

Florida Department of Environmental Protection

Memorandum

TO: Trina Vielhauer
THROUGH: Russell Wider
FROM: Ryan DeRosa
DATE: March 24, 2008
SUBJECT: Draft Air Permit No. 0970001-009-AV, Title V Permit Revision
Draft Air Permit No. 0970001-008-AC, Concurrent Air Construction Permit
Kissimmee Utility Authority Roy B. Hansel Power Facility
Fuel oil, CAIR revisions

Attached for your review are the following items:

- Intent to Issue Permit and Public Notice Package;
- Statement of Basis;
- Technical Evaluation and Preliminary Determination;
- Draft Permits; and
- PE Certification

The purpose of this draft permit package is to revise the fuel oil requirements of AC permit 49-74856 and include Clean Air Interstate Rule (CAIR) requirements in the Title V operating permit. The Statement of Basis summarizes the facility, equipment, controls, primary rule applicability and describes the changes. The Technical Evaluation and Preliminary Determination summarizes the revisions to specific conditions from the air construction permit. The P.E. certification briefly summarizes the proposed project. I recommend your approval of the attached draft permits for this project.

Attachments

TV/raw/rd

P.E. CERTIFICATION STATEMENT

PERMITTEE

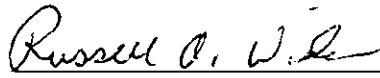
Kissimmee Utility Authority
102 Lakeshore Boulevard
Kissimmee, Florida, 34741

Draft Air Permit No. 0970001-009-AV
Draft Air Permit No. 0970001-008-AC
Roy B. Hansel Power Facility
Osceola County, Florida

PROJECT DESCRIPTION

The purpose of this project is to revise Air Permit No. AC49-74856 (Project 0970001-008-AC) and concurrently revise the Title V permit (Project 0970001-007-AV). Presently, the allowable fuels for Unit 1 include natural gas and fuel oil. The application asked that fuel oil be removed as an allowable fuel, and related specific conditions be modified to reflect this. Also requested are the removal of conditions concerning the inlet air fogging system, which has been removed from service and the inclusion of requirements of the Clean Air Interstate Rule (CAIR).

I HEREBY CERTIFY that the air pollution control 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, geological, and meteorological features).

 March 24, 2008
Russell Wider, P.E. (Date)
Registration Number: 66540



Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

March 24, 2008

Mr. Larry Mattern, Vice President of Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, Florida 34742-3219

Re: Draft Air Permit No. 0970001-009-AV, Title V Permit Revision
Draft Air Permit No. 0970001-008-AC, Concurrent Air Construction Permit
Roy B. Hansel Power Facility

Dear Mr. Mattern:

Enclosed is a permit package to revise the Title V air operation permit and the air construction permit for the Roy B. Hansel Power Facility. The facility is located in Osceola County at 102 Lakeshore Boulevard, Kissimmee, Florida. The permit package includes the following documents:

- The Statement of Basis, which summarizes the facility, the equipment, the primary rule applicability, and the changes since the last Title V revision.
- The Technical Evaluation and Preliminary Determination, which summarizes the minor revisions to specific conditions from existing air construction permits.
- The draft air construction permit and the draft Title V air operation permit revision, which include the specific permit conditions that regulate the emissions units covered by the proposed project.
- The Written Notice of Intent to Issue Air Permits, which provides: the Department's written notice of intent to issue air permits for the proposed project; the requirements for publishing a Public Notice of the Department's intent to issue air permits; the procedures for submitting comments on the Draft Permits; the process for filing a petition for an administrative hearing; and the availability of mediation.
- The Public Notice of Intent to Issue Air Permits which is the actual notice that you must have published in the legal advertisement section of a newspaper of general circulation in the area affected by this project.

If you have any questions, please contact the project engineer, Ryan DeRosa, at 850/488-1906.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

TLV/raw/rd

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

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

Kissimmee Utility Authority
Roy B. Hansel Power Facility
102 Lakeshore Boulevard
Kissimmee, Florida 34741

Air Permit No. 0970001-009-AV
Title V Permit Revision
Air Permit No. 0970001-008-AC
Concurrent Air Construction Permit
Roy B. Hansel Power Facility

Responsible Official:

Mr. Larry Mattem, Vice President of Power Supply

Facility Location: Kissimmee Utility Authority operates an existing electrical generating power plant (SIC No. 4911) located in Osceola County at 102 Lakeshore Boulevard in Kissimmee, Florida. The UTM map coordinates are Zone 17, 460.1 E, and 3129.3 N.

