



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

February 14, 1997

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. W. Jeffrey Pardue, C.E.P.
Director, Environmental Services Dept.
Florida Power Corp.
3201 34th Street South
St. Petersburg, FL 33711

Re: DRAFT Permit Modification No. PSD-FL-014(A)
Suwannee Facility/Peaking Units P1, P2, P3 - Addition of Natural Gas Capability

Dear Mr. Pardue:

Enclosed is one copy of the Draft Permit Modification to the PSD permit for Combustion Turbines (Peaking Units) P1, P2, and P3 located at the Suwannee Facility, South of U.S. Route 90, Northwest of Live Oak, Suwannee County. The Department's Intent to Issue Permit Modification and the "PUBLIC NOTICE OF INTENT TO ISSUE PERMIT MODIFICATION" are also included.

The "PUBLIC NOTICE OF INTENT TO ISSUE PERMIT MODIFICATION" must be published within 30 (thirty) days of receipt of this letter. Proof of publication, i.e., newspaper affidavit, must be provided to the Department's Bureau of Air Regulation office within 7 (seven) days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit modification.

Please submit any written comments you wish to have considered concerning the Department's proposed action to A. A. Linero, P.E., Administrator, New Source Review Section at the above letterhead address. If you have any other questions, please contact Mr. Linero at 904/488-1344.

Sincerely,


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

CHF/aal/hh

Enclosures

P 265 659 172

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

PS Form 3800, April 1995

Sent to: <i>Jeffrey Pardue</i>	
Street & Number: <i>900 GPO</i>	
Post Office, State, & ZIP Code: <i>St. Pete, FL</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	<i>2-17-97 PSD-F1-014(A)</i>

Is your RETURN ADDRESS completed on the reverse side?

SEND

- Complete this form for address.
- Complete sections 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

extra fee

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
*Jeffrey Pardue, CEP
 Fla. Power Corp.
 3201 34th St. South
 St. Petersburg, FL
 33711*

4a. Article Number
P 265 659 172

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery
2/20/97

5. Received By: (Print Name)

Kathy DeLong

6. Signature: (Addressee or Agent)

Kathy DeLong

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service

Domestic Return Receipt

In the Matter of an
Application for Permit Modification by:

Mr. W. Jeffrey Pardue, C.E.P., Director
Environmental Services Department
Florida Power Corp.
3201 34th Street South
St. Petersburg, Florida 33711 /

DRAFT Permit No. PSD-FL-014(A)
File No. 1210003-002-AC
Suwannee Facility/Suwannee County

INTENT TO ISSUE PERMIT MODIFICATION

The Department of Environmental Protection (Department) gives notice of its intent to issue a permit modification (copy of DRAFT Permit modification attached) for the proposed project, as detailed in the application specified above, for the reasons stated below.

The applicant, Florida Power Corporation (FPC) applied on December 19, 1996 to the Department for a modification of the Conditions of Approval contained in the Final Determination (PSD permit) issued July 9, 1979 by EPA for Combustion Turbines (Peaking Units) P1, P2, and P3 at its Suwannee Facility located South of U.S. Route 90, Northwest of Live Oak, Suwannee, County. The request is for a modification to PSD-FL-014 to allow installation of natural gas firing capability for the mentioned units.

The Department has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, and 62-212. The above actions are not exempt from permitting procedures. The Department has determined that a modification of PSD-FL-014 (which superseded AC61-11862, AC61-11863 and AC61-11864 issued by the Department on November 28, 1978) is required to commence the additional construction at the described facility.

The Department intends to issue this permit modification based on the belief that reasonable assurances have been provided to indicate that operation of these emission units will not adversely impact air quality, and the emission units will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C.

Pursuant to Section 403.815, F.S., and Rule 62-103.150, F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE OF INTENT TO ISSUE PERMIT MODIFICATION". The notice shall be published one time only within 30 (thirty) days in the legal advertisement section of a newspaper of general circulation in the area affected. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of Sections 50.011 and 50.031, F.S., in the county where the activity is to take place. Where there is more than one newspaper of general circulation in the county, the newspaper used must be one with significant circulation in the area that may be affected by the permit. If you are uncertain that a newspaper meets these requirements, please contact the Department at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 904/488-1344; Fax 904/ 922-6979) within 7 (seven) days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit modification pursuant to Rule 62-103.150 (6), F.A.C.

