Florida Department of Environmental Protection
Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Rick Scott
Governor

Jennifer Carroll
Lt. Governor

Herschel T. Vinyard Jr.
Secretary

ELECTRONIC MAIL - READ RECEIPT REQUESTED

Chip Merriam cmerriam@ouc.com
Chief Regulatory and Legislative Compliance Officer
Orlando Utilities Commission (OUC)
Reliable Plaza, 100 West Anderson Street
Orlando, Florida 32801

Re: Request for Additional Information Regarding Title V Revision Application
File No. 0090008-007-AV
Indian River Power Plant
Brevard County

Dear Mr. Merriam:

The Department received your application for a Title V air operation permit revision for the above referenced facility on February 9, 2012. The application was received in a timely manner and substantially addresses the information required to begin processing a Title V permit. However, in order to finish the processing of this application, the Department is requesting the additional information outlined below pursuant to Rules 62-213.420(1)(b)3. and 62-4.070(1), F.A.C. Should your response to any of the items below require new calculations, please submit the new calculations, assumptions, reference material and appropriate revised pages of the application form.

1. With the incorporation of the three existing gas- and oil-fired boilers (Units 1, 2 and 3) formerly owned by GenOn, LLC, into the OUC Title V permit, the combined facility has sufficient potential emissions to be a major source of hazardous air pollutants (HAP). As such, the Indian River facility is potentially subject to regulation pursuant to 40 CFR 63, Subpart UUUUU - National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units, 40 CFR 63, Subpart YYYY - National Emission Standards for Hazardous Air Pollutants for Stationary Combustion Turbines. Please address the applicability of these rules for all of the emissions units at the combined facility.

   The Department understands that the fuel oil tanks associated with these boilers are currently empty, so if the boilers were to operate, the only available fuel is natural gas. If OUC were to accept a federally enforceable limit to only burn natural gas in these boilers, it appears that 40 CFR 63, Subpart UUUUU would no longer apply. If this is a desirable option to OUC, please submit a request to process an air construction permit revision to limit the fuel to natural gas.

2. If OUC chooses to fire only natural gas to escape regulation under Subpart UUUUU and does not intend to use the oil tanks, they could be listed as retired and not included into the OUC permit as allowable emissions sources. Please let us know whether OUC would like to permanently retire these tanks or if they should be revised into the OUC Title V permit as potential emissions units.

3. In addition to the former GenOn emergency generator identified in the application, please specify if any other emergency generators, fire pumps or general purpose engines at the facility are subject to either: 40 CFR 63, Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (ICE); 40 CFR 60, Subpart IIII - Standards of performance for Stationary Compression Ignition (CI) Internal Combustion Engines; or, 40 CFR 60, Subpart JJJJ - Standards of Performance for Stationary Spark Ignition (SI) Internal Combustion Engines. If applicable, please specify how the facility is complying with the applicable subpart(s) and provide the following information:
   a. What type of fuel does the engine use (include sulfur content)?