Project: The purpose of this project is to revise air Permit No. AC49-74856 and concurrently revise Title V permit No. 0970001-007-AV. Currently the unit has an inlet fogging system and the unit is allowed to fire natural gas and No. 2 fuel oil. The applicant requested the removal of oil firing conditions and the inclusion of Clean Air Interstate Rule (CAIR) requirements.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). Applications for Title V air operation permits are subject to review in accordance with the provisions of Chapter 403, F.S. and Chapters 62-4, 62-210 and 62-213, F.A.C. The projects are not exempt from the permitting procedures for air construction and Title V air operation permits. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permits, the Statement of Basis, the Technical Evaluation and Preliminary Determination, the application, and the additional information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above.

Notice of Intent to Issue Permits: The Permitting Authority gives notice of its intent to issue a revised Title V air operation permit and a concurrent air construction permit for the project described above. The applicant has provided reasonable assurance that operation of the facility will not adversely impact air quality and that the project will comply with all applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297, F.A.C. The permitting authority will issue a final air construction permit and a proposed Title V air operation permit revision (and subsequent final Title V air operation permit revision) in accordance with the conditions of the Draft Permits unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Public Notice: Pursuant to Section 403.815, F.S. and Rules 62-110.106 and 62-210.350, F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue Air Permit (Public Notice). The Public Notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The newspaper used must meet the requirements of Sections 50.011 and 50.031, F.S. in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Permitting Authority at the address or phone number listed above. Pursuant to Rule 62-110.106(5) and (9), F.A.C., the applicant shall provide proof of publication to the Permitting Authority at the above address within seven days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Kissimmee Utility Authority
Roy B. Hansel Power Facility

Draft Air Permit No. 0970001-009-AV
Draft Air Permit No. 0970001-008-AC

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

Comments on the Draft Air Construction Permit: The Permitting Authority will accept written comments concerning the proposed draft air construction permit for a period of 14 days from the date of publication of the Public Notice. Written comments received must be post-marked by the Permitting Authority at the above address by 5:00 p.m. on or before the end of the 14-day comment period. If written comments result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Comments on the Draft Title V Air Operation Permit Revision: The Permitting Authority will accept written comments concerning the draft Title V air operation permit for a period of 30 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority at the above address by 5:00 p.m. on or before the end of the 30-day period. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on the Title V permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location in the Florida Administrative Weekly and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decisions may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/245-2241; Fax: 850/245-2303). Petitions filed by the applicant or any of the parties listed below must be filed within 14 days of receipt of this Written Notice of Intent to Issue Air Permits. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of publication of the attached Public Notice or within fourteen 14 days of receipt of this Written Notice of Intent to Issue Air Permits, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within 14 days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention (in a proceeding initiated by another party) will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact; (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 including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

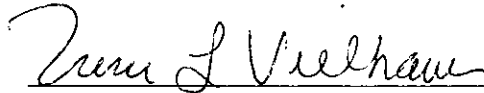
Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Written Notice of Intent to Issue Air Permits. Persons whose substantial interests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

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

Mediation: Mediation is not available in this proceeding.

Objections to the Draft Title V Air Operation Permit: Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 days of the expiration of the Administrator's 45-day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any Title V permit. Any petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any Title V permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

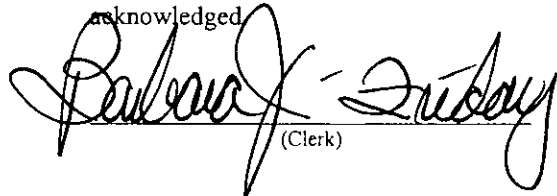
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Written Notice of Intent to Issue Air Permit package (including the Written Notice of Intent to Issue Air Permits, the Public Notice of Intent to Issue Air Permits, the Statement of Basis, the Technical Evaluation and Preliminary Determination, the Draft Title V Air Operation Permit Revision and the Draft Air Construction Permit) was sent by electronic mail with received receipt requested before the close of business on 3/25/08 to the persons listed below.