The Department will issue the FINAL Permit Modification, in accordance with the conditions of the enclosed DRAFT Permit Modification unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed DRAFT Permit Modification issuance action for a period of 30 (thirty) days from the date of publication of "PUBLIC NOTICE OF INTENT TO ISSUE PERMIT MODIFICATION." Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. Any written comments

filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Permit Modification, the Department shall issue a Revised DRAFT Permit Modification and require, if applicable, another Public Notice.

The Department will issue the permit modification with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to Sections 120.569 and 120.57 F.S., or a party requests mediation as an alternative remedy under Section 120.573 F.S. before the deadline for filing a petition. Choosing mediation will not adversely affect the right to a hearing if mediation does not result in a settlement. The procedures for petitioning for a hearing are set forth below, followed by the procedures for requesting mediation.

A person whose substantial interests are affected by the Department's 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 (received) in the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000, telephone: 904/488-9730, fax: 904/487-4938. Petitions must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. A petitioner must 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 (or a request for mediation, as discussed below) 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 28-5.207 of the Florida Administrative Code.

A petition must contain the following information: (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Permit File Number and the county in which the project is proposed; (b) A statement of how and when each petitioner received notice of the Department's action or proposed action; (c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action; (d) A statement of the material facts disputed by petitioner, if any; (e) A statement of the facts that the petitioner contends warrant reversal or modification of the Department's action or proposed action; (f) A statement identifying the rules or statutes that the petitioner contends require reversal or modification of the Department's action or proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wants the Department to take with respect to the action or proposed action addressed in this notice of intent.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Department's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

A person whose substantial interests are affected by the Department's proposed permitting decision, may elect to pursue mediation by asking all parties to the proceeding to agree to such mediation and by filing with the Department a request for mediation and the written agreement of all such parties to mediate the dispute. The request and agreement must be filed in (received by) the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000, by the same deadline as set forth above for the filing of a petition.

A request for mediation must contain the following information: (a) The name, address, and telephone number of the person requesting mediation and that person's representative, if any; (b) A statement of the preliminary agency action; (c) A statement of the relief sought; and (d) Either an explanation of how the requester's substantial interests will be affected by the action or proposed action addressed in this notice of intent or a statement clearly identifying the petition for hearing that the requester has already filed, and incorporating it by reference.

The agreement to mediate must include the following: (a) The names, addresses, and telephone numbers of any persons who may attend the mediation; (b) The name, address, and telephone number of the mediator selected by the parties, or a provision for selecting a mediator within a specified time; (c) The agreed allocation of the costs and fees associated with the mediation; (d) The agreement of the parties on the confidentiality of discussions and documents introduced during mediation; (e) The date, time, and place of the first mediation session, or a deadline for holding the first session, if no mediator has yet been chosen; (f) The name of each party's representative who shall have authority to settle or recommend settlement; and (g) The signatures of all parties or their authorized representatives.

As provided in Section 120.573 F.S., the timely agreement of all parties to mediate will toll the time limitations imposed by Sections 120.569 and 120.57 F.S. for requesting and holding an administrative hearing. Unless otherwise agreed by the parties, the mediation must be concluded within sixty days of the execution of the agreement. If mediation results in settlement of the administrative dispute, the Department must enter a final order incorporating the agreement of the parties. Persons whose substantial interests will be affected by such modified final decision of the Department have a right to petition for a hearing only in accordance with the requirements for such petitions set forth above. If mediation terminates without settlement of the dispute, the Department shall notify all parties in writing that the administrative hearing processes under Sections 120.569 and 120.57 F.S. remain available for disposition of the dispute, and the notice will specify the deadlines that then will apply for challenging the agency action and electing remedies under those two statutes.

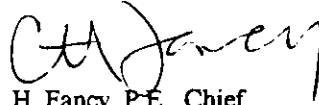
In addition to the above, a person subject to regulation has a right to apply for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542 F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information: (a) The name, address, and telephone number of the petitioner; (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any; (c) Each rule or portion of a rule from which a variance or waiver is requested; (d) The citation to the statute underlying (implemented by) the rule identified in (c) above; (e) The type of action requested; (f) The specific facts that would justify a variance or waiver for the petitioner; (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2) F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the EPA and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

Executed in Tallahassee, Florida.



