

To Oleander File



**U.S. FISH & WILDLIFE SERVICE
AIR QUALITY BRANCH**

P.O. BOX 25287, Denver, CO 80225-0287

FACSIMILE COVER SHEET

Date: December 18, 1998

Telephone: (303) 969-2617

Fax: (303) 969-2822

To: Cleve Holladay

From: Ellen Porter

Subject: Oleander Power; fax sent yesterday; here's the complete package; signed letter will follow

*Number of Pages: 5
(Including this cover sheet)*

Re: PSD-FL-258

Mr. C. H. Fancy
Chief, Bureau of Air Regulation
Florida Department of Environmental Regulation
Twin Towers Office Building
2600 Blair Stone Road, MS 48
Tallahassee, Florida 32399-2400

Dear Mr. Fancy:

Our Air Quality Branch has reviewed the Prevention of Significant Deterioration Application for Oleander Power Project's (OP), proposal to construct a 960 MW power production facility in Brevard County, Florida, 190 km east of Chassahowitzka Wilderness, a Class I area administered by the U.S. Fish and Wildlife Service (FWS). The potential for impacts from the project's emissions to Class I resources is low because of the distance and direction. However, FWS is interested in ensuring that emissions limits for new sources are set in a consistent manner and has therefore reviewed OP's proposed control technology for the project.

The technical review comments from our Air Quality Branch are enclosed. Specifically, we recommend that your department require OP to meet lower limits than proposed for nitrogen oxides emissions when burning oil as fuel.

Thank you for giving us the opportunity to comment on this permit application. We appreciate your cooperation in notifying us of proposed projects with the potential to impact the air quality and related resources of our Class I air quality areas. If you have questions, please contact Ellen Porter of our Air Quality Branch in Denver at (303) 969-2617.

Sincerely,

Sam D. Hamilton
Regional Director

Enclosures

cc: Doug Neeley, Chief
Air and Radiation Branch

U.S. EPA, Region IV
100 Alabama St., SW
Atlanta, Georgia 30303

bcc: FWS-REG. 4: AQC
CHAS: Refuge Manager
AQD-DEN: Ellen Porter
National Park Service - AIR
P.O. Box 25287
Denver, CO 80225

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[Faint handwritten notes]

**Technical Review of Prevention of Significant Deterioration Permit Application
For the Construction of a 960 MW Power Production Facility
Oleander Power Project
Brevard County, Florida
PSD-FL-258**

by

**Air Quality Branch, Fish and Wildlife Service - Denver
December 18, 1998**

Oleander Power Project, L.P., (OP) proposes to construct a 960 MW power production facility, composed of five 190 MW General Electric 7Fa or Westinghouse 501F simple cycle gas/oil turbines. The facility would be located in Brevard County, Florida, 190 km east of Chassahowitzka Wilderness, a Class I area administered by the U.S. Fish and Wildlife Service (FWS). The potential for impacts from the project's emissions to Class I resources is low because of the distance and direction. However, FWS is interested in ensuring that emissions limits for new sources are set in a consistent manner and has therefore reviewed OP's proposed control technology for the project.

This project will result in PSD-significant increases in emissions of nitrogen oxides (NO_x), sulfur dioxide (SO₂), volatile organic compounds (VOC), particulate matter (PM-10), and carbon monoxide (CO). Emissions (in tons per year - TPY) are summarized below.

| POLLUTANT | EMISSIONS INCREASE (TPY) |
|-----------------|--------------------------|
| NO _x | 1842 |
| SO ₂ | 507 |
| VOC | 99 |
| PM-10 | 251 |
| CO | 701 |

NO_x emissions would be controlled by Dry Low-NO_x (DLN) combustors when firing natural gas (to 9 parts per million - ppm) and water injection (to 42 ppm) when firing oil. SO₂ emissions would be controlled by use of low sulfur fuels (natural gas or 0.05% S oil). PM-10 emissions (about one-seventh of NO_x emissions) would be controlled by use of clean fuels and good combustion techniques.

