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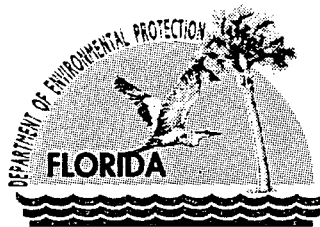


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Dept. of Environmental Protection
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Bureau of Air Regulation, NSR
2600 Blair Stone Rd, MS 5505
Tallahassee, FL 32399-2400

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BUREAU OF AIR REGULATION



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

NOTICE OF FINAL PERMIT

In the Matter of an
Application for Permit by:

Mr. Martin Drango
Plant Manager
Progress Energy Florida
Post Office Box 14042, MAC DB44
St. Petersburg, Florida 33733

Progress Energy DeBary Facility
Air Permit No. 1270028-006-AC

Enclosed is Final Air Construction Permit No. 1270028-006-AC. This permit specifies the NOx CEMS as the compliance method for Unit Nos. 7 – 10 in order to avoid a CAM Plan for NOx emissions.

An electronic version of this document has been posted on the Division of Air Resource Management's world wide web site for the United States Environmental Protection Agency (U.S. EPA) Region 4 office's review. The web site address is:

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

This permit is issued pursuant to Chapter 403, Florida Statutes.

Any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes, by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000, and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

Trina L. Vielhauer, Chief
Bureau of Air Regulation

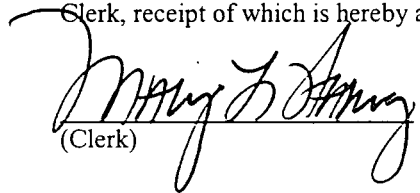
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this permit was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 12/1/04 to the person(s) listed:

Martin Drango*
U.S. EPA, Region 4
Len Kozlov, P.E., Central District Office
Scott Osbourn, P.E., Golder Associates, Inc.
Dave Meyer, Progress Energy Florida

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.


(Clerk) _____ 12/1/04
(Date)

FINAL DETERMINATION

Progress Energy Florida DeBary Facility

Air Construction Permit No. **1270028-006-AC**

The Department distributed a public notice package on October 13, 2004, that included an intent to issue Air Construction Permit No. 1270028-006-AC to Progress Energy Florida for the DeBary Facility, located at 788 West Highbanks Road in DeBary, Volusia County. The Public Notice of Intent to Issue was published in the Orlando Sentinel on October 14, 2004.

This permit specifies the NOx CEMS as the compliance method for Unit Nos. 7 – 10 in order to avoid a CAM Plan for NOx emissions. It also reestablishes the maximum heat input rates for Unit Nos. 1 - 6 at 20° F. This permit is being issued simultaneously with the renewal of the Title V air operation permit for this facility.

COMMENTS/CHANGES

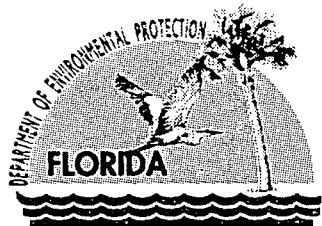
No official comments were received from the public or other agencies. The Department received an e-mail memorandum on October 28, 2004, from the applicant's representative with a draft letter dated October 22, 2004, containing comments, and an e-mail memorandum with an attached draft permit document on November 12, 2004. The applicant's comments, and the Department's responses, are summarized below.

Comment Number	Draft AC Permit Reference	Requested Change	Department Response
1.	Specific Condition 2.	The applicant requested 2 hours exclusion for each <i>cycle</i> for startup, shutdown, and malfunction – with a maximum exclusion of 4 hours per a block 24 hour period for startup, shutdown, and malfunction.	This change was not made. However, the specific condition was changed with more appropriate language, as noted in the attached final permit document.
2.	Specific Condition 3.	Remove this condition: <u>Water-to-Fuel Ratio Monitoring</u> : The permittee shall continuously monitor the water-to-fuel ratio for the water injection system on each unit. The water injection control system shall be set to continuously achieve a NOx emissions level not to exceed 25.0 ppmvd	The Department agrees with this change. The Emission Monitoring Section advised that water-to-fuel ratio is not an acceptable technique from which to calculate missing CEMS-based NOx data. The Section consulted with EPA prior to confirming this statement. Missing data must be calculated using the techniques specified in 40 CFR 75 or from a backup CEMS.

		<p>corrected to 15% oxygen when firing natural gas and 42.0 ppmvd corrected to 15% oxygen when firing distillate oil. In the event that the NOx CEMS is not available or providing valid data, the water-to-fuel ratio monitoring data shall be used to support the demonstration of compliance with the NOx standards.</p> <p>[Rule 62-4.070(3), F.A.C.]</p>	
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CONCLUSION

The final action of the Department is to issue the permit with the two changes indicated above.



