

Department of Environmental Protection

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

Colleen M. Castille Secretary

April 18, 2006

Mr. Terry E. Gish Responsible Official Reliant Energy Osceola, L.L.C. 7800 U.S. Highway One South Titusville, FL 32780

Re:

Draft Air Construction Permit No. 0970071-007-AC

DRAFT Title V Air Operation Permit Revision No. 0970071-008-AV

Reliant Energy Osceola, L.L.C. Facility

Dear Mr. Gish:

One copy of the Technical Evaluation and Preliminary Determination, the combined Public Notice, the Draft Air Construction Permit, and the DRAFT Title V Air Operation Permit Revision for the Reliant Energy Osceola, L.L.C. Facility located at 5200 West Holopaw Road, St. Cloud, Osceola County, is enclosed. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" are also included.

Electronic versions of these documents have been posted on the Division of Air Resource Management's world wide web site for the United States Environmental Protection Agency (U.S. EPA) Region 4 office's review. The web site address is:

http://www.dep.state.fl.us/air/eproducts/ards/default.asp

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" must be published as soon as possible. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permits pursuant to Rule 62-110.106(11), F.A.C.

Please submit any written comments you wish to have considered concerning the permitting author<u>ity</u>'s proposed action to the Program Administrator, Permitting South Section, at the above letterhead address. If you have any other questions, please contact Tom Cascio, at 850/921-9526.

Sincerely,

Trina L. Vielhauer, Chief Bureau of Air Regulation

Enclosures

U.S. EPA, Region 4 (INTERNET E-mail)

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an Application for Permits by:

Reliant Energy Osceola, L.L.C. 7800 U.S. Highway One South Titusville, FL 32780

Draft Air Construction Permit No. 0970071-007-AC
DRAFT Title V Permit Revision No. 0970071-008-AV
Reliant Energy Osceola, L.L.C. Facility
Osceola County

INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit Revision (copies of the Draft Air Construction Permit and DRAFT Title V Air Operation Permit Revision attached) for the Title V source detailed in the application(s) specified above and the attached Technical Evaluation and Preliminary Determination, for the reasons stated below.

The applicant, Reliant Energy Osceola, L.L.C., applied on January 20, 2006, to the permitting authority for an Air Construction Permit and a Title V Air Operation Permit Revision for the Reliant Energy Osceola, L.L.C. Facility located at 5200 West Holopaw Road, St. Cloud, Osceola County. The facility consists of three 170-megawatt gas fired combustion turbines that occasionally use low sulfur (0.05 percent) fuel oil for backup.

The air construction permit, and corresponding Title V permit revision, are to implement the following change: Rather than each turbine being limited to 3,000 hours each, Reliant Energy is requesting that the site be limited to a total of 9,000 hours per twelve month period, of which up to 2,250 hours may be on fuel oil. This change would provide greater flexibility in how the units are dispatched. This change will not result in any type of emissions increase since all three units are essentially identical and total emissions will not change should, for example, one unit operate for 4,000 hours or two units operate for 2,000 hours. The Department has determined that this change does not require a review pursuant to the rule for the Prevention of Significant Deterioration of Air Quality (PSD).

The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, 62-212, 62-213, and 62-214. This source is not exempt from construction and Title V permitting procedures. The permitting authority has determined that an Air Construction Permit and a Title V Air Operation Permit Revision are required to construct and to commence or continue operations at the described facility.

The permitting authority intends to issue the Air Construction Permit and the Title V Air Operation Permit Revision based on the belief that reasonable assurances have been provided to indicate that the construction activity and operation of the source will not adversely impact air quality, and the source will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.087, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." The 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. 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

Draft Air Construction Permit No. 0970071-007-AC
DRAFT Title V Air Operation Permit Revision No. 0970071-008-AV
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permitting authority at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax: 850/922-6979, within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication may result in the denial of the permits pursuant to Rule 62-110.106(11), F.A.C.