Best Available Control Technology (BACT) Review

Selective catalytic reduction (SCR) was dismissed on the premise that it is not economically feasible for application to a simple cycle turbine as proposed by OP. Although we disagree with some of the cost calculations presented by OP, it is correct that a simple cycle turbine does result in much higher exhaust temperatures than the more efficient combined cycle system, and the high temperature catalysts required are typically twice as expensive as their lower temperature counterparts. It is therefore likely that they would prove economically infeasible for this

application.

We agree with OP that, for this project, DLN technology that reduces NO_x to 9 ppm represents BACT for natural gas firing. While we also agree that water injection represents BACT when firing oil, we believe that a lower NO_x limit is appropriate. For example, Permit FL-0080 issued by the Florida Department of Environmental Protection (FDEP) to Auburndale Power Partners (Auburndale) in 1992 limits NO_x from oil firing to 25 ppm. Texas-New Mexico Power (TX-NM) has also requested a 25-ppm NO_x limit for oil firing at its proposed Lordsburg, NM facility.

Conclusions and Recommendations

While we agree that the proposed 9 ppm NO_x limit represents BACT for a simple cycle turbine firing natural gas, we recommend that the NO_x limit for oil firing be set at or below 25 ppm as required by the Auburndale permit issued by FDEP and the proposed limits for TX-NM Power.

Contact: Ellen Porter, Air Quality Branch (303) 969-2617.

12/18/98
12/18/98

12/18/98
12/18/98

FAX COVER SHEET

FROM: Mike Stallings
121 Rosewood Dr.
Cocoa, Fl. 32926
Fax 407-631-4801

TO: ~~SUE De VORE~~
DEP
850-922-6979

SUBJECT: COPY OF BREVARD COUNTY
MEMORANDUM ON POWER PLANT CONSTRUCTION

NUMBER OF PAGES ATTACHED TO THIS COVER SHEET 4

| |
|--------------|
| Meeting Date |
| 12-15-98 |



| AGENDA | |
|----------|----------------|
| Section | Public Hearing |
| Item No. | IV. H. |

9:30 Time Certain
Viera

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY
COMMISSIONERS

SUBJECT: ADOPTION, RE: TEMPORARY MORATORIUM ORDINANCE FOR POWER PLANTS
DEPT. / OFFICE: PLANNING & ZONING

Requested Action:

It is requested that the Board of County Commissioners adopt an ordinance to temporarily place a moratorium on the issuance of development permits for power plants in unincorporated Brevard County.

Summary Explanation & Background:

On December 1, 1998, as part of the Board's regularly scheduled meeting, staff was directed to write the attached ordinance. The ordinance places a temporary moratorium on the issuance of development permits for power plants in unincorporated Brevard County.

Per further Board direction, staff will formulate proposed amendments to the Zoning Code which will require new power plants to undergo a public hearing process. The temporary moratorium is intended to provide the Board of County Commissioners adequate time to develop and implement these amendments to the Zoning Code.

This ordinance has been reviewed by the County Attorney's Office.

Staff Contact: Mel Scott 633-2069 or e-mail Mel Scott@BCC@Viera or Internet MScott@manatee.brev.lib.fl.us

**FROM DISTRICT 1 COMMISSION OFFICE
FOR YOUR INFORMATION**

Exhibits Attached:

Temporary Moratorium Ordinance

County Manager's Office
Tom N. Jenkins, County Manager

TAB

Department
Mel W. Scott, AICP, Planning & Zoning Office Director *M.S.*

ORDINANCE 98- _____

AN ORDINANCE ESTABLISHING A ONE HUNDRED TWENTY (120) DAY MORATORIUM ON THE ISSUANCE OF DEVELOPMENT PERMITS FOR POWER PLANTS IN THE UNINCORPORATED AREA OF BREVARD COUNTY; SETTING FORTH THE PURPOSE OF THE TEMPORARY MORATORIUM; SETTING FORTH THE EXTENT OF THE TEMPORARY MORATORIUM; PROVIDING FOR EXEMPTIONS; PROVIDING FOR EXTENSIONS AND EXPIRATION OF THE TEMPORARY MORATORIUM; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AREA ENCOMPASSED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Brevard County Code currently allows the location of power plants in certain locations without sufficient criteria to assure such location would not negatively impact surrounding properties; and

