



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

July 22, 1998

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

W. Jeffrey Pardue
Director of Environmental Services
Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733

Re: Anclote Power Plant Units 1 and 2
Natural Gas Co-Firing
DRAFT Permit No. 1010017-004-AC

Dear Mr. Pardue:

Enclosed is one copy of the Draft Air Construction Permit to install natural gas co-firing capability on Units 1 and 2 at the Anclote Power Plant located at Anclote Road, West of US 19, Tarpon Springs, Pasco County, Florida. 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 OF INTENT TO ISSUE AIR CONSTRUCTION PERMIT AND AMENDMENT" must be published in the legal advertisement section of a newspaper of general circulation in the area affected. 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 amendment.

Please submit any written comments you wish to have considered concerning the Department's proposed action to Martin Costello at the above letterhead address. If you have any other questions, please contact Mr. Martin Costello at 850/488-0114.

Sincerely,

C. H. Fancy, P.E.
Chief
Bureau of Air Regulation

/mc

Enclosures

In the Matter of an
Application for Permit by:

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733

DRAFT Permit No.: 1010017-004-AC
Anclote Power Plant Gas Co-firing
Pasco County

INTENT TO ISSUE CONSTRUCTION PERMIT

The Department of Environmental Protection (Department) gives notice of its intent to issue a permit (copy of DRAFT AIR CONSTRUCTION PERMIT attached) for the proposed project, detailed in the application specified above and the attached Technical Evaluation and Preliminary Determination, for the reasons stated below.

The applicant, Florida Power Corporation, applied on February 26, 1998 to the Department for a construction permit to modify two utility boilers, Units 1 and 2, by adding the capability to co-fire natural gas with fuel oil at the Anclote Power Plant located at Anclote Road, West of US 19, Tarpon Springs, Pasco County, Florida.

The Department 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, 62-296, and 62-212. The above actions are not exempt from permitting procedures. The Department has determined that an air construction permit is required for the proposed work.

The Department intends to issue this Construction Permit based on the belief that reasonable assurances have been provided to indicate that operation of these emission units will not adversely impact air quality, and the emission units will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, 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 days from the date of publication of "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 written 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.

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, as well as the rules and statutes which entitle the petitioner to relief; and (f) A demand for relief.

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.

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.



C. H. Fancy, P.E., Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE CONSTRUCTION PERMIT (including the PUBLIC NOTICE, Technical Evaluation and Preliminary Determination, and the DRAFT permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 7/22/98 to the person(s) listed:

Mr. W. Jeffrey Pardue, FPC *
Mr. Brian Beals, EPA
Mr. John Bunyak, NPS
Mr. Bill Thomas, SWD

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.

Charlotte J. Hayes 7/22/98
(Clerk) (Date)

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. W. J. Pardue
 Director of Eng. Serv.
 Fla. Power Corp.
 3201 34th St. South
 St. Petersburg, FL 33733

4a. Article Number

P 265 659 390

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

MAR 24 1998

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 265 659 390

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sender		W. J. Pardue	
Street Address		3201 34th St. South	
Post Office, State, & ZIP Code		St. Pete, FL 33733	
Postage	\$		
Certified Fee			
Special Delivery Fee			
Restricted Delivery Fee			
Return Receipt Showing to Whom & Date Delivered			
Return Receipt Showing to Whom, Date, & Addressee's Address			
TOTAL Postage & Fees	\$		
Postmark or Date		7-22-98	
1010017-004-AC		anchote	

PS Form 3800, April 1995

PUBLIC NOTICE OF INTENT TO ISSUE CONSTRUCTION PERMIT

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DRAFT Permit No.: 1010017-004-AC
Florida Power Corporation
Anclote Power Plant Units 1 and 2
Pasco County

**NOTICE TO BE PUBLISHED
IN THE NEWSPAPER**

The Department of Environmental Protection (Department) gives notice of its intent to issue a construction permit to Florida Power Corporation for a project to install natural gas co-firing capability at the Anclote Power Plant Units 1 and 2 located at Anclote Road, West of US 19, Tarpon Springs, Pasco County, Florida.

A Best Available Control Technology (BACT) determination was not required pursuant to Rule 62-212.400, F.A.C. and 40 CFR 52.21 Prevention of Significant Deterioration (PSD). The applicant's name and address are Florida Power Corporation, 3201 34th Street South, St. Petersburg, Florida 33733.