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

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE PERMIT MODIFICATION (including the PUBLIC NOTICE, and DRAFT permit modification) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 2-17-97 to the person(s) listed:

- Mr. W. Jeffrey Pardue, FPC *
- Mr. Ken Kosky, P.E., Golder Associates
- Mr. Brian Beals, EPA
- Mr. John Bunyak, NPS
- Mr. Chris Kirts, NED

Clerk Stamp

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

Ken Joken 2-17-97
(Clerk) (Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR CONSTRUCTION PERMIT MODIFICATION

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DRAFT Permit Modification No. PSD-FL-014(A)
File No. 1210003-002-AC
Suwannee County

The Department of Environmental Protection (Department) gives notice of its intent to issue a modification of Permit PSD-FL-014 to Florida Power Corporation (FPC) for Combustion Turbines (Peaking Units) P1, P2, and P3 at its Suwannee Facility located South of U.S. Route 90, Northwest of Live Oak, Suwannee, County. A Best Available Control Technology (BACT) determination was not required for pursuant to Rule 62-212.400, F.A.C. and 40 CFR 52.21, Prevention of Significant Deterioration (PSD). The applicant's name and address are: Florida Power Corporation, 3201 34th Street South, St. Petersburg, FL 33711.

The modification is to revise the number of units from the four originally authorized by EPA to the three already constructed and to allow installation of natural gas firing capability.

The three peaking units were each originally permitted to operate up to 1,500 hours per year. In recent years their usage has been less than 350 hours each. In the near future, increased service to 600-1250 hours of operation per year is expected. FPC plans to burn available natural gas, an inherently clean fuel which is available to FPC on an interruptible basis, in lieu of some fuel oil to meet the anticipated demand.

Because of the great variability of usage from year-to-year inherent in peaking units, it is difficult to predict future usage for any given year. FPC provided information to the Department indicating that the operation of these units will greatly increase for demand-related reasons in 1997 with or without addition of natural gas firing capability. Hourly emissions will be very substantially reduced when natural gas is fired in lieu of fuel oil. Per Rule 62-210.200(1)(b), F.A.C., the Department may presume that unit-specific allowable emissions for an emissions unit are equivalent to the actual emissions of the emissions unit. Therefore, there will be no significant increase in PSD pollutants and the project is exempt from PSD and BACT. Burning natural gas will minimize emissions of particulate matter, sulfur dioxide, and nitrogen oxides (NOx).

The Department will issue the FINAL Permit Modification, in accordance with the conditions of the DRAFT Permit Modification unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed DRAFT Permit Modification issuance action for a period of 30 (thirty) days from the date of publication of this Notice. Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Permit Modification, the Department shall issue a Revised DRAFT Permit Modification and require, if applicable, another Public Notice.

The Department will issue FINAL Permit Modification with the conditions of the DRAFT Permit Modification unless a timely petition for an administrative hearing is filed pursuant to Sections 120.569 and 120.57 F.S. or a party requests mediation as an alternative remedy under Section 120.573 before the deadline for filing a petition. Choosing mediation will not adversely affect the right to a hearing if mediation does not result in a settlement. The procedures for petitioning for a hearing are set forth below, followed by the procedures for requesting mediation.

A person whose substantial interests are affected by the Department's 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 (received) in the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000, telephone: 904/488-9370, fax: 904/487-4938. Petitions must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. A petitioner must 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 (or a request for mediation, as discussed below) 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 28-5.207 of the Florida Administrative Code.

A petition must contain the following information: (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Permit File Number and the county in which the project is proposed; (b) A statement of how and when each petitioner received notice of the Department's action or proposed action; (c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action; (d) A statement of the material facts disputed by petitioner, if any; (e) A statement of the facts that the petitioner contends warrant reversal or modification of the Department's action or proposed action; (f) A statement identifying the rules or statutes that the petitioner contends require reversal or modification of the Department's action or proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wants the Department to take with respect to the Department's action or proposed action addressed in this notice of intent.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Department's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

A person whose substantial interests are affected by the Department's proposed permitting decision, may elect to pursue mediation by asking all parties to the proceeding to agree to such mediation and by filing with the Department a request for mediation and the written agreement of all such parties to mediate the dispute. The request and agreement must be filed in (received by) the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000, by the same deadline as set forth above for the filing of a petition.