WHEREAS, the Brevard County Board of County Commissioners has determined that a moratorium is needed to develop and implement significant revisions to its land development regulations to prevent the establishment of undesirable construction which might be inconsistent with the new revisions; and

WHEREAS, specific authority for this ordinance includes, but is not limited to, Section 704, Article VIII, Section 2, Florida Constitution of 1968; Chapters 163 and 166, Florida Statutes; Article II, Section 7, Florida Constitution of 1968; and Sections 163.3161, 163.3194, and 163.3201, Florida Statutes; and

WHEREAS, the Brevard County Board of County Commissioners finds that based on the foregoing reasons for the moratorium, this ordinance will promote the public health, welfare, safety, aesthetics, and economic order of the community and the region; and

WHEREAS, the process for developing and adopting new land development regulations will require one hundred twenty (120) days.

NOW, THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Brevard County, Florida, that:

SECTION 1. PURPOSE.

The Board of County Commissioners of Brevard County, Florida hereby declares that allowing further consideration or approval of applications for development permits for power plants for properties within the unincorporated area of Brevard County is not in the best interest of the public's health, safety, and welfare, until substantial revisions to the Land Development Code can be adopted. The Board of County Commissioners of Brevard County, Florida hereby declares that the imposition of a temporary moratorium that will enable the Board to develop and consider for adoption land development

regulations to limit development of power plants which may be inconsistent with the comprehensive plan, health, safety, welfare, aesthetics and economic interests of the citizens of Brevard County, Florida.

SECTION 2. TEMPORARY MORATORIUM IMPOSED.

A. In recognition of the expression of the reasoning and intent of the Board as set forth herein, for a period of one hundred twenty (120) days the effective date of this ordinance, a moratorium is hereby placed on the issuance of development permits for power plants.

B. For the purpose of this moratorium, development permits for power plants means: any site plan, building permit, occupational license, Application for Amendment to the Official Zoning Maps, or Application for Amendment to the Comprehensive Plan.

SECTION 3. EXEMPTIONS.

Said moratorium shall not affect or modify existing building permits for power plants issued prior to the effective date of this ordinance.

SECTION 4. EXTENSIONS, EXPIRATION.

The Board may, by ordinance duly adopted, terminate the moratorium created by this Ordinance, or extend the moratorium for such additional period as the Board deems necessary to accomplish the purposes set out herein. If this Ordinance is so extended, the provisions of this Ordinance shall remain in effect for the duration of such extension.

SECTION 5. CONFLICTING PROVISIONS.

In the case of a direct conflict between any provision of this ordinance and a portion or provision of any other appropriate federal, state or county law, rule, code or regulation, the more restrictive shall apply.

SECTION 6. SEVERABILITY.

If any section, subsection, clause, phrase, word or provision of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such invalid unconstitutional portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance, provided the remaining portions effectuate purpose and intent of this ordinance.

SECTION 7. AREA ENCOMPASSED.

This ordinance shall take effect within the unincorporated area of Brevard County, Florida.

SECTION 9. EFFECTIVE DATE.

This ordinance shall take effect upon filing as provided by law.

DONE, ORDERED AND ADOPTED in Regular Session, this 15th day of December, 1998.