Florida Power Corporation applied for a construction permit to modify Units 1 and 2 to accommodate the firing of natural gas thus enabling either or both units to co-fire gas and No. 6 fuel oil. The applicant has estimated that emissions of regulated PSD air pollutants will not increase, therefore this project is exempt from PSD review and a BACT determination. Accordingly the Department has limited future emissions to past actual emission levels for nitrogen oxides (NO_x), sulfur dioxide (SO₂), particulate matter (PM), and carbon monoxide (CO).

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 days from the date of publication of "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 written 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.

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

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

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, as well as the rules and statutes which entitle the petitioner to relief; and (f) A demand for relief.

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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.

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:

Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: (850) 488-0114
Fax: (850) 922-6979

Department of Environmental Protection
SW District Office
3804 Coconut Palm Drive
Tampa, Florida 33619-8218
Telephone:(813) 744-6100
Fax: :(813) 744-6458

The complete project file includes the application, technical evaluations, Draft Permit, and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Administrator, New Resource Review Section at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 904/488-0114, for additional information.

**TECHNICAL EVALUATION
AND
PRELIMINARY DETERMINATION**

Florida Power Corporation

**Anclote Power Plant, Units 1 and 2
Gas Co-firing Project
Pasco County**

Construction Permit No. 1010017-004-AC

Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation

July 22, 1998

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

Florida Power Corporation submitted an application to modify Anclote Units 1 and 2 to accommodate the firing of natural gas. These modifications would enable one or both units to co-fire natural gas and fuel oil. Units 1 and 2 are utility boilers rated at nominally 530 megawatts which exhaust through a common stack. Emissions from the boilers are uncontrolled. The Anclote facility is located in Pasco County.

The modification will consist of adding gas spuds and new nozzle tips to the bottom two burner decks. Each tangential fired boiler has 5 burner decks and a total of 20 burners. Only one fuel (either gas or fuel oil) will be fired in these lower burner decks at a time. Natural gas piping will be added to the facility which will be capable of delivering approximately 40 to 44% of the heat input to each boiler. The total heat input to the boiler when cofiring natural gas will be higher due to the additional latent heat losses when firing natural gas. The increased heat input when firing natural gas is 2.2% higher (5% latent heat losses times the maximum fraction of gas, 44%). According to the 1997 annual operating report, the units currently burn 1% sulfur No. 6 fuel oil. After the gas modification, the boilers will co-fire natural gas and fuel oil of up to 2.5% sulfur content. When natural gas is not available or cost effective the currently permitted fuel oils will be fired. The burner manufacturer, Ansaldo Inc., has guaranteed that hourly emissions of NO_x, PM, CO and opacity will not increase when co-firing natural gas with No. 6 fuel oil.

In its application, FPC applied to fire used oil in quantities up to 10% of the annual heat input of the units. But it was mutually agreed that issues related to used oil are being addressed separately from this permitting action due to FPC's petition for an administrative hearing on the Anclote Title V operating permit.

Consideration was given to permitting the project as a pollution control project (PCP) in accordance with Rule 62-212.400(2)(a)2, F.A.C. because natural gas is an inherently clean fuel. However because the co-firing project will afford the firing of 2.5% sulfur fuel oil versus the 1% sulfur fuel oil currently fired, the Department has determined that the PCP exemption does not apply in this case. Further reasons that the PCP exemption does not apply include the uncertainty in co-firing with used oil which has higher ash content after the modification and the lack of quantification of any emissions reductions from the applicant. Future annual emissions of sulfur dioxide (SO₂), nitrogen oxides (NO_x), particulates (PM), and carbon monoxide (CO) (one time stack test) are limited in the draft construction permit to insure that PSD is not triggered.

Based on the foregoing technical evaluation of the application and additional information submitted by the applicant, the Department has made a preliminary determination that the proposed project will comply with all applicable state and federal air pollution regulations provided that vendor guarantees for emissions rates is implemented and certain conditions are met. The draft permit conditions are attached.

Engineer: Martin Costello, P.E.



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

PERMITTEE:

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733

Permit No.	1010017-004-AC
SIC No.	4911
Expires:	December 1, 1999

Authorized Representative:
W. Jeffrey Pardue
Director Environmental Services

PROJECT AND LOCATION:

Permit for the installation of natural gas burners and natural gas supply equipment at the Anclote Power Plant Units 1 and 2, located at Anclote Road, West of US 19, Tarpon Springs, Pasco County, Florida.