A request for mediation must contain the following information: (a) The name, address, and telephone number of the person requesting mediation and that person's representative, if any; (b) A statement of the preliminary agency action; (c) A statement of the relief sought; and (d) Either an explanation of how the requester's substantial interests will be affected by the action or proposed action addressed in this notice of intent or a statement clearly identifying the petition for hearing that the requester has already filed, and incorporating it by reference.

The agreement to mediate must include the following: (a) The names, addresses, and telephone numbers of any persons who may attend the mediation; (b) The name, address, and telephone number of the mediator selected by the parties, or a provision for selecting a mediator within a specified time; (c) The agreed allocation of the costs and fees associated with the mediation; (d) The agreement of the parties on the confidentiality of discussions and documents introduced during mediation; (e) The date, time, and place of the first mediation session, or a deadline for holding the first session, if no mediator has yet been chosen; (f) The name of each party's representative who shall have authority to settle or recommend settlement; and (g) The signatures of all parties or their authorized representatives.

As provided in Section 120.573 F.S., the timely agreement of all parties to mediate will toll the time limitations imposed by Sections 120.569 and 120.57 F.S. for requesting and holding an administrative hearing. Unless otherwise agreed by the parties, the mediation must be concluded within sixty days of the execution of the agreement. If mediation results in settlement of the administrative dispute, the Department must enter a final order incorporating the agreement of the parties. Persons whose substantial interests will be affected by such modified final decision of the Department have a right to petition for a hearing only in accordance with the requirements for such petitions set forth above. If mediation terminates without settlement of the dispute, the Department shall notify all parties in writing that the administrative hearing processes under Sections 120.569 and 120.57 F.S. remain available for disposition of the dispute, and the notice will specify the deadlines that then will apply for challenging the agency action and electing remedies under those two statutes.

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: 904/488-1344
Fax: 904/922-6979

Department of Environmental Protection
Northeast District Office
7825 Baymeadows Way, Suite 200B
Jacksonville, FL 32256-7590
Telephone: 904/448-4300
Fax: 904/448-4363

The complete project file includes the Draft Permit Modification, the application, and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Administrator, New Resource Review Section at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 904/488-1344, for additional information.

DRAFT

March XX, 1997

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. W. Jeffrey Pardue, C.E.P.
Director, Environmental Services Dept.
Florida Power Corp.
3201 34th Street South
St. Petersburg, FL 33711

Re: Suwannee Power Plant, Peaking Units P1, P2, and P3
Modification of Final Determination - PSD-FL-014(A)
Addition of Natural Gas Capability

Dear Mr. Pardue:

The Department hereby amends the Conditions of Approval related to emissions and fuel use in the subject Final Determination (dated July 9, 1979) pursuant to 40CFR52.21 - Prevention of Significant Deterioration (PSD Permit). The PSD permit is amended as follows:

Introduction

References to the number of turbines are reduced to three from four.

Condition 1.(3) (new)

(3) From any gas turbine, while actually firing natural gas, any exhaust gases which contain nitrogen oxides in excess of 0.0068 percent by volume at 15 percent oxygen and on a dry basis.

A copy of this modification letter and the General Permit Conditions pursuant to Rule 62-4.160, F.A.C. shall be attached to and shall become a part of Permit PSD-FL-014.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Howard L. Rhodes, Director
Division of Air Resources Management

DRAFT

APPENDIX GC
GENERAL PERMIT CONDITIONS [F.A.C. 62-4.160]

- G.1 The terms, conditions, requirements, limitations, and restrictions set forth in this permit are "Permit Conditions" and are binding and enforceable pursuant to Sections 403.161, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.
- G.2 This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings or exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
- G.3 As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey and vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations. This permit is not a waiver or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.
- G.4 This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
- G.5 This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
- G.6 The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit, as required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.
- G.7 The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law and at a reasonable time, access to the premises, where the permitted activity is located or conducted to:
- (a) Have access to and copy and records that must be kept under the conditions of the permit;
 - (b) Inspect the facility, equipment, practices, or operations regulated or required under this permit, and,
 - (c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Department rules.

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

- G.8 If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:
- (a) A description of and cause of non-compliance; and
 - (b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the non-compliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the non-compliance.

