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M. P. Opalinski
Street, Apt. No.
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City, State, ZIP+4
Tampa, FL 33688-2000

PS Form 3800, January 2001

See Reverse for Instructions

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1 Article Addressed to:

Mr. M. P. Opalinski, Director of Environmental & Engineering
Seminole Electric Cooperative, Inc.
16313 North Dale Mabry Highway
Tampa, FL 33688-2000

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

P. Henry 9/28/03

C. Signature

X P. Henry ☐ Agent
☐ Addressee

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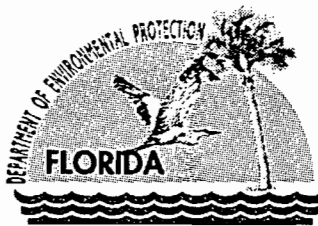
Dept. of Environmental Protection
Division of Air Resources Mgt.
Bureau of Air Regulation, NSR
2600 Blair Stone Rd., MS 5505
Tallahassee, FL 32399-2400

BUREAU OF AIR REGULATION

APR 30 2003

RECEIVED





Jeb Bush
Governor

Department of Environmental Protection

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

April 24, 2003

David B. Struhs
Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. M. P. Opalinski, Director of Environmental and Engineering Services
Seminole Electric Cooperative, Inc.
16313 North Dale Mabry Highway
Tampa, FL 33688-2000

Re: Request for Additional Information
Control Systems Replacement Project
Seminole Generating Station, Units 1 and 2

Dear Mr. Opalinski:

The Department is in receipt of your letter dated April 16th requesting the Department's concurrence that no permitting action is required for the subject project. The Department finds that the letter contains insufficient information in order to provide Seminole Electric with such concurrence.

The determination that Seminole may be required to obtain a permit before making a change to the source is derived from the statutory definition of the term "modification". The regulations exclude "routine maintenance, repair, and replacement" from the definition. In order to evaluate whether the proposed project should be considered as routine maintenance, a four factor test (nature and extent, purpose, frequency, and cost) is applied to the project. In this case, the existing controls are stated by Seminole to be outdated, after having been "installed during initial construction, and [have been] in use for approximately 20 years." In WEPCO (893 F.2d at 912) the court cited certain facts as significant in its finding that the project was non-routine, including, "the renovation work items are those that would normally occur only once or twice during a unit's expected life cycle." Accordingly, based upon the information provided to date, the Department does not believe that the proposed control systems replacement is "routine maintenance, repair, and replacement", and therefore cannot be exempted (on this basis) from NSR's permitting requirements.

A modification is defined as:

- (1) a "physical change" made to the unit, and
- (2) an increase in the emissions of particular pollutants that results from the physical change.

From the information provided, the proposed control systems replacement appears to represent a physical change to the unit(s) and (based upon WEPCO) is not routine. Thus at question is whether the change will result in an increase of emissions. Should you wish to continue to pursue the Department's opinion in this matter, additional information will need to be provided on this issue, as outlined below.

1. Please provide drawings (block diagrams are acceptable) identifying the major control systems which are to be changed, including whether they are stand-alone or interconnected. Such drawings should be provided for the existing controls as well as the modified system.

"More Protection, Less Process"

Printed on recycled paper.

2. Please identify whether any final control elements (FCE) are to be replaced. Such FCE's include valves, motors, pumps, pneumatic actuators, soot blowers, hydraulic couplings, screw feeders, pulverizers, rappers, burners, OFA ports, etc. In the event that such devices are intended to be replaced as a result of this modification, the Department will require the necessary specification sheets of the existing and new FCE's, in order to determine whether potential emissions increases exist.

If you have any questions, please call Michael P. Halpin, P.E. at 850/921-9519.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Halpin".

Michael P. Halpin, P.E.

FDEP/DARM

New Source Review Section

Chris Kirts, DEP-NED



April 16, 2003

RECEIVED
APR 21 2003
BUREAU OF AIR REGULATION

Mr. Al Linero
Professional Administrator
New Source Review Section
Florida Department of Environmental Protection
MS 5505, Mail Center 5515
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Control Systems Replacement Project
Seminole Generating Station, Units 1 and 2

Dear Mr. Linero:

Seminole Electric Cooperative, Inc. (Seminole), is developing plans to replace the existing analog and digital controls of several different plant systems with current technology systems at the Seminole Generating Station (SGS) located in Palatka, Florida. Parts are becoming increasingly unavailable for the existing outdated systems, potentially jeopardizing future unit operation. Seminole believes that this replacement project is routine, and, therefore, does not constitute a *modification* as defined by Rule 62-210.200(169), F.A.C. Moreover, this project will not result in an increase in either actual or potential emission rates. Accordingly, Seminole considers the control replacement project to be exempt from the permitting requirements specified in Chapter 62-4, *Permits*, Rule 62-210.300, *Permits Required*, Chapter 62-212, *Stationary Sources - Preconstruction Review*, and Chapter 62-213, *Operation Permits for Major Sources of Air Pollution*. Seminole requests the Department's concurrence that no permitting action is required.

Facility and Project Overview

The SGS contains two 714.6 MW (nameplate) units, permitted to burn coal, coal/petcoke blend, No. 2 fuel oil, and on-specification used oil. This facility received a PSD permit and a Power Plant Siting Act Certification in late 1979, a Title V permit, effective January 1, 2000, and is subject to NSPS Subpart Da and the Acid Rain Program. Emission control technologies employed at each unit include an electrostatic precipitator (ESP), flue gas desulfurization (FGD) system, low-NOx burners, overfire airports and low excess-air firing. Both units operate in a baseload condition with annual capacity factors of greater than 80% and provide over 65% of the energy to Seminole's member systems.

The existing control systems currently in use at the SGS were installed during initial construction, and have been in use for approximately 20 years. Maintenance of these controls has become increasingly difficult because many repair parts are no longer available. The primary systems proposed to be replaced are Plant-wide Data Acquisition, Boiler Controls, Burner Management and Safety, Interposing Logic and Main Control Room Annunciation. Auxiliary systems include the interface with the turbine driven boiler feed pump controls, turbine vibration monitoring, fan and pump vibration monitoring, performance monitoring, interface with the combustion optimization system, soot blower controls, waste water treatment and water pretreatment controls and new controls for the flue gas desulfurization system. The project is scheduled to be completed during normal length (three to four weeks in duration) planned outages in 2004, 2005 and 2006. The goals of this project are to utilize serviceable/repairable control systems as much as practicable, maintain generation reliability, optimize process management, optimize field equipment maintenance and upgrade existing data collection and documentation capabilities of each unit. The cost is projected to be approximately \$10 to \$12 million (approximately \$5 to \$6 million per unit).

Routine Replacement

This replacement project is routine based on its purpose, nature/extent, frequency and cost, and, therefore, does not constitute a physical change or a change in the method of operation. Accordingly, the control systems replacement is not considered to be a *modification* as defined by Rule 62-210.200(169), F.A.C. and, therefore, is exempt from preconstruction permitting. The project's purpose is to replace the existing controls with current technology systems. The existing control systems are obsolete – they are the original equipment installed when the facility was constructed approximately 20 years ago, and parts and manufacturers service support to repair the existing systems are increasingly difficult to find, or simply not available. Moreover, the controls available now are far superior in terms of efficiency, precision, and reliability, which will improve the amount and quality of data collected, optimize operator response, consolidate auxiliary and equipment maintenance activities, and maintain generation reliability. The nature/extent of the project involves the controls for various systems at the facility, as described above, and does not involve changing any equipment that generates or controls air emissions. The SGS facility's existing control systems are regularly repaired and maintained. Seminole understands that replacing the antiquated controls with modern digital systems is very common in the utility industry for units that were constructed in the 1970's and early 1980's. The cost to replace the controls for these two units, equates to significantly less than one percent of the cost of a single new unit of similar output, and is less than one-third of Seminole's annual maintenance budget. Accordingly, no permitting action should be required for this project because it is exempt as routine.

Mr. Linero
Page 3
April 16, 2003

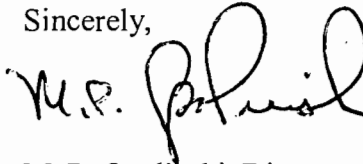
Impact on Emissions

This project modernizes the control systems of the facility and does not involve changes to any equipment that generates or controls air emissions. The project will not affect the units' design heat input capacity or future utilization rate. Accordingly, there should be no direct affect on short term or annual air emissions; any change in utilization/generation will not be a result of the controls replacement. The Seminole Generating Station will continue to comply with all emission limitations contained in FINAL Permit No.: 1070025-001-AV. Regarding possible indirect affects on emissions, several important factors must be considered:

1. The two units at the Palatka facility are base-loaded; they have operated at capacity factors in excess of 80 percent for the last five years.
2. Replacing the controls would not impact (or decrease) the forced outage rate.
3. The new controls will allow for more responsive and precise boiler operations, which should increase the efficiency of the units (i.e., decrease boiler heat rate) and, therefore, reduce the quantity of fuel needed to generate a unit of electricity. Accordingly, the replacement controls project is expected to lower the short term emission rates in units of lb/mmBtu and lb/MW-hr.

In sum, Seminole's planned replacement of the existing control systems with modern technology control systems at the SGS is a routine replacement with no resulting increase in air emissions. If you have any questions after you have reviewed this information, please call me at (813) 739-1233. Thank you for your prompt attention to this matter.

Sincerely,



M. P. Opalinski, Director of Environmental
and Engineering Services
Title V Responsible Official

cc: Trina Vielhauer, DEP
Tom Davis, ECT
Robert Manning, HGS
Chris Kirts, DEP Northeast District Office

STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS

FILED
05 MAY -6 PM 3:47
DIVISION OF
ADMINISTRATIVE
HEARINGS

SEMINOLE ELECTRIC COOPERATIVE, INC.

Petitioner,

v.

DOAH Case No. 05-1228
OGC Case No. 05-0611
OGC Case No. 05-0322

DEPARTMENT OF ENVIRONMENTAL
PROTECTION,

Respondent.

0490340 - 003 - AC

SETTLEMENT AGREEMENT

Petitioner, Seminole Electric Cooperative, Inc. (Seminole), and Respondent, Department of Environmental Protection (Department), hereby enter into this Settlement Agreement in resolution of all issues raised in OGC Case No. 05-0322 and DOAH Case No. 05-1228. (This latter case also has an OGC Case No. of 05-0611.)

1. The referenced cases that are the subject of this Settlement Agreement involve the Department's action in response to Seminole's application, in August 2004, for a Prevention of Significant Determination (PSD) permit to install additional electric generating equipment at the Payne Creek Generating Station in Hardee County, Florida.

2. In February, 2005, the Department issued an Intent to Issue and Draft Air Permit No. PSD-FL-344. On March 7, 2005, Seminole initiated OGC Case No. 05-0322 by filing a Petition for Formal Administrative Hearing that contested certain conditions in that Draft Air Permit No. PSD-FL-344. On March 22, 2005, the Department notified Seminole that the Intent to Issue and Draft Permit No. PSD-FL-344 was being replaced by a Written Notice of Intent to Deny Air Permit. On March 23, 2005, the Department issued an Order dismissing Seminole's

pending Petition for Formal Administrative Hearing as moot. On March 24, 2005, Seminole initiated Case No. OGC 05-0611 by filing a Petition for Formal Administrative Hearing contesting the Department's Written Intent to Deny Air Permit. The Department then referred this petition to the Division of Administrative Hearings, where it was assigned DOAH Case No. 05-1228.

3. The Department and Seminole have shared information and diligently pursued settlement opportunities in lieu of proceeding with a contested administrative hearing.

4. As a result of the ongoing dialogue between the parties, the Department will issue the version of Notice of Intent and Draft permit (Draft Air Permit No. PSD-FL-344) that is attached hereto as Attachment 1.

