

Florida Department of
Environmental Protection

Memorandum

TO: Michael G. Cooke

THRU: Trina Vielhauer *TV*
Jim Pennington *JKP*

FROM: Jonathan Holtom *JH*

DATE: December 21, 2004

SUBJECT: Final Construction Permit for Lakeland Electric – Winston Peaking Station

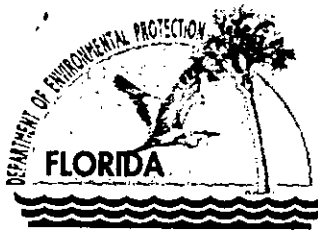
Attached for approval and signature is a Final construction permit for Lakeland Electric's Winston Peaking Station. This permitting project corrects minor inconsistencies between the original permit application information and the limitations of permit 1050352-001-AC, that were discovered during the processing of the Title V air operation permit. Making these changes will allow the Title V air operation permit to be issued with limitations that will meet the US EPA's criteria for being practically enforceable and assure that the facility maintains the requested non-PSD classification. In addition, this action made changes to the visible emissions testing requirements contained in permit 1050352-001-AC, which expired on June 30, 2002.

The Public Notice requirements were met on December 2, 2004, by publishing in The Lakeland Ledger. No comments have been received from the public in response to this Public Notice, and no petitions were filed for an Administrative Hearing.

I recommend your approval and signature.

Attachments

/jh



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

November 19, 2004

Mr. Timothy Bates
Director of Energy Supply
Lakeland Electric
501 East Lemon Street
Lakeland, Florida 33801-5079

Re: Revised Air Construction Permit, DRAFT Permit No.: 1050352-004-AC
Title V Air Operation Permit, Revised DRAFT Permit No.: 1050352-002-AV
Winston Peaking Station

Dear Mr. Bates:

One copy of the combined Public Notice, the Revised Draft Air Construction Permit, and the Revised DRAFT Title V Air Operation Permit for the Winston Peaking Station, located at 1200 Airport Road, Lakeland, Polk County, is enclosed. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT" are also included. These REVISED DRAFT permits are being issued due to the fact that comments received on the previous DRAFT permits resulted in changes that were considered significant enough to require a new public notice. In order to remove conflicts between the conditions that limit potential emissions, the fuel quantity limitations were removed from the permit. Potential emissions are still limited by hourly heat input limits for each fuel, annual hours of operation limits for each fuel, and hourly and annual emissions limits. Because the attachments to the DRAFT permits were not affected by the changes, only the body of the DRAFT permits are being reissued to show the changes.

An electronic version of the DRAFT Permits have been posted on the Division of Air Resources Management's World Wide Web site for the United States Environmental Protection Agency (USEPA) Region 4 office's review. The web site address is:

"<http://www.dep.state.fl.us/air/eproducts/airpermit/AirSearch.asp>"

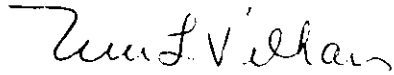
The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT" must be published as soon as possible. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication pursuant to Rule 62-110.106(5), 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.

"More Protection, Less Process"

Printed on recycled paper.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Jonathan Holtom, P.E., at the above letterhead address. If you have any other questions, please contact Jonathan Holtom, P.E., at (850) 921-9531.

Sincerely,



Trina L. Vielhauer
Chief, Bureau of Air Regulation

TLV/jkp/h

Enclosures

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

In the Matter of an
Application for Permits by:

Lakeland Electric
501 East Lemon Street
Lakeland, Florida 33801-5079

Draft Air Construction Permit No.: 1050352-004-AC
DRAFT Title V Air Operation Permit No.: 1050352-002-AV
Winston Peaking Station
Polk County

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

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

The applicant, Lakeland Electric, applied on April 1, 2002 to the permitting authority for a Title V Air Operation Permit for the Winston Peaking Station located at 1200 Airport Road, Lakeland, Polk County.

The construction permit is being issued to correct minor inconsistencies, between the original permit application information and the limitations of permit 1050352-001-AC, that were discovered during the processing of the Title V air operation permit. Making these changes will allow the Title V air operation permit to be issued with limitations that will meet the US EPA's criteria for being practically enforceable and assure that the facility maintains the requested non-PSD classification. In addition, this action will be used to respond to a recent request by Ms. Farzie Shelton to make changes to the visible emissions testing requirements contained in permit 1050352-001-AC.

