

Department of Environmental Protection

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

Colleen M. Castille Secretary

September 22, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Frederick F. Haddad, Jr.
Vice President, Power Resources Business Unit
Orlando Utilities Commission
500 South Orange Avenue
Post Office Box 3193
Orlando, Florida 32802

Re: DEP File No.: 0950137-009-AC Curtis H. Stanton Energy Center Unit 1 Burner Replacement Project

Dear Mr. Haddad:

Enclosed is one copy of the Draft Permit and the Technical Evaluation and Preliminary Determination for the burner replacement project for Unit 1 at the OUC Curtis H. Stanton Energy Center in Orange County. The Department's Intent to Issue Air Construction Permit and the "Public Notice of Intent to Issue Air Construction Permit" are also included.

The Public Notice must be published one time only as soon as possible in a newspaper of general circulation in the area affected, pursuant to Chapter 50, Florida Statutes. 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.

Please submit any other written comments you wish to have considered concerning the Department's proposed action to me at the above letterhead address. If you have any questions please call Scott M. Sheplak, P.E. at 850/921-9532.

Sincerely,

Trina L. Vielhauer, Chief Bureau of Air Regulation

Din LVilhau

TLV/sms

Enclosures

"More Protection, Less Process"

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In the Matter of an Application for Permit by:

Mr. Frederick F. Haddad, Jr. Vice President, Power Resources Business Unit Orlando Utilities Commission 500 South Orange Avenue Orlando, Florida 32802 DEP File No.: 0950137-009-AC OUC Curtis H. Stanton Energy Center Unit 1 Burner Replacement Project Orange County

INTENT TO ISSUE AIR CONSTRUCTION PERMIT

The Department of Environmental Protection (Department) gives notice of its intent to issue an Air Construction Permit to Orlando Utilities Commission (OUC) for the proposed project, detailed in the application specified above and the attached Technical Evaluation and Preliminary Determination, for the reasons stated below.

OUC submitted an application on September 14, 2005, to the Department for the replacement of burners in Unit 1 at the OUC Curtis H. Stanton Energy Center in Orange County.

The Department has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, and 62-212. The above actions are not exempt from permitting procedures. Although no <u>significant</u> net emissions increases are projected to result from the proposed project, the Department has determined that an Air Construction Permit is required.

The Department intends to issue this air construction permit based on the belief that reasonable assurances have been provided to indicate that project will not cause significant net emissions increases from the unit that would otherwise require a review under the rules for the Prevention of Significant Deterioration under Chapters 62-212.400, F.A.C.

Pursuant to Section 403.815, F.S., and Rule 62-110.106(7)(a)1., F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue Air Construction Permit. The notice shall be published one time only in the legal advertisement section of a newspaper of general circulation in the area affected. Rule 62-110.106(7)(b), F.A.C., requires that the applicant cause the notice to be published as soon as possible after notification by the Department of its intended action. 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. 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: 850/488-0114; Fax 850/ 922-6979). You must provide proof of publication within seven days of publication, pursuant to Rule 62-110.106(5), F.A.C. No permitting action for which published notice is required shall be granted until proof of publication of notice is made by furnishing a uniform affidavit in substantially the form prescribed in section 50.051, F.S. to the office of the Department issuing the permit. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rules 62-110.106(9) & (11), F.A.C.

The Department will issue the final permit with the attached conditions 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 permit issuance action for a period of 14 (fourteen) days from the date of publication of the enclosed <u>Public Notice</u>. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

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The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within fourteen days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under section 120.60(3) of the Florida Statutes 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. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within fourteen 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 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department'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 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 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 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 Department'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.

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. 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. Mediation is not available in this proceeding.

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.

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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.