- Mr. Larry Mattern, Kissimmee Utility Authority (lmattern@kua.com)
- Mr. Mike Halpin, Siting Office (Mike.Halpin@dep.state.fl.us)
- Mr. Alan Zahm, Central District Office (Alan.Zahm@dep.state.fl.us)
- EPA Region 4 (posted)
- Ms. Kathleen Forney, EPA Region 4 (forney.kathleen@epa.gov)

Clerk Stamp

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

 Barbara J. Sunday 3/25/08
(Clerk) (Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

Florida Department of Environmental Protection

Draft Air Permit No. 0970001-009-AV, Title V Air Operation Permit Revision

Draft Air Permit No. 0970001-008-AC, Concurrent Air Construction Permit

Kissimmee Utility Authority
Roy B. Hansel Power Facility
Osceola County, Florida

Applicant: The applicant and responsible official for this project is the Kissimmee Utility Authority's Mr. Larry Mattern, Vice President of Power Supply. The applicant's mailing address is P.O. Box 423219 Kissimmee, Florida, 34742-3219.

Facility Location: Kissimmee Utility Authority operates an existing electrical generating power plant (SIC No. 4911) located in Osceola County at 102 Lakeshore Boulevard, Kissimmee, Florida. The UTM coordinates are Zone 17, 460.1 E and 3129.3 N.

Project: The purpose of this project is to revise air Permit No. AC49-74856 and concurrently revise Title V permit No. 0970001-007-AV. Currently the unit has an inlet fogging system and the unit is allowed to fire natural gas and No. 2 fuel oil. The applicant requested the removal of oil firing conditions and the inclusion of Clean Air Interstate Rule (CAIR) requirements.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). Applications for Title V air operation permits are subject to review in accordance with the provisions of Chapter 403, F.S. and Chapters 62-4, 62-210 and 62-213, F.A.C. The projects are not exempt from the permitting procedures for air construction and Title V air operation permits. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permits, the Statement of Basis, the Technical Evaluation and Preliminary Determination, the application, and the additional information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above.

Notice of Intent to Issue Permits: The Permitting Authority gives notice of its intent to issue a revised Title V air operation permit and a concurrent air construction permit for the project described above. The applicant has provided reasonable assurance that operation of the facility will not adversely impact air quality and that the project will comply with all applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297, F.A.C. The permitting authority will issue a final air construction permit and a proposed Title V air operation permit revision (and subsequent final Title V air operation permit revision) in accordance with the conditions of the Draft Permits unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Comments on the Draft Air Construction Permit: The Permitting Authority will accept written comments concerning the proposed Draft Air Construction Permit for a period of 14 days from the date of publication of the Public Notice. Written comments received must be post-marked by the Permitting Authority at the above address by 5:00 p.m. on or before the end of the 14-day comment period. If written comments result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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(Public Notice to be Published in the Newspaper)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

Permitting Authority hold a public meeting on the Title V permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location in the Florida Administrative Weekly and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact; (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 including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

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

Mediation: Mediation is not available in this proceeding.

Objections to the Draft Title V Air Operation Permit: Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 days of the expiration of the Administrator's 45-day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any Title V permit. Any petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any Title V permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of

(Public Notice to be Published in the Newspaper)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMITS

42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460.

(Public Notice to be Published in the Newspaper)



**TECHNICAL EVALUATION
&
PRELIMINARY DETERMINATION**

PROJECT

Draft Air Construction Permit No. 0970001-008-AC
Concurrent with Title V Permit No. 0970001-009-AV

APPLICANT

Kissimmee Utility Authority
Roy B. Hansel Power Facility
ARMS Facility ID No. 0970001

COUNTY

Osceola, Florida

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Division of Air Resource Management
Bureau of Air Regulation
2600 Blairstone Road, MS #5505
Tallahassee, Florida 32399-2400

March 24, 2008

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

1. GENERAL PROJECT INFORMATION

Facility Description and Location

Kissimmee Utility Authority operates a power generating facility in Osceola County located at 102 Lakeshore Boulevard in Kissimmee, Florida. The UTM map coordinates are Zone 17, 460.1 E, and 3129.3 N. The facility includes one 30.9 MW combined cycle combustion turbine with an unfired heat recovery steam generator and two 0.5 MW steam turbines which utilize steam produced by recovering waste heat from the combustion turbine exhaust gases. Emissions of nitrogen oxides (NO_x) are controlled by using low nitrogen content fuels and water injection.