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

APPENDIX GC
GENERAL PERMIT CONDITIONS [F.A.C. 62-4.160]

- G.9 In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is prescribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.
- G.10 The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance, provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules.
- G.11 This permit is transferable only upon Department approval in accordance with Florida Administrative Code Rules 62-4.120 and 62-730.300, F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Department.
- G.12 This permit or a copy thereof shall be kept at the work site of the permitted activity.
- G.13 This permit also constitutes:
- (a) Determination of Best Available Control Technology (X)
 - (b) Determination of Prevention of Significant Deterioration (X); and
 - (c) Compliance with New Source Performance Standards (X).
- G.14 The permittee shall comply with the following:
- (a) Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.
 - (b) The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application or this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Department rule.
 - (c) Records of monitoring information shall include:
 - 1. The date, exact place, and time of sampling or measurements;
 - 2. The person responsible for performing the sampling or measurements;
 - 3. The dates analyses were performed;
 - 4. The person responsible for performing the analyses;
 - 5. The analytical techniques or methods used; and
 - 6. The results of such analyses.
- G.15 When requested by the Department, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.

**DIVISION OF AIR RESOURCES MANAGEMENT
BUREAU OF AIR REGULATION
NEW SOURCE REVIEW SECTION
Telephone (904) 488-1344
Fax (904) 922-6979**

**TECHNICAL EVALUATION
AND
PRELIMINARY DETERMINATION**

Suwannee Facility/Peaking Units P1, P2, P3

Florida Power Corporation

Facility ID No. 1210003
Live Oak
Suwannee County

Air Construction Permit Modification No. PSD-FL-014(A)
File No. 1210003-002-AC

February 14, 1997

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

1. Applicant

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711

2. Source Name and Location

Suwannee Power Plant
Units P1, P2, P3
Live Oak, Florida

3. Source Description

The Florida Power Corporation (FPC) Suwannee Power Plant consists of three fossil fuel steam generators that are fired by No. 6 fuel oil and natural gas and three combustion turbines that are fired by No. 2 fuel oil.

The three combustion turbines (P1, P2, P3) are each 63 megawatt simple cycle units manufactured by Turbo Power and Marine Systems (Model FTAC-3LF). The units are fired with No. 2 fuel oil containing 0.5 percent (%) or less sulfur. Annual hours of operation are limited to 1,500. Control measures and equipment include water injection at specific water-to-fuel ratios to meet nitrogen oxides (NO_x) limits.

Since their startup in late 1980, these units have typically been utilized for a few hundred hours per year. Since 1993, operation of these units has ranged from approximately 50 to 350 hours each. This characteristic of relatively low levels of operation is typical of peaking units. Among the reasons are the inherent thermal inefficiency that results in the turbine use being primarily limited to extreme meteorological conditions, and unavailability of baseload plants. Although the use is usually low, these units can, during extreme years, be called upon to provide service at much higher rates within their permitted limits.

FPC projects substantially increased use during 1997 to approximately 550 to 1000 hours per unit while fired exclusively with fuel oil. This is largely due to unavailability of the baseloaded Crystal River Unit 3.

4. Current Permit and Major Regulatory Program Status

Construction of P1-P3 was authorized by EPA's Prevention of Significant Deterioration Permit No. PSD-FL-014 issued July 9, 1979 that superseded the Department's Air Construction Permit AC61-11862, 11863, and 11863 issued on November 28, 1978. The units were also reviewed in accordance with the New Source Performance Standard (NSPS) Subpart GG - Standards of Performance for Stationary Gas Turbines which was considered to be the Best Available Control Technology (BACT) at the time. One more identical unit was also authorized but never constructed. The three units are operated under Air Operation Permit AO61-189579 revised on March 21, 1991.

As a major source, any modification of P1-P3 resulting in emissions increases must be evaluated for significance per Table 62-212.400-2, F.A.C. to determine if further PSD review is required along with an updated BACT Determination.

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

5. Permit Modification Request

On December 19, 1996 the Department received a request from FPC for modification of its permits to install natural gas firing capability for units P1-P3. Limited quantities of gas will be available to FPC on an "interruptible basis." No increase in hours of operation was requested and FPC proposed to reduce allowable nitrogen oxides (NO_x) emissions from 98 parts per million (ppm - corrected for efficiency, excess air, and fuel bound nitrogen) permitted while firing fuel oil to 56 ppm when firing gas.