Trina L. Vielhauer, Chief Bureau of Air Regulation

June L. Whan

CERTIFICATE OF SERVICE

Frederick F. Haddad, Jr., OUC* Denise Stalls, OUC Kay Prince, EPA Beverly Spagg, EPA Scott Osbourn, P.E., Golder Associates Len Kozlov, P.E., DEP CD Marie Driscoll, Orange County EPD

Clerk Stamp

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

(Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR CONSTRUCTION PERMIT

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No.: 0950137-009-AC

Orlando Utilities Commission, Curtis H. Stanton Energy Center Unit 1
Burner Replacement Project

Orange County

The Department of Environmental Protection (Department) gives notice of its intent to issue an Air Construction Permit to Orlando Utilities Commission (OUC). The permit will authorize replacement of burners in Unit 1 at the OUC Curtis H. Stanton Energy Center in Orange County. A Best Available Control Technology (BACT) determination was not required. The applicant's name and address are Orlando Utilities Commission, 500 South Orange Avenue, Post Office Box 3193, Orlando, Florida 32802.

Fossil fuel fired steam generator Unit 1 is a nominal 468 megawatt steam generator that began commercial operation in 1987. The unit is equipped with an electrostatic precipitator for control of particulate matter (PM/PM₁₀) and a limestone scrubber for sulfur dioxide (SO₂) control. The applicant proposes to replace 6 of the 30 burners in the upper portion of the Unit 1 boiler furnace. The applicant claims that due to the age, location, material grade and low load operation of the burners, the 6 burners have experienced heat and erosion damage beyond repair. The proposed activity is to take place during the next scheduled outage, commencing October 3, with a project completion date of November 30, 2005.

The Department has reasonable assurance that the project will not result in significant net emission increases from the unit that would otherwise require a review under the Rules for the Prevention of Significant Deterioration (PSD) at Paragraph 62-212.400, F.A.C. or 40 CFR 52.21. The Department has incorporated provisions in the draft permit requiring submittal of information on an annual basis for a period of 5 years to confirm that the project did not cause significant net emission increases in actual emissions.

The Department will issue the FINAL Permit, in accordance with the conditions of the DRAFT Permit, 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 permit issuance action for a period of 14 (fourteen) days from the date of publication of this Public Notice of Intent to Issue Air Construction Permit. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below. Mediation is not available in this proceeding.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within fourteen days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to

written notice under section 120.60(3) of the Florida Statutes 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. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within fourteen 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 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department'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 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 indicate; (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 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 Department'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

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. 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 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:

Dept. of Environmental Protection Bureau of Air Regulation 111 S. Magnolia Drive, Suite 4 Tallahassee, Florida 32301 Telephone: 850/488-0114

Fax: 850/922-6979

Dept. of Environmental Protection Central District Office 3319 Maguire Boulevard, Suite 232 Orlando, Florida 32803-3767 Telephone: 407/894-7555

Fax: 407/897-5963

Orange County Environmental Protection Dept. - Air Program 800 Mercy Drive, Suite 4 Orlando, Florida 32808 Telephone: 407/836-1400 Fax: 407/836-1499

The complete project file includes the technical evaluation and the Draft Permit, and the information submitted by OUC, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact Scott M. Sheplak, P.E., South Permitting Section at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850/921-9532, for additional information. The draft permit and technical evaluation can be accessed at www.dep.state.fl.us/Air/permitting/construction.htm



Department of Environmental Protection

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

Colleen M. Castille Secretary

P.E. Certification Statement

Permittee:

Orlando Utilities Commission Curtis H. Stanton Energy Center

Project type: Air Construction Permit

Unit 1 Burner Replacement Project

I HEREBY CERTIFY that the engineering features described in the above referenced application and subject to the proposed permit conditions provide reasonable assurance of compliance with applicable provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Chapters 62-4 and 62-204 through 62-297. However, I have not evaluated and I do not certify aspects of the proposal outside of my area of expertise (including but not limited to the electrical, mechanical, structural hydrological, and geological features).

Scott M. Sheplak, P.E.

