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BOARD OF COUNTY COMMISSIONERS
PINELLAS COUNTY, FLORIDA

PINELLAS COUNTY UTILITIES

P.O. BOX 1780
CLEARWATER, FLORIDA 33757

RECEIVED

NOV 16 2000

BUREAU OF AIR REGULATION

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November 14, 2000

State of Florida
 Department of Environmental Protection,
 Bureau of Air Regulation
 Mail Station #5505
 2600 Blair Stone Road
 Tallahassee, FL 32399- 2400

**RE: Pinellas County - Resource Recovery Facility
 Air Construction Permit Modification - PSD-FL-011B & PSD-FL-098B
 INTENT-TO-ISSUE - Proof of Publication**

Pursuant to Section 403.815, F.S., and Rule 62-110-106(7)(a)1., F.A.C., Pinellas County has arranged to be published on November 10, 2000, a A PUBLIC NOTICE OF INTENT TO ISSUE AIR CONSTRUCTION PERMIT MODIFICATION@, for the subject permits.

Attached for your records is the proof of publication, as provided by the St. Petersburg (FL) Times newspaper.

Should you have any questions, please contact me at your convenience.

Very truly yours,

PINELLAS COUNTY UTILITIES

Pick Talley
Director

Enclosure

- cc: R. Peter Stasis, P.E., Director of Utilities Engineering
 Warren Smith, Director of Solid Waste Operations
 Donald F. Elias, RTP Environmental Associates, Inc.
 Bill Thomas, P.E., FDEP, Southwest District Office
 David Dee, Esq., Landers & Parsons
 Ron Larson, HDR Engineering, Inc.

File

J. Kahn
 B. Thomas, SWD
 P. Hestling, Pinellas Co.

EPA
NPS



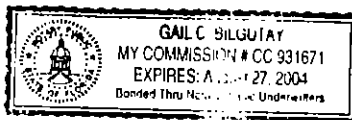
Before the undersigned authority personally appeared Paula Lang
who on oath says that he is Legal Clerk
of the St. Petersburg Times All Pinellas editions
a daily newspaper published at St. Petersburg, in Pinellas County, Florida: that
the attached copy of advertisement, being a Legal Notice
in the matter RE: Public Notice

AD#990908071 in the _____ Court
was published in said newspaper in the issues of November 10, 2000

Alliant further states the said St. Petersburg Times
is a newspaper published at St. Petersburg, in said Pinellas County, Florida, and
that the said newspaper has heretofore been continuously published in said Pinellas
County, Florida, each day and has been entered as second class mail matter at the
post office in St. Petersburg, in said Pinellas County, Florida, for a period of one year
next preceding the first publication of the attached copy of advertisement, and alliant
further says that he has neither paid nor promised any person, firm, or corporation
any discount, rebate, commission or refund for the purpose of securing this
advertisement for publication in the said newspaper.

Sworn to and subscribed before
me this 10th day of
November A.D. 2000

[Signature]
Notary Public (SEAL)



Personally known _____
or produced identification _____
Type of identification produced _____

LEGAL NOTICE

LEGAL NOTICE

**PUBLIC NOTICE OF INTENT TO ISSUE AIR
CONSTRUCTION PERMIT MODIFICATION**
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. 10J0117-003-AC, PSD-FL-011B and PSD-FL098B

Pinellas County Utilities
Pinellas County Resource Recovery Facility
Pinellas County

The Department of Environmental Protection (Department) gives notice of its intent to issue an air construction permit modification to Pinellas County Utilities, for its Pinellas County Resource Recovery Facility located at 3001 110th Avenue North, St. Petersburg, Pinellas County. The modification is to authorize construction of its Capital Replacement Project which includes refurbishment of portions of the facility including the three existing boilers. The applicant's mailing address is 14 South Fl. Harrison Avenue, Clearwater, Florida 33756. 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), because there will be no PSD-significant increase in actual emissions from the facilities municipal waste combustor units.

This project is not subject to review under Section 403.506 F.S. (Power Plant Siting Act), because it provides for no expansion in steam generating capacity. An air quality impact analysis was not required.