UTM: Zone 17 ; 324.4 km E ; 3118.7 km N

STATEMENT OF BASIS:

This construction permit is issued under the provisions of Chapter 403 of the Florida Statutes (F.S.), and the Florida Administrative Code (F.A.C.) Chapters 62-4, 62-204, 62-210, 62-212, 62-214, 62-296, 62-297. The above named Permittee is authorized to modify 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 of Environmental Protection (Department).

Attached Appendix made a part of this permit:

Appendix GC

Construction Permit General Conditions

Howard L. Rhodes, Director
Division of Air Resources
Management

AIR CONSTRUCTION PERMIT No. 1010017-004-AC

SECTION I. FACILITY INFORMATION

FACILITY DESCRIPTION

This permit authorizes the installation and testing of natural gas burners to utility boilers unit 1 and unit 2. Unit 1 is a nominal 535(summer)/540(winter) megawatt (electric) steam generator. Unit 2 is a nominal 525(summer)/530(winter) megawatt (electric) steam generator. Both units share a common 499 foot exhaust stack. There is no air pollution control equipment on these units.

REGULATORY CLASSIFICATION

The Anclote Generating Station is classified as a major air pollutant emitting facility. Units 1 and 2 are regulated under Rule 62-296.405 F.A.C., Fossil Fuel Steam Generators with more than 250 million Btu per Hour Heat Input.

This facility is regulated under Title IV and Title V of the Clean Air Act Amendments of 1990.

This facility is classified as a major source of Hazardous Air Pollutants (HAPs).

RELEVANT DOCUMENTS:

The documents listed below are the basis of the permit. They are specifically related to this permitting action but do not supersede the conditions given in this permit. These documents are on file with the Department.

Application received by DEP on 2/26/98
Department's letters dated 3/26/98, and 5/19/98
FPC response letters and faxes dated 3/23/98 4/28/98, 6/5/98, and 6/23/98

AIR CONSTRUCTION PERMIT No. 1010017-004-AC

SECTION II. EMISSION UNITS ADMINISTRATIVE REQUIREMENTS

1. Regulating Agencies: All documents related to applications for permits to operate, and associated reports, tests, minor modifications and notifications or for permits to construct or modify an emission unit(s) should be submitted to the Bureau of Air Regulation (BAR), Florida Department of Environmental Protection (DEP) mailing address: 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, Mail Station 5505, and phone number (850) 488-0114.

The Permittee shall submit all compliance related notifications and reports required of this permit to the Department's Southwest District office:

Department of Environmental Protection
Southwest District Office
3804 Coconut Palm Drive
Tampa, Florida 33619-8218
Telephone: 813/744-6100
Fax: 813/744-6458

Any reports, data, notifications, certifications, and requests required to be sent to the United States Environmental Protection Agency, Region 4, should be sent to:

U. S. Environmental Protection Agency - Region 4
Air, Pesticides & Toxics Management Division
Operating Permits Section
61 Forsyth Street
Atlanta, Georgia 32303
Telephone: 404/562-9099
Fax: 404/562-9095

2. 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.]

3. Terminology: The terms used in this permit have specific meanings as defined in the corresponding chapters of the Florida Administrative Code.