On December 20, 1996 the Department requested additional fees to process the application based on the presumption of PSD applicability. A response was received from FPC by the Department on January 20, 1997 increasing its estimate of NO_x to 68 ppm and reducing its estimates of carbon monoxide (CO) and volatile organic compounds (VOC) to less-than-significant increases. Additional details were received by the Department on January 28.

6. Potentially Applicable Major Rules

Major rules that could potentially apply to this permit modification request include the following:

- Rule 62-212.400, F.A.C. - Prevention of Significant Deterioration of Air Quality
- 40 CFR 60 - Standards of Performance for New Stationary Sources, Subpart GG - Standards for Stationary Gas Turbines (adopted by reference in Chapter 62-204, F.A.C.) and
- Chapter 62-297, F.A.C., related to emissions monitoring at stationary sources.

The primary regulatory issue pertinent to FPC's permit modification is that of PSD permitting applicability. Modifications which result in a *significant net emission rate increase* are classified as major modifications and therefore subject to PSD review. The procedures for determining whether a significant net emission rate increase will occur were changed for steam units only by EPA in July 1992 as a result of the Wisconsin Electric Power Company (WEPCO) litigation.

In the absence of applicability of the WEPCO decision (as reflected in revisions of Rule 62-210 and 62-212, F.A.C.), the calculation of a net emission increase for sources other than steam units is based on comparing actual annual emissions for the two year period prior to the change (before case) with potential emissions following the change (after case). Another two year period (within a five year period prior to the change) can be used if it is demonstrated to be more representative of normal source operation. Potential emissions are calculated assuming operation at rated capacity for the number of hours allowed by the enforceable permit conditions. This procedure is referred to as the *actual-to-potential* method.

Operation on gas and fuel oil will result in approximately 300 hours extra hours of usage in 1997 (to 950-1250 hours) compared to operation on fuel oil alone for each peaking unit at Suwannee and a decrease at some peaking units elsewhere in the FPC system. This will also result in PSD-significant emissions increases under the *actual-to-potential* test. However while operating on gas, these units will emit considerably less emissions than while firing fuel oil. Following is an estimate of emissions for the three units at full capacity for gas compared with oil:

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

COMPARISON OF EMISSIONS FROM FUEL OIL AND GAS AT SUWANNEE

<u>Pollutant</u>	<u>No. 2 Fuel Oil</u>		<u>Natural Gas</u>	
	<u>lb/hr</u>	<u>tons/yr</u>	<u>lb/hr</u>	<u>tons/yr</u>
NO _x	210	473	144	323
PM/PM ₁₀	38	86	31	70
CO	179	402	193	435
VOC's	23	51	25	56
SO ₂	379	853	2	5
SAM	12	26	0.4	1

The decreases in hourly emissions while operating under gas are very significant for pollutants of greatest concern. However because of the fact that the units can still fire fuel oil, their potential to emit will remain relatively unchanged even though true actual emissions may well be reduced based on a WEPCO-type evaluation.

7. Evaluation of PSD Applicability

The main issue regarding FPC's permit modification is that of PSD review applicability. The Department's detailed assessment of this regulatory issue follows.

A brief description of the PSD review procedures was provided above. As mentioned, EPA and the Department have not revised their rules to implement the WEPCO PSD review procedures for sources other than steam units. The Department's definitions of "actual" and "potential" emissions (per Chapter 62-210 (12) and (225), F.A.C.) for units other than steam units follow:

(12) "Actual Emissions" The actual rate of emission of a pollutant from an emissions unit as determined in accordance with the following provisions:

(12)(a) In general, actual emissions as of a particular date shall equal the average rate, in tons per year, at which the emissions unit actually emitted the pollutant during a two year period which precedes the particular date and which is representative of the normal operation of the emissions unit.

The Department may allow the use of a different time period upon a determination that it is more representative of the normal operation of the emissions unit. Actual emissions shall be calculated using the emissions unit's actual operating hours, production rates and types of materials processed, stored, or combusted during the selected time period.