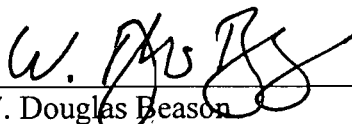
5. The parties mutually agree that the referenced Notice of Intent and Draft Permit (Attachment 1) contain conditions that comply with all applicable requirements and resolve all disputed issues.

6. The parties, in reliance on implementation of this Settlement Agreement, jointly request the Department of Administrative Hearings dismiss DOAH Case No. 05-1228.

7. Each party shall bear its own attorneys' fees and litigation costs.

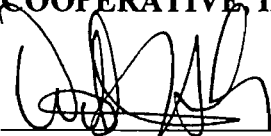
Respectfully submitted this 6th day of May, 2005.

**DEPARTMENT OF ENVIRONMENTAL
PROTECTION**



W. Douglas Beason
Office of General Counsel

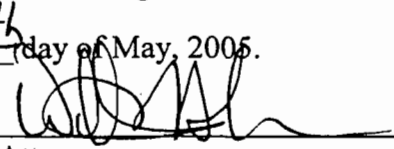
**SEMINOLE ELECTRIC
COOPERATIVE, INC.**



William H. Green
James S. Alves
Attorneys for Seminole Electric
Cooperative, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of the forgoing document has been filed with Division of Administrative Hearings, and a copy served by U.S. Mail on Douglas Beason, Department of Environmental Protection, The Douglas Building, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000 this 5th day of May, 2005.



Attorney

May 4, 2005

Mr. Michael P. Opalinski, Vice President of Technical Services
Seminole Electric Cooperative, Inc. – Payne Creek Generating Station
16313 North Dale Mabry Highway
Tampa, FL 33688-2000

Re: Draft Air Permit No. PSD-FL-344
Project No. 0490340-003-AC
Payne Creek Generating Station, Peaker Project
300 MW nominal capacity increase

Dear Mr. Opalinski:

On August 27, 2004, Seminole Electric Cooperative, Inc. submitted an application to add a nominal 300 MW of generating capacity to the existing Payne Creek Generating Station, which is located at 6697 County Road 663, Bowling Green, Hardee County, Florida. Enclosed are the following documents: "Draft Permit", "Written Notice of Intent to Issue Air Permit", and "Public Notice of Intent to Issue Air Permit".

The "Draft Permit" includes the specific conditions that regulate the emissions units covered by the proposed permit. The "Written Notice of Intent to Issue Air Permit" provides important information regarding: the Permitting Authority's intent to issue an air permit for the proposed project; the requirements for publishing a Public Notice of the Permitting Authority's intent to issue an air permit; the procedures for submitting comments on the Draft Permit; the process for filing a petition for an administrative hearing; and the availability of mediation. The "Public Notice of Intent to Issue Air Permit" is the actual notice that you must have published in the legal advertisement section of a newspaper of general circulation in the area affected by this project.

If you have any questions, please contact the Project Engineer, Michael P. Halpin, P.E. at 850/921-9519.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

TV/mh

Attachment "1"

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

*In the Matter of an
Application for Air Permit by:*

Seminole Electric Cooperative, Inc.
Payne Creek Generating Station
6697 County Road 663
Tampa, Florida 33834

Authorized Representative:

Mr. Michael P. Opalinski, Vice President of Technical Services

Draft Air Permit No. PSD-FL-344
Project No. 0490340-003-AC
Payne Creek Generating Station
Peaker Project
Hardee County, Florida

Facility Location: Seminole Electric Cooperative, Inc. (SECI) operates an existing power plant located in Bowling Green, Hardee, Florida.

Project: The applicant proposes to install five nominal 60 MW gas turbine-electrical generator sets and other miscellaneous support equipment. Upon completion of this project, the plant will have a total generating capacity of approximately 800 MW. The existing facility is subject to the power plant site certification requirements of the Department (PA89-25). Details of the project are provided in the application and the enclosed "Draft Permit".

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above. A copy of the application is available at the Air Resource Section of the Department's Southwest District Office at 3804 Coconut Palm Drive, Tampa, Florida 33619-8218 (Phone: 813/744-6100).

Notice of Intent to Issue Permit: The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Public Notice: Pursuant to Section 403.815, F.S. and Rules 62-110.106 and 62-210.350, F.A.C., you (the applicant) are required to publish at your own expense the enclosed "Public Notice of Intent to Issue Air Permit" (Public Notice). The Public Notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The newspaper used must meet the requirements of Sections 50.011 and 50.031, F.S. in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Permitting Authority at the address or phone number listed above. Pursuant to Rule 62-110.106(5), F.A.C., the applicant shall provide proof of publication to the Permitting Authority at the above address within seven (7) days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Comments: The Permitting Authority will accept written comments concerning the Draft Permit for a period of thirty (30) days from the date of publication of the Public Notice. Written comments must be post-marked, and all email or facsimile comments must be received by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address, email or facsimile. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

web site for notices at <http://tlhora6.dep.state.fl.us/onw> and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a Revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the applicant or any of the parties listed below must be filed within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen (14) days of publication of the attached Public Notice or within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when each petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Written Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above. This PSD permitting action is being coordinated with a certification under the Power Plant Siting Act (Sections 403.501-519, F.S.). If a petition for an administrative hearing on the Department's Intent to Issue Air Permit is filed by a substantially affected person, that hearing shall be consolidated with the certification hearing, as provided under Section 403.507(3), F.S.

Mediation: Mediation is not available in this proceeding.

Executed in Tallahassee, Florida.

Trina Vielhauer, Chief
Bureau of Air Regulation

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this "Written Notice of Intent to Issue Air Permit" package (including the Public Notice, and the Draft Permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on _____ to the persons listed below.

Michael P. Opalinski, SECI *
Mike Roddy, SECI
Tom Davis, ECT
Jim Little, EPA Region 4
Buck Oven, DEP-Siting
Jerry Kissel, DEP-SWD
Gregg Worley, EPA Region 4
John Bunyak, NPS

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.

(Clerk)

(Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection
Project No. 0490340-003-AC / Draft Air Permit No. PSD-FL-344
Seminole Electric Cooperative, Inc. – Payne Creek Generating Station
Hardee County, Florida

Applicant: The applicant for this project is Seminole Electric Cooperative, Inc. (SECI). The applicant's authorized representative is Mr. Michael P. Opalinski, Vice President of Technical Services. The applicant's mailing address is 16313 North Dale Mabry Highway, Tampa, Florida 33688.

Facility Location: SECI operates the existing Payne Creek Generating Station located in the Hardee County, Florida.

Project: The existing Payne Creek Generating Station consists of two nominal 157.5 megawatts (MW) combined-cycle Siemens Westinghouse 501FD combustion turbines. The combined-cycle turbines each include one unfired heat recovery steam generator (HRSG). The combustion turbines only operate in combined-cycle mode (i.e., the HRSGs are not equipped with bypass stacks). Steam generated by the two HRSGs is sent to one common nominal 173 MW steam turbine. The facility utilizes pipeline natural gas as its primary fuel source with distillate fuel oil serving as a backup fuel. After completion of this project, the plant will have a nominal generating capacity of approximately 800 MW.

The existing power plant is located in Hardee County, an area that is currently in attainment with the state and federal Ambient Air Quality Standards (AAQS) or otherwise designated as unclassifiable. The power plant is a major facility in accordance with Rule 62-212.400, F.A.C., the regulatory program for the Prevention of Significant Deterioration (PSD) of Air Quality. Therefore, new projects at the existing facility must be reviewed for PSD applicability.

In August of 2004, the Department received a PSD permit application for the existing facility that would increase the generating output of the facility from 500 to 800 megawatts of output. Based on potential emissions increases, the project is subject to PSD preconstruction review for nitrogen oxides, particulate matter, sulfur dioxide, and volatile organic compounds. In February of 2005, the Department made a preliminary determination of the Best Available Control Technology (BACT) for each of these pollutants. The Department's determination resulted in an emission limitation for Nitrogen Oxides (NO_x) which was more stringent than the applicant had sought, and the applicant filed a petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. Subsequently, settlement discussions resulted in the NO_x emission limit, which is reflected in the terms and conditions of the draft permit. Based on the supporting air quality analysis of the potential impacts from increased operation, the applicant provided the Department with reasonable assurance that the project would not significantly contribute to or cause a violation of any state or federal ambient air quality standards and would not significantly contribute to or cause a violation of any PSD Class I or Class II increments. The facility is subject to the power plant site certification requirements of the Department.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114 and fax number is 850/921-9533.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above. A copy of the application is available at the Air Resource Section of the Department's Southwest District Office at 3804 Coconut Palm Drive, Tampa, Florida 33619-8218 (Phone: 813/744-6100).

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

(Public Notice to be Published in the Newspaper)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Comments: The Permitting Authority will accept written comments concerning the Draft Permit for a period of thirty (30) days from the date of publication of the Public Notice. Written comments must be post-marked, and all e-mail or facsimile comments must be received by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address, email or facsimile. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official web site for notices at <http://tlhora6.dep.state.fl.us/onw> and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a Revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the applicant or any of the parties listed below must be filed within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen (14) days of publication of the attached Public Notice or within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when each petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Public Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above. This PSD permitting action is being coordinated with a certification under the Power Plant Siting Act (Sections 403.501-519, F.S.). If a petition for an administrative hearing on the Department's Intent to Issue Air Permit is filed by a substantially affected person, that hearing shall be consolidated with the certification hearing, as provided under Section 403.507(3), F.S.

Mediation: Mediation is not available in this proceeding.

PERMITTEE:

Seminole Electric Cooperative, Inc.
Payne Creek Generating Station
6697 County Road 663
Bowling Green, FL 33834

Authorized Representative:

Mr. Michael P. Opalinski
Vice President of Technical Services

| | |
|-----------------|---------------------------------|
| ARMS Permit No. | 0490340-003-AC |
| PSD Permit No. | PSD-FL-344 |
| Facility ID No. | 0490340 |
| SIC No. | 4911 |
| Expires: | December 31, 2007 [PA 89-25] |

PROJECT AND LOCATION

This permit is issued pursuant to the requirements for the Prevention of Significant Deterioration of Air Quality (PSD Permit). The proposed project authorizes the installation of five combustion turbine sets, complete with electrical generator sets. The gas turbines are capable of producing a nominal 300 MW of electricity.

The project will be located at the existing Payne Creek Generating Station, located in Hardee County. UTM coordinates for this facility are Zone 17; 405.049 km E; 3057.712 km N.

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.) and 40 CFR 52.21. The permittee is authorized to install the proposed equipment in accordance with the conditions of this permit and as described in the application, approved drawings, plans, and other documents on file with the Department.

APPENDICES

The following Appendices are attached as part of this permit.

- Attachment CS - Compliance Spreadsheet
- Appendix GC - Construction Permit General Conditions

Michael G. Cooke, Director
Division of Air Resource Management

Date:

SECTION I. FACILITY INFORMATION

FACILITY DESCRIPTION

Completion of this project will result in the installation of five new electric power generator sets, capable of providing a nominal 300 MW of electrical power.

NEW EMISSIONS UNITS

The proposed project will result in the following new emissions units.

| Emissions Unit No. | Emissions Unit Description |
|--------------------|---|
| 005 - 009 | Pratt & Whitney Twin Pac Combustion Turbines each representing approximately 60 megawatts of peaking power. |

REGULATORY CLASSIFICATION

HAPs: This facility is a synthetic minor source of hazardous air pollutants (Title III) and the permittee maintains that the synthetic minor status is unaffected by this project.

Acid Rain: This facility is subject to the acid rain provisions of the Clean Air Act (Title IV).

Title V Major Source: This facility is a Title V major source of air pollution.