The permitting authority will issue the Air Construction Permit and the PROPOSED Title V Air Operation Permit Revision and subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the attached Draft Air Construction Permit and the DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Air Construction Permit issuance action for a period of 14 (fourteen) days from the date of publication of the "<u>PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION</u>." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft Air Construction Permit, the permitting authority shall issue a Revised Draft Air Construction Permit and require, if applicable, another Public Notice.

The permitting authority will accept written comments concerning the proposed Title V Air Operation Permit Revision issuance action for a period of 30 (thirty) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Title V Air Operation Permit Revision, the permitting authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/245-2242; Fax: 850/245-2303). Petitions filed by the permits's (construction and revision) applicant or any of the parties listed below must be filed within 14 (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), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of this notice of intent, 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 (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, F.A.C.

A petition that disputes the material facts on which the permitting authority's action is based must contain the following information:

Draft Air Construction Permit No. 0970071-007-AC
DRAFT Title V Air Operation Permit Revision No. 0970071-008-AV
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- (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 each 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, as well as the rules and statutes which entitle the petitioner to relief;
- (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 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 notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application(s) have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation will not be available in this proceeding.

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

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department of Environmental Protection, 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.

Draft Air Construction Permit No. 0970071-007-AC
DRAFT Title V Air Operation Permit Revision No. 0970071-008-AV
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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 United States Environmental Protection Agency 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.

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 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any permit revision. Any petition shall be based only on objections to the permit revision 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 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.

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

Trina L. Vielhauer, Chief Bureau of Air Regulation Draft Air Construction Permit No. 0970071-007-AC
DRAFT Title V Air Operation Permit Revision No. 0970071-008-AV
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CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the combined PUBLIC NOTICE, the Draft Air Construction Permit and the DRAFT Title V Air Operation Permit Revision) and all copies were sent by U.S. mail* or electronic mail before the close of business on to the persons listed below:

Terry E. Gish, Reliant Energy Osceola, L.L.C..*
Len Kozlov, P.E., Central District Office, via e-mail
Joe Araiza, P.E., Reliant Energy Osceola, L.L.C., via e-mail
U.S. EPA, Region 4, via e-mail

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.

Clerk)

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PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION

Department of Environmental Protection

Draft Air Construction Permit No. 0970071-007-AC
DRAFT Title V Air Operation Permit Revision No. 0970071-008-AV
Reliant Energy Osceola, L.L.C. Facility
Osceola County

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit Revision to Reliant Energy Osceola, L.L.C. for the Reliant Energy Osceola, L.L.C. Facility located at 5200 West Holopaw Road, St. Cloud, Osceola County. A determination of best available control technology (BACT) was not required. The applicant's name and address are: Mr. Terry E. Gish, Responsible Official, Reliant Energy Osceola, L.L.C., 7800 U.S. Highway One South, Titusville, Florida 32780.

The facility consists of three 170-megawatt gas fired combustion turbines that occasionally use low sulfur (0.05 percent) fuel oil for backup. The air construction permit, and corresponding Title V permit revision, are to implement the following change: Rather than each turbine being limited to 3,000 hours each, Reliant Energy is requesting that the site be limited to a total of 9,000 hours per twelve month period, of which up to 2,250 hours may be on fuel oil. This change would provide greater flexibility in how the units are dispatched. This change will not result in any type of emissions increase since all three units are essentially identical and total emissions will not change should, for example, one unit operate for 4,000 hours or two units operate for 2,000 hours. The Department has determined that this change does not require a review pursuant to the rule for the Prevention of Significant Deterioration of Air Quality (PSD).

The permitting authority will issue the Air Construction Permit and the PROPOSED Title V Air Operation Permit Revision and subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the Draft Air Construction Permit and the DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Draft Air Construction Permit issuance action for a period of 14 (fourteen) days from the date of publication of this Notice. Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft Air Construction Permit, the permitting authority shall issue a Revised Draft Air Construction Permit and require, if applicable, another Public Notice.