4. Forms and Application Procedures: 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. [Rule 62-210.900, F.A.C.]

5. Expiration: This air construction permit shall expire on December 1, 1999.

SECTION III. SPECIFIC CONDITIONS

A. General Operation Requirements

1. Applicable Regulations: 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 and supplemental information referenced in Section I, Subsection C with the exception of used oil firing. As the Department is undergoing litigation from FPC on the availability of the alternative fuel exemption pursuant to Rule 62-212.400(2)(c) F.A.C., this permit does not authorize the firing of used oil. 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. 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.]
2. Unit 1 is authorized to fire fuel oils No. 1 through No. 6 with a maximum heat input of 4964 MMBtu per hour. Unit 2 is authorized to fire fuel oils No. 1 through No. 6 with a maximum heat input of 4850 MMBtu per hour. Pipeline quality natural gas may be fired alone or cofired with fuel oil in either boiler and shall be limited to a maximum heat input of 44% of the total heat input per boiler. Unit 1 is authorized to co-fire natural gas with fuel oils No. 1 through No. 6 with a maximum heat input of 5073 MMBtu per hour. Unit 2 is authorized to co-fire natural gas with fuel oils No. 1 through No. 6 with a maximum heat input of 4957 MMBtu per hour.
3. Anclote Power Plant Units 1 and 2 may operate continuously (i.e., 8760 hours per year).
4. Only pipeline quality natural gas or No. 1 - 6 fuel oils with a maximum sulfur content of 2.5% by weight shall be fired in Units 1 and 2. The fuel ash content shall not exceed 0.1 percent by weight.
5. Plant Operation - Problems: If temporarily unable to comply with any of the conditions of the permit due to breakdown of equipment or destruction by fire, wind or other cause, the owner or operator shall notify the Permitting Authority as soon as possible, but at least within (1) working day, excluding weekends and holidays. The notification shall include: pertinent information as to the cause of the problem; the steps being taken to correct the problem and prevent future recurrence; and where applicable, the owner's intent toward reconstruction of destroyed facilities. Such notification does not release the Permittee from any liability for failure to comply with the conditions of this permit and the regulations. [Rule 62-4.130, F.A.C.]
6. Operating Procedures: Operating procedures shall include good operating practices and proper training of all operators and supervisors. The good operating practices shall meet the guidelines and procedures as established by the equipment manufacturers. [Rule 62-4.070(3), F.A.C.]

SECTION III. SPECIFIC CONDITIONS

B. Emission Limits and Standards

1. The following is a summary of emission limits applicable to Units 1 and 2:

Table 1. Emission Limits

Pollutant	Standard
SO2	2.75 lb/MMBtu 2.5% sulfur content by weight
PM/PM10	0.1 lb/MMBtu
Visible Emissions	40 percent opacity

2. Visible Emissions. Visible emissions (VE) shall not exceed 40 percent opacity. Owners or operators shall conduct a compliance test for particulate matter emissions and opacity annually. Failure to demonstrate compliance with the particulate matter standard or the opacity standard of this condition shall constitute grounds for immediate revocation of this 40% standard in which case the standard from Rule 62-296.405(1)(a) F.A.C. shall apply (20% opacity limit except for one six-minute period per hour during which opacity shall not exceed 27%). [Rule 62-296.405(1)(a), F.A.C.; and, OGC File Nos. 86-1574 and 86-1575/Orders dated December 11, 1986.]
3. Visible Emissions - Soot Blowing and Load Change. Excess emissions from existing fossil fuel steam generators resulting from boiler cleaning (soot blowing) and load change shall be permitted provided the duration of such excess emissions shall not exceed 3 hours in any 24-hour period and visible emissions shall not exceed 60 percent opacity, and providing (1) best operational practices to minimize emissions are adhered to and (2) the duration of excess emissions shall be minimized. A load change occurs when the operational capacity of a unit is in the 10 percent to 100 percent capacity range, other than startup or shutdown, which exceeds 10 percent of the unit's rated capacity and which occurs at a rate of 0.5 percent per minute or more. Visible emissions above 60 percent opacity shall be allowed for not more than 4, six (6)-minute periods, during the 3-hour period of excess emissions allowed by this subparagraph, for boiler cleaning and load changes on Units 1 and 2 which are required to operate continuous opacity monitors. [40 CFR 75 and Rule 62-210.700(3), F.A.C.]
4. Oxides of Nitrogen. Based on CEMS data, post-change NOx emissions from the two units shall not exceed 4,416 tons per year (the 1996 -1997 emissions rate when firing fuel oil as measured by CEMS). When monitoring data is not available, substitution for missing data shall be handled as required by Title IV (40 CFR 75) to calculate annual emissions. The owner or operator shall maintain and submit to the Department's Tallahassee office 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 by reporting these annual NOx emissions in the annual operating report (AOR). [62-212.400(2) and 62-210.200(12) F.A.C.]