Regulatory Categories

The existing facility is:

- A Title V major source of air pollution in accordance with Chapter 62-213, Florida Administrative Code (F.A.C.);
- A major stationary source in accordance with Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality;
- Not a major source of hazardous air pollutants;
- Subject to the New Source Performance Standards (NSPS) in 40 CFR 60 for: Subpart A (General Provisions) and Subpart GG (Stationary Gas Turbines) as adopted by reference in Rule 62-204.800 F.A.C.;
- Not subject to any National Emissions Standards for Hazardous Air Pollutants (NESHAP) in 40 CFR 63;
- Not subject to the Title IV Acid Rain provisions of the Clean Air Act (CAA); and
- Subject to Clean Air Interstate Rule (CAIR) in 40 CFR 96, as adopted by reference in 62-204.800, F.A.C.

Project Description

On January 7, 2008, the Department received an application to concurrently revise the Title V and construction permits for the Roy B. Hansel Power Facility in Osceola County as follows:

- Remove fuel oil as an allowable fuel,
- Remove the inlet fogging system,
- Add CAIR provisions,
- Remove obsolete conditions related to fuel oil including:
 - the fuel sulfur content,
 - mercury and beryllium standards,
 - Sulfur dioxide (SO₂) and NO_x standards when firing fuel oil.

This project will incorporate new applicable requirements from CAIR. The source has elected to use the monitoring provisions of Part 75 in lieu of monitoring the water to fuel ratio as incorporated in its original air construction permit [AC49-74856]. Because of the changes in the concurrent AC the following conditions in the existing Title V permit will become obsolete: A1, A2, A3, A7, A8, A11, A12, A25, and A39.

2. APPLICABLE REGULATIONS

In addition to federal rules above, this facility is subject to the following state rules:

Applicable Regulations	EU No(s).
Rule 62-4, F.A.C. Permitting Requirements	

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

Rule 62-204, F.A.C. Ambient Air Quality Requirements, PSD Increments	001
Rule 62-210, F.A.C. Permits Required, Public Notice, Reports, Stack Height Policy, Circumvention, Excess Emissions, and Forms	
Rule 62-212, F.A.C. Preconstruction Review, Preconstruction Review for the Prevention of Significant Deterioration (PSD) of Air Quality and BACT, and Preconstruction Review for Nonattainment Areas and LAER	
Rule 62-213, F.A.C. Title V Air Operation Permits for Major Sources of Air Pollution	
Rule 62-296, F.A.C. Emission Limiting Standards	
Rule 62-297, F.A.C. Test Methods and Procedures, Continuous Monitoring Specifications, and Alternate Sampling Procedures	
Construction Permit AC49-74856	

The proposed changes do not impose any new specific state regulations and will not result in actual emissions increases. Therefore, the project is not subject to PSD review.

3. PROJECT REVIEW

The following report discusses the applicant's requests and the Department's response. For revised permit conditions, deletions are shown with ~~strike through~~, and additions with double underline.

Unit 1, under the current permits, is authorized to fire both natural gas and No. 2 fuel oil. The applicant has requested that we remove fuel oil as an allowable fuel, as they only want to fire natural gas in the future. The switch to only firing natural gas is expected to reduce the emission of pollutants such as particulate matter and sulfur dioxide. Also, in recent years operating hours for the facility have been very low (under 400 hours per year). For these reasons, testing requirements have been relaxed. If the facility exceeds 400 hours of operation in any given calendar year, specific conditions take effect regarding compliance testing and monitoring. They have also requested that any requirements concerning the air inlet fogging system be removed, as it is no longer in service. The Department will adopt the revisions as provided by the applicant for changes in allowable fuel and for the removal of the inlet fogging system. As a result of these changes, certain provisions of AC49-74856 will become obsolete and will be removed from the Title V permit. These will include conditions A1, A2, A3, A7, A8, A11, A12, A25, and A39. CAIR requires a revision of Title V conditions A17, A23, A35, and A38. CAIR changes also require a new condition for monitoring established as new in AC49-74856 and as A44 in the Title V permit.

The Department will include a new specific condition requiring the installation of a NO_x – diluent Continuous Emissions Monitoring System (CEMS) after a loss of peaking status.