Registration Number: 48866

Permitting Authority:

Department of Environmental Protection Bureau of Air Regulation 111 South Magnolia Drive, Suite 4 Tallahassee, Florida 32301

Date

Permit No.: 0950137-009-AC

Telephone: 850/921-9532

Fax: 850/921-9533

TECHNICAL EVALUATION

AND

PRELIMINARY DETERMINATION

APPLICANT

Orlando Utilities Commission Curtis H. Stanton Energy Center

Orange County

PROJECT

DEP File No.: 0950137-009-AC Unit 1 Burner Replacement Project

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Division of Air Resource Management
Bureau of Air Regulation
Air Permitting South Section
MS #5505, 2600 Blair Stone Road
Tallahassee, FL 32399-2400



September 22, 2005

1. GENERAL PROJECT INFORMATION

Application Processing Schedule

September 14, 2005 Application received for Unit 1 burner replacement project.

• September 14, 2005 Complete Application.

Relevant Documents

• Permits PSD-FL-084 and PSD-FL-084A issued by EPA for the construction of Units 1 and 2;

- Current Title V Air Operation Permit Renewal No.: 0950137-006-AV; and
- Department's Technical Evaluation and Preliminary Determination dated [Month day, 2005].

2. FACILITY DESCRIPTION AND LOCATION

The Curtis H. Stanton Energy Center is located at 5100 Alafaya Trail, Orlando, Orange County. The map coordinates are: UTM Zone 17, 484.00 km East and 3150.50 km North; and Latitude: 28° 28' 50" North and Longitude: 81° 09' 40" West.

This facility consists of two coal-fired boilers (Acid Rain Phase II Units), two oil-fired combustion turbines used to drive two separate peaking generators driven by a single jet engine, and two gas-fired combustion turbines serving a single steam-electrical generator (Acid Rain Phase II Units).

There are storage and handling facilities for solid fuels, fly ash, limestone, gypsum, slag, and bottom ash.

Units Nos. 1 and 2 each consist of one Babcock and Wilcox boiler/steam generator (Model RB 611) and steam turbine, which drives a generator with a nameplate rating of 468 Megawatts. Each boiler/steam generator is a coal-fueled, wall fired, dry bottom unit that uses No. 6 fuel oil used for startup and flame stabilization. Each unit has a stack. Each unit is equipped with an electrostatic precipitator for control of particulate matter (PM/PM₁₀) and a limestone scrubber for sulfur dioxide (SO₂) control. Additionally, Unit 2 is equipped with a selective catalytic reduction (SCR) system for nitrogen oxides (NO_X) control. Units 1 and 2 began commercial operation in 1987 and 1996, respectively.

3. PROPOSED PROJECT

The proposed project affects the following existing emissions unit:

Total	No.	Brief Description
	-001	Fossil Fuel Fired Steam Generator # 1

Fossil fuel fired steam generator # 1 is a nominal 468 megawatt steam generator designated as Unit # 1. The emission unit is fired primarily on bituminous coal and secondarily on No. 6 fuel oil for startup and flame stabilization, as permitted herein, with a maximum heat input of 4,286 MMBtu/hour.

Proposed Activity

The applicant proposes to replace 6 of the 30 burners in the upper portion of the Unit 1 boiler furnace. The applicant claims that due to the age, location, material grade and low load operation of the burners, the 6 burners have experienced heat and erosion damage beyond repair. The project cost is estimated to be approximately \$204,000. OUC provided their capital expenditure estimate along with the vendor, Power & Industrial Services Corp., quotation {see Attachment 3 of the submitted application}.

The proposed activity is to take place during the next scheduled outage, commencing October 3, 2005, with a project completion date of November 30, 2005. An expiration date of May 30, 2006, for this air construction permit should allow sufficient time to complete the required monitoring and to submit the report.

4. APPLICABLE REGULATIONS

Regulatory Classifications

<u>Title III</u>: Based on the initial Title V permit, the facility is a major source of hazardous air pollutants.

<u>Title IV</u>: The facility operates emissions units that are subject to the Phase II, Federal Acid Rain Program.

<u>Title V</u>: The facility is classified as a "major" source of air pollution with respect to Title V of the Clean Air Act because emissions of at least one regulated criteria air pollutant exceeds 100 tons per year.