PSD Major Source: Each pollutant with potential emissions greater than the Significant Emissions Rates specified in Table 62-212.400-2, F.A.C. requires a PSD review. For this project, emissions of NO_x, CO, VOC, PM₁₀ and SO₂ are significant, although CO emissions have been reduced below the PSD significance level (100 TPY) via the application of an oxidation catalyst.

NSPS Sources: The combustion turbines specified in this permit are also subject to regulation under the New Source Performance Standards for Stationary Gas Turbines, 40 CFR 60, Subpart GG.

RELEVANT DOCUMENTS

- Permit application received on 08/27/04
- Intent to Issue Permit package mailed on 05/05/05
- Public Notice published in xxxxxx on xx/xx/xx
- Proof of publication received xx/xx/xx

SECTION II. ADMINISTRATIVE REQUIREMENTS

GENERAL AND ADMINISTRATIVE REQUIREMENTS

1. Permitting Authority: All documents related to applications for permits to construct, operate or modify an emissions unit should be submitted to the Bureau of Air Regulation (BAR), Florida Department of Environmental Protection (DEP), at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400 and phone number 850/488-0114.
2. Compliance Authority: All documents related compliance activities such as reports, tests, and notifications should be submitted to the Air Resources Section of the Southwest District Office, Florida Department of Environmental Protection, 3804 Coconut Palm Drive, Tampa, Florida 323619-8218. The phone number is 813/744-6100 and the fax number is 813/744-6084.
3. Terminology: The terms used in this permit have specific meanings as defined in the applicable chapters of the Florida Administrative Code.
4. General Conditions: The owner and operator are subject to, and shall operate under the attached General Conditions listed in *Appendix GC* of this permit. General Conditions are binding and enforceable pursuant to Chapter 403 of the Florida Statutes. [Rule 62-4.160, F.A.C.]
5. Applicable Regulations, Forms and Application Procedures: Unless otherwise indicated in this permit, the construction and operation of the subject emissions units shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403 of the Florida Statutes (F.S.); Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.); and the Title 40, Parts 60, 72, 73, and 75 of the Code of Federal Regulations (CFR), adopted by reference in Rule 62-204.800, F.A.C. The permittee shall use the applicable forms listed in Rule 62-210.900, F.A.C. and follow the application procedures in Chapter 62-4, F.A.C. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations. [Rules 62-204.800, 62-210.300 and 62-210.900, F.A.C.]
6. PSD Expiration: Approval to construct shall become invalid if construction is not commenced within 18 months after receipt of such approval, or if construction is discontinued for a period of 18 months or more or if construction is not completed within a reasonable time. The Department may extend the 18-month period upon a satisfactory showing that an extension is justified.
7. Permit Expiration: For good cause, the permittee may request that this PSD air construction permit be extended. Such a request shall be submitted to the Department's Bureau of Air Regulation at least sixty (60) days prior to the expiration of this permit. [Rules 62-4.070(4), 62-4.080, and 62-210.300(1), F.A.C.]
8. BACT Determination: In conjunction with extension of the 18 month period to commence or continue construction, phasing of the project, or an extension of the permit expiration date, the permittee may be required to demonstrate the adequacy of Best Available Control Technology (BACT) for the source. [Rule 62-212.400(6)(b), F.A.C.]
9. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]
10. Modifications: No emissions unit or facility subject to this permit shall be constructed or modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]
11. Application for Title IV Permit: At least 24 months before the date on which the new unit begins serving an electrical generator greater than 25 MW, the permittee shall submit an application for a Title IV Acid Rain Permit to the Region 4 Office of the U.S. Environmental Protection Agency in Atlanta, Georgia and a copy to the Department's Bureau of Air Regulation in Tallahassee. [40 CFR 72]
12. Title V Permit: This permit authorizes construction of the permitted emissions unit and initial operation to determine compliance with Department rules. A Title V operation permit is required for regular operation of the permitted emission units. The permittee shall apply for and obtain a Title V operation permit in accordance with Rule 62-213.420, F.A.C. To apply for a Title V operation permit, the applicant shall submit the appropriate application form, compliance test results, and such additional information as the Department may by law require. The application shall

SECTION II. ADMINISTRATIVE REQUIREMENTS

be submitted to the Department's Bureau of Air Regulation and a copy to the Compliance Authority. [Rules 62-4.030, 62-4.050, 62-4.220, and Chapter 62-213, F.A.C.]

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

This section of the permit addresses the following new emissions units.

| E.U. ID No. | COMMON EMISSION UNIT DESCRIPTION |
|-------------|---|
| 005 - 009 | Pratt & Whitney Twin Pac Combustion Turbines each representing approximately 60 megawatts of peaking power. |

BACKGROUND

Seminole Electric filed a petition for administrative hearing on the draft permit issued by the Department on February 4, 2005. This subsequent (draft) permit is issued as the result of a settlement agreement entered between the Department and the applicant resolving that litigation.

This project involves the installation of 10 Pratt & Whitney FT-8 simple cycle combustion turbines with a nominal rating of 30 MW each. These units will be used for peaking purposes and each will operate less than an equivalent of 2000 hours on gas each year¹.

Both parties recognize this as a unique case. This is the only (draft) permit issued by the Department within at least the last five years for simple cycle combustion turbines, used for peaking purposes, that limits operations to an equivalent of 2000 hours on gas each year. As a result of lengthy settlement discussions and the unique aspects of this project, the parties reached a settlement agreement on the NO_x emission limit for gas firing. Therefore, the Department issues this (draft) permit with a NO_x emission limit that is equivalent to 20 ppmvd @ 15% oxygen at 2000 hours per year of natural gas operation for this unique project. This project is not precedent for any other simple cycle combustion turbine project as set forth in the Department's technical evaluation dated February 4, 2005.

¹ 500 hours of oil firing was also requested, although the application was structured so as to allow for gas in lieu of oil.

APPLICABLE STANDARDS AND REGULATIONS

1. Prevention of Significant Deterioration: The emission units addressed in this section are subject to a PSD Review for nitrogen oxides (NO_x), sulfur dioxide (SO₂), particulate matter (PM₁₀), carbon monoxide (CO), Volatile Organic Compounds (VOC) and particulate matter (PM₁₀). [Rule 62-212.400, F.A.C.]
2. NSPS Requirements: The combustion turbines shall comply with all applicable requirements of 40 CFR 60, adopted by reference in Rule 62-204.800(7)(b), F.A.C.
 - (a) Subpart A, General Provisions, including:
 - 40 CFR 60.7, Notification and Record Keeping
 - 40 CFR 60.8, Performance Tests
 - 40 CFR 60.11, Compliance with Standards and Maintenance Requirements
 - 40 CFR 60.12, Circumvention
 - 40 CFR 60.13, Monitoring Requirements
 - 40 CFR 60.19, General Notification and Reporting Requirements
 - (b) Subpart GG, Standards of Performance for Stationary Gas Turbines: These provisions include a requirement to correct test data to ISO conditions; however, such correction is not used for compliance determinations with the BACT standards.

PERFORMANCE RESTRICTIONS

3. Combustion Turbines: The permittee is authorized to install, tune, operate and maintain five new combustion turbine sets with electrical generators (Pratt & Whitney Twin Pac). Each Twin Pac is designed to produce approximately 60 MW of electrical power. [Applicant Request]
4. Permitted Capacity: The heat input to each combustion turbine set from firing natural gas shall not exceed 635.6 MMBtu per hour based on the following: 100% base load, a higher heating value (HHV) for natural gas and a compressor inlet air temperature of 50° F. The heat input to each combustion turbine set from firing No. 2 fuel oil shall not exceed 576.8 MMBtu per hour based on the following: 100% base load, HHV and a compressor inlet air

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

temperature of 78° F. The permittee shall provide manufacturer's performance curves (or equations) that correct for site conditions to the Permitting and Compliance Authorities within 45 days of completing the initial compliance testing. Heat input rates will vary depending upon compressor conditions and the combustion turbine characteristics. Operating data may be adjusted for the appropriate site conditions in accordance with the performance curves on file with the Department. [Design, Rule 62-210.200, F.A.C. (Definition - PTE)]

5. Simple Cycle, Peaking Operation: Each combustion turbine shall operate only in simple cycle mode not to exceed the permitted hours of operation allowed by this permit. This restriction is based on the permittee's request, which formed the basis of the PSD applicability which resulted in the emission standards specified in this permit. For any request to convert this unit to combined cycle operation by installing/connecting to heat recovery steam generators or changes to the fuel quality or quantity which may cause an increase in short or long-term emissions, the permittee may be required to submit a full PSD permit application complete with a new proposal of the best available control technology as if the unit had never been built. [Rules 62-212.400(2)(g) and 62-212.400(6)(b), F.A.C.]
6. Allowable Fuels: Each combustion turbine shall only be fired with natural gas containing no more than 1 grain of sulfur per 100 dry standard cubic feet of gas (monthly average) and 0.05% sulfur distillate oil (or superior). The permittee shall demonstrate compliance with the fuel sulfur limit by keeping the records specified in this permit. [Applicant Request, Rule 62-210.200, F.A.C. (Definition - PTE)]
7. Hours of Operation: Each Twin Pac shall operate no more than 2000 hours on natural gas and 500 hours on distillate fuel oil, subject to the exceptions defined in Condition III. 17. The permittee shall install, calibrate, operate and maintain a monitoring system to measure and accumulate the hours of operation for each Twin Pac. In the event that any increase to the hours of operation (of any fuel type) is sought prior to December 31, 2010 a construction permit application shall be submitted for the installation of an SCR (consistent with the conditions of this permit) prior to the increase being granted. If an increase from the 2000 hours on natural gas and 500 hours on distillate fuel oil is desired after December 31, 2010, the permittee shall be required to submit a full PSD permit application complete with a new proposal of the best available control technology as if the unit had never been built. [Rule 62-212.400, F.A.C.; Rule 62-212.400(2)(g), F.A.C.; Rule 62-210.200, F.A.C. (PTE)]
8. Operating Procedures: The determinations established by this permit rely on "good operating practices" to minimize emissions. Therefore, all operators and supervisors shall be properly trained to operate and maintain the combustion turbines and pollution control systems in accordance with the guidelines and procedures established by the manufacturer. The training shall include good operating practices as well as methods of minimizing excess emissions. [Applicant Request; Rule 62-4.070(3); Rule 62-212.400, F.A.C.]
9. Plant Operation - Problems: If temporarily unable to comply with any of the conditions of the permit due to breakdown of equipment or destruction by fire, wind or other cause, the permittee shall notify the Compliance Authority as soon as possible, but at least within one working day, excluding weekends and holidays. The notification shall include: pertinent information as to the cause of the problem; steps being taken to correct the problem and prevent future recurrence; and, where applicable, the owner's intent toward reconstruction of destroyed facilities. Such notification does not release the permittee from any liability for failure to comply with the conditions of this permit or the regulations. [Rule 62-4.130, F.A.C.]