The Department will issue the final permit modification 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 and requests for public meetings concerning the proposed permit issuance action for a period of thirty (30) days from the date of publication of this Public Notice of Intent to Issue Air Construction Permit. Written comments requests for public meetings 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.

Mediation is not available in this proceeding.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35 Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within fourteen days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under section 120.60(3) of the Florida Statutes must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within fourteen days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under sections 120.569 and 120.57 F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner, the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding, and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by rule 28-106.301.

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

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Dept. of Environmental Protection Bureau of Air Regulation Suite 4, 111 S. Magnolia Drive Tallahassee, Florida 32301 Telephone: 850/488-0114 Fax: 850/922-6979	Air Quality Division Pinellas County Department of Environmental Management 300 South Garden Avenue Clearwater, Florida 33756 Telephone: 813/464-4422	Dept. of Environmental Protection Southwest District 3804 Coconut Palm Drive Tampa, Florida 33619-8218 Telephone: 813/744-6100
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The complete project file includes the application, technical evaluations, draft permit modification and the information submitted by the applicant's authorized representative, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Administrator, New Source Review Section, or the Department's reviewing engineer for this project, Joseph Kahn, P.E., at the Bureau of Air Regulation in Tallahassee, Florida, or call 850/488-0114, for additional information. Written comments directed to the Department's reviewing engineer should be sent to the following mailing address: Dept. of Environmental Protection, Bureau of Air Regulation, Mail Station #5505, Tallahassee, Florida 32399-2400.

(990908071) 11/10/00

MEMORANDUM

NOV 13 2000

TO: Joseph Kahn

BUREAU OF AIR REGULATION

FROM: Donald F. Elias **FAXED**
11-8-00

DATE: November 8, 2000

SUBJ: Preliminary Draft of Modification to Pinellas County RRF PSD Permit

We have reviewed your preliminary draft of the air construction permit modification for the Pinellas County Resource Recovery Facility (PCRRF) dated October 30, 2000. We would like to offer the following comments:

- (1) Please revise the address for Mr. Pick Talley from:

P.O. Box 1780
Clearwater, FL 33757

to:

14 S. Fort Harrison Avenue, 5th Floor
Clearwater, FL 33756

This occurs on the cover letter, the header on page 1 of 3 of the Intent to Issue Air Construction Permit Modification, the first paragraph on page 1 of the Public Notice of Intent to Issue Air Construction Permit Modification, Section 1 on page 1 of the Technical Evaluation and Determination, and the address block on the top of the permit modification letter.

- (2) **MODIFICATION** is misspelled at the very top of page 1 of the Public Notice of Intent to Issue Air Construction Permit Modification.
- (3) We found the quote from the Federal Register given at the bottom of page 2 of the Technical Evaluation and Determination at the beginning of the middle column of 65 FR 34011 and not page 34012.
- (4) We believe that the Federal Register notice describing EPA's analysis of changes to utilities not being reported to permitting authorities was in the July 24, 1998 Federal Register (Volume 63) and not the 2000 Federal Register (Volume 65). Therefore, the citations in lines 21, 23, and 30 of the middle paragraph of page 3 of the Technical Evaluation and Determination should be revised accordingly.
- (5) The fourth line of the second paragraph in Section 3 on page 1 of the Technical Evaluation and Determination should read "more stringent **THAN** the requirements" instead of "more stringent **THAT** the requirements."