The Permitting Authority will accept written comments concerning the DRAFT Title V Air Operation Permit Revision for a period of thirty (30) days from the date of publication of this Public Notice. Written comments must be post-marked and all facsimile comments must be received by the close of business (5:00 pm), on or before the end of this 30-day period, by the Permitting Authority at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 or facsimile (850/922-6979). As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this 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 on the Department's official web site for notices at http://tlhora6.dep.state.fl.us/onw 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 Title V Air Operation Permit Revision, the Permitting Authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57 of the Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/245-2242; Fax: 850/245-2303). Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of the notice of intent, 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 (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 applicable 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 (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; 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 petitioner's substantial rights will be affected by the agency determination;
 - (c) A statement of how and when the 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 state;
- (e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle petitioner to relief;
- (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 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 notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application(s) have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation is not available for this proceeding.

In addition to the above, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any permit revision. Any petition shall be based only on objections to the permit revision 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 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.

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:

Permitting Authority:

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

Telephone: 850/488-0114

Fax: 850/922-6979

Affected District/Local Program:

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

Fax: 407/897-2966

The complete project file includes the Technical Evaluation and Preliminary Determination and associated Draft Air Construction Permit and DRAFT Title V Air Operation Permit Revision, the application(s), and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Program Administrator, Permitting South Section, at the above address, or call 850/488-0114, for additional information.



Department of Environmental Protection

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

Colleen M. Castille Secretary

P.E. Certification Statement

Applicant:

Reliant Energy Osceola, L.L.C.

Permit Nos.: 0970071-007-AC

0970071-008-AV

Project Type: Air Construction Permit Modification

Title V Permit Revision Hours of Operation Change

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

Date

Professional Engineer (P.E.) License Number 48866

Permitting Authority:

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

Telephone: 850/921-9532

Fax: 850/921-9533

SMS/tbc



Department of Environmental Protection

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

Colleen M. Castille Secretary

DRAFT AIR CONSTRUCTION PERMIT NO. 0970071-007-AC

PERMITTEE

	File/Permit No.	0970071-007-AC
	Facility ID:	0970071
Reliant Energy Osceola, L.L.C.	Project:	Hours of Operation
7800 U.S. Highway One South		Change.
Titusville, FL 32780		-
	SIC No.	4911
Authorized Representative:	Expires:	December 31, 2006
Mr. Terry E. Gish, Responsible Official.	County	Osceola

PROJECT AND LOCATION

This is an Air Construction Permit to implement the following change:

Rather than each turbine being limited to 3,000 hours each, Reliant Energy is requesting that the site be limited to a total of 9,000 hours per twelve month period, of which up to 2,250 hours may be on fuel oil. This change would provide greater flexibility in how the units are dispatched. This change will not result in any type of emissions increase since all three units are essentially identical and total emissions will not change should, for example, one unit operate for 4,000 hours or two units operate for 2,000 hours. The air construction permit will also establish these changes as applicable Title V Operation Permit conditions.

This facility is located at 5200 West Holopaw Road, St. Cloud, Osceola County; UTM Coordinates: Zone 17, 490.43 km East and 3111.31 km North; and, Latitude: 28° 07' 44" North and Longitude: 81° 05' 50" West.

STATEMENT OF BASIS

This Air 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 above named permittee is authorized to implement the changes 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 of Environmental Protection (Department).

THE ATTACHED APPENDIX IS MADE A PART OF THIS PERMIT:

Appendix GC

Construction Permit General Conditions

Michael G. Cooke, Director Division of Air Resource Management

"More Protection, Less Process"

Printed on recycled paper.

FACILITY DESCRIPTION

The emissions units are three dual-fuel nominal 170 megawatt (MW) General Electric PG7241FA combustion turbine-electrical generators with three 75-foot stacks. Emissions from the CT's are controlled by Dry Low NO_X (DLN-2.6) combustors when operating on natural gas and wet injection when firing fuel oil. Inherently clean fuels and good combustion practices are employed to control all pollutants. The emissions units are regulated under Acid Rain, Phase II; NSPS - 40 CFR 60, Subpart GG, Standards of Performance for Stationary Gas Turbines, adopted and incorporated by reference in Rule 62-204.800(7), F.A.C.; Rule 62-212.400(5), F.A.C., Prevention of Significant Deterioration (PSD); Rule 62-212.400(6), F.A.C., Best Available Control Technology (BACT) Determination, dated December 28, 1999. The simple-cycle combustion turbines began operation in 2002.