EMISSIONS CONTROLS

10. Unconfined Particulate Emissions: During the construction period, unconfined particulate matter emissions shall be minimized by dust suppressing techniques such as covering, confining, or applying water or chemicals to the affected areas, as necessary. [Rule 62-296.320(4)(c), F.A.C.]
11. Water Injection/Dry Low NO_x Burner Technology: The permittee shall install, calibrate, tune, operate, and maintain a dry low NO_x burner and/or water injection system for each combustion turbine. The system shall be designed and operated so as to ensure that NO_x emissions are sufficient to achieve the NO_x emission limits in Condition III. 17. [Rule 62-212.400, F.A.C.]
12. Oxidation Catalyst: To control CO and VOC emissions, each combustion turbine shall include an oxidation catalyst. [Design and Rule 62-212.400, F.A.C. – escape PSD]
13. SCR: Should an SCR be installed to control NO_x emissions, each combustion turbine limit will be 5.0 ppm (gas) and 8.0 ppm (oil). In the event an SCR is not installed, the NO_x limits shall be according to Condition III. 17. The

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

installation of SCR prior to December 31, 2010 shall void the natural gas operating hours limitation in Condition III. 7, and allow for 8760 hours of operation per year, 2400 hours of which may be while firing oil. The ammonia slip rate shall be limited to 5 ppmvd @ 15% O₂. All NO_x limits in this condition are in units of ppmvd corrected to 15% oxygen. [Rule 62-212.400, F.A.C.; Rule 62-210.200, F.A.C. (PTE)]

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

EMISSIONS STANDARDS

15. Summary: The following table summarizes the emissions standards for each pollutant and total emissions in lb/hr and TPY (PTE) for informational and convenience purposes only; such standards are not separately enforceable. This table does not supersede any of the terms or conditions of this permit:

| Pollutant | Twin Pac Emission Standards (limits) | Emission Equivalents (lb/hr) | | Emission Unit (lb/year) ¹ | TPY for 5 EU's ¹ |
|------------------|--|------------------------------|------|--------------------------------------|-----------------------------|
| | | OIL | GAS | | |
| NO _x | lb/hr equiv of 20 ppm (gas), 42 ppmvd (oil) @ 15% O ₂ | 102.4 | 51 | 153,200 | 383 |
| CO | 19.9 TPY ² | 2.7 | 13.1 | 27,550 | 68.87 |
| SO ₂ | Natural Gas & 0.05% Sulfur oil | 29.4 | 1.8 | 18,300 | 45.75 |
| PM ₁₀ | VE | 14 | 6 | 19,000 | 47.5 |
| VOC | CO as surrogate | 9.2 | 16.6 | 37,800 | 94.5 |

Notes: (1) Assumed 2000 hours of gas operation and 500 hours of oil operation.

(2) Calculated maximum based upon applicant proposed oxidation catalyst at 90% removal efficiency and proposed limit.

16. Carbon Monoxide (CO):

CO emissions from each Twin Pac shall not exceed 19.9 TPY. The permittee shall demonstrate compliance with this standard by conducting performance tests and emissions monitoring in accordance with EPA Method 10 and the requirements of this permit. [Rule 62-212.400(2)(g), F.A.C. (PSD Avoidance)]

17. Nitrogen Oxides (NO_x):

- (a) NO_x emissions from each Twin Pac while firing gas shall be controlled to achieve an equivalent of 20 ppm at full load for 2000 hours per year, which equates to 102,000 lbs over a rolling 12 calendar month period while firing natural gas as per the attached compliance spreadsheet, attachment and incorporated herein as a part of this permit as attachment CS. In the event that during any rolling 12 calendar month period, the NO_x emissions while firing natural gas are in excess of 102,000 lbs, a corresponding "hours limitation" shall apply to that Twin Pac unit for the next calendar month of actual operation. The hours limitation shall be calculated in accordance with attachment CS and will yield an equivalent and off-setting NO_x reduction for the next calendar month of actual operation. This hours limitation adjustment will ensure a truing up of NO_x emissions on a monthly basis. During the next calendar month of actual operation, any hours operated in excess of the calculated hours limitation ("available hours") shall represent a violation of this permit.
- (b) NO_x emissions from each Twin Pac shall not exceed a 64 lb/hr average over any calendar month while firing natural gas
- (c) During any 12 calendar month rolling average period, should the actual NO_x emissions for a Twin Pac unit total less than 102,000 lbs, it shall be permissible for that Twin Pac unit to fire an additional amount of natural gas (over the 2000 hours limitation in Condition III. 7) provided that:
- (1) The 12-month rolling average of 102,000 lbs of NO_x for natural gas firing is not exceeded, and
 - (2) The allowable hours of oil firing (500 hours per Twin Pac per 12 month period) shall be reduced by one hour for each hour of additional gas firing. In no circumstance shall it be permissible for a Twin Pac to operate over 2500 total hours during any 12 month period.
- (d) NO_x emissions shall not exceed 42 ppmvd while firing fuel oil.
- (e) During the initial twelve calendar months of operation, NO_x emissions while firing natural gas shall not exceed 102,000 lbs per Twin Pac, nor 64 lb/hr averaged over any calendar month.

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

- (f) Compliance with the standard specified herein shall satisfy the NSPS and BACT requirements.
- (g) The permittee shall demonstrate compliance with this standard by conducting performance tests, emissions monitoring and continuous water-to-fuel ratio monitoring in accordance with 40 CFR Part 60 Subpart GG, as well as all other conditions of this permit.
- (h) The attached Compliance Spreadsheet shall be used to calculate NO_x emissions, in accordance with Specific Condition 34.

[Rule 62-212.400, F.A.C.]

18. Particulate Matter (PM/PM₁₀) Sulfur Dioxides (SO₂) and Volatile Organic Compounds (VOC):

- (a) Fuel Specifications. Emissions of PM, PM₁₀, and SO₂ shall be limited by the use of pipeline-quality natural gas containing no more than 1 grain per standard cubic feet, the use of 0.05% Sulfur oil and good combustion techniques as specified in this permit. The permittee shall demonstrate compliance with the fuel sulfur limit by maintaining the records specified by this permit. [Rule 62-212.400, F.A.C. (PSD Applicability)].
- (b) VE Standard. Visible emissions from each combustion turbine shall not exceed 10% opacity, based on a 6-minute average. The permittee shall demonstrate compliance with this standard by conducting tests in accordance with EPA Method 9 and the performance testing requirements of this permit. [Rule 62-212.400, F.A.C. (PSD Applicability)]
- (c) Compliance with the CO standard specified within this permit shall act as a surrogate for the VOC requirements.

EXCESS EMISSIONS

- 19. Excess Emissions Prohibited: Excess emissions caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure that may reasonably be prevented during startup, shutdown or malfunction, shall be prohibited. These emissions shall be included in the calculation of the 12-month rolling averages to demonstrate compliance with the continuous NO_x emissions standard. [Rule 62-210.700(4), F.A.C.]
- 20. Excess Emissions Allowed: Providing the permittee adheres to best operational practices to minimize the amount and duration of excess emissions, the following conditions shall apply:
 - (a) During startup and shutdown, visible emissions excluding water vapor shall not exceed 20% opacity for more than 2 hours in any 24-hour period. [Design; Rule 62-210.700(1) and (5), F.A.C.]
 - (b) During all startups, shutdowns, and malfunctions, the continuous emissions monitor (water-to-fuel ratio or CEMS) shall monitor and record emissions. However, up to 2 hours of monitoring data during any 24-hour period may be excluded from continuous compliance demonstrations as a result of startups, shutdowns, and documented malfunctions. A documented malfunction means a malfunction that is documented within one working day of detection by contacting the Compliance Authority by telephone, facsimile, or electronic mail. In case of malfunctions, the permittee shall notify the Compliance Authorities within one working day. A full written report on the malfunctions shall be submitted in a quarterly report, if requested by the Department. [Design; Rules 62-210.700(1), (5), and 62-4.130, F.A.C.]

EMISSIONS PERFORMANCE TESTING

- 21. Sampling Facilities: The permittee shall design the combustion turbine stack to accommodate adequate testing and sampling locations in order to determine compliance with the applicable emission limits specified by this permit. Permanent stack sampling facilities shall be installed in accordance with Rule 62-297.310(6), F.A.C. [Rules 62-4.070 and 62-204.800, F.A.C., and 40 CFR 60.40a(b)]
- 22. Performance Test Methods: Compliance tests shall be performed in accordance with the following reference methods as described in 40 CFR 60, Appendix A, and adopted by reference in Chapter 62-204.800, F.A.C.
 - (a) EPA Method 9 - Visual Determination of the Opacity of Emissions from Stationary Sources;
 - (b) EPA Method 10 - Determination of Carbon Monoxide Emissions from Stationary Sources;
 - (c) EPA Method 7E - Determination of Nitrogen Oxides Emissions from Stationary Sources (Instrumental Analyzer Procedure); or EPA Method 20 - Determination of Oxides of Nitrogen Oxide, Sulfur Dioxide and Diluent

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

Emissions from Stationary Gas Turbines; or ASTM D6522-00 Standard Test Method for Determination of Nitrogen Oxides, Carbon Monoxide and Oxygen Concentrations in Emissions from Natural Gas-Fired Reciprocating Engines, Combustion Turbines, Boilers and Process Heaters Using Portable Analyzers, as specified in 40 CFR 60.335;

- (d) EPA Method 25 or 25A - Determination of Volatile Organic Concentrations. (EPA Method 18 may be conducted to account for the non-regulated methane portion of the VOC emissions); and
- (e) Conditional Test Method 027 - Measurement of Ammonia Slip; this shall be required in the event that SCR is installed.

No other test methods may be used for compliance testing unless prior DEP approval is received, in writing, from the DEP Emissions Monitoring Section Administrator in accordance with an alternate sampling procedure specified in Rule 62-297.620, F.A.C.

- 23. Test Notification: The permittee shall notify the Compliance Authority in writing at least 30 days prior to initial NSPS performance tests and at least 15 days prior to any other required tests. [40 CFR 60.7, 40 CFR 60.8 and Rule 62-297.310(7)(a)9., F.A.C.]
- 24. Initial Tests Required: Initial performance tests to demonstrate compliance with the emission standards specified in this permit shall be conducted on each combustion turbine within 60 days after achieving at least 90% of maximum production rate, but not later than 180 days after initial operation of the emissions unit. Initial performance tests shall be conducted for CO, NO_x, VOC, ammonia slip (if SCR installed) and visible emissions while combusting each fuel. Initial NO_x performance tests shall be conducted in accordance with the requirements of NSPS Subpart GG and shall also be converted into units of the NSPS emissions standard. [Rule 62-297.310(7)(a)1., F.A.C.]
- 25. Annual Performance Tests:

- a) To demonstrate compliance with the emission standards specified in this permit, the permittee shall conduct annual performance tests for NO_x, CO, and visible emissions for each combustion turbine on each fuel. VOC emission tests are not required annually provided the CO emission standards are being met. The CO standard shall be demonstrated by the measurement of CO emissions upstream and downstream of the oxidation catalyst and by calculating CO removal efficiency. In the event that the measured removal efficiency is less than or equal to 85%, the Department shall be immediately notified and the oxidation catalyst shall be renewed within 120 calendar days of the test date. Failure to fully comply with this requirement shall represent a violation of this permit. Once the oxidation catalyst is renewed, the Department shall be notified as to the actual date complete. Testing for ammonia slip is required during the first scheduled annual performance tests after the cumulative hours of operation on each combustion turbine exceed 1,500 hours of oil firing or 5,000 hours of gas firing starting from the initial installation of the SCR catalysts. Thereafter, ammonia testing is required during the first scheduled annual performance tests after subsequent cumulative 1,500 hours of oil firing and 5,000 hours of gas firing in each combustion turbine or after regeneration, replacement or addition to the SCR catalyst system. If conducted at permitted capacity, NO_x emissions data collected during the annual NO_x continuous monitor RATA required pursuant to 40 CFR 75 may be substituted for the required annual performance test. Tests required on an annual basis shall be conducted at least once during each federal fiscal year (October 1st to September 30th). In the event that the operation of a combustion turbine is less than 400 hours per year on natural gas or distillate oil, annual testing is not required for that year and that fuel. [Rule 62-297.310(7)(a), F.A.C.]
- b) For purposes of demonstrating ongoing qualification as Low Mass Emission (LME) Units, the permittee shall comply with the procedures outlined in 40 CFR 75.19.
- c) Following 3 years of annual testing for each combustion turbine, the permittee may request a reduction in the testing frequency (including retesting of Appendix E NO_x-to-heat input correlation for each combustion turbine) as set forth below:
 - 1) The permittee shall demonstrate to the Department's satisfaction that a group or groups of combustion turbines are performing identically;
 - 2) No more than three of the ten combustion turbines may be considered as identical for the purposes of grouping, i.e. there shall be no less than 4 total groups;

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

- 3) The combustion turbine which is selected for testing within each group will be rotated annually;
- 4) The operating hour exemption from testing shall not apply to an entire group of combustion turbines, i.e. every group shall be required to demonstrate annual compliance during every federal fiscal year;
- 5) Should the combustion turbine selected for annual testing within a group fail to comply with any permitted emission standard or trigger an additional requirement within this permit, every combustion turbine within that group shall be considered to have done likewise and shall be treated as such; and
- 6) The Department reserves the right to discontinue the reduction in testing frequency for annual compliance demonstrations.