The Title V air operation permit is being issued to allow commercial operation of the facility, as authorized by the initial air construction permit 1050352-001-AC, and as revised by air construction permit 1050352-004-AC.

These REVISED DRAFT permits are being issued due to the fact that comments received on the previous DRAFT permits resulted in changes that were considered significant enough to require a new public notice. In order to remove conflicts between the conditions that limit potential emissions, the fuel quantity limitations were removed from the permit. Potential emissions are still limited by hourly heat input limits for each fuel, annual hours of operation limits for each fuel, and hourly and annual emissions limits.

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 and 62-213. 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 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 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, 62-256, 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." 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 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: 850/488-1344; 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 permit 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 and subsequent FINAL Title V Air Operation Permit, in accordance with the conditions of the attached Draft Air Construction Permit and the DRAFT Title V Air Operation Permit 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 "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT."

The permitting authority will accept written comments concerning the proposed Title V Air Operation Permit 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."

Written comments must be post-marked, and all e-mail or facsimile comments must be received by the close of business (5 pm), on or before the end of the comment periods listed above by the Permitting Authority at the above address, e-mail or facsimile. 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 Permit, the Permitting Authority shall issue a Revised DRAFT Permit 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, 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. 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), F.S., 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), F.S., however, any person who asked the permitting authority 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

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:

(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 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.

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. For more information regarding EPA review and objections, visit EPA's Region 4 web site at: <http://www.epa.gov/region4/air/permits/Florida.htm>.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**



Trina L. Vielhauer, Chief
Bureau of Air Regulation

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

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Revised Draft Air Construction Permit No.: 1050352-004-AC
Revised DRAFT Title V Air Operation Permit Project No.: 1050352-002-AV
Winston Peaking Station
Polk County

Applicant: The applicant for this project is Lakeland Electric, 501 East Lemon Street, Lakeland, Florida 33801-5079. The applicant's responsible official is Mr. Timothy Bates, Director of Energy Supply.

Facility Location: The applicant operates a peaking station, which is located at 1200 Airport Road, Lakeland, Polk County, Florida.

Project: The construction permit is being issued to correct minor inconsistencies, between the original permit application information and the limitations of permit 1050352-001-AC, that were discovered during the processing of the Title V air operation permit. Making these changes will allow the Title V air operation permit to be issued with limitations that will meet the US EPA's criteria for being practically enforceable and assure that the facility maintains the requested non-PSD classification. In addition, this action will be used to respond to a recent request by Ms. Farzie Shelton to make changes to the visible emissions testing requirements contained in permit 1050352-001-AC.

The Title V air operation permit is being issued to allow commercial operation of the facility, as authorized by the initial air construction permit 1050352-001-AC, and as revised by air construction permit 1050352-004-AC.

These revised Draft permits are being issued due to the fact that comments received on the previous DRAFT permits resulted in changes that were considered significant enough to require a new public notice. In order to remove conflicts between the conditions that limit potential emissions, the fuel quantity limitations were removed from the permit. Potential emissions are still limited by hourly heat input limits for each fuel, annual hours of operation limits for each fuel, and hourly and annual emissions limits.

Permitting Authority: Applications for Air Construction Permits and for Title V Air Operation Permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-213 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to operate the facility. The Department of Environmental Protection is the Permitting Authority responsible for making a permit determination regarding this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301. The Permitting Authority's mailing address is: Department of Environmental Protection, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at the address indicated above for the Permitting Authority. The complete project file includes the Draft Construction Permit, the Statement of Basis, the Draft Title V permit, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed, above, or may view the DRAFT Permit and file electronic comments by visiting the following website: <http://www.dep.state.fl.us/air/eproducts/ards/>. A copy of the complete project file is

also available at the Department of Environmental Protection's Southwest District Office at 3804 Coconut Palm Drive, Tampa, Florida 33619-8218 (Telephone: 813/744-6100).

