher.kirts@dep.state.fl.us

Mike Halpin, DEP Siting Office: mike.halpin@dep.state.fl.us Monica K. Reimer, Earthjustice: mreimer@earthjustice.org

David Guest, Earthjustice: dguest@earthjustice.org Alisa Coe, Earthjustice: acoe@earthjustice.org

Preston Robertson, Florida Wildlife Federation: preston@fwfonline.org

Kristin Henry, Sierra Club: kristin.henry@sierraclub.org Joanne Spalding, Sierra Club: joanne.spalding@sierraclub.org

Gary A. Davis, Gary A. Davis & Associates for Southern Alliance for Clean Energy:

gadavis@enviroattorney.com Phyllis Fox: phyllisfox@gmail.com George Cavros: gcavros@att.net

Barbara Friday, DEP BAR: barbara.friday@dep.state.fl.us (for posting with U.S. EPA, Region 4)

Victoria Gibson, DEP BAR: victoria.gibson@dep.state.fl.us (for reading file)

Clerk Stamp

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

FACILITY DESCRIPTION

The existing facility consists of a coal yard and electric utility steam generating Units 1 and 2, which are coal and petcoke-fired, dry bottom wall-fired boilers with a nominal gross generator rating of 735.9 megawatts. Each unit is equipped with the following air pollution control equipment: an electrostatic precipitator to control particulate matter (PM); an upgraded wet limestone flue gas desulfurization system to control sulfur dioxide (SO_2); low- NO_X burners, low excess air firing and a selective catalytic reduction system to control nitrogen oxides (NO_X); and an alkali injection system to control sulfuric acid mist emissions. Each unit is equipped with continuous emissions monitoring systems to measure and record NO_X and SO_2 emissions as well as a continuous opacity monitoring system to measure and record the opacity of the exhaust gas.

FACILITY REGULATORY CLASSIFICATION

- The facility is a major source of hazardous air pollutants (HAP).
- The facility operates units subject to the acid rain provisions of the Clean Air Act (CAA).
- The facility is a Title V major source of air pollution in accordance with Chapter 213, F.A.C.
- The facility is a major stationary source in accordance with Rule 62-212.400(PSD), F.A.C.

PROPOSED PROJECT

Permit No. 1070025-004-AC (PSD-FL-372) authorized the replacement of the existing low NO_X burners; the addition of selective catalytic reduction (SCR), an alkali injection system, a carbon burnout (CBO) system; and improvements to the existing flue gas desulfurization (FGD) system and steam turbines. These improvements were selected by the applicant in order to satisfy the upcoming requirements of the Clean Air Interstate Rule (CAIR). That permit also established certain emissions limits in preparation for the planned addition of a third coal-fired electric utility steam generating unit. Emissions limits were established for the new control devices (listed as interim limits) to assure that PSD was not triggered and to address ambient air quality concerns. Lower limits were also established (listed as permanent limits) for further PSD avoidance following the addition of the new unit. The applicant subsequently abandoned the plans to construct the third unit and withdrew the construction permit application. The withdrawal of the Unit 3 application made the permanent emissions limits obsolete, leaving the interim limits as the new permanent limits. The obsolete conditions are being removed through a Title V permit revision, which is being issued concurrently with this construction permit revision. Without the addition of the proposed new unit, the possibility of an increase in SAM emissions from the facility no longer exists. While the addition of SCR on the existing Units 1 and 2 could potentially result in an increase in SAM emissions by itself, this potential was far offset by the significant reduction of SAM emissions following the upgrades that were made to the FGD system. Stack testing following the completion of the upgrades indicates that actual SAM emissions are less than 10% of the actual emissions that were measured prior to the upgrades. It is noted that this testing was conducted while the new alkali-injection system was not in operation. However, the applicant has committed to operate it, further reducing the potential for the formation of SAM emissions. Based on the demonstrated reduction in SAM emissions resulting from the new pollution controls, the Department agrees that the emissions limit that was established for SAM to avoid a PSD increase following the addition of Unit 3 is not needed. The removal of the SAM limit does not result in an increase in actual SAM emissions, as no changes in the methods of operation are being authorized.

SECTION 2. PERMIT REVISIONS (FINAL)

The following permit conditions are revised as indicated. Strikethrough is used to denote the deletion of text. Double-underlines are used to denote the addition of text.

Permit Being Modified: Permit No. 1070025-004-AC (PSD-FL-372)

Affected Emissions Units: EU-001 and EU-002.

Subsection 3A, Specific Condition 10: This condition is revised as follows.

- 10. Reserved. Sulfuric Acid Mist (SAM):
 - a. The interim Sulfuric Acid Mist emissions from Units 1 and 2 shall not exceed 0.096 lb/MMBtu, based upon an initial stack test (only) via EPA Method 8 or 8A.
 - b. The permanent limits shall be 0.031 lb/MMBtu (combined for Units 1 and 2), based upon annual stack test via EPA Method 8 or 8A.
 - c. The combined emission rate shall be computed measuring the lb/MMBtu emission rate on each unit, multiplying each unit's maximum emission rate by its annual heat input (MMBtu), adding the total lbs emitted for both Units 1 and 2, and dividing by the total MMBtu heat input for both Units 1 and 2.