- 2 -

- (6) The eleventh line of the last paragraph on page 4 of the Technical Evaluation and Determination should read “projections RATHER than annually” instead of “projections RATER than annually.”
- (7) For clarity, we respectfully request that “(tpy)” be added to the last line before the table AND to the applicable column titles (all but first and last column) in the column on page 6 of the Technical Evaluation and Determination.
- (8) It should be noted that this table also demonstrates that there will be no significant increase in MWC metals (as measured by emissions of particulate matter), MWC organics (as measured by total PCDD/PCDF emissions), or MWC acid gases (as measured by SO₂ and HCl emissions) as required by the PSD requirements for modifications at MWC units. Accordingly, we request that “MWC metals, MWC organics, and MWC acid gases” be added to the list of PSD pollutants without significant increases at the end of both the third and last paragraphs on page 7 and the first paragraph on page 8 of the Technical Evaluation and Determination.
- (9) We wish to note that the cost of the total Capital Replacement Project (CRP) is \$51.6 million while the cost of the regulated portion affecting air emissions (the boiler portion) is \$35 million. Therefore, the seventh line of the next to last paragraph of Section 3 on page 7 of the Technical Evaluation and Determination should probably read “because the capital cost for the REGULATED PORTIONS OF THE MWC UNITS of \$35 million” instead of “because the capital cost for the PROJECT of \$35 million.”
- (10) The last line of the first paragraph of “New Specific Condition” on page 1 of the permit modification letter should read “100 gallon per minute” and not “1000 gallon per minute.”

cc: R.Larson/P.Stasis/P.Talley/W.Smith/D.Deer/R.Menke
T.Porter/M.Killeen/R.Henson/S.Reinhart/W.Corbin/PCRRF4 Proj.File



U.S. Environmental Protection Agency
Region 5 - Air and Radiation Division

Correspondence

May 23, 2000

R-19J

Henry Nickel
Counsel for the Detroit Edison Company
Hunton & Williams
1900 K Street, N.W.
Washington D.C. 20006-1109

Dear Mr. Nickel:

I am responding to your request on behalf of the Detroit Edison Company for an applicability determination regarding the proposed replacement and reconfiguration of the high pressure section of two steam turbines at the company's Monroe Power Plant, referred to as the Dense Pack project. Specifically, you requested that the United States Environmental Protection Agency (EPA) determine whether the Dense Pack project at the Monroe Power Plant would be considered a major modification that would subject the project to pollution control requirements under the Prevention of Significant Deterioration (PSD) program.

We have reviewed your original request, dated June 8, 1999, and the supplemental information you submitted on December 10, 1999, and March 16, 2000. We provisionally conclude that the Dense Pack project would not be a major modification. Thus, Detroit Edison may proceed with the project without first obtaining a PSD permit. Although the Dense Pack project would constitute a nonroutine physical change to the facility that might well result in a significant increase in air pollution, Detroit Edison asserts that emissions will not in fact increase due to the construction activity, and EPA has no information to dispute that assertion.

As you know, nonroutine changes of any type, purpose, or magnitude at an electric utility steam generating unit -- ranging from projects to increase production efficiency to even the complete replacement of entire major components -- are excluded from PSD coverage as long as they do not

significantly increase emissions from the source. Thus, Detroit Edison has been free to proceed at any time with the Dense Pack project without first obtaining a PSD permit as long as it adheres to its stated intention to not increase emissions as a result of the project. Indeed, EPA encourages the company to proceed with the project on this basis, since it appears to both reduce emissions per unit of output and not increase actual air pollution.

As you are also aware, under the applicable new source review regulations, in determining if a physical change will result in a significant emissions increase at an electric utility plant, companies may use an "actual" to "representative actual annual emissions" test for emissions from the electric utility steam generating unit, under which a calculation of baseline emissions and a projection of future emissions after the change is needed. Our determination of nonapplicability is provisional because Detroit Edison has not, to our knowledge, provided a calculation of baseline emissions or projected future emissions to the permitting agency, and this should be done prior to the start of construction. The basis for this determination is summarized below and is set forth in full in the enclosed detailed analysis.

In determining whether an activity triggers PSD, the Clean Air Act and EPA's regulations specify a two-step test. The first step is to determine if such activity is a physical or operational change, and if it is, the second step is to determine whether emissions will increase because of the change. The statute admits of no exception from its sweeping scope, but EPA's regulations contain some narrow exceptions to the definition of physical or operational change. In particular, Detroit Edison claims that the Dense Pack project is eligible for the exclusion for routine maintenance, repair, and replacement. The determination of whether a proposed physical change is "routine" is a case-specific determination which takes into consideration the nature, extent, purpose, frequency, and cost of the work, as well as other relevant factors. After carefully reviewing all the information you submitted in light of the relevant factors, EPA has determined that the proposed project is not "routine."