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the facility will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Air Construction Permit, a Proposed Title V Air Operation Permit and subsequent Final Title V Air Operation Permit in accordance with the conditions of the Draft Permits unless a response received in accordance with the following procedures results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the Draft Air Construction Permit for a period of fourteen (14) days from the date of publication of this Public Notice. The Permitting Authority will accept written comments concerning the Draft Title V Air Operation Permit for a period of thirty (30) days from the date of publication of this Public Notice. Written comments must be post-marked and all e-mail or facsimile comments must be received by the close of business (5 pm) on or before the end of this 30-day period by the Permitting Authority at the above address, email or facsimile. 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 (<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 Permit, the Permitting Authority shall issue a Revised DRAFT Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting 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 with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S. must be filed within fourteen (14) days of publication of this Public Notice or receipt of a written notice, 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 fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

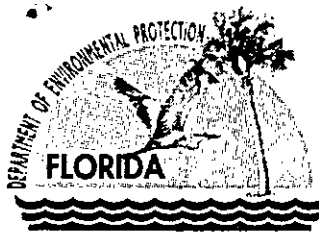
A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address and telephone number of the petitioner; the name address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial 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, 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 the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

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

Mediation: Mediation is not available for this proceeding.

Objections: In addition to the above right to petition, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within sixty (60) 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 the issuance of any Title V Air Operation Permit. Any petition shall be based only on objections to the permit that were raised with reasonable specificity during the thirty (30) day public comment period provided in the Public 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. For more information regarding objections, visit the EPA Region 4 web site at: www.epa.gov/region4/air/permits.



Department of Environmental Protection

Jeb Bush
Governor

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

Colleen M. Castille
Secretary

PERMITTEE:

City of Lakeland; Lakeland Electric
Winston Peaking Station
501 E. Lemon Street
Lakeland, Florida 33801-5079

Authorized Representative:

Timothy Bates
Director of Energy Supply

REVISED DRAFT

ARMS Permit No.	1050352-004-AC
Facility ID No.	1050352
SIC No.	4911
Expires:	March 1, 2005

PROJECT AND LOCATION

Construction permit number 1050352-001-AC authorized the installation of 20 internal combustion engines with electrical generator sets. The 20 engines are capable of producing a nominal 50 MW (55 MW at peak load) of electricity. The Department is issuing this construction permit in order to correct minor inconsistencies between the original permit application information and the limitations of permit 1050352-001-AC, that were discovered during the processing of the Title V air operation permit. Making these changes will allow the Title V air operation permit to be issued with limitations that will meet the US EPA's criteria for being practically enforceable and assure that the facility maintains the requested non-PSD classification. In addition, this action will be used to respond to a recent request by Lakeland Electric to make changes to the visible emissions testing requirements contained in permit 1050352-001-AC, which expired on June 30, 2002.

The facility is located in Polk County, one-mile southeast of the intersection of Airport Road and Old Tampa Highway, Lakeland, Florida. The UTM coordinates are Zone 17, 400.2 km E, 3100.6 km N.

STATEMENT OF BASIS

This air pollution construction permit is issued under the provisions of Chapter 403 of the Florida Statutes (F.S.), and Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to make changes in accordance with the conditions of this permit.

APPENDICES

The following documents are attached and are incorporated as part of this permit:

1050352-001-AC	Initial Air Construction Permit
Appendix GC	Construction Permit General Conditions

Michael G. Cooke, Director
Division of Air Resource Management

"More Protection, Less Process"

Printed on recycled paper.

SECTION II. ADMINISTRATIVE REQUIREMENTS

FACILITY DESCRIPTION

The facility is located on a 6-acre parcel adjacent to an existing Lakeland Electric substation. Lakeland Electric owns the property and owns/controls the operation of the facility. Lakeland Electric owns the equipment and dispatches the units to supply electric power. The facility consists of twenty nominal 2.5-MW GM EMD 20/645/E4B diesel engines and one 294,000-gallon fuel oil storage tank. The engines use selective catalytic reduction, oxidation catalyst, and an air/fuel ratio regulator for emission reduction control. The units are designed for peaking service. The fuel for the engines is distillate fuel oil with natural gas. Fuel oil contains a maximum sulfur content of 0.05 percent. The 20 internal combustion engines with generators are capable of providing a nominal 50 MW (55 MW at peak load) of electrical power.

REGULATORY CLASSIFICATION

Title V Major Source: This facility is a Title V major source of air pollution.

PSD Major Source: Each pollutant with potential emissions greater than the Significant Emissions Rates specified in Table 62-212.400-2, F.A.C. requires a PSD review and Best Available Control Technology (BACT) determination. For this project, emissions of no pollutant are significant or subject to BACT standards, provided that the Emissions Units are operated as specified in this permit.

RELEVANT DOCUMENTS

The documents listed form the basis of the permit. They are specifically related to this permitting action. These documents are on file with the Department.