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

FINAL PERMIT

PERMITTEE:

Progress Energy Florida
Post Office Box 14042 MAC DB44
St. Petersburg, Florida 33733

Authorized Representative:

Martin Drango, Plant Manager

Progress Energy DeBary Facility Air Permit No. 1270028-006-AC Facility ID No. 1270028 SIC No. 4911 (Electric Services) Permit Expires: July 1, 2005

PROJECT AND LOCATION

Progress Energy Florida operates the existing DeBary Facility, which is an electrical generating plant located at 788 West Highbanks Road in DeBary, Volusia County, Florida. The UTM coordinates are: Zone 17, 467.5 km E, and 3197.2 km N. The primary purpose of this air construction permit is to establish the existing continuous emissions monitoring systems as the federally enforceable methods for determining compliance with the NO_x emissions standards for Combustion Turbine Peaking Unit Nos. 7 through 10 at the DeBary Facility.

STATEMENT OF BASIS

This federally enforceable 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 perform the work and make the necessary changes in accordance with the conditions of this permit and as described in the application, approved drawings, plans, and other documents on file with the Department.

CONTENTS

- Section 1. General Information
- Section 2. Administrative Requirements
- Section 3. Emissions Units Specific Conditions

Michael G. Cooke

Michael G. Cooke, Director
Division of Air Resource Management

11/30/04

(Date)

SECTION 1. GENERAL INFORMATION

FACILITY DESCRIPTION

Progress Energy Florida operates the DeBary Facility located in Volusia County, Florida. This facility consists of ten simple cycle, intermittent duty, combustion turbine peaking units, fuel oil storage tanks and ancillary support equipment. Six peaking units began operation in 1975/1976 and pre-date the federal New Source Performance Standards (NSPS) for gas turbines (Subpart GG). The four newer peaking units were constructed in accordance with Permit No. PSD-FL-167 and began operation in 1992. The newer peaking units are also subject to NSPS Subpart GG and the Phase II Acid Rain requirements. This air construction permit affects only the following emissions units.

EU No.	Description
015	Combustion Turbine Unit No. 7
016	Combustion Turbine Unit No. 8
017	Combustion Turbine Unit No. 9
018	Combustion Turbine Unit No. 10

This permit specifies the NO_x CEMS as the compliance method for Unit Nos. 7 – 10 in order to avoid a CAM Plan for NO_x emissions. It also reestablishes the maximum heat input rates for Unit Nos. 1 - 6 at 20° F. This permit is being issued simultaneously with the renewal of the Title V air operation permit for this facility.

REGULATORY CLASSIFICATION

Title III: The existing facility is identified as a potential major source of hazardous air pollutants (HAP). In particular the facility is subject to 40 CFR 63, Subpart YYYY - National Emission Standards for Hazardous Air Pollutants for Stationary Combustion Turbines

Title IV: The existing facility operates units (ARMS Units 15, 16, 17, and 018) subject to the acid rain provisions of the Clean Air Act.

Title V: The existing facility is a Title V major source of air pollution in accordance with Chapter 213, F.A.C.

PSD: The existing facility is a PSD-major source of air pollution in accordance with Rule 62-212.400, F.A.C.

NSPS: The existing facility operates units subject to the New Source Performance Standards of 40 CFR 60. In particular Combustion Turbine Units 7 – 10 (ARMS Units 15, 16, 17, and 018) are subject to 40 CFR 60, Subpart GG – Standards of Performance for Stationary Gas Turbines.

RELEVANT DOCUMENTS

The permit application received on May 17, 2004 and additional information received to make it complete are not a part of this permit; however, the information is specifically related to this permitting action and is on file with the Department. The documents listed below are not a part of this permit, but are specifically related to this permitting action and are on file with the Department.

- The “Statement of Basis” accompanying the Draft Title V Permit Renewal also provides the Department’s technical review for this air construction permit.
- Application Information (complete on July 29, 2004).
- Permit No. PSD-FL-167 (AC64-191015) issued on October 18, 1991.
- Subsequent modifications to Permit No. PSD-FL-167 issued on 11/23/92, 04/08/93, 06/29/93, 06/30/93, 08/03/93, 08/11/93, 08/30/93, 09/21/94, 05/06/97, and 03/31/00.
- Title V Operation Air Permit 1270028-001-AV effective January 1, 2000 and Revisions effective June 11, 2000 and June 26, 2001.

SECTION 1. GENERAL INFORMATION

- Statement of Basis distributed with Draft Title V Air Operation Permit 1270028-007-AV and Draft Air Construction Permit 1270028-006-AC.