SECTION III. SPECIFIC CONDITIONS

5. Sulfur Dioxide. Sulfur Dioxide emissions shall not exceed 2.75 lb/MMBtu as indicated by fuel sampling. Compliance shall be demonstrated through the exclusive use of fuel oil with less than 2.5% sulfur content by weight. Based on CEMS data, post-change SO₂ emissions from the two units shall not exceed the 1996 -1997 emissions rate when firing fuel oil as measured by CEMS. When monitoring data is not available, substitution for missing data shall be handled as required by Title IV (40 CFR 75) to calculate annual emissions. The owner or operator shall maintain and submit to the Department's Tallahassee office 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 by reporting these annual SO₂ emissions in the annual operating report (AOR). [Rule 62-296.405, 62-212.400(2) and 62-210.200(12) F.A.C.]
6. Particulate Matter. Particulate matter emissions shall not exceed 0.1 lb/MMBtu as measured by Method 5 or Method 17. Particulate matter emissions shall not exceed an average of 0.3 pound per million Btu heat input during the 3-hours in any 24-hour period of excess emissions allowed for boiler cleaning (soot blowing) or load change. Based on annual stack test data and actual fuel use, post-change annual particulate emissions shall not exceed 619 tpy (the 1996 - 1997 unit 1 and 2 average emissions rate). The owner or operator shall maintain and submit to the Department's Tallahassee office 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 by reporting these annual PM emissions in the annual operating report (AOR). [Rule 62-210.700(3), 62-296.405, 62-212.400(2) and 62-210.200(12) F.A.C.]

C. Excess Emissions

1. Excess emissions resulting from malfunction shall be permitted provided that best operational practices are adhered to and the duration of excess emissions shall be minimized but in no case exceed two hours in any 24-hour period unless specifically authorized by the DEP Southwest District Office for longer duration. Excess emissions resulting from startup or shutdown shall be permitted provided that best operational practices to minimize emissions are adhered to and the duration of excess emissions shall be minimized. [Rule 62-210.700(2), F.A.C.]
2. Excess emissions which are caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure which may reasonably be prevented during startup, shutdown or malfunction shall be prohibited. [Rule 62-210.700(4) F.A.C]
3. Excess Emissions Report: If excess emissions occur due to malfunction, the owner or operator shall notify DEP's Southwest District office within (1) working day of: the nature, extent, and duration of the excess emissions; the cause of the excess emissions; and the actions taken to correct the problem. In addition, the Department may request a written summary report of the incident. Excess emissions shall be reported in accordance with 40 CFR 60.7. [Rules 62-4.130 and 62-210.700(6), F.A.C.]

SECTION III. SPECIFIC CONDITIONS

D. Compliance Determination

1. Compliance with the allowable emission limiting standards shall be determined within 60 days after achieving the maximum production rate for natural gas firing, but not later than 180 days from the initial operation date on natural gas, and annually thereafter as indicated in this permit, by using the following reference methods as described in 40 CFR 60, Appendix A (1998 version), and adopted by reference in Chapter 62-297, F.A.C.

Initial (I) compliance tests for VE and particulate emissions shall be performed on Units 1 and 2 while cofiring the maximum capacity of natural gas (approximately 40% to 44% of total heat input) and No. 6 Fuel oil. Annual (A) compliance tests shall be performed during every federal fiscal year (October 1 - September 30) pursuant to Rule 62-297.340, F.A.C., on Units 1 and 2 as indicated. The following reference methods shall be used:

- DEP Method 9 Visual Determination of the Opacity of Emissions from Stationary Sources (I, A).
- EPA Method 17 or Method 5. The minimum sample volume shall be 30 dry standard cubic feet.

For EPA Method 17, stack temperature shall be less than 375 degrees Fahrenheit. EPA Method 3A shall be used with the oxygen based F-factor and emission rates (lb/MMBtu) shall be computed according to EPA Method 19. Acetone wash shall be used with EPA Method 5 or 17. Stack testing shall be conducted using the fuel (and additive injection levels) which is representative of worst case for particulate emissions rate (i.e. using the fuel or fuel blend representative of that which has been fired during the past federal fiscal year which results in the highest potential emissions rate). (I, A) [Rules 62-213.440, 62-296.405(1)(e)2., and 62-297.401, F.A.C.]