- 1050352-001-AC issued 8-20-01
- Company letters dated 8-26-03 and 2-23-04
- Technical Evaluation and Preliminary Determination dated 5-19-04

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

1. All of the terms and conditions of the attached air construction permit, No. 1050352-001-AC, dated August 20, 2001, are incorporated into this air construction permit and remain the same, except for the changes that follow in Specific Conditions 2. through 8., below.

2. In keeping with the permit application information and to assure PSD avoidance, Specific Condition 6. is changed:

From:

6. Nitrogen Oxides (NO_x): NO_x emissions from each internal combustion engine shall not exceed 13.9 lb/hr while in peak load operation firing distillate oil, 11.6 lb/hr while in base load operation firing distillate oil and 5.6 lb/hr in base load operation firing natural gas. Annual emissions of NO_x in tpy from these emission units shall be calculated by using the NO_x emission rate in lb/hr for each mode of operation multiplied by the total operating hours for each mode of operation for the 20 engines divided by 2000. This NO_x emission in tpy shall not exceed 250 TPY, based upon a consecutive 12-month period. This facility-wide annual emissions cap of 250 TPY shall become effective on the first day of the month following the initial compliance test of the first internal combustion engine, and compliance shall begin based upon the first twelve months of operation thereafter.
[Rule 62-212.400, F.A.C. (PSD avoidance)]

To:

6. Nitrogen Oxides (NO_x): NO_x emissions from each internal combustion engine shall not exceed 13.9 lb/hr while in peak load operation firing distillate oil, or 11.6 lb/hr while in base load operation firing distillate oil, or 5.58 lb/hr in base load operation firing natural gas. Annual emissions of NO_x in tpy from these emission units shall be calculated by using the allowable NO_x emission rate in lb/hr for each mode of operation multiplied by the total operating hours for each mode of operation for the 20 engines divided by 2000. (See Specific Condition 32.) This NO_x emission in tpy shall not exceed 249.4 TPY, based upon a consecutive 12-month period. This facility-wide annual emissions cap of 249.4 TPY shall become effective on the first day of the month following the initial compliance test of the first internal combustion engine, and compliance shall begin based upon the first twelve months of operation thereafter.
[Rule 62-212.400, F.A.C. (PSD avoidance)]

3. In order to remove conflicts between the limitations, the fuel quantity limitations in Specific Condition 12. are removed.

From:

12. Fuel Oil Consumption: The maximum No. 2 fuel oil allowed to be burned in the twenty internal combustion engines combined is 8,184,480 gallons per year, which is equivalent to 43,000 engine-hours per year at 100% load. The maximum natural gas that can be burned in the twenty internal combustion engines combined is 2,240 MMCF per year, which is equivalent to 89,200 engine-hours per year at 100% load. [Rule 62-210.200, F.A.C. (Definitions – PTE)]

To:

12. Reserved.

4. For practical enforceability, Specific Condition 14. is changed:

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

From:

14. Hours of Operation: The twenty internal combustion engines shall operate no more than 43,000 engine-hours when firing fuel oil at 100% load, 17,520 engine-hours at peak load and 89,200 engine-hours when firing natural gas during any consecutive 12-month period. The permittee shall install, calibrate, operate and maintain a monitoring system to measure the hours of operation for each fuel on each internal combustion engine. [Rule 62-210.200, F.A.C. (Definitions - PTE)]

To:

14. Hours of Operation: The twenty internal combustion engines shall operate no more than 43,000 engine-hours when firing fuel oil at 100% load, or 17,520 engine-hours at peak load or 89,200 engine-hours when firing natural gas during any consecutive 12-month period. If multiple fuels are used during a 12-month period, the allowable hours for each fuel type shall be prorated so as not to exceed the facility-wide NO_x cap. The permittee shall install, calibrate, operate and maintain a monitoring system to measure the hours of operation for each fuel on each internal combustion engine. Compliance with the facility-wide NO_x cap shall be demonstrated using the equation contained in Specific Condition 32. [Rule 62-210.200, F.A.C. (Definitions - PTE)]

5. At applicant request, to require annual visible emissions testing only on units that operate more than 400 hours per year, Specific Condition 20. is changed:

From:

20. Annual Performance Tests: To demonstrate compliance with the emission standards specified in this permit, the permittee shall conduct annual performance tests for visible emissions on emissions unit that operated in the preceding 12-month period. Annual performance tests for NO_x shall be conducted on the emission units that emitted more than 100 tons per year of NO_x in the preceding 12-month period. The facility will be required to keep 12-month emission totals of NO_x in tons per year for each internal combustion engine during each federal fiscal year (October 1- September 30). Tests required on an annual basis shall be conducted at least once during each federal fiscal year. [Rule 62-297.310(7)(a)4., and 62-297.310(7)(c), F.A.C.]