The purpose of the Dense Pack project, to significantly enhance the present efficiency of the high pressure section of the steam turbine, signifies that the project is not routine. An upgrade of this nature is markedly different from the frequent, inexpensive, necessary, and incremental maintenance and replacement of deteriorated blades that is

commonly practiced in the utility industry. For instance, past blade maintenance and replacement of only the deteriorated blades at Detroit Edison has never increased efficiency over the original design. Accordingly, because increasing turbine efficiency by a total redesign of a major component is a defining feature of the proposed Dense Pack project, it clearly goes significantly beyond both historic turbine work at Detroit Edison, and what would otherwise be considered a regular, customary, or standard undertaking for the purpose of maintaining the existing steam turbine units. The project also goes well beyond routine turbine maintenance, repair, and replacement activities for the utility industry in general.

The nature and extent of the work in question -- replacement of the entire high pressure sections of the steam turbines for Units 1 and 4 at Monroe -- suggests that the Dense Pack project is not routine. It would result in greater efficiency above the level that can be reached by simply replacing deteriorated blades with ones of the same design and, in addition, will substantially increase efficiency over the original design. Specifically, the Dense Pack upgrade would not only restore the 7 percent of the efficiency rating lost over the years at each unit but would improve the unit's efficiency by an additional 5 percent over its original design capacity. Accordingly, the proposed project represents a significant and major redesign and replacement of the entire high pressure sections of the steam turbines at Units 1 and 4 at the Monroe facility.

The frequency with which utilities have undertaken turbine upgrades like the Dense Pack project also indicates the nonroutine nature of the changes. The information provided by Detroit Edison, regarding past history at the Monroe facility, describes what is characterized as necessary maintenance, repair, and replacement of deteriorated turbine blades approximately every 4 years. During these overhaul periods, it is not uncommon for the company to replace up to several turbine blades at one time. It is common among other utilities to also perform similar turbine maintenance. However, Detroit Edison has not provided any information to suggest that a complete replacement and redesign of the high pressure section of a steam turbine is conducted frequently at Monroe or at any other individual utility. Instead, Detroit Edison relies on its claim that projects "similar" to the Dense Pack project have been performed at a number of utilities. This information does not indicate that the replacement of the high pressure section of the steam turbine is frequent at

the typical utility source; to the contrary, the only available information reflects that projects like the Dense Pack project have been performed only one time, if ever, at individual sources.

The cost of the Dense Pack project is significant and tends to indicate that this project is nonroutine. Detroit Edison expects the Dense Pack replacement to cost approximately \$6 million for each turbine unit, for a total of \$12 million. The EPA has rejected claims of routineness in past cases where the cost was substantially less than this figure. Moreover, Detroit Edison intends to capitalize the entire cost of this project, and EPA believes that a \$12 million project that is 100 percent capital improvement indicates that it is a major undertaking.

Beyond the clearly significant absolute cost of this project, available information suggests that this expenditure far exceeds the cost typically associated with turbine blade maintenance activity. Detroit Edison provided only a summary of the total project costs for past maintenance and inspections at the facility, the total costs of which ranged from less than \$1 million to a little more than \$6 million. Although Detroit Edison did not provide any detail regarding what specific activities comprise these aggregated amounts, it acknowledges that it spent only \$18,700, \$33,100, and \$7,900 to replace high-pressure rotors in three turbine projects in 1981 and 1982. Further, the project is significantly more costly than simply replacing deteriorated blades today; Detroit Edison acknowledges that the Dense Pack upgrade would cost three times more than its alternative blade repair and replacement project. Accordingly, it appears that the costs associated with the Dense Pack project greatly exceed the amounts spent previously by Detroit Edison or that it would spend presently for the replacement of deteriorated turbine blades or rotors.