PSD: The project is located in an area designated as "attainment" or "unclassifiable" for each pollutant subject to a National Ambient Air Quality Standard. The facility is considered a "fossil fuel fired steam electric plant of more than 250 million BTU per hour of heat input", which is one of the 28 PSD source categories with the lower PSD applicability threshold of 100 tons per year. Potential emissions of at least one regulated pollutant exceed 100 tons per year. Therefore, the facility is classified as a PSD-major source of air pollution with respect to Rule 62-212.400, F.A.C., the Prevention of

Significant Deterioration (PSD) of Air Quality. The three units were built pursuant to PSD permits and determinations of best available control technology (BACT).

NSPS: Units 1 and 2 are subject to Subpart Da and the combined cycle unit is subject to Subparts GG and Db of the New Source Performance Standards in 40 CFR 60.

Permit(s) Required

The Department requires the owner or operator of any emissions unit to obtain an appropriate permit prior to beginning construction, modification, or initial or continued operation, unless exempted pursuant to Department rule or statute. The Department has specific rules on when an air construction permit is required {see Rule 62-210.300(1), F.A.C.}, when an air operation permit is required {see Rule 62-210.300(2), F.A.C.} and when activity is exempt from permitting {see Rules 62-210.300(3) and 62-4.040, F.A.C.}. The proposed activity is not specifically exempted from permitting in Rules 62-210.300(3) or 62-4.040, F.A.C.

Increase in Actual Emissions or New Emissions

The Department's definition of a "modification" also allows certain activities to be specifically excluded if there is not an increase in "actual emissions" or new emissions. In paragraph (168), the proposed change would have to result in an increase in "actual emissions" {see citation below for definition (168), with emphasis added}. Department rules contain a definition for "actual emissions" {see citation below for definition (11)}.

Rule 62-210.200(168), F.A.C. - Definitions Effective: 07/06/05

- (168) "Modification" Any physical change in, change in the method of operation of, or addition to a facility which would result in an increase in the actual emissions of any air pollutant subject to regulation under the Act, including any not previously emitted, from any emissions unit or facility.
- (a) A physical change or change in the method of operation shall not include:
- 1. Routine maintenance, repair, or replacement of component parts of an emissions unit; or
- 2. A change in ownership of an emissions unit or facility.
- (b) For any pollutant that is specifically regulated by the EPA under the Clean Air Act, a change in the method of operation shall not include an increase in the hours of operation or in the production rate, unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975.
- (c) For any pollutant that is not specifically regulated by the EPA under the Clean Air Act, a change in the method of operation shall not include an increase in the hours of operation or in the production rate, unless such change would exceed any restriction on hours of operation or production rate included in any applicable Department air construction or air operation permit. {emphasis added}
- (11) "Actual Emissions" The actual rate of emission of a pollutant from an emissions unit as determined in accordance with the following provisions:
- (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. (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. (c) For any emissions unit (other than an electric utility steam generating unit specified in paragraph (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. (d) For an electric utility steam generating unit (other than a new unit or the replacement of an existing unit) actual emissions of the unit following a physical or operational change shall equal the representative actual annual emissions of the unit following the physical or operational change, provided the owner or operator maintains and submits to the Department on an annual basis, for a period of 5 years representative of normal post-change operations of the unit, within the period not longer than 10 years following the change, information demonstrating that the physical or operational change did not result in an emissions increase. The definition of "representative actual annual emissions" found in 40 C.F.R. 52.21(b)(33) is adopted and incorporated by reference in Rule 62-204.800, F.A.C.

The burners are part of the original boiler installation which commenced commercial operation on May 12, 1987; the burners have been in the boiler for over 18 years. The applicant did not request a change to the capacity of this emissions unit, i.e., heat input {MMBTU/hr} or electrical output {MW}. The replacement burners are not identical. The applicant claims the new replacement burners are "functionally equivalent or a like-kind" replacement. The replacement of the burners is considered to be a physical change to the emissions unit.