To:

20. Annual Performance Tests: To demonstrate compliance with the emission standards specified in this permit, the permittee shall conduct annual performance tests for visible emissions on each emissions unit that operated for more than 400 hours in the preceding 12-month period. Annual performance tests for NO_x shall be conducted on the emission units that emitted more than 100 tons per year of NO_x in the preceding 12-month period. The facility will be required to keep 12-month emission totals of NO_x in tons per year for each internal combustion engine during each federal fiscal year (October 1- September 30). Tests required on an annual basis shall be conducted at least once during each federal fiscal year. [Rule 62-297.310(7)(a)4., and 62-297.310(7)(c), F.A.C.]

6. Rule 62-297.310(7)(a)3., F.A.C., requires that all units be tested for compliance with all emissions limits prior to renewal of the source's operating permit. Permit No. 1050352-001-AC gave consideration to the fact that the twenty units at this facility are identical and provided a relaxation from the requirement to test all of the units by specifying that only one unit needed to be tested prior to permit renewal. In order to assure that the compliance tests prior to renewal provide results for all emissions limited pollutants that are representative of worst case emissions (considering wear of the units over time), Specific Condition 21. is changed:

From:

SECTION III. EMISSIONS UNIT SPECIFIC CONDITIONS

21. Tests Prior to Permit Renewal: Prior to renewing the air operation permit, the permittee shall conduct performance tests for NO_x and visible emissions on one of the internal combustion engines. These tests shall be conducted within the 12-month period prior to renewing the air operation permit. For pollutants required to be tested annually, the permittee may submit the most recent annual compliance test to satisfy the requirements of this provision. [Rule 62-297.310(7)(a)3., F.A.C.]

To:

21. Tests Prior to Permit Renewal: Prior to renewing the air operation permit, the permittee shall conduct performance tests for NO_x, visible emissions and ammonia on the internal combustion engine that operated for the most hours during the previous five years. These tests shall be conducted within the 12-month period prior to renewing the air operation permit. For pollutants required to be tested annually, the permittee may submit the most recent annual compliance test to satisfy the requirements of this provision. [Rule 62-297.310(7)(a)3., F.A.C.]

7. To provide a cross-reference to Specific Condition 32., Specific Condition 29. is changed:

From:

29. Monthly Operations Summary: By the fifth calendar day of each month, the permittee shall record the 12-month hours of operation of the internal combustion engines, 12-month emission totals for NO_x and amount of the No. 2 fuel oil and natural gas fired in the internal combustion engines. The information shall be recorded in a written or electronic log and shall be available for inspection and/or printing within at least one day of a request from the Compliance Authority. [Rule 62-4.160(15), F.A.C.]

To:

29. Monthly Operations Summary: By the fifth calendar day of each month, the permittee shall record the 12-month hours of operation of the internal combustion engines, 12-month emission totals for NO_x (see Specific Condition 32.), and amount of the No. 2 fuel oil and natural gas fired in the internal combustion engines. The information shall be recorded in a written or electronic log and shall be available for inspection and/or printing within at least one day of a request from the Compliance Authority. [Rule 62-4.160(15), F.A.C.]

8. To provide a method for assuring compliance with the facility-wide NO_x emissions cap based on records of fuel usage and hours of operation, the following Specific Condition 32. is added:

32. Compliance Assurance Demonstration Method: Using the information required by Specific Conditions 14. & 29., compliance with the 12-month facility-wide NO_x emissions cap shall be demonstrated by using the following equation:

$$[(X * 11.6 \text{ lbs/hr}) + (Y * 13.9 \text{ lbs/hr}) + (Z * 5.6 \text{ lbs/hr}) / (2000 \text{ lbs/ton})] = \text{Calculated tons of NO}_x.$$

Where:

X = Documented hours per year firing oil at 100% load (total of all 20 engines)

Y = Documented hours per year firing oil at peak load (total of all 20 engines)

Z = Documented hours per year firing natural gas at 100% load (total of all 20 engines)

[Rule 62-4.070(1), F.A.C.]