(12)(b) The Department may presume that unit-specific allowable emissions for an emissions unit are equivalent to the actual emissions of the emissions unit provided that, for any regulated air pollutant, such unit-specific allowable emissions limits are federally enforceable.

(12)(c) For any emissions unit (other than an electric utility steam generating unit specified in subparagraph (d) of this definition) which has not begun normal operations on a particular date, actual emissions shall equal the potential emissions of the emissions unit on that date.

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

(225) "Potential Emissions" or "Potential to Emit" - The maximum capacity of an emission unit or facility to emit a pollutant under its physical and operational design. Any enforceable physical or operational limitation on the capacity of the emission unit or facility to emit a pollutant, including any air pollution control equipment and any restrictions on hours of operation or on the type or amount of material combusted, stored, or processed shall be treated as part of its design provided that, for any regulated air pollutant, such physical or operational limitation is federally enforceable.

Because of the great variability of usage from year-to-year inherent in peaking units the Department does not believe that any two year period within the past five years properly represents actual emissions. This is further validated by the very substantial increase in hours of operation expected in 1997 even without addition of natural gas capability. Therefore in accordance with Rule 62-210(12)(b), the Department will presume that allowable emissions would better reflect the "before" case for comparison with the "after" case following the proposed change.

Based on the above analysis, the Department concludes that the addition of gas firing capability, as described in FPC's permit application, will not result in a significant net increase in any PSD regulated pollutant and therefore the permit modification regarding the use of gas Units P1-P3 is not subject to PSD review.

If PSD were applied, natural gas combustion would suffice as BACT for most pollutants. In the case of NO_x, the proposed limit of 68 ppm would not likely meet an updated BACT requirement. However, additional NO_x control measures for a peaking unit firing natural gas, on an interruptible basis, would probably not prove to be cost-effective.

There is at least one precedent for exempting addition of gas capability for oil fired combustion turbines. The specific case is described in an EPA letter dated June 24, 1981 (attached). Although the Department does not necessarily agree with the rationale given in the analysis by EPA, it appears that the situation and the decision were similar to those in the present review.

8. Proposed Addition of New Conditions of Approval to Permit PSD-FL-014

The proposed new conditions applicable to gas firing in Units P1-P3 are shown in the draft re-issued and modified permit. The changes to be incorporated include:

- Limiting NO_x emissions to 68 ppm (corrected) while firing natural gas
- Revising the number of units from four to three
- Revising emissions limits downward to reflect less units
- Incorporation of previous permit modifications

9. Conclusions

The changes in operation authorized by these permit amendments will not cause a net significant increase in potential emissions of any PSD regulated air pollutant. The Department expects the change to result in lower actual emissions of most pollutants although great variability will continue to characterize annual emissions from year-to-year. The changes will not cause or contribute to a violation of any ambient air quality standard or PSD increment.

Florida Department of
Environmental Protection

Memorandum

TO: Clair Fancy
FROM: Al Linero *Al Linero 2/19*
DATE: February 14, 1997
SUBJECT: FPC Suwannee Natural Gas Use for Peaking Units P1, P2, and P3

Attached is a modification to the EPA-issued PSD construction permit for the three oil-fired peaking units at Suwannee which are slated for addition of natural gas capability.

The revision deletes from the permit one authorized unit which was never constructed, while allowing firing of natural gas which is available to FPC on an interruptible basis.

The key issue is that these units have not operated close to their permitted hours of operation in recent years, yet they are slated for greatly increased service this year whether or not gas capability is added. This additional demand is not related to addition of natural gas capability. Since it is likely that the units will operate near their operating limits at some point, it is reasonable to use past allowable emissions to compare with future potential emissions. This results in no significant emissions increases and therefore the project is not subject to PSD or BACT.

FPC agreed to accept a lower NOx limit of 56 ppm while firing gas versus the present limit of 75 ppm (98 ppm including fuel nitrogen and efficiency correction). Because control of NOx to 56 ppm can cause a PSD-significant increase in CO, we have agreed to a NOx limit of 68 ppm. This is still a significant reduction in NOx emissions compared to fuel oil use.

I have attached to the Technical evaluation a letter from EPA for a similar case involving addition of gas capability at peaking units. Although I do not agree with the rationale, both the situation and conclusion (with which I do agree) are similar to what we are proposing here.

I recommend your approval and signature.

AAL/aal/l

Attachments