


TO: A. Linero

FROM: J. Kissel 

DATE: September 10, 1997

SUBJECT: TECO Gannon Tire-Derived Fuel/PSD (Teco/Wheelabrator)

You've discussed with us at the Southwest District the addition of a condition in the permits along the lines of 'future emissions can not exceed baseline emissions by more than the PSD-significant increment'. We would like to define in advance how that determination would be made and when we and Hillsborough EPC met with Teco last week, we did not agree. Thus this letter.

Gannon 3 has run an average of 5,750 hours on coal in the agreed-upon 1995-96 base period and emitted an average of 6,150 tons per year of SO₂. Here are the two extremes as to the way this could be viewed:

1) Since it has been determined that a modification has occurred, then the whole unit is "in play" and any annual increase in SO₂ over the PSD-significant level (40 tpy) would subject the unit to retroactive PSD/BACT. Thus in 1998 if it ran 5,750 hours on coal plus 575 hours on coal/TDF blend, then emissions of say, 6,700 tpy would constitute a PSD exceedance. Similarly, 7,000 hours on coal plus 100 hours on coal/TDF would be an exceedance at say, 7,500 tpy SO₂. This may be consistent with a strict interpretation of the PSD rules, but it seems clearly wrong.

2) Teco's position is that only the hours spent burning TDF should be counted (although hours are discussed in this memo for simplicity, it is really BTU's that would be used as the basis - that does not change the reasoning of this memo). Furthermore, it is only the TDF portion of the blend that should be counted. In other words, the emissions from the TDF only, should be compared with the emissions from the comparable BTU's of coal in the base period. In this case, if the unit were dispatched 8,750 hours in 1998 - 5,750 hours on coal and 3,000 hours on coal/TDF blend, and total emissions were, say 9,000 tpy, this would not be a violation

if the substitution of TDF for the same btu's of coal did not cause more than a 40 tpy increase in emissions. Emissions from the TDF alone calculate to about 600 tpy. In other words, even if the unit were dispatched an additional 3,000 hours because of the modification, and it emitted hundreds of additional tons because of the modification, it would not fail the PSD test if emissions per comparable BTU's of coal did not increase more than 40 tpy. This seems clearly wrong, just as case 1) does.

All of the above would have to be adjusted for the WEPCO decision reasoning, but an extra 3,000 hours of dispatch could not be explained by normal load growth, etc.

Teco has told us of the JEA and Palatka permits as precedent and support for their position, but we have told them that these seem to discuss compliance on an hourly basis and do not address the PSD tons per year issue. I.e., the use of Teco's reasoning seems to create a test that they can't fail.

A couple of side comments:

1) Under Teco's scenario it would be necessary to take the SO₂ reading from the CEM and allocate between the coal and the TDF, which is doable.

2) Do you know the address or path to the EPA's PSD cases on the internet? There may be precedent there.

We're looking for some guidance on this from Tall'e. I don't think that this is a subject for the hearing, since it deals with a future test and thus is not relevant to the Wheelabrator petition.

c: D. Beason
M. Costello
R. Kirby, EPC
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