 [PSD Avoidance]

Livingston, Sylvia

From: Livingston, Sylvia

Wednesday, August 04, 2010 1:03 PM Sent: To: 'mopalinski@seminole-electric.com'

'wmroddy@seminole-electric.com'; 'tdavis@ectinc.com'; 'rmanning@hgslaw.com'; Cc:

'jalves@hqslaw.com'; 'forney.kathleen@epamail.epa.gov'; 'oquendo.ana@epamail.epa.gov'; 'catherine collins@fws.gov'; 'christopher.kirts@dep.state.fl.us'; 'mike.halpin@dep.state.fl.us';

'mreimer@earthjustice.org'; 'dquest@earthjustice.org'; 'acoe@earthjustice.org';

'preston@fwfonline.org'; 'kristin.henry@sierraclub.org'; 'joanne.spalding@sierraclub.org';

'gadavis@enviroattorney.com'; 'phyllisfox@gmail.com'; 'gcavros@att.net'; 'barbara.friday@dep.state.fl.us'; 'victoria.gibson@dep.state.fl.us'; 'andrew.bass@dep.state.fl.us'; 'jonathan.holtom@dep.state.fl.us';

'elizabeth.walker@dep.state.fl.us'

Seminole Electronic Cooperative, Inc. - Seminole Generating Station; 1070025-016-AC/ Subject:

PSD-FL-372B

Attachments: 1070025-016-AC Signatures.pdf

Dear Sir/ Madam:

Attached is the official Notice of Final Permit for the project referenced below. Click on the link displayed below to access the permit project documents and send a "reply" message verifying receipt of the document(s) provided in the link; this may be done by selecting "Reply" on the menu bar of your e-mail software, noting that you can view the documents, and then selecting "Send".

Note: We must receive verification that you are able to access the documents. Your immediate reply will preclude subsequent e-mail transmissions to verify accessibility of the document(s).

Click on the following link to access the documents:

http://ARM-PERMIT2K.dep.state.fl.us/adh/prod/pdf permit zip files/1070025.016.AC.F pdf.zip

Owner/Company Name: SEMINOLE ELECTRIC COOPERATIVE, INC.

Facility Name: SEMINOLE GENERATING STATION Project Number: 1070025-016-AC / PSD-FL-372B

Permit Status: FINAL

Permit Activity: CONSTRUCTION

Facility County: PUTNAM Processor: Andrew Bass

The Bureau of Air Regulation is issuing electronic documents for permits, notices and other correspondence in lieu of hard copies through the United States Postal System, to provide greater service to the applicant and the engineering community. Access these documents by clicking on the link provided above, or search for other project documents using the "Air Permit Documents Search" website at http://www.dep.state.fl.us/air/emission/apds/default.asp.

Project documents that are addressed in this email may require immediate action within a specified time frame. Please open and review the document(s) as soon as possible, and verify that they are accessible. Please advise this office of any changes to your e-mail address or that of the Engineer-of-Record. If you have any problems opening the documents or would like further information, please contact the Florida Department of Environmental Protection, Bureau of Air Regulation at (850)488-0114.

Livingston, Sylvia

From:

Mike Opalinski [MOpalinski@seminole-electric.com]

Sent:

Wednesday, August 04, 2010 4:00 PM

To:

Livingston, Sylvia

Subject:

Re: Seminole Electronic Cooperative, Inc. - Seminole

GeneratingStation; 1070025-016-

AC/ PSD-FL-372B

This is to confirm that I was able to open and view the referenced documents.

>>> "Livingston, Sylvia" <<u>Sylvia.Livingston@dep.state.fl.us</u>> 8/4/2010 1:03 PM >>>

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Sylvia Livingston
Division of Air Resource Management (DARM)
Department of Environmental Protection
850/921-9561
sylvia.livingston@dep.state.fl.us

Livingston, Sylvia

From:

Tom Davis [tdavis@ectinc.com]

Sent:

Wednesday, August 04, 2010 1:17 PM

To:

Livingston, Sylvia

Subject:

RE: Seminole Electronic Cooperative, Inc. - Seminole Generating Station; 1070025-016-AC/

PSD-FL-372B

Sylvia,

I have received and can access the documents referenced in your email below.

Thanks.

From: Livingston, Sylvia [mailto:Sylvia,Livingston@dep.state.fl.us]

Sent: Wednesday, August 04, 2010 1:03 PM

To: mopalinski@seminole-electric.com

Cc: wmroddy@seminole-electric.com; tdavis@ectinc.com; rmanning@hqslaw.com; jalves@hqslaw.com; forney.kathleen@epamail.epa.gov; oquendo.ana@epamail.epa.gov; catherine_collins@fws.gov; Kirts, Christopher; Halpin,

Mike; mreimer@earthjustice.org; dguest@earthjustice.org; acoe@earthjustice.org; preston@fwfonline.org;

kristin.henry@sierraclub.org; joanne.spalding@sierraclub.org; gadavis@enviroattorney.com; phyllisfox@gmail.com; gcavros@att.net; Friday, Barbara; Gibson, Victoria; Bass, Andrew; Holtom, Jonathan; Walker, Elizabeth (AIR) Subject: Seminole Electronic Cooperative, Inc. - Seminole Generating Station; 1070025-016-AC/ PSD-FL-372B

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