[Rule 62-4.070, F.A.C.]

26. Tests Prior to Permit Renewal: Prior to renewing the air operation permit, the permittee shall conduct performance tests for CO, NO_x, VOC and visible emissions from each combustion turbine. Testing for ammonia slip meeting the requirements of Condition 25 (above) 'Annual Performance Tests' will satisfy the requirements of this condition. These tests shall be conducted within the 12-month period prior to renewing the air operation permit. For pollutants required to be tested annually, the permittee may submit the most recent annual compliance test to satisfy the requirements of this provision. [Rule 62-297.310(7)(a)3., F.A.C.]
27. Tests After Major Repairs or Replacements: The Department may require that additional compliance testing be conducted within 90 days after major repairs or replacements are performed. [Rule 62-297.310(7)(a)4., F.A.C.]
28. Combustion Turbine Testing Capacity: Initial performance tests shall be conducted in accordance with 40 CFR 60.8 and 40 CFR 60.335 for pollutants subject to a New Source Performance Standard (NSPS) in Subpart GG for stationary gas turbines. Other required performance tests for compliance with standards specified in this permit shall be conducted with each combustion turbine operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum heat input rate allowed by the permit, corrected for the average ambient air temperature during the test (with 100 percent represented by a curve depicting heat input vs. ambient temperature). If it is impracticable to test at permitted capacity, the source may be tested at less than permitted capacity. However, subsequent operation is limited by adjusting the entire heat input vs. ambient temperature curve downward by an increment equal to the difference between the maximum permitted heat input (corrected for inlet temperature) and 110 percent of the value reached during the test until a new test is conducted. Once the unit is so limited, operation at higher capacities is allowed for no more than 15 consecutive days for the purposes of additional compliance testing to regain the permitted capacity. Emissions performance tests shall meet all applicable requirements of Chapters 62-204 and 62-297, F.A.C. [Rule 62-297.310(2), F.A.C.]
29. Calculation of Emission Rate: For each emissions performance test, the indicated emission rate or concentration shall be the arithmetic average of the emission rate or concentration determined by each of the three separate test runs unless otherwise specified in a particular test method or applicable rule. [Rule 62-297.310(3), F.A.C.]
30. Applicable Test Procedures:
 - (a) Required Sampling Time.
 1. Unless otherwise specified in the applicable rule, the required sampling time for each test run shall be no less than one hour and no greater than four hours, and the sampling time at each sampling point shall be of equal intervals of at least two minutes. [Rule 62-297.310(4)(a)1., F.A.C.]
 2. The minimum observation period for a visible emissions compliance test shall be sixty (60) minutes. The observation period shall include the period during which the highest opacity can reasonably be expected to occur. [Rule 62-297.310(4)(a)2., F.A.C.]
 - (b) Minimum Sample Volume. Unless otherwise specified in the applicable rule or test method, the minimum sample volume per run shall be 25 dry standard cubic feet. [Rule 62-297.310(4)(b), F.A.C.]
 - (c) Calibration of Sampling Equipment. Calibration of the sampling train equipment shall be conducted in accordance with the schedule shown in Table 297.310-1, F.A.C. [Rule 62-297.310(4)(d), F.A.C.]

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

31. Determination of Process Variables:

- (a) Required Equipment. The owner or operator of an emissions unit for which compliance tests are required shall install, operate, and maintain equipment or instruments necessary to determine process variables, such as process weight input or heat input, when such data are needed in conjunction with emissions data to determine the compliance of the emissions unit with applicable emission limiting standards. [Rule 62-297.310(5)(a), F.A.C.]
 - (b) Accuracy of Equipment. Equipment or instruments used to directly or indirectly determine process variables, including devices such as belt scales, weight hoppers, flow meters, and tank scales, shall be calibrated and adjusted to indicate the true value of the parameter being measured with sufficient accuracy to allow the applicable process variable to be determined within 10% of its true value. [Rule 62-297.310(5)(b), F.A.C.]
32. Special Compliance Tests: When the Department, after investigation, has good reason (such as complaints, increased visible emissions or questionable maintenance of control equipment) to believe that any applicable emission standard contained in a Department rule or in a permit issued pursuant to those rules is being violated, it shall require the owner or operator of the emissions unit to conduct compliance tests which identify the nature and quantity of pollutant emissions from the emissions unit and to provide a report on the results of said tests to the Department. [Rule 62-297.310(7)(b), F.A.C.]

CONTINUOUS MONITORING REQUIREMENTS

33. NO_x CEMS: The combustion turbines qualify as Low Mass Emission (LME) Units for the purposes of Acid Rain. Accordingly, the permittee has indicated that these emissions units will follow the procedures outlined in 40 CFR 75.19 in lieu of NO_x CEMS. However, should the permittee elect or be otherwise required to install NO_x CEMS, such NO_x monitoring devices shall comply with the requirements of 40 CFR 60.334(b) for 40 CFR Part 75 monitoring systems. A monitoring plan shall be provided to the Department's Emissions Monitoring Section Administrator, EPA Region 4, and the Compliance Authority for review no later than 45 days prior to the first scheduled certification test pursuant to 40 CFR 75.62. The plan shall consist of data on CEM equipment specifications, manufacturer, type, calibration and maintenance needs, and its proposed location. A monitor for carbon dioxide may be used in place of the oxygen monitor, but the system shall be capable of correcting the emissions to 15% oxygen. [Rule 62-212.400, F.A.C. and 40 CFR 75]
34. Water-to-fuel ratio: Each Twin Pac shall be fitted with continuous water to fuel ratio monitoring equipment, as per 40 CFR 75 Appendix E. Appendix E is an alternative monitoring protocol that may be used by oil and gas-fired peaking units in lieu of installing a CEMS to measure NO_x emissions. Hourly NO_x emissions (lbs for natural gas, ppm for oil) shall be correlated to the results of a series of stack tests based on the heat input to the unit at various water-to-fuel injection ratios. Based upon the measured water-to-fuel ratio, and the measured heat input for each fuel, the actual NO_x emissions shall be calculated. With the appropriate load selection, the Subpart GG performance testing may also be utilized to satisfy the NO_x-to-heat input correlation testing requirements of Appendix E. Retesting of Appendix E NO_x-to-heat input correlation for each combustion turbine shall be required annually, except as provided for within Specific Condition 25 of this permit. The permittee shall solicit a list from the turbine manufacturer of at least four operating parameters (indicative of NO_x formation) with acceptable ranges to serve as QA/QC parameters as per Appendix E. The manufacturer supplied ranges for the parameters, shall be used on an hourly basis to establish that the unit is being operated in a normal fashion and, therefore, that the NO_x-to-heat input correlation (by fuel type) can be used with validity.

COMPLIANCE DEMONSTRATIONS

35. Records Retention: All measurements, records, and other data required by this permit shall be documented in a permanent, legible format and retained for at least five (5) years following the date on which such measurements, records, or data are recorded. Records shall be made available to the Department upon request. [Rules 62-4.160(14) and 62-213.440(1)(b)2., F.A.C.]
36. Fuel Records: The permittee shall demonstrate compliance with the fuel sulfur limits for natural gas and fuel oil specified in this permit by maintaining records required by 40 CFR 60.334 and 60.335. [Rules 62-4.070(3) and 62-4.160(15), F.A.C.]

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

37. Monthly Operations Summary: By the fifth calendar day of each month, the permittee shall record the hours of operation and amount of each fuel fired for each combustion turbine. An hour of operation is defined to include a totalization of every minute within a specified period (e.g. month), during which a permitted fuel is fired (regardless of the amount) divided by 60. The information shall be recorded in a written or electronic log and shall summarize the previous month of operation and the previous 12 months of operation. Information recorded and stored as an electronic file shall be available for inspection and/or printing within at least one day of a request from the Compliance Authority. [Rule 62-4.160(15), F.A.C.]

REPORTS

38. Emissions Performance Test Reports: A report indicating the results of any required emissions performance test shall be submitted to the Compliance Authority no later than 45 days after completion of the last test run. The test report shall provide sufficient detail on the tested emission unit and the procedures used to allow the Department to determine if the test was properly conducted and if the test results were properly computed. At a minimum, the test report shall provide the applicable information listed in Rule 62-297.310(8)(c), F.A.C. [Rule 62-297.310(8), F.A.C.].
39. Excess Emissions Reporting and Semi-annual Reports: If excess NO_x or visible emissions occur due to malfunction, the permittee shall notify the Compliance Authority within (1) working day of: the nature, extent, and duration of the excess emissions; the cause of the excess emissions; and the actions taken to correct the problem. In addition, the Department may request a written summary report of the incident. Following the NSPS format in 40 CFR 60.7(c), Subpart A, periods of startup, shutdown and malfunction, shall be monitored, recorded and reported as excess emissions when emission levels exceed the standards specified in this permit. Within thirty (30) days following each calendar semi-annual period, the permittee shall submit a report on any periods of excess emissions that occurred during the previous semi-annual period to the Compliance Authority. [Rules 62-4.130, 62-204.800, 62-210.700(6), F.A.C., and 40 CFR 60.7]
40. Annual Operating Report: The permittee shall submit an annual report that summarizes the actual operating rates and emissions from this facility. Annual operating reports shall be submitted to the Compliance Authority by March 1st of each year. The Annual Operating Report shall include an estimate of all HAPS emitted, such that the Department can affirm that the facility complies with its synthetic minor status. [Rule 62-210.370(2), F.A.C.]