The applicant claims that there will not be a "change in the method of operation or in emissions impacts" from this proposed activity. To support their claim, the applicant provided data in their permit application on the annual utilization of the unit, annual emissions and hourly heat input. Attachment 1 in the application summarizes annual utilization over the most recent 5-year period (Table 1) and Table 2 summarizes the most recent 5-year period of annual emissions. Based on the hours of operation and yearly heat inputs in Table 1, Unit # 1 has been operating at or above 90% of the unit's capacity of 4,286 MMBtu/hr. Attachment 2 shows the hourly heat input readings from the acid rain CEMS for the most recent available quarter. The readings on this graph show the unit operating up to 4,500 MMBtu/hr. The acid rain CEMS tends to overestimate heat input. Based on this information provided by the applicant in their permit application, a significant net emissions increase is not expected from this proposed activity.

5. PRELIMINARY DETERMINATION

The applicant submitted an application for an air construction permit for the proposed activity. A significant net emissions increase is not expected from the proposed activity. The Department requires an air construction permit for the owner or operator to proceed with the proposed activity.

The Department makes a preliminary determination that the proposed project will comply with all applicable state and federal air pollution regulations as conditioned by the draft permit. This determination is based on a technical review of the complete application,

reasonable assurances provided by the applicant, and the conditions specified in the draft permit. Scott M. Sheplak, P.E. is the project engineer responsible for reviewing the application and drafting the permit. Additional details of this analysis may be obtained by contacting the project engineer at the Department's Bureau of Air Regulation at Mail Station #5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.

6. LIMITATIONS OF DEPARTMENT'S OPINION

The Department's preliminary determination is based only on the facts presented by the applicant, the Department rules to evaluate the proposed project, and the federal regulations upon which they were clearly based. The Department's opinion does not consider any other conceivable past projects that when aggregated with the present one could result in significant net emissions increases. It does not serve as a shield against any conceivable actions contemplated (to which the Department is not privy) by EPA as a result of any inquiries via the Section 114 process into past projects by the applicant at the facility. Furthermore the Department's determination is strictly limited to this specific case and should not be used as a precedent for other cases, or lead to unintended consequences construed from the language contained in this determination. Ultimately, it is the Department that interprets its own regulations and opinions.

(Filename: 0950137-009-AC TEPD)

DRAFT

PERMITTEE

Orlando Utilities Commission 500 South Orange Avenue Post Office Box 3193 Orlando, Florida 32802 Permit No.: 0950137-009-AC

Expires: May 30, 2006

Facility ID No.: 0950137 (SIC No. 4911) Unit # 1 Burner Replacement Project

PROJECT AND LOCATION

This permit authorizes the replacement of 6 of the 30 burners in the Unit # 1 boiler furnace at the Curtis H. Stanton Energy Center. The facility is located at 5100 Alafaya Trail, Orlando, Orange County. The map coordinates are: UTM Zone 17, 484.00 km East and 3150.50 km North; and Latitude: 28° 28' 50" North and Longitude: 81° 09' 40" West.

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.). The permittee is authorized to conduct the work specified 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.

Appendix GC - Construction Permit General Conditions

Michael G. Cooke, Director Division of Air Resource Management

FACILITY DESCRIPTION

This facility consists of two coal-fired boilers (Acid Rain Phase II Units), two oil-fired combustion turbines used to drive two separate peaking generators driven by a single jet engine, and two gas-fired combustion turbines serving a single steam-electrical generator (Acid Rain Phase II Units).

There are storage and handling facilities for solid fuels, fly ash, limestone, gypsum, slag, and bottom ash.

Unit Nos. 1 and 2 each consist of one Babcock and Wilcox boiler/steam generator (Model RB 611) and steam turbine, which drives a generator with a nameplate rating of 468 Megawatts. Each boiler/steam generator is a coal-fueled, wall fired, dry bottom unit that uses No. 6 fuel oil used for startup and flame stabilization. Each unit has a stack. Each unit is equipped with an electrostatic precipitator for control of particulate matter (PM/PM₁₀) and a limestone scrubber for sulfur dioxide (SO₂) control. Additionally, Unit 2 is equipped with a selective catalytic reduction (SCR) system for nitrogen oxides (NO_X) control. Units 1 and 2 began commercial operation in 1987 and 1996, respectively.