Note: No other methods may be used for compliance testing unless prior DEP approval is received in writing. The DEP may request a special compliance test pursuant to Rule 62-297.340(2), F.A.C., when, after investigation (such as complaints, increased visible emissions, or questionable maintenance of control equipment), there is reason to believe that any applicable emission standard is being violated. The DEP's Southwest District office shall be notified, in writing, at least 30 days prior to the initial and annual compliance test(s)

2. Testing of emissions shall be conducted with each boiler operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum heat input rate allowed by the permit. If it is impracticable to test at permitted capacity, the source may be tested at less than permitted capacity. In this case, subsequent operation is limited by adjusting the heat input limit to 110 percent of the value reached during the test until a new test is conducted. Once the unit is so limited, operation at higher capacities is allowed for no more than 15 consecutive days for the purposes of additional compliance testing to regain the permitted capacity.
3. EPA Method 6C may be used to determine compliance with the SO₂ emission limit. The following fuel sampling and analysis protocol may be used as an alternate sampling procedure authorized by this permit to demonstrate compliance with the sulfur dioxide standard: Determine and record the fuel sulfur content, percent by weight, for fuel oil delivered to the facility using

SECTION III. SPECIFIC CONDITIONS

either ASTM D2622-924, ASTM D4294-90, or both ASTM D4057-88 and ASTM D129-95 (or latest editions).

Co-firing natural gas with fuel oil having more than 2.5% sulfur content by weight is prohibited. [Rules 62-213.440(1), 62-4.070(3), 62-296.405(1)(e)3., 62-296.405(1)(f)1.b. and 62-297.440, F.A.C.]

4. An initial test for CO is required while co-firing No. 6 fuel oil and natural gas at the design maximum capacity for gas operation (approximately 40% to 44% of total heat input) and at within 10% of the permitted overall heat input rate for each unit. The initial CO test results shall be the average of three valid one-hour runs using EPA method 10. A second test for CO shall be conducted firing only No. 6 fuel oil at within 10% of the overall heat input rate for comparison. This test is not required annually.
5. All fuel oil delivered to the facility shall be analyzed using ASTM D240-76 (or equivalent) to record the gross heating value (HHV). ASTM D482-95 (or equivalent) shall be used to record the ash content of liquid fuels unless the fuel specifications limit ash content to 0.1 % by weight. Analysis may be performed by the owner or operator, a service contractor retained by the owner or operator, the fuel vendor, or any other qualified agency.

E. Notification, Reporting and Recordkeeping

1. All measurements, records, and other data required to be maintained by FPC shall be retained for at least five (5) years following the date on which such measurements, records, or data are recorded. These records shall be made available to DEP representatives upon request.
2. Compliance Test Reports: A test report indicating the results of the required compliance tests shall be filed with the DEP Southwest District Office as soon as practical, but no later than 45 days after the last sampling run is completed. The test report shall provide sufficient detail on the tested emission unit and the procedures used to allow the Department to determine if the test was properly conducted and if the test results were properly computed. At a minimum, the test report shall provide the applicable information listed in Rule 62-297.310(8), F.A.C.

F. Monitoring Requirements

1. The Permittee shall install, calibrate, maintain, and operate a continuous emission monitor in the stack to measure and record the nitrogen oxides, sulfur dioxide emissions and opacity from Units 1 and 2. The continuous emission monitoring systems must comply with the certification and quality assurance, and other applicable requirements from 40 CFR 75. Periods of startup, shutdown, malfunction, and fuel switching shall be monitored, recorded, and reported as excess emissions when emission levels exceed the standards in Table 1 following the format of 40 CFR 60.7 (1998 version).
2. The following monitoring schedule for No. 1 - 6 fuel oil shall be followed: For all shipments of fuel oil received at the Anclote Power Plant Station, an analysis which reports the sulfur and ash content and heat content (HHV) of the fuel shall be provided by the fuel vendor or other sources

SECTION III. SPECIFIC CONDITIONS

which follow the appropriate fuel test methods listed in Specific Condition D1. The analysis record shall specify the origin of the fuel sample, the methods by which the analyses were conducted, the person conducting the sampling and analysis, and date of sampling and analysis.

4. Determination of Process Variables:

- (a) The Permittee shall operate and maintain equipment and/or instruments necessary to determine process variables, such as process weight input or heat input, when such data is needed in conjunction with emissions data to determine the compliance of the emissions unit with applicable emission limiting standards.
- (b) Equipment and/or instruments used to directly or indirectly determine such process variables, including devices such as belt scales, weigh hoppers, flow meters, and tank scales, shall be calibrated and adjusted to indicate the true value of the parameter being measured with sufficient accuracy to allow the applicable process variable to be determined within 10% of its true value. [Rule 62-297.310(5), F.A.C.]