A.44. Loss of peaking status. If, at the end of any calendar year or ozone season, the unit's operations exceed the levels required to be a peaking unit, the owner or operator shall install and certify a NO_x – diluent monitoring system no later than December 31st of the following year. A combustion unit is defined as a peaking unit if it has an average annual capacity factor of 10.0 percent or less over the past three years and an annual capacity factor of 20.0 percent or less in each of those three years. Capacity factor is defined in §72.2 as either (1) the ratio of the unit's actual annual electrical output to the nameplate capacity times 8760, or (2) the ratio of the unit's actual annual heat input to the maximum design heat input times 8760. The ozone season capacity factor is calculated in the same basic way as the annual capacity factor, except that the ozone season heat input or electrical output is used in the calculation and 8760 is replaced with 3672.

[40 CFR 75 Appendix E]

4. PRELIMINARY DETERMINATION

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

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. No air quality modeling analysis is required because the project does not result in a significant increase in emissions. Additional details of this analysis may be obtained by contacting the project engineer, Ryan DeRosa, at the Department's Bureau of Air Regulation at Mail Station #5505, 2600 Blair Stone Road, Tallahassee, FL 32399-2400, or by calling 850-488-1906.

DRAFT PERMIT

PERMITTEE

Kissimmee Utility Authority
102 Lakeshore Boulevard
Kissimmee, FL 34741

Authorized Representative:
Mr. Larry Mattern, V.P. of Power Supply

Permit No. 0970001-008-AC
Roy B. Hansel Power Facility
ARMS ID No. 0970001
Osceola County, Florida

PROJECT AND LOCATION

Enclosed is the final air construction permit processed concurrently with Title V permit No. 0970001-009-AV to revise specific conditions in previous air construction permits. A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit modification is issued pursuant to Chapter 403, Florida Statutes. The affected emissions units are installed at the Roy B. Hansel Power Facility (SIC No. 4911). The facility is located in Osceola County at 102 Lakeshore Boulevard, Kissimmee, Florida. The UTM map coordinates are Zone 17, 460.1 E and 3129.3 N.

STATEMENT OF BASIS

This air pollution construction permit is issued under the provisions of Chapter 403 of the Florida Statutes (F.S.), and Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to conduct the proposed work or operate the facility 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.

CONTENTS

- Section 1. General Information
- Section 2. Revised Permit Conditions

Executed in Tallahassee, Florida

(DRAFT)

Joseph Kahn, Director
Division of Air Resource Management

(Date)

SECTION 2. REVISED PERMIT CONDITIONS (DRAFT)

FACILITY DESCRIPTION

Kissimmee Utility Authority operates a power generating facility in Osceola County located at 102 Lakeshore Boulevard in Kissimmee, Florida. The UTM map coordinates are Zone 17, 460.1 E, and 3129.3 N. The facility includes one 30.9 MW combined cycle combustion turbine with an unfired heat recovery steam generator and two 0.5 MW steam turbines which utilize steam produced by recovering waste heat from the combustion turbine exhaust gases. Emissions of nitrogen oxides (NO_x) are controlled by using low nitrogen content fuels and water injection.

REGULATORY CATEGORIES

The existing facility is:

- A Title V major source of air pollution in accordance with Chapter 62-213, F.A.C.;
- A major stationary source in accordance with Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality;
- Not a major source of hazardous air pollutants (HAP);
- Subject to the New Source Performance Standards (NSPS) in 40 CFR 60 for: Subpart A (General Provisions) and Subpart GG (Stationary Gas Turbines) as adopted by reference in Rule 62-204.800 F.A.C.;
- Not subject to any National Emissions Standards for Hazardous Air Pollutants (NESHAP) in 40 CFR 63;
- Not subject to the Title IV Acid Rain provisions of the Clean Air Act (CAA); and
- Subject to Clean Air Interstate Rule (CAIR) in 40 CFR 96, as adopted by reference in 62-204.800, F.A.C.

RELEVANT DOCUMENTS

The permit application received on January 7, 2008 is not a part of this permit; however, the information is specifically related to this permitting action and is on file with the Department. The documents listed below are not a part of this permit, but are specifically related to this permitting action and are on file with the Department.

The Technical Evaluation and Preliminary Determination.

Application submitted on January 7, 2008.

Permit No. AC49-74856 issued on March 30, 1984.

Subsequent modifications to Permit AC49-74856 issued on May 19, 1984, and May 30, 1986.

Title V Air Operation Permit 0970001-007-AV issued on May 4, 2007.

SUMMARY OF AFFECTED EMISSIONS UNITS

EU No.	Emissions Unit Description
001	Combined Cycle Combustion Turbine

This permit revises several underlying conditions in previously issued air construction permits for the Roy B. Hansel Power Facility. No further construction is authorized by this action. Deletions are shown as ~~strike through~~ and additions with double underline. The permits and conditions are revised as follows. All other conditions are unchanged and the affected emissions units remain subject to the applicable requirements.