The 640 MW combined cycle unit is comprised of two 170 MW, General Electric 7FA combustion turbine-electrical generators, fired with pipeline natural gas or diesel and equipped with evaporative coolers on the inlet air system, two supplementary fired heat recovery steam generators, each with a 160 ft. stack, and one steam turbine-electrical generator rated at approximately 300 MW. The winter capacity of this unit is approximately 700 MW. The combustion turbines are equipped with Dry Low NO_X combustors as well as an SCR in order to control NO_X. SO₂ and PM/PM₁₀ are controlled by use of inherently clean natural gas and low sulfur fuel oil.

PROJECT

The proposed project affects the following existing emissions unit:

E.U. ID No.	Brief Description			
-001	Fossil Fuel Fired Steam Generator # 1			

REGULATORY CLASSIFICATION

<u>Title III</u>: Based on the initial Title V permit, the facility is a major source of hazardous air pollutants.

<u>Title IV</u>: The facility operates emissions units that are subject to the Phase II, Federal Acid Rain Program.

<u>Title V</u>: The facility is classified as a "major" source of air pollution with respect to Title V of the Clean Air Act because emissions of at least one regulated criteria air pollutant exceeds 100 tons per year.

<u>PSD</u>: The project is located in an area designated as "attainment" or "unclassifiable" for each pollutant subject to a National Ambient Air Quality Standard. The facility is considered a "fossil fuel fired steam electric plant of more than 250 million BTU per hour of heat input", which is one of the 28 PSD source categories with the lower PSD applicability threshold of 100 tons per year. Potential emissions of at least one regulated pollutant exceed 100 tons per year. Therefore, the facility is classified as a PSD-major source of air pollution with respect to Rule 62-212.400, F.A.C., the Prevention of

SECTION I. FACILITY INFORMATION (DRAFT)

Significant Deterioration (PSD) of Air Quality. The three units were built pursuant to PSD permits and determinations of best available control technology (BACT).

NSPS: Units 1 and 2 are subject to Subpart Da and the combined cycle unit is subject to Subparts GG and Db of the New Source Performance Standards in 40 CFR 60.

RELEVANT DOCUMENTS

- Application received on September 14, 2005, for Unit 1 burner replacement project;
- Permits PSD-FL-084 and PSD-FL-084A issued by EPA for the construction of Unit Nos. 1 and 2;
- Current Title V Air Operation Permit Renewal No.: 0950137-006-AV; and
- Department's Technical Evaluation and Preliminary Determination dated [Month day, 2005].

SECTION II. ADMINISTRATIVE REQUIREMENTS

GENERAL AND ADMINISTRATIVE REQUIREMENTS

- Permitting Authority: All documents related to applications for permits to construct, modify or
 operate this emissions unit shall 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. Copies of these documents shall be submitted to the
 Compliance Authority.
- 2. <u>Compliance Authority</u>: All documents related to compliance activities such as reports, tests, and notifications should be submitted to the Central District Office at 3319 Maguire Boulevard, Suite 232, Orlando Florida 32803-3767. The phone number is 407/894-7555 and the fax number is 407/897-2966.
- 3. 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.]
- 4. Applicable Regulations, Forms and Application Procedures: Unless otherwise indicated in this permit, the construction and operation of this project 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.); and Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297 of the Florida Administrative Code (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 facility owner or operator 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.]
- 5. <u>Permit Expiration</u>: For good cause, the permittee may request that this 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.]
- 6. 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.]
- 7. 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.]
- 8. <u>Title V Permit</u>: This permit authorizes construction of the proposed project and initial operation to determine compliance with Department rules. This project involves no changes in the descriptions, applicable requirements, or conditions of the facility Title V Operation Permit. The permittee is not required to apply for a revised Title V operation permit following completion of the project.