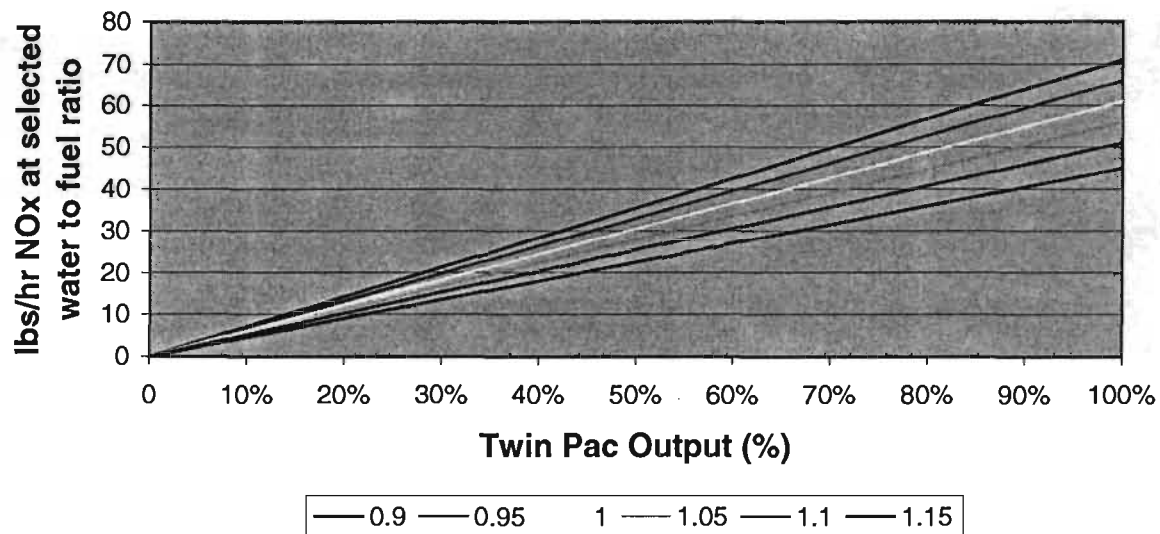
INPUT 1 INPUT 2

| <u>Month</u> | <u>Monthly hours of gas operation</u> | <u>Monthly NOx emitted (lbs)</u> | <u>Monthly lb/hr</u> | <u>Rolling 12 mo. Nox - lbs</u> | <u>Rolling 12 mo. hrs oper.</u> | <u>Rolling 12 mo. lb/hr</u> | <u>Over - lbs (Under) - lbs</u> | <u>Allowable Lbs 12 mo running</u> | <u>Allowable 12 Mo. Gas hrs</u> | <u>Used Hours</u> | <u>Next Mo. Avail. Hours</u> |
|--------------|---|--|--------------------------|---|---|-------------------------------------|-------------------------------------|--|-------------------------------------|-----------------------|--------------------------------------|
| 1 | 0 | 0 | 0 | | | | | | NA | | |
| 2 | 0 | 0 | 0 | | | | | | NA | | |
| 3 | 0 | 0 | 0 | | | | | | NA | | |
| 4 | 0 | 0 | 0 | | | | | | NA | | |
| 5 | 0 | 0 | 0 | | | | | | NA | | |
| 6 | 0 | 0 | 0 | | | | | | NA | | |
| 7 | 0 | 0 | 0 | | | | | | NA | | |
| 8 | 0 | 0 | 0 | | | | | | NA | | |
| 9 | 0 | 0 | 0 | | | | | | NA | | |
| 10 | 0 | 0 | 0 | | | | | | NA | | |
| 11 | 0 | 0 | 0 | | | | | | NA | | |
| 12 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | | NA | | |
| 13 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 14 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 15 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 16 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 17 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 18 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 19 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 20 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 21 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 22 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 23 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 24 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 25 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 26 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 27 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 28 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 29 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |
| 30 | 0 | 0 | 0 | 0 | 0 | 0.0 | -102000 | 102000 | | 0 | 0 |

EXAMPLE: lb/hr NOx at various water to fuel ratios:

| <u>heat input</u> | <u>0.9</u> | <u>0.95</u> | <u>1</u> | <u>1.05</u> | <u>1.1</u> | <u>1.15</u> |
|-------------------|------------|-------------|----------|-------------|------------|-------------|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10% | 7.1 | 6.6 | 6.1 | 5.6 | 5.1 | 4.5 |
| 20% | 14.2 | 13.2 | 12.2 | 11.2 | 10.2 | 9 |
| 30% | 21.3 | 19.8 | 18.3 | 16.8 | 15.3 | 13.5 |
| 40% | 28.4 | 26.4 | 24.4 | 22.4 | 20.4 | 18 |
| 50% | 35.5 | 33 | 30.5 | 28 | 25.5 | 22.5 |
| 60% | 42.6 | 39.6 | 36.6 | 33.6 | 30.6 | 27 |
| 70% | 49.7 | 46.2 | 42.7 | 39.2 | 35.7 | 31.5 |
| 80% | 56.8 | 52.8 | 48.8 | 44.8 | 40.8 | 36 |
| 90% | 63.9 | 59.4 | 54.9 | 50.4 | 45.9 | 40.5 |
| 100% | 71 | 66 | 61 | 56 | 51 | 45 |

Example NOx Calculation



Gibson, Victoria

From: Gibson, Victoria
Sent: Tuesday, April 05, 2005 11:36 AM
To: Light, Lisa
Cc: Vielhauer, Trina
Subject: FW: Seminole Electric

0490340-003-AC
2

-----Original Message-----

From: Halpin, Mike
Sent: Tuesday, April 05, 2005 11:28 AM
To: Gibson, Victoria
Subject: RE: Seminole Electric



Intent to Deny.pdf
(527 KB)

-----Original Message-----

From: Gibson, Victoria
Sent: Tuesday, April 05, 2005 11:15 AM
To: Halpin, Mike
Cc: Light, Lisa
Subject: FW: Seminole Electric

Mike,

Do you have a copy of this that you could send to Lisa as a .pdf?

Vickie

-----Original Message-----

From: Light, Lisa
Sent: Monday, April 04, 2005 4:38 PM
To: Gibson, Victoria
Subject: Seminole Electric

Vicky, I need a copy of the Notice of Intent to Deny, please? Could you zap me a .pdf? Have to file it with DOAH.

Lisa ☺

**STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**SEMINOLE ELECTRIC COOPERATIVE INC.,
Payne Creek Generating Station,**

Petitioner,

vs.

**OGC CASE NO. 05-0322
Draft Air Permit No. PSD-FL-344**

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION,**

Respondent.

ORDER DISMISSING PETITION AS MOOT

On March 7, 2004, the Florida Department of Environmental Protection (Department) received a Petition for Formal Administrative Hearing (Petition) from the Petitioner, Seminole Electric Cooperative, Inc. ("Seminole Electric"). The Petition challenged the Department's Written Intent to Issue an Air Permit (Draft Air Permit No. PSD-FL-344) to Seminole Electric for the Payne Creek Generating Station Peaker Project. The proposed PSD permit would have authorized the construction and initial operation of ten Pratt & Whitney aeroderivative simple-cycle combustion turbines at the existing Payne Creek Generating Station in Hardee County, Florida.

On March 22, 2005, the Department formally withdrew the proposed agency action which was the subject-matter of the Petition filed by Seminole Electric. A copy of the Withdrawal of Written Notice of Intent to Issue Air Permit and Issuance of Written Notice of Intent to Deny Air Permit is attached as Exhibit "A." The Department withdrew its proposed agency action based on its determination that Seminole Electric has failed to provide the requisite reasonable assurance that the proposed project would meet the requirements of Rule 62-212.400, F.A.C., which requires the application of Best Available Control Technology.

The above-referenced notice renders moot the pending Petition. However, the Department's Written Notice of Intent to Deny Air Permit provides Seminole Electric with a separate point-of-entry in the event it should elect to challenge this Agency action.

IT IS THEREFORE ORDERED:


A. The Petition is **DISMISSED**, as moot with respect to the Department's Written Notice of Intent to Issue Air Permit. This dismissal is without prejudice to any rights the Petitioner may have with respect to the Department's Written Notice of Intent to Deny Air Permit.

B. This Order constitutes final agency action of the Department.

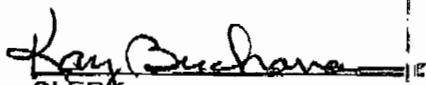
C. Any party to this Order has the right to seek judicial review of the Order under Section 120.68, F.S., by the filing of a notice of appeal under Rule 9.110, Florida Rules of Appellate Procedure, with the clerk of the Department in the Office of General Counsel, 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000, and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate district court of appeal. The notice of appeal must be filed within thirty days after this Order is filed with the clerk of the Department.

DONE AND ORDERED this 23rd day of March, 2005, in Tallahassee, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION


GREGORY M. MUNSON, General Counsel
3900 Commonwealth Boulevard - MS 35
Tallahassee, Florida 32399-3000

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


CLERK

March 23, 2005
DATE


CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished
via U. S. Mail and facsimile on March 15, 2005, to:

Robert A. Manning
James S. Alves
HOPPING GREEN & SAMS
P.O. Box 6526
Tallahassee, FL 32314

facsimile: 224-8551

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**



W. DOUGLAS BEASON,
Assistant General Counsel
Florida Bar No. 379239
3900 Commonwealth Boulevard, MS #35
Tallahassee, Florida 32399-3000
Telephone (850) 245-2242
Facsimile (850) 245-2302

with a courtesy copy to:

Trina L. Vielhauer
Chief
Bureau of Air Regulation

facsimile: 850-921-9533



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

March 22, 2005

Mr. Michael P. Opalinski, Vice President of Technical Services
Seminole Electric Cooperative, Inc. - Payne Creek Generating Station
16313 North Dale Mabry Highway
Tampa, FL 33688-2000

Re: Issuance of Intent to Deny Air Permit No. PSD-FL-344
Project No. 0490340-003-AC
Payne Creek Generating Station, Updater Project
300 MW nominal capacity increase

Dear Mr. Opalinski:

On August 27, 2004, Seminole Electric Cooperative, Inc. ("Seminole Electric") submitted an application for a Prevention of Significant Deterioration ("PSD") permit to add a nominal 300 MW of generating capacity to the existing Payne Creek Generating Station, which is located at 6697 County Road 663, Bowling Green, Hardee County, Florida.

On February 4, 2005, The Department of Environmental Protection issued an Intent to Issue Air Permit and a Draft Permit for the above-referenced project. On March 7, 2005, Seminole Electric filed a Petition for Administrative Hearing pursuant to sections 120.569 and 120.57, Florida Statutes, challenging the issuance of the Department's Draft Permit.

Upon receipt of the Petition for Administrative Hearing, the Department re-evaluated its proposed agency action and made a determination that Seminole Electric's application for a PSD permit should be denied. Accordingly, the Department hereby withdraws the Intent to Issue Air Permit and the Draft Permit and issues the attached Written Notice of Intent to Deny Air Permit.

The "Written Notice of Intent to Deny Air Permit" provides important information regarding the Permitting Authority's Intent to Deny an air permit for the proposed project including the process for filing a petition for an administrative hearing.

If you have any questions, please contact my office at 850/921-9503.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

Exhibit A

'More Protection, Less Process'

Printed on recycled paper.

*In the Matter of an
Application for Air Permit by:*

Seminole Electric Cooperative, Inc.
Payne Creek Generating Station
6697 County Road 663
Tampa, Florida 33834

Authorized Representative:

Mr. Michael P. Opalinski, Vice President of Technical Services

Permit Application No. PSD-FL-344
Project No. 0490340-003-AC
Payne Creek Generating Station
Peaker Project
Hardee County, Florida

Facility Location: Seminole Electric Cooperative, Inc. (SECI) operates an existing power plant located in Bowling Green, Hardee, Florida.

Project: The applicant proposes to install five Pratt-Whitney FT8 Twin Pac Combustion Turbine (nominal 60 MW) gas turbine-electrical generator sets and other miscellaneous support equipment. Upon completion of this project, the plant would have a total generating capacity of approximately 800 MW. The existing facility is subject to the power plant site certification requirements of the Department (PA89-25). Details of the project are provided in the permit application.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above. A copy of the project file is available at the Air Resource Section of the Department's Southwest District Office at 3804 Coconut Palm Drive, Tampa, Florida 33619-8218 (Phone: 813/744-6100).

Notice of Withdrawal of Written Notice of Intent to Issue Air Permit: On February 4, 2005, the Department issued a Written Notice of Intent to Issue Air Permit and a Draft Permit for the above-referenced project. Seminole Electric has filed a Petition for Administrative Hearing with respect to the Department's proposed agency action. The Department has evaluated its proposed agency action and has concluded that Seminole Electric's application for a PSD permit should be denied. Accordingly, the Department hereby withdraws the Written Notice of Intent to Issue Air Permit. The Department's Notice of Withdrawal renders moot the pending Petition for Administrative Hearing. The Department's Written Notice of Intent to Deny Air Permit provides Seminole Electric with a separate point-of-entry in the event it should elect to administratively challenge the Department's permitting decision.