G. Rule Requirements

- 1. The emission unit shall be operated in compliance with all applicable requirements of Rules 62-4, 204, 210, 212, 214, 296, and 297 except as otherwise specified herein. All notifications and reports specified in this section shall be submitted to the DEP's Southwest District office.
- 2. Issuance of this permit does not relieve the facility owner or operator from compliance with any applicable federal, state, or local permitting requirements and regulations (Rule 62-210.300(1), F.A.C.).
- 3. Except as otherwise specified herein, the emission unit shall be operated in compliance with all applicable provisions of Rule 62-210.700, F.A.C.: Excess Emissions; Chapter 62-297, F.A.C.: Stationary Sources - Emissions Monitoring; and, Rule 62-4.130, F.A.C.: Plant Operation - Problems.
- 4. Quarterly excess emission reports, in accordance with 40 CFR 60.7 (7) (c) (1998 version), shall be submitted to the DEP's Southwest District office.
- 5. Pursuant to Rule 62-210.370(2), F.A.C., Annual Operation Reports, the Permittee is required to submit annual reports on the actual operating rates and emissions from this facility. Annual operating reports shall be sent to the DEP's Southwest District office by March 1st of each year.
- 6. Stack sampling facilities shall be available in accordance with Rule 62-297.310(6), F.A.C.
- 7. The Permittee, for good cause, may request that this construction permit be extended. Such a request shall be submitted to the Bureau of Air Regulation prior to 60 days before the expiration of the permit (Rule 62-4.090, F.A.C.).

SECTION III. SPECIFIC CONDITIONS

H. Modifications

1. The Permittee shall give written notification to the Department when there is any modification to this facility. This notice shall be submitted sufficiently in advance of any critical date involved to allow sufficient time for review, discussion, and revision of plans, if necessary. Such notice shall include, but not be limited to, information describing the precise nature of the change; modifications to any emission control system; production capacity of the facility before and after the change; and the anticipated completion date of the change.

DUPLICATE

APPENDIX GC
GENERAL PERMIT CONDITIONS [F.A.C. 62-4.160]

- 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.

APPENDIX GC
GENERAL PERMIT CONDITIONS [F.A.C. 62-4.160]

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 ()
 - (b) Determination of Prevention of Significant Deterioration (X) (WEPCO rules apply); and
 - (c) Compliance with New Source Performance Standards ().
- 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.



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

P.E. Certification Statement

Permittee:
Florida Power Corporation

DRAFT Permit No. 1010017-004-AC

Facility ID No.: 1010017

Project type: Anclote Power Plant
Unit 1 and Unit 2 Gas Co-firing 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).

Martin Costello 7/22/98

Martin Costello, P.E. Date
Registration Number: 47587
Professional Engineer II

Department of Environmental Protection
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Phone (850) 488-01144
Fax (850) 922-6979

Memorandum

Florida Department of Environmental Protection

TO: Clair Fancy

FROM: Martin Costello *MC*

DATE: July 21, 1998

SUBJECT: FPC Anclote
Construction Permit To Add Natural Gas Firing

Attached is the public notice package and draft construction permit for the above referenced project.

The Anclote Units 1 and 2 currently fire 1% sulfur No. 6 fuel oil as evidenced in the 1997 AOR. Information submitted by FPC indicates that natural gas will be co-fired with the currently used low sulfur fuel oil (1%) or with high sulfur No. 6 fuel oil (2.5%). FPC had proposed using even higher sulfur fuel oil and achieving emissions equivalent to 2.5% sulfur oil by co-firing gas. That would clearly have triggered PSD. They agreed to limit the sulfur content to 2.5% sulfur.

This draft permit includes WEPCO language to report annual emissions for a five year period following the modification in order to insure that emissions do not increase as a result of this modification. An insufficient case was made by FPC that the project is a pollution control project because it is likely that they will use higher sulfur oil in the future.

Co-firing with used oil has not been authorized in this construction permit since FPC petitioned for an administrative hearing on this issue in the draft Title V operating permit. If authorized, used oil firing has the potential of increasing particulate emissions due to the higher ash content in used oil. Emissions from the boilers are uncontrolled. The ash content of used oil fired over the past two years at the Anclote facility has been about six times higher than that of the No. 6 fuel oil (0.597 % ash vs. 0.1%). The volume of used oil fired at the Anclote power plant was about half a million gallons in 1996 (after the operating permit was amended in January 1996) and was about five and a half million gallons in 1997.

I recommend your approval and signature.

/mc