Permit No. AC49-74856

Specific Condition 4 of Permit AC49-74856 is revised as follows:

SECTION 2. REVISED PERMIT CONDITIONS (DRAFT)

4. The source shall only be allowed to use ~~either natural gas or No. 2 fuel oil~~. Emissions standards and other specific conditions related to the use of No. 2 fuel oil shall no longer apply.

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

Specific Condition 10 of Permit AC49-74856 is revised as follows:

10. The applicant shall comply with all requirements of 40 CFR 60, Subpart GG, Standards of Performance for stationary gas turbines. Continuous monitoring systems that use the NO_x emissions measurement methodology in Appendix E of 40 CFR 75 may be used in lieu of the monitoring system for water-to-fuel ratio.

[40 CFR 60.334 (g)]

New specific conditions are added to AC49-74856 as follows:

17. Supplemental Permit: This air construction permit supplements all other existing air construction and operation permits for the emissions units identified above. Unless otherwise stated in this permit, the emissions units remain subject to the emissions standards and specific conditions of all other applicable air construction and operation permits.

[Rule 62-4.070(3), F.A.C.]

18. Loss of peaking status. If, at the end of any calendar year or ozone season, the unit's operations exceed the levels required to be a peaking unit, the owner or operator shall install and certify a NO_x - diluent monitoring system no later than December 31st of the following year. A combustion unit is defined as a peaking unit if it has an average annual capacity factor of 10.0 percent or less over the past three years and an annual capacity factor of 20.0 percent or less in each of those three years. Capacity factor is defined in §72.2 as either (1) the ratio of the unit's actual annual electrical output to the nameplate capacity times 8760, or (2) the ratio of the unit's actual annual heat input to the maximum design heat input times 8760. The ozone season capacity factor is calculated in the same basic way as the annual capacity factor, except that the ozone season heat input or electrical output is used in the calculation and 8760 is replaced with 3672.

[40 CFR 75 Appendix E]

Friday, Barbara

To: lmatter@kua.com; Halpin, Mike; Zahm, Alan; Forney.Kathleen@epamail.epa.gov
Cc: DeRosa, Ryan
Subject: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility
Attachments: 0970001008AC&009AVDraftCombinedIntent.pdf; 0970001-008-AC-Draft Permit.pdf; 0970001-008-AC-TEPD.pdf; 0970001-009-AV Revised.pdf; 0970001-009-AV-SOB.pdf

Dear Sir/Madam:

Please send a "reply" message verifying receipt of the attached document(s); this may be done by selecting "Reply" on the menu bar of your e-mail software and then selecting "Send". We must receive verification of receipt and your reply will preclude subsequent e-mail transmissions to verify receipt of the document(s).

The document(s) may require immediate action within a specified time frame. Please open and review the document(s) as soon as possible.

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Thank you,

DEP, Bureau of Air Regulation

Friday, Barbara

From: System Administrator
To: Halpin, Mike
Sent: Tuesday, March 25, 2008 2:19 PM
Subject: Delivered: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility

Your message

To: 'lmatern@kua.com'; Halpin, Mike; Zahm, Alan; 'Forney.Kathleen@epamail.epa.gov'
Cc: DeRosa, Ryan
Subject: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility
Sent: 3/25/2008 2:19 PM

was delivered to the following recipient(s):

Halpin, Mike on 3/25/2008 2:19 PM

Friday, Barbara

From: System Administrator
To: Zahm, Alan; DeRosa, Ryan
Sent: Tuesday, March 25, 2008 2:19 PM
Subject: Delivered: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility

Your message

To: 'Imattern@kua.com'; Halpin, Mike; Zahm, Alan; 'Forney.Kathleen@epamail.epa.gov'
Cc: DeRosa, Ryan
Subject: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility
Sent: 3/25/2008 2:19 PM

was delivered to the following recipient(s):

Zahm, Alan on 3/25/2008 2:19 PM
DeRosa, Ryan on 3/25/2008 2:19 PM

Friday, Barbara

From: Exchange Administrator
Sent: Tuesday, March 25, 2008 2:20 PM
To: Friday, Barbara
Subject: Delivery Status Notification (Relay)

Attachments: ATT462520.txt; DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility



ATT462520.txt
(283 B)



DRAFT Air Permit
No. 0970001-0...