Written Notice of Intent to Deny Air Permit: The Permitting Authority hereby gives Written Notice of its Intent to Deny a PSD permit to the applicant for the project described above. The applicant has failed to provide reasonable assurance that the operation of the proposed FT8 Twin Pac Combustion Turbines and related equipment will comply with all applicable provisions of Chapters 62-4, 62-210, and 62-212, F.A.C. Specifically, the applicant has failed to provide reasonable assurance to demonstrate that a NOx emission rate of 25 parts per million (ppm) using water injection represents Best Available Control Technology for simple cycle combustion turbines. Therefore, the applicant has failed to provide reasonable assurance that the proposed project will meet the requirements of Rule 62-212.400, F.A.C., which requires the application of Best Available Control Technology.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the applicant or any of the parties listed below must be filed within fourteen (14) days of receipt of this Written Notice of Intent to Deny Air Permit. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated

above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when each petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Written Notice of Intent to Deny Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above. Mediation: Mediation is not available in this proceeding.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this "Written Notice of Intent to Deny Air Permit" was sent by certified mail (*), facsimile (**) and copies were mailed by U.S. Mail before the close of business on 3/22/05 to the person listed below.

Michael P. Opalinski, SECI *, **
Mike Roddy, SECI
Tom Davis, ECT
Jim Little, EPA Region 4
Buck Owen, DEP-Siting
Jerry Kissel, DEP-SWD
Gregg Worley, EPA Region 4
Robert Manning, Jim Alves, HGS **
Doug Beason, Pat Comer, OGC **
John Bunyak, NPS

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.

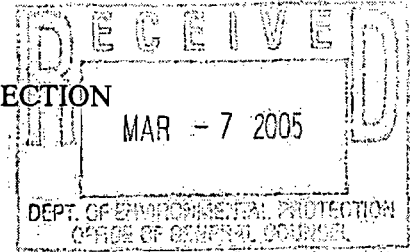
Victoria Wilson 3/22/05
(Clerk) (Date)

Seminole Electric - Payne Creek 0490340-003-AC

(Mike)

[illegible]

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Seminole Electric Cooperative, Inc.

Petitioner,

Vs.

DEP OGC Case No. _____

State of Florida, Department
of Environmental Protection

Respondent.
_____ /

PETITION FOR FORMAL ADMINISTRATIVE HEARING

Petitioner, Seminole Electric Cooperative, Inc. ("Seminole"), through its undersigned attorneys, hereby petitions for a formal administrative hearing contesting certain conditions in the Intent to Issue Air Permit and Draft Permit issued by the Department of Environmental Protection ("Department" or "DEP") on February 4, 2005, in response to Seminole's application for an air permit to authorize the construction and initial operation of ten Pratt and Whitney aeroderivative simple-cycle combustion turbines (nominal 310 MW total) at its existing Payne Creek Generating Station in Hardee County, Florida. This Petition is filed pursuant to Sections 120.569 and 120.57(1), and Chapter 403, Florida Statutes, and Florida Administrative Code Rules 62-110.106 (3) and 28-106.201.

In support of this Petition, Seminole states:

Introduction

1. Although Seminole is contesting numerous conditions in the Department's Intent to Issue and accompanying documents, the primary issue in this case is what constitutes the "Best Available Control Technology" (BACT) for Seminole's project. BACT is defined in Rule 62-210.200(38), Fla. Admin. Code, as:

An emission limitation, including a visible emissions limitation, based on the maximum degree of reduction of each pollutant emitted which the Department, on a case by case basis, taking into account energy, environmental and economic impacts, and other costs, determines is achievable through application of production processes and available methods, systems and techniques (including fuel cleaning or innovative combustion techniques) for the control of each such pollutant.

The Department's proposed BACT determination is fundamentally flawed and incorrect as a matter of fact and law because the Department: (1) disregarded its own cost-effectiveness conclusions; (2) failed to account for the overall environmental impact of its proposed determination; (3) failed to account for the adverse energy (i.e., electricity) supply impacts associated with its proposed determination; (4) is attempting to force Seminole to choose an alternative type of electrical generating system that does not meet Seminole's specific needs; (5) inappropriately categorized Seminole's proposed electrical generating system (ten Pratt & Whitney FT8-3 aeroderivatives), which has unique capabilities particularly suited to Seminole's specific needs, with a substantively different type of combustion turbine system that is materially different with regard to energy reliability, operational features, technical capabilities and emission control features; and (6) established a nitrogen oxide (NOx) emission limit contrary to recent precedents.

Identification of Agency Affected

2. The name and address of the affected agency is as follows:

Department of Environmental Protection
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000
Attn: Mike Halpin

3. The agency file numbers for the project at issue are as follows:

Payne Creek Generating Station Peaking Project
ARMS Permit No. 0490340-003-AC
PSD Permit No. PSD-FL-344

Identification of Petitioner

4. The name, address, and telephone number of the Petitioner is as follows:

Seminole Electric Cooperative, Inc.
16313 N. Dale Mabry Highway
Tampa, Florida 33618
Attn: Mike Opaliniski, Vice President
of Technical Services
(813) 963-0994

5. The address where the project is located is as follows:

Payne Creek Generation Station
6697 County Road 663
Bowling Green, Florida 33834
Hardee County

6. For purposes of this proceeding, the Petitioner is represented by

James S. Alves
Robert A. Manning
Hopping Green & Sams, P.A.
123 South Calhoun Street
Tallahassee, Florida 32301
(850) 222-7500

Notice

7. Seminole received the Department's official written Intent to Issue and accompanying documents on February 10, 2005 by U.S. Mail (Attached as Exhibit A). Seminole filed a Request for Enlargement of Time to file this Petition until March 7, 2005, in an effort to resolve this dispute without resorting to administration litigation.

Substantial Interests Affected

8. Seminole's substantial interests are adversely affected by the proposed agency action, which, without legal or factual justification, contrary to DEP's own regulations, and without benefiting the environment, would require Seminole to install unnecessary and cost-prohibitive emission controls on the new units. This proposed agency action unreasonably impairs Seminole's effort to reliably supply electricity at reasonable rates to its member cooperatives and their customers, enhance fuel diversity, maximize unit efficiency, minimize overall environmental impacts, and efficiently and responsibly serve its members while continuing to be a responsible steward of the environment and meet all applicable air program requirements.

Statement of Material Facts Disputed by Petitioners

9. The disputed facts on which the Department's proposed action is based (as evidenced in the Intent to Issue and accompanying documents) are as follows:

- a. The Department failed to account for the energy and environmental impacts associated with its proposed action. The Department failed to

even acknowledge these substantial factors in its written rationale explaining the basis of the draft permit.

- b. The Department's statement (on page BD-10 of the Preliminary Determination) that the "weight of evidence" compels the establishment of a NOx limit at 15 ppm as BACT when firing natural gas is incorrect.
- c. The Department incorrectly concluded that a 15 ppm NOx limit can be met on Pratt & Whitney FT8 aeroderivative combustion turbines with dry low NOx burner and/or water injection emission control technology. In the "P.E. Certification Statement," DEP's permit engineer certified that Seminole's project could meet the limits DEP determined to be BACT.
- d. The Department inaccurately equated the Pratt & Whitney FT8 aeroderivative simple-cycle combustion turbines with "frame" combustion turbines that are materially different regarding reliability, operation, technical details, and emission controls.
- e. The Department failed to recognize or otherwise appropriately acknowledge recent BACT determinations regarding Pratt & Whitney FT8 aeroderivative simple-cycle combustion turbines that were permitted at 25 ppm NOx emissions using water injection (as requested by Seminole).
- f. The Department failed to recognize or otherwise appropriately acknowledge Seminole's particular power generation needs, and the

specific ability of the Pratt & Whitney FT8-3 machines to most efficiently and effectively meet these needs.

- g. The Department's BACT determination and corresponding emission limitations in the draft permit, as well as additional conditions in the draft permit relating to performance, emission controls, emission limits, excess emissions, testing, monitoring, and compliance are based on flawed technical analysis, mistakes, and misinformation or misapplication of applicable regulations, and are arbitrary, and capricious, and otherwise unsupported by facts or law.

**Statement of Facts That Warrant Reversal of the
Department's Proposed Action**

10. Material facts warranting reversal of the Department's proposed action include the following:

- a. The Department disregarded its own conclusion, on page BD-6 of its Preliminary Determination, that utilizing selective catalytic reduction (SCR) to reduce NOx emissions for Seminole's project would not be cost-effective. (Seminole and the U.S. Environmental Protection Agency, (in a letter dated February 1, 2005 EPA letter to Jim Pennington, attached as Exhibit B, agree with the Department's conclusion that SCR is not a cost-effective emission control technology for Seminole's project.)
- b. In Condition 11 of the draft permit, the Department would require the use of either dry low NOx burners and/or water injection to control

NOx emissions, yet also would impose a NOx emission limitation in Condition 17 of the draft permit that can only be met by utilizing SCR. The Department's awareness of this is evidenced in part by the numerous draft conditions referencing SCR installations and or ammonia (Seminole's project would only use ammonia in the operation of an SCR).

c. The Department failed to consider and account for the energy and environmental impacts of its proposed determination, as required by its own regulations. The only regulatory factor the Department acknowledged considering is cost, and in that context actually agreed with Seminole and expressly dismissed SCR technology as not cost-effective. The Department acknowledged that SCR is too costly but then imposed permit conditions that have the effect of requiring SCR. Ultimately, then, the Department's decision fails to implement any of the three primary considerations required under its own regulations in a BACT determination.

d. The Department's BACT determination apparently is based on ten different combustion turbines (six manufactured by General Electric and four by Siemens) that it supposedly believes can meet Seminole's electric generating needs and also the draft 15 ppm NO_x limit. (See DEP letter dated March 2, 2005, attached as Exhibit C). The Department's belief is factually incorrect for several reasons, including:

(i) All of the machines except one (GE LM6000PD) are "frame" machines rather than aeroderivatives, making them particularly ill-suited to meet Seminole's specific needs.

(ii) There are no GE LM6000PD machines in commercial operation for electrical generation in the United States. Also, this equipment was not offered by GE during Seminole's bid process in 2003, and GE's guaranteed NOx level when firing oil is significantly higher than the FT8-3 (65 ppm v. 42 ppm).

(iii) The GE LM6000s operating at the Orange Cogeneration facility, apparently relied on substantially by the Department, are not the new "PD" version with the recently developed but still unproven DLE technology; these units rather are substantially adjusted older models that incorporate water injection and are not commercially available in that form.

e. Seminole provided detailed information/justification regarding its decision that Pratt & Whitney FT8-3 aeroderivative combustion turbines using water injection NOx-control technology are the best equipment to meet its unique power generation needs, including: (i) they allow for firing both natural gas and oil, furthering the important goal of fuel diversity, (ii) the use of Pratt & Whitney's dry low NOx technology prohibits oil firing, and also results in reduced electricity generation, which would require the installation of an additional unit to meet the necessary 310 megawatt demand, thereby increasing

emissions, (iii) the use of SCR technology is cost-prohibitive, and also results in reduced electricity generation, which would require the installation of an additional unit to meet demand, (iv) with the FT8-3 aeroderivatives, power generation can be brought online in less than 10 minutes and utilized in increments of 12.5 megawatts, which minimizes elevated air emissions typically associated with periods of start-up and shutdown, and running larger units at very low loads, and (v) they allow multiple startups and shutdowns each day (daily cycling) to meet Seminole's relatively unique, predominantly residential load demands without accelerating maintenance needs, which reduces air emissions and enhances reliability. See Seminole's Air Construction Permit Application. See also Seminole's letters to the Department, dated November 10, 2004, and January 11, 2005, responding to Requests for Additional Information. (Attached as Exhibits D and E).