For the reasons delineated above, we conclude that the changes proposed by Detroit Edison are not routine. Detroit Edison's submissions do not demonstrate that projects such as the Dense Pack project are frequent, inexpensive, or done for the purpose of maintaining the facility in its present condition. Instead, the source relies on two principal arguments: (1) it claims that this project is less significant in scope than was the activity in question in the 1988 applicability determination for the Wisconsin Electric Power Company (WEPCO); and (2) it alleges that EPA has interpreted the exclusion for routine activity expansively to exempt all projects that do not increase a unit's emission rate. EPA rejects both of these arguments,

the former because both EPA and the U.S. Court of Appeals for the Seventh Circuit viewed WEPCO's activity as "far from" routine and thus this attempted comparison to WEPCO is unsuitable, and the latter because it is demonstrably incorrect. The attached analysis addresses these points in significant detail.

When nonroutine physical or operational changes significantly increase emissions to the atmosphere, they are properly characterized as major modifications and are subject to the PSD program. In general, a physical change in the nature of the Dense Pack project, which provides for the more economical production of electricity, would be expected to result in the increased utilization of the affected units, and thus, increased emissions. Notwithstanding the fact the Monroe units may be high on the dispatch order, the Dense Pack project would allow Detroit Edison to produce electricity more cheaply per unit of output, thereby creating an incentive to run Units 1 and 4 above current levels. Even a small increase over current normal levels in the utilization of the affected units would result in a significant increase in actual emissions of criteria pollutants. For example, in 1997, at the Monroe facility Unit 1 emitted approximately 14,000 tons of nitrogen oxides (NOx) and 41,000 tons of sulfur dioxide (SO2), and Unit 2 emitted 12,000 tons of NOx and 35,000 tons of SO2. Based on this information, if a one to five percent increase in operation were to result from the Dense Pack project, increases on the order of 160-800 tons of NOx and 400-2000 tons of SO2 would occur.

Detroit Edison, however, maintains that emissions will not increase as a result of the Dense Pack project. Specifically, the company contends that representative actual annual emissions following the change will not be greater than its pre-change actual emissions, because the Dense Pack upgrade will not result in increased utilization of the units. As you are aware, the PSD regulations (under the provisions commonly known as the "WEPCO rule") allow a source undertaking a nonroutine change that could affect emissions at an electric utility steam generating unit to lawfully avoid the major source permitting process by using the unit's representative actual annual emissions to calculate emissions following the change if the source submits information for 5 years following the change to confirm its pre-change projection. In projecting post-change emissions, Detroit Edison does not have to include that portion of the unit's emissions which could have been accommodated before the change and is unrelated to the change, such as demand growth.

Under the WEPCO rule, Detroit Edison must compute baseline actual emissions and must project the future actual emissions from the modified unit for the 2-year period after the physical change (or another 2-year period that is more representative of normal operation in the unit's modified state). As noted above, Detroit Edison has not provided these figures to verify its projection of no increase in actual emissions, and should submit them to the Michigan Department of Environmental Quality prior to beginning construction. In addition, Detroit Edison must maintain and submit to the permitting agency on an annual basis for a period of at least 5 years (or a longer period not to exceed 10 years, if such a period is more representative of the modified unit's normal post-change operations) from the date the units at the Monroe Plant resume regular operation, information demonstrating that the renovation did not result in a significant emissions increase. If Detroit Edison fails to comply with the reporting requirements of the WEPCO rule or if the submitted information indicates that emissions have increased as a consequence of the change, it will be required to obtain a PSD permit for the Dense Pack project.

Finally, regardless of whether PSD review is triggered due to the Dense Pack project, Detroit Edison must meet all other applicable federal, state, and local air pollution requirements.

This determination will be final in 30 days unless, during that time, Detroit Edison seeks to confer with or appeal to the Administrator or her designee regarding it. If you have any questions regarding this determination, please contact Laura Hartman, Environmental Engineer, at (312) 353-5703, or Jane Woolums, Associate Regional Counsel, at (312) 886-6720.

Sincerely,

/s/

Francis X. Lyons
Regional Administrator

Enclosure — *SEE DET-80.PDF*

cc: Peter Marquardt, Esq., Special Counsel
Detroit Edison Company
2000 Second Avenue - 688 WCB
Detroit, Michigan 48336

Russell Harding, Director
Michigan Department of Environmental Quality

AIR AND RADIATION DIVISION
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