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

EU-001. Unit # 1 - 468 MW Fossil Fuel Fired Steam Generator

The proposed project affects the following existing unit:

E.U. ID	Brief Description		
-001	Fossil Fuel Fired Steam Generator # 1		

Fossil fuel fired steam generator # 1 is a nominal 468 megawatt steam generator designated as Unit # 1. The emission unit is fired primarily on bituminous coal and secondarily on No. 6 fuel oil for startup and flame stabilization, as permitted herein, with a maximum heat input of 4286 MMBtu/hour.

Boiler/steam generator, Unit # 1 is regulated under the federal Acid Rain Program, Phase II, adopted and incorporated by reference in Rule 62-204.800, F.A.C. Emission Units 1 is subject to compliance assurance monitoring (CAM) for particulate matter (PM) emissions controlled by an ESP. Because the continuous opacity monitoring system (COMS) is required to be used at the facility (for Phase II Acid Rain Program purposes), it must also be used as part of the CAM plan. A CAM plan is included for the ESP

The following parameters are continuously monitored for this unit: NO_X, opacity, SO₂, CO₂, and stack gas flow.

{Permitting note(s): This emissions unit is regulated under Acid Rain, Phase II; NSPS-40 CFR 60, Subpart Da, Standards of Performance for Fossil-Fuel Fired Steam Generators for Which Construction is Commenced After September 18, 1978, adopted and incorporated by reference in Rule 62-204.800(7)(b)2, F.A.C.; Rule 62-212.400, F.A.C., Prevention of Significant Deterioration (PSD); and Rule 62-212.400(6), F.A.C., Best Available Control Technology (BACT), and Compliance Assurance Monitoring (CAM). Fossil fuel fired steam generator # 1 began commercial operation on May 12, 1987.}

ADMINISTRATIVE REQUIREMENTS

1. <u>Previous Permit Conditions</u>: This permit authorizes the replacement of 6 of the 30 burners in the Unit # 1 boiler furnace. The following conditions are in addition to those of any other air construction or operation permits. [Rule 62-4.210, F.A.C.]

CONSTRUCTION ACTIVITIES

- 2. <u>Burner Replacement</u>: This permit authorizes the replacement of 6 of the 30 burners in the upper portion of the Unit # 1 boiler furnace. The permittee shall replace the burners with burners that are "functionally equivalent or like-kind." [Applicant Request dated September 12, 2005]
- 3. <u>Unconfined Particulate Emissions</u>: During the construction period, unconfined particulate emissions shall be minimized by dust suppressing techniques such as covering, enclosing, applying water or chemicals to the affected areas, or any combination of techniques, as necessary. [Rule 62-296.320(4)(c), F.A.C.]

NOTIFICATIONS AND REPORTS

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

EU-001. Unit #1 - 468 MW Fossil Fuel Fired Steam Generator

4. Notifications: Within one week of beginning construction, the permittee shall notify the Compliance Authority that the project has commenced and provide a general schedule of construction activities. Within one week of completing construction, the permittee shall notify the Compliance Authority that the project has concluded and provide a general schedule of bringing the unit back on line. [Rule 62-4.210, F.A.C.]

5. Emissions Monitoring:

- a. Completion of this project occurs when all burners have been installed and are operational. After completion of this project, the permittee shall monitor NO_X , opacity, and SO_2 emissions consistent with the averaging times specified in Permit No. 0950137-006-AV. The monitoring period shall be conducted with the 6 new burners in operation. The permittee shall submit a report comparing the emissions data during this period to the specific emission limits in Permit No. 0950137-006-AV, within 60 days of completion of this project. The permittee shall provide a statement as to whether or not the unit is in compliance with the specific emission limits in Permit No. 0950137-006-AV. [Rule 62-4.070(3), F.A.C.]
- b. The actual operating rates of Unit # 1 during this monitoring period, specifically, heat input {MMBTU/hr}, electrical output {MW}, type(s) of fuel(s) fired shall be provided in the report. The number of burners in operation, identification and their respective locations shall also be included in the report. [Rules 62-4.070(3) and 62-297.310(7), F.A.C.]
- 6. <u>PSD Applicability Report</u>: The permittee shall maintain information demonstrating that the project did not result in any significant net emissions increase, which is defined in Rule 62-212.400(2)(e), F.A.C. as follows:

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

EU-001. Unit # 1 – 468 MW Fossil Fuel Fired Steam Generator

Net Emissions Increase. A modification to a facility results in a net emissions increase when, for a pollutant regulated under the Act, the sum of all of the contemporaneous creditable increases and decreases in the actual emissions of the facility, including the increase in emissions of the modification itself and any increases and decreases in quantifiable fugitive emissions, is greater than zero.