SECTION 2. ADMINISTRATIVE REQUIREMENTS

1. Permitting Authority: All documents related to applications for permits to construct, modify, or operate emissions units regulated by this permit shall be submitted to the Bureau of Air Regulation of the Florida Department of Environmental Protection (DEP) at 2600 Blair Stone Road (MS #5505), Tallahassee, Florida 32399-2400. Copies of all applications shall be sent to each Compliance Authority.
2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the Air Resources Section of the Department's Central District Office at 3319 Maguire Boulevard, Suite 232, Orlando, Florida 32803-3767.
3. General Conditions: The permittee shall comply with the applicable General Conditions specified in Rule 62-4.160, F.A.C.
4. Applicable Regulations, Forms and Application Procedures: Unless otherwise indicated in this permit, the construction and operation of the subject emissions unit shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403 of the Florida Statutes (F.S.); Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.); and Title 40, Part 60 of the Code of Federal Regulations (CFR), adopted by reference in Rule 62-204.800, F.A.C. The terms used in this permit have specific meanings as defined in the applicable chapters of the Florida Administrative Code. 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. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations. [Rules 62-204.800, 62-210.300 and 62-210.900, F.A.C.]
5. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]
6. Modifications: The permittee shall notify the Compliance Authority upon commencement of construction. No emissions unit or facility subject to this permit shall be constructed or modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]
7. Title V Permit: This air construction permit was issued simultaneously with the Title V air operation permit.

SECTION 3. EMISSIONS UNIT SPECIFIC CONDITIONS

A. Combustion Turbine Unit Nos. 7 to 10

This section of the permit addresses the following similar emissions units.

EU No	Description
015	Combustion Turbine Unit No. 7
016	Combustion Turbine Unit No. 8
017	Combustion Turbine Unit No. 9
018	Combustion Turbine Unit No. 10

Each unit is a General Electric Model PG7111EA simple cycle gas turbine capable of firing natural gas or distillate oil. Based on the lower heating value of each fuel and a compressor inlet temperature of 20° F, each unit is capable of firing approximately 1159 MMBtu per hour of natural gas or 1144 MMBtu per hour of distillate oil. Each unit utilizes water injection to reduce emissions of nitrogen oxides (NOx) and employs a continuous emissions monitoring system (CEMS) for monitoring NOx emissions. Each unit is subject to NSPS Subpart GG for gas turbines and the federal Phase II acid rain requirements.

NEW SPECIFIC CONDITIONS

1. Supplemental Permit: This air construction permit supplements all other existing air construction and operation permits for the emissions units identified above. Unless otherwise stated in this permit, the emissions units remain subject to the emissions standards and specific conditions of all other applicable air construction and operation permits. [Rule 62-4.070(3), F.A.C.]
2. NOx CEMS for Compliance Monitoring: For each unit, the permittee shall demonstrate compliance with the following NOx emissions standards by data collected from the existing acid rain continuous emissions monitoring systems (CEMS).
 - a. When firing natural gas, NOx emissions shall not exceed 25.0 ppmvd corrected to 15% oxygen based on a 4-hour rolling average of all valid data collected from the continuous emissions monitoring system (CEMS).
 - b. When firing distillate oil, NOx emissions shall not exceed 42.0 ppmvd corrected to 15% oxygen based on a 4-hour rolling average of all valid data collected from the CEMS.
 - c. Excess emissions resulting from startup, shutdown and malfunction of any emissions unit shall be permitted providing: (1) best operational practices to minimize emissions are adhered to, and (2) the duration of excess emissions shall be minimized but in no case exceed two hours in any 24 hour period with one unit cycle and one hour for each additional startup within the same 24 hour period. In other words, excess emissions shall be limited to two hours in any 24 hour period in which the unit cycles once, three hours in which the unit cycles twice, and four hours in any 24 hour period in which the unit cycles three times. The duration of excess emissions shall be minimized but in no case exceed these durations unless specifically authorized by the Department. 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. For the purpose of reporting excess emissions pursuant to 40 CFR 60.334(b)(3), hourly averages exceeding the requirements in Specific Conditions **2.a.** and **2.b.** shall be reported.

Compliance with the above standards ensures compliance with applicable NOx standards specified in the previously issued air construction permits for these units. Because compliance will be demonstrated continuously, an annual stack test will not be required. However, the Department reserves the right to require a "special compliance test" in accordance with Rule 62-297.310(7)(b), F.A.C. The existing NOx CEMS shall remain subject to all existing installation, calibration, certification, and operation requirements.

SECTION 3. EMISSIONS UNIT SPECIFIC CONDITIONS

A. Combustion Turbine Unit Nos. 7 to 10

When requested by the Department, the CEMS emission rates for NOx on these units shall be corrected to ISO conditions to demonstrate compliance with the NOx standards established in 40 CFR 60.332. With regard to NSPS Subpart GG, the NOx CEMS data shall also be used to report excess emissions in accordance with 40 CFR 60.334(j)(1)(iii) and 40 CFR 60.7(c).

[Rules 62-4.070(3) and 62-210.700, F.A.C.]