REGULATORY CLASSIFICATION

The facility is classified as a Major or Title V Source of air pollution because emissions of at least one regulated air pollutant, such as particulate matter (PM/PM₁₀), sulfur dioxide (SO₂), nitrogen oxides (NO_X), carbon monoxide (CO), or volatile organic compounds (VOC), exceed 100 tons per year (TPY).

There are no physical changes or increases of pollutant emissions authorized by this permit.

PERMIT SCHEDULE

• January 20, 2006 Application received.

January 20, 2006 Application deemed complete.

RELEVANT DOCUMENTS

The documents listed below are the basis of the permit. They are specifically related to this permitting action, but not all are incorporated into this permit. These documents are on file with the Department.

- Title V Air Operation Permit Revision No. 0970071-005-AV.
- Air Construction Permit No. PSD-FL-273.
- Application received on January 20, 2006.
- The Department's Technical Evaluation and Preliminary Determination, issued concurrently with this draft air construction permit.

PROJECT DESCRIPTION

This permit implements the following Applicant request:

Rather than each turbine being limited to 3,000 hours each, Reliant Energy is requesting that the site be limited to a total of 9,000 hours per twelve month period, of which up to 2,250 hours may be on fuel oil. This change would provide greater flexibility in how the units are dispatched. This change will not result in any type of emissions increase since all three units are essentially identical and total emissions will not change should, for example, one unit operate for 4,000 hours or two units operate for 2,000 hours.

A.1. General Conditions. The owner and operator is subject to, and shall operate under the attached General Permit Conditions G.1. through G.15. listed in Appendix GC of this permit. General Permit Conditions are binding and enforceable pursuant to Chapter 403 of the Florida Statutes. [Rule 62-4.160, F.A.C.]

APPLICABLE STANDARDS AND REGULATIONS

- **A.2.** Unless otherwise indicated in this permit, the construction and operation of the subject emission unit(s) shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of Chapter 403, F.S., and Florida Administrative Code Chapters 62-4, 62-103, 62-204, 62-210, 62-212, 62-213, 62-214, 62-296, and 62-297.
- **A.3.** Issuance of this permit does not relieve the facility owner or operator from compliance with any applicable federal, state, or local permitting requirements or regulations. [Rule 62-210.300, F.A.C.]
- **A.4.** The facility is subject to all of the requirements specified in Title V Air Operation Permit Revision No. 0970071-005-AV.

ESSENTIAL POTENTIAL TO EMIT (PTE) PARAMETERS

A.5. Hours of Operation. The stationary gas turbines, combined, shall only operate up to 9,000 hours in any consecutive twelve month period, of which up to 2,250 hours may be on fuel oil. If a unit does not operate for 12 consecutive months, the site totals shall be reduced by 3,000 hours on gas and 750 hours on oil for the following 12 months and rolling 12 months thereafter. Following a minimum period of 12 months with these reduced hours, once a unit returns to service, the site totals shall be increased by 3,000 hours on gas and 750 hours on oil for the following 12 months and rolling 12 months thereafter. [Rule 62-210.200(PTE), F.A.C.; PSD-FL-273; and Applicant request dated 1/20/06.]

TECHNICAL EVALUATION

AND

PRELIMINARY DETERMINATION

Reliant Energy Osceola, L.L.C.

Reliant Energy Osceola, L.L.C. Facility

Osceola County

DEP File No. 0970071-007-AC

Department of Environmental Protection
Division of Air Resource Management
Bureau of Air Regulation
Permitting South Section

April 13, 2006

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

1.0. GENERAL INFORMATION

1.1. APPLICANT NAME AND ADDRESS

Reliant Energy Osceola, L.L.C. 7800 U.S. Highway One South Titusville, FL 32780

Responsible Official: Mr. Terry E. Gish, Responsible Official

1.2. REVIEW AND PROCESS SCHEDULE

January 20, 2006

Permit application received.