This is an automatically generated Delivery Status Notification.

Your message has been successfully relayed to the following recipients, but the requested delivery status notifications may not be generated by the destination.

lmattern@kua.com

Friday, Barbara

From: Mail Delivery System [MAILER-DAEMON@mseive02.rtp.epa.gov]
Sent: Tuesday, March 25, 2008 2:20 PM
To: Friday, Barbara
Subject: Successful Mail Delivery Report

Attachments: Delivery report; Message Headers



Delivery report.txt
(490 B)



Message
Headers.txt (2 KB)

This is the mail system at host mseive02.rtp.epa.gov.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<Forney.Kathleen@epamail.epa.gov>: delivery via 127.0.0.1 [127.0.0.1]:10025: 250
OK, sent 47E94247_21968_51982_5

Friday, Barbara

From: Larry Mattern [LMATTERN@kua.com]
Sent: Tuesday, March 25, 2008 4:01 PM
To: Friday, Barbara
Subject: RE: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility

I have received.

Larry Mattern KUA

From: Friday, Barbara [mailto:Barbara.Friday@dep.state.fl.us]
Sent: Tuesday, March 25, 2008 2:19 PM
To: Larry Mattern; Halpin, Mike; Zahm, Alan; Forney.Kathleen@epamail.epa.gov
Cc: DeRosa, Ryan
Subject: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility

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DEP, Bureau of Air Regulation

The Department of Environmental Protection values your feedback as a customer. DEP Secretary Michael W. Sole is committed to continuously assessing and improving the level and quality of services provided to you. Please take a few minutes to comment on the quality of service you received. Simply click on this link to the DEP Customer Survey <<http://survey.dep.state.fl.us/?refemail=Barbara.Friday@dep.state.fl.us>> . Thank you in advance for completing the survey.

Friday, Barbara

From: Halpin, Mike
To: Friday, Barbara
Sent: Tuesday, March 25, 2008 2:46 PM
Subject: Read: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority
- Roy B. Hansel Power Facility

Your message

To: 'lmattem@kua.com'; Halpin, Mike; Zahm, Alan; 'Forney.Kathleen@epamail.epa.gov'
Cc: DeRosa, Ryan
Subject: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility
Sent: 3/25/2008 2:19 PM

was read on 3/25/2008 2:46 PM.

Friday, Barbara

From: Larry Mattern [LMATTERN@kua.com]
To: Friday, Barbara
Sent: Tuesday, March 25, 2008 3:03 PM
Subject: Read: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority
- Roy B. Hansel Power Facility

Your message

To: LMATTERN@kua.com
Subject:

was read on 3/25/2008 3:03 PM.

Friday, Barbara

From: Forney.Kathleen@epamail.epa.gov
Sent: Tuesday, March 25, 2008 6:23 PM
To: Friday, Barbara
Subject: Re: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility

thanks barbara

Katy R. Forney
Air Permits Section
EPA - Region 4
61 Forsyth St., SW
Atlanta, GA 30303

Phone: 404-562-9130
Fax: 404-562-9019

"Friday,
Barbara"
<Barbara.Friday@
dep.state.fl.us>

03/25/2008 02:18
PM

To
<lmattern@kua.com>, "Halpin,
Mike"
<Mike.Halpin@dep.state.fl.us>,
"Zahm, Alan"
<Alan.Zahm@dep.state.fl.us>,
Kathleen Forney/R4/USEPA/US@EPA
cc
"DeRosa, Ryan"
<Ryan.DeRosa@dep.state.fl.us>
Subject
DRAFT Air Permit No.
0970001-008-AC/0970001-009-AV -
Kissimmee Utility Authority - Roy
B. Hansel Power Facility

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Friday, Barbara

From: DeRosa, Ryan
To: Friday, Barbara
Sent: Tuesday, March 25, 2008 2:32 PM
Subject: Read: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority
- Roy B. Hansel Power Facility

Your message

To: 'lmattem@kua.com'; Halpin, Mike; Zahm, Alan; 'Forney.Kathleen@epamail.epa.gov'
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Subject: DRAFT Air Permit No. 0970001-008-AC/0970001-009-AV - Kissimmee Utility Authority - Roy B. Hansel Power Facility
Sent: 3/25/2008 2:19 PM

was read on 3/25/2008 2:32 PM.