Significant Net Emissions Increase. A significant net emissions increase of a pollutant regulated under the Act is a net emissions increase equal to or greater than the applicable significant emission rate listed in Table 212.400-2, Regulated Air Pollutants – Significant Emission Rates.

The permittee shall submit an annual report to the Department's Bureau of Air Regulation of such information for a period of 5 years representative of normal post-change operations of the unit (within the period not longer than 10 years following the change). For an existing electric utility steam-generating unit, actual emissions of the unit following a physical or operational change shall equal the representative actual annual emissions of the unit following the physical or operational change. The following definition of "representative actual annual emissions" found in 40 CFR 52.21(b)(33) is adopted and incorporated by reference in Rule 62-204.800, F.A.C.:

Representative actual annual emissions means the average rate, in tons per year, at which the source is projected to emit a pollutant for the two-year period after a physical change or change in the method of operation of a unit, (or a different consecutive two-year period within 10 years after that change, where the Administrator determines that such period is more representative of normal source operations), considering the effect any such change will have on increasing or decreasing the hourly emissions rate and on projected capacity utilization. In projecting future emissions the Administrator shall:

- (i) Consider all relevant information, including but not limited to, historical operational data, the company's own representations, filings with the State or Federal regulatory authorities, and compliance plans under title IV of the Clean Air Act; and
- (ii) Exclude, in calculating any increase in emissions that results from the particular physical change or change in the method of operation at an electric utility steam generating unit, that portion of the unit's emissions following the change that could have been accommodated during the representative baseline period and is attributable to an increase in projected capacity utilization at the unit that is unrelated to the particular change, including any increased utilization due to the rate of electricity demand growth for the utility system as a whole."

Each required annual report shall be submitted to the Department's Bureau of Air Regulation prior to **August 1st** and shall quantify operations for the previous calendar year(s).

[Rules 62-204.800, 62-210.200(11) and 62-212.400(2), F.A.C.; and 40 CFR 52.21(b)(33)]

SECTION IV. EMISSIONS UNIT SPECIFIC CONDITIONS (DRAFT)

Appendix GC - Construction Permit General Conditions

- 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.

SECTION IV. EMISSIONS UNIT SPECIFIC CONDITIONS (DRAFT)

Appendix GC - Construction Permit General Conditions

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.

- 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 (not applicable to project);
 - (b) Determination of Prevention of Significant Deterioration (not applicable to project); and
 - (c) Compliance with New Source Performance Standards (not applicable to project).
- 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.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 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: 	A. Signature X	
Mr. Frederick F. Haddad, Jr. Vice President, Power Resources Business Unit Orlando Utilities Commission 500 South Orange Avenue Orlando, Florida 32802	3. Service Type Certified Mail	
	4. Restricted Delivery? (Extra Fee)	
2. Article Number (Transfer from service label) 7004 135	0000 1910 4229	
PS Form 3811, February 2004 Domestic F	Return Receipt 102595-02-M-1540	

4229	U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only: No Insurance Coverage Provided)					
	For delivery information visit our website at www.usps.com					
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	Postage	\$				
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	Return Reciept Fee (Endorsement Required)					
1350	Restricted Delivery Fee (Endorsement Required)					
+	Mr Frederick F.					
7004	Vice President, I					
7	Business Us	***********				
•	Orlando Utilities					
	500 South Orang	***************************************				
	Orlando, Florida					
	PS Form 3800, June 200	See Reverse for Instructions				