January 20, 2006

Application deemed complete.

2.0. FACILITY INFORMATION

This facility is located at 5200 West Holopaw Road, St. Cloud, Osceola County; UTM Coordinates: Zone 17, 490.43 km East and 3111.31 km North; and, Latitude: 28° 07' 44" North and Longitude: 81° 05' 50" West.

SIC codes are:

Industry Group No.	49	Electric, Gas and Sanitary Services
Industry No.	4911	Electric Generation

The emissions units at the facility are three dual-fuel nominal 170 megawatt (MW) General Electric PG7241FA combustion turbine-electrical generators with three 75-foot stacks. Emissions from the CT's are controlled by Dry Low NO_x (DLN-2.6) combustors when operating on natural gas and wet injection when firing fuel oil. Inherently clean fuels and good combustion practices are employed to control all pollutants. The emissions units are regulated under Acid Rain, Phase II; NSPS - 40 CFR 60, Subpart GG, Standards of Performance for Stationary Gas Turbines, adopted and incorporated by reference in Rule 62-204.800(7), F.A.C.; Rule 62-212.400(5), F.A.C., Prevention of Significant Deterioration (PSD); Rule 62-212.400(6), F.A.C., Best Available Control Technology (BACT) Determination, dated December 28, 1999. The simple-cycle combustion turbines began operation in 2002.

This is an Air Construction Permit to implement the following change:

Rather than each turbine being limited to 3,000 hours each, Reliant Energy is requesting that the site be limited to a total of 9,000 hours per twelve month period, of which up to 2,250 hours may be on fuel oil. This change would provide greater flexibility in how the units are dispatched. This change will not result in any type of emissions increase since all three units are essentially identical and total emissions will not change should, for example, one unit operate for 4,000 hours or two units operate for 2,000 hours. The air construction permit will also establish this change as an applicable Title V Operation Permit condition.

For reference, the table below displays the operating hours for each combustion turbine for the last three years.

	Reliant Energy Osceola	Unit 001	Unit 002	Unit 003
2003	HOURS -OIL	113	93	18
	HOURS-GAS	1722	1591	547
2004	HOURS -OIL	50	35	64
	HOURS-GAS	1287	1245	662
2005* *2005 Nur	HOURS -OIL HOURS-GAS mbers are estimates only.	53 577	87 1478	74 1115

This facility is classified as a Major or Title V Source of air pollution because emissions of at least one regulated air pollutant, such as particulate matter (PM/PM₁₀), sulfur dioxide (SO₂), nitrogen oxides (NO_x), carbon monoxide (CO), or volatile organic compounds (VOC) exceeds 100 tons per year (TPY). This facility is a major source of hazardous air pollutants (HAPs).

3.0. PROJECT DESCRIPTION

The applicant proposes no equipment changes to the configuration of the facility. The requested operational and permit changes are noted above in Section 2.0.

4.0. PROJECT EMISSIONS & RULE APPLICABILITY

There are no pollutant emission changes associated with this project.

This change constitutes a minor revision to existing requirements of the facility's PSD permit. Therefore, the change is not subject to review under Rule 62-212.400, F.A.C., Prevention of Significant Deterioration (PSD), so neither a revised Best Available Control Technology (BACT) determination nor an analysis of the air quality impact is required. However, because this project requires a change to the requirements of a PSD permit, the public notice requirements for PSD permits are applicable.

The proposed project is otherwise subject to preconstruction review requirements under the provisions of Chapter 403, Florida Statutes, and Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.). Allowable excess emissions will not change as a result of this project.

The emission units affected by this permit shall comply with all applicable provisions of the Florida Administrative Code (including applicable portions of the Code of Federal Regulations incorporated therein).

5.0. CONCLUSION

Based on the foregoing technical evaluation of the application and additional information submitted by the applicant and other available information, the Department has made a preliminary determination that the proposed project will comply with all applicable state and federal air pollution regulations. The Department will issue a draft air construction permit to the applicant that provides for the above changes.