b. What type of engine do you have? (ex. Compression ignition or diesel (CI), spark ignition (SI), four stroke spark ignition that is lean burn (4SLB), two stroke lean burn (2SLB), dual (natural gas plus diesel) fired or landfill gas fired.)
c. What is the HP (Hint: 1 HP = 0.7456 KW) of the stationary engine?
d. Is the engine a stationary engine and therefore subject to the RICE requirements in the NESHAP or the NSPS? By contrast, a mobile (or relocatable) source engine could be a temporary replacement unit and located at a stationary source for less than 1 year and has been properly certified (with an engine label) as meeting the standards that would be applicable to such engine under the appropriate non-road engine provisions.
e. Has the engine been reconstructed? Upon reconstruction, an existing engine becomes subject to the relevant standards for new sources, including compliance dates, irrespective of any change in emissions of hazardous air pollutants from that source; therefore, has the engine ever had components replaced to such an extent that:
   (1) The fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable new source; and
   (2) It is technologically and economically feasible for the reconstructed source to meet the relevant standard(s) established by the Administrator (or a State) pursuant to section 112 of the Act.
f. What is the date of manufacture of the engine (year and month, if possible)?
   Note: Reconstructed engines are assigned a new date of manufacture if the fixed capital cost of the new and refurbished components exceeds 75 percent of the fixed capital cost of a comparable entirely new facility.
g. Is the engine EPA Certified and labeled (what Tier of emission standards does the engine meet, if any)?
h. When did you commence construction (date the engine was ordered) or reconstruction on your stationary engine (month, day and year)?
i. What is the engine displacement (liters per cylinder)?
j. Does the engine use an oxidation catalyst, diesel particulate filter (DPF), or selective catalytic reduction (SCR) (specify any controls employed)?
k. Does the engine have a continuous emissions monitoring system (CEMS) for any pollutants or a continuous parameter monitoring system (CPMS)?
l. What are the total hours of operation per year for the engine (estimate or based on historical)?
m. How many of the total hours are during an emergency situation (estimate or historical)?
n. How many of the total hours, if any, are part of the demand response program (if applicable)?
o. Is the engine used for peak shaving, to generate income for a facility to supply power to an electrical grid, or supply power as a part of a financial arrangement with another entity (state if future operation will include these modes of operation)?
p. For Fire Pumps: Is the engine part of a fire pump and was the engine manufactured as a certified National Fire Protection "Association (NFPA) engine after July 1, 2006? Is the engine a high speed engine (operation rated at or above 2,650 rpm)?

4. The communications that OUC staff has recently had with the Department regarding complying with the best available retrofit technology (BART) requirements have identified some potential options that need to be decided upon soon. One option is to permanently shut down the units no later than December 31, 2013. It is our understanding that Unit 2 may have already been partially dismantled by GenOn. Another option is to provide the full five-factor BART analysis for Units 2 and 3 (Unit 1 is not a BART affected unit). A third option would be to place Units 1 -3 into a long-term reserve shutdown mode. If this option is chosen, a federally enforceable condition would need to be established that would require the submission of the five-factor BART analysis and implementation of any resultant control technology prior to commencing operation in the future. OUC could elect to combine these decisions with this revision project by requesting a concurrent air construction permit to create any federally enforceable permit limits needed to ensure BART compliance. Filing this request would provide the opportunity for OUC to publish a single public notice for all of the current revisions. Please let us know how OUC would like to proceed.

5. Please submit updated Acid Rain and CAIR forms for Units 1 – 3 signed by OUC's Designated Representative.

Responsible Official (R.O.) Certification Statement. Rule 62-213.420, F.A.C. requires that all Title V permit applications must be certified by a responsible official. Due to the nature of the information requested in Item number(s) 1 above, your response should be certified by the responsible official. Please complete and submit a new R.O. certification statement page from the long application form, DEP Form No. 62-210.900(1), effective March 16, 2008.

Professional Engineer (P.E.) Certification Statement. Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. If your responses to the items above result in changes include new calculations, please complete and submit a new P.E. certification statement page from the long application form, DEP Form No. 62-210.900(1), effective March 11, 2010.

The Department must receive a response from you within 90 (ninety) days of receipt of this letter, unless you (the applicant) request additional time under Rule 62-213.420(1)(b)5., F.A.C.

If you should have any questions, please call Mike Pacione, Project Engineer, at (850) 717-9032.

Sincerely,

Jon Holtom — 3/2/12

Jon Holtom, P.E., CPM
Power Plant Permitting Group Administrator
Office of Permitting and Compliance
Division of Air Resource Management

Date

JH/mp

Copy to:
David Baez, OUC: dbaez@ouc.com
Mike Kyhos, OUC: mkyhos@ouc.com
Katy Forney, U.S. EPA Region 4: forney.kathleen@epa.gov
Ana Oquendo, EPA Region 4: oquendo.ana@epa.gov
Caroline Shine, DEP CD: caroline.shine@dep.state.fl.us
Barbara Friday, DEP OPC: barbara.Friday@dep.state.fl.us