- f. Seminole requested a NOx limit of 25 ppm when firing natural gas and 42 ppm when firing oil. This request is appropriate based on the reasons stated above, as well as the following: (i) water injection is an effective and acceptable NOx emission reduction technology, allowing the FT8-3 units to achieve 25/42 ppm when firing gas/oil, (ii) EPA and other states have recently approved a NOx limit of 25/42 ppm for an FT8-3 when firing gas/oil, (iii) there is not another commercially available aeroderivative, single-cycle combustion turbine in operation

that guarantees NOx emissions less than 25/42 ppm without SCR (iv) use of an SCR to meet a lower limit is not cost-effective, (v) use of an SCR decreases the electricity (MW) produced, thereby requiring an additional unit and its corresponding emissions, and (vi) Seminole's specific power needs can be met most efficiently by the Pratt & Whitney FT8-3.

- g. The Department's BACT determination and corresponding emission limitations in the draft permit, as well as additional conditions in the draft permit relating to performance, emission controls, emission limits, excess emissions, testing, monitoring, and compliance are based on flawed technical analysis, mistakes, and misinformation or misapplication of applicable regulations, and are arbitrary, and capricious, and otherwise unsupported by facts or law. Examples of additional draft permit conditions contested herein include:

- (i) Condition 12, which imposes a carbon monoxide (CO) limit of 7.0 ppm when firing gas and oil, states that the authority for this requirement is the Prevention of Significant Deterioration (PSD) rules. But Seminole's project is not subject to BACT review for CO because its potential emissions are less than the PSD applicability threshold for CO. Seminole volunteered to install an oxidation catalyst to reduce CO emissions and requested a limit of 7 ppm when firing oil and 20 ppm when firing gas.

- (ii) Condition 33, which requires a continuous emission monitor (CEM) for NO_x, when the Acid Rain rules (40 CFR Part 75) allow for alternative monitoring because these units qualify as "low mass emissions" units.

**Statutes and Rules Requiring Reversal
of the Department's Action**

11. The statutes and rules requiring reversal of the Department's action include, at a minimum, Chapters 120 and 403, Florida Statutes, and Chapters 62-210 and 62-212, Florida Administrative Code.

Request for Relief

- 12. Seminole requests that the Department:
 - a. Refer this matter to the Division of Administrative Hearings for a formal hearing pursuant to Section 120.57(1), Florida Statutes;
 - b. Revise the Intent to Issue consistent with the proposed/requested conditions in the application filed by Seminole;
 - c. Provide such other relief as may be appropriate.

Respectfully submitted,
HOPPING GREEN & SAMS

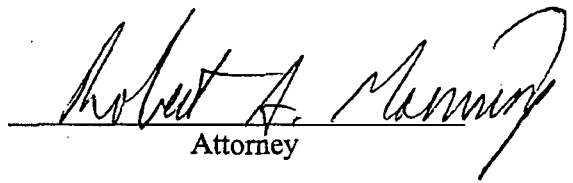
By: 

James S. Alves
Florida Bar No. 0443750
Robert Manning
Florida Bar No. 0035173
Post Office Box 6526
Tallahassee, Florida 32314
(850) 222-7500

Attorneys for Seminole Electric
Cooperative, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand-delivery to Douglas Beason, General Counsel, Florida Department of Environmental Protection, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000, this 7 day of March, 2005.


Attorney

Gibson, Victoria

From: Gibson, Victoria
Sent: Tuesday, February 22, 2005 12:36 PM
To: Light, Lisa; Beason, Doug
Cc: Vielhauer, Trina
Subject: DRAFT Order to Grant for Signature

Importance: High

Hi,

Please find attached for your signature the Draft order to grant on Seminole Electric - Payne Creek 0490340-003-AC OGC # 05-0322:



OrdGrantSeminole.doc (38 KB)

Vickie

Victoria Gibson, Administrative Secretary
Bureau Chief's Office
DEP/Bureau of Air Regulation
victoria.gibson@dep.state.fl.us
850-921-9504

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

SEMINOLE ELECTRIC COOPERATIVE, INC.,
Payne Creek Generating Station

Petitioner,

v.

DEPARTMENT OF ENVIRONMENTAL
PROTECTION,

Respondent.

OGC #05-0322

DEP Permit 0490340-003-AC

**ORDER GRANTING REQUEST FOR EXTENSION
OF TIME TO FILE PETITION FOR HEARING**


This cause has come before the Florida Department of Environmental Protection upon receipt of a request made by Petitioner, Seminole Electric Cooperative, Inc., to grant an extension of time to file a petition for an administrative hearing to allow time to discuss with FDEP several specific permit conditions for its facility in Hardee County, Florida. Because the request shows good cause for the extension of time,

IT IS ORDERED:

The request for an extension of time to file a petition for administrative proceeding is granted. Petitioner shall have until **March 7, 2005**, to file a petition in this matter. Filing shall be complete on receipt by the Office of General Counsel, Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000.

DONE AND ORDERED on this 22nd day of February, 2005, in Tallahassee, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

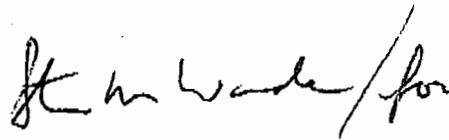

JACK CHISOLM, Deputy General Counsel
3900 Commonwealth Boulevard, M.S. 35
Tallahassee, Florida 32399-3000
850-245-2242 facsimile 850-245-2302

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via
_ U. S. Mail ☒ facsimile ☒ only, this 22nd day of February, 2005, to:

Robert A. Manning
Hopping Green & Sams, P.A.
P. O. Box 6526
Tallahassee, FL 32314

Fax 850-224-8551



W. Douglas Beason, Assistant General Counsel
STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION
3900 Commonwealth Boulevard - Mail Station 35
Tallahassee, FL 32399-3000
850-245-2242 facsimile 850-245-2302

with a courtesy copy to:

Trina L. Vielhauer
Chief
Bureau of Air Regulation

facsimile: 850-921-9533

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

SEMINOLE ELECTRIC COOPERATIVE, INC.
Payne Creek Generating Station

Petitioner,

v.

OGC #05-0322
DEP Permit 0490340-003-AC

DEPARTMENT OF ENVIRONMENTAL
PROTECTION,

Respondent.

**ORDER GRANTING REQUEST FOR EXTENSION
OF TIME TO FILE PETITION FOR HEARING**

This cause has come before the Florida Department of Environmental Protection upon receipt of a request made by Petitioner Seminole Electric Cooperative, Inc., to grant an extension of time to file a petition for an administrative hearing to allow time to discuss with FDEP several specific permit conditions for its facility in Hardee County, Florida. Because the request shows good cause for the extension of time,

IT IS ORDERED:

The request for an extension of time to file a petition for administrative proceeding is granted. Petitioner shall have until **March 7, 2005**, to file a petition in this matter. Filing shall be complete on receipt by the Office of General Counsel, Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000.

DONE AND ORDERED on this _____ day of February, 2005, in Tallahassee, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

JACK CHISOLM, Deputy General Counsel
3900 Commonwealth Boulevard. M.S. 35
Tallahassee, Florida 32399-3000
850-245-2242 facsimile 850-245-2302

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via
__ U. S. Mail __ facsimile __ **only**, this ____ day of February, 2005, to:

Robert A. Manning
Hopping Green & Sams, P.A.
P. O. Box 6526
Tallahassee, FL 32314

Fax 850-224-8551

W. Douglas Beason, Assistant General Counsel
STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION
3900 Commonwealth Boulevard - Mail Station 35
Tallahassee, FL 32399-3000
850-245-2242 facsimile 850-245-2302

with a courtesy copy to:

Trina L. Vielhauer
Chief
Bureau of Air Regulation

facsimile: 850-921-9533

Gibson, Victoria

From: Vielhauer, Trina
Sent: Tuesday, February 22, 2005 8:05 AM
To: Gibson, Victoria
Cc: Halpin, Mike
Subject: Seminole Payne Creek

Vickie,
We had the meeting with the company yesterday. Go ahead and grant their extension of time [I think it was until March 7].

Thanks,
Trina

2/22/2005

Gibson, Victoria

From: Carter, Kathy
Sent: Friday, February 18, 2005 2:11 PM
To: Halpin, Mike
Cc: Chisolm, Jack; Vielhauer, Trina; Gibson, Victoria; Light, Lisa

Mike:

FYI

OGC has received a request for extension of time to file a petition (till 3/7/05) re: Seminole Electric Cooperative, Inc. Payne Creek Gen. Station, DEP 0490340-003-AC.

Kathy Carter

Office of General Counsel
Agency Clerk
245-2212
Kathy.Carter@dep.state.fl.us

THE STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

In the Matter of an
Application for Permit by:

ARMS Permit No.: 0490340-003-AC
PSD Permit No.: PSD-FL-344

Seminole Electric Cooperative, Inc.
Payne Creek Generating Station, Peaker Project
Hardee County, Florida

RECEIVED

FEB 17 2005

BUREAU OF AIR REGULATION

REQUEST FOR ENLARGEMENT OF TIME

By and through undersigned counsel, Seminole Electric Cooperative, Inc. (Seminole) hereby requests, pursuant to Florida Administrative Code Rule 62-110.106(4), an enlargement of time, to and including March 7, 2005, in which to file a Petition for Administrative Proceedings in the above-styled matter. As good cause for granting this request, Progress states the following:

1. By letter dated February 4, 2005, the Department of Environmental Protection (DEP) issued an "Intent to Issue Air Permit" (DRAFT Permit No. 0490340-003-AC) for the facility located at 6697 County Road 663, Bowling Green, Hardee County, Florida. Along with the Intent to Issue, DEP issued a draft air permit and "Public Notice of Intent to Issue Air Permit." Seminole received these documents by U. S. Mail on February 10, 2005.

2. Based on Seminole's review, the draft permit and associated documents contain provisions that warrant clarification or correction.

3. Seminole and DEP are in the process of discussing possible resolutions to the issues needing clarification or correction.

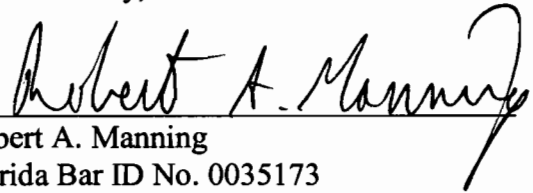
4. This request is filed as a protective measure to avoid waiver of Seminole's right to challenge certain conditions contained in the Draft Air Permit, in the event that an agreement cannot

be reached. Grant of this request will not prejudice either party, but will further their mutual interest and hopefully avoid the need to file a Petition and proceed to a formal administrative hearing.

WHEREFORE, Seminole respectfully requests that the time for filing of a Petition for Administrative Proceedings in regard to DEP's Intent to Issue Draft Permit No. 0490340-003-AC be formally extended to and including March 7, 2005.

RESPECTFULLY SUBMITTED this 17 day of February, 2005.

By:


Robert A. Manning
Florida Bar ID No. 0035173
Hopping Green & Sams, P.A.
123 South Calhoun Street
Post Office Box 6526
Tallahassee, Florida 32314
(850) 222-7500
(850) 224-8551 Facsimile

Attorneys for SEMINOLE ELECTRIC
COOPERATIVE, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Hand Delivery to Kathy Carter, Agency Clerk, and Doug Beason, General Counsel, Florida Department of Environmental Protection, 3900 Commonwealth Boulevard, Suite 300, Tallahassee, Florida 32399-3000; and Trina Vielhauer, Florida Department of Environmental Protection, Division of Air Resource Management, 111 S. Magnolia Drive, Suite 23, Tallahassee, Florida 32399 this 17 day of February, 2004.


Robert A. Manning

[illegible]