Attest:

**BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA**

Sandy Crawford, Clerk
(S E A L)

Truman G. Scarborough, Jr., Chairman

As approved by the Board of County Commissioners on December 15, 1998

| |
|--------------|
| Meeting Date |
| 12-15-98 |



1. *[Signature]*
 2. Mike Halpin F.Y.F.
 Oleander
 File

| AGENDA | |
|----------|----------------|
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| Item No. | IV. H. |

9:30 Time Certain
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Staff Contact: Mel Scott 633-2069 or e-mail Mel Scott@BCC@Viera or Internet MScott@manatee.brev.lib.fl.us

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 Tom N. Jenkins, County Manager

TNO

Department:
 Mel W. Scott, AICP, Planning & Zoning Office Director *[Signature]*

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WHEREAS, the Brevard County Board of County Commissioners finds that based on the foregoing reasons for the moratorium, this ordinance will promote the public health, welfare, safety, aesthetics, and economic order of the community and the region; and

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OF BREVARD COUNTY, FLORIDA**

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(SEAL)

Truman G. Scarborough, Jr., Chairman

As approved by the Board of County Commissioners on December 15, 1998

**U.S. FISH & WILDLIFE SERVICE****AIR QUALITY BRANCH**

P.O. BOX 25287, Denver, CO 80225-0287

FACSIMILE COVER SHEET

Date: December 17, 1998**Telephone:** (303) 969-2617**Fax:** (303) 969-2822**To:** Cleve Holladay/Al Linero**From:** Ellen Porter**Subject:** Oleander Power

Oleander Power (OP) is requesting a permit to construct and operate five 190 MW General Electric 7Fa or Westinghouse 501F simple cycle gas/oil turbines in Brevard County, Florida. The proposed project is located 190 km east of Chassahowitzka Wilderness, a Class I area administered by the U.S. Fish and Wildlife Service (FWS). The potential for impacts from the project's emissions to Class I resources is low because of the distance and direction. However, FWS is interested in ensuring that emissions limits for new sources are set in a consistent manner and has therefore reviewed OP's proposed control technology for the project.

Nitrogen oxides (NO_x) emissions would be controlled by Dry Low-NO_x (DLN) combustors when firing natural gas (to 9 ppm) and water injection (to 42 ppm) when firing oil. Sulfur dioxide (SO₂) emissions would be controlled by use of low sulfur fuels (natural gas or 0.05% S oil). Particulate matter (PM) emissions (about one-seventh of NO_x emissions) would be controlled by use of clean fuels and good combustion techniques.

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lower temperature counterparts. It is therefore likely that they would prove economically infeasible for this application.

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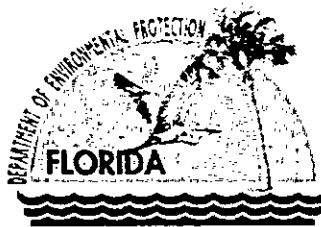
If you have questions, please call me at (303) 969-2617.

Number of Pages: 2
(Including this cover sheet)

Office Location: 7333 West Jefferson Ave, Suite 450, Lakewood, CO 80235

cc: K. Kosky, G.A.

R. Wolfinger, V.P. - Olander



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

December 17, 1998

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Richard L. Wolfinger, Vice President
Oleander Power Project, L.P.
250 West Pratt Street, 23rd floor
Baltimore, MD 21201

Re: Request for Additional Information
DEP File No. 0090180-001-AC (PSD-FL-258)
Oleander Power Project - Five 190 MW Combustion Turbines

Dear Mr. Wolfinger:

On November 24 the Department has received your application and complete fee for an air construction/operation permit for five 190-MW dual fuel, proposed 'F' class combustion turbines for the Oleander Power Project in Brevard County. The application is incomplete. In order to continue processing your application, the Department will need the additional information below. Should your response to any of the below items require new calculations, please submit the new calculations, assumptions, reference material and appropriate revised pages of the application form.

1. Please provide a detailed cost analysis in terms of overall and marginal cost effectiveness (annualized dollars/ton of nitrogen oxides removed) for the following distillate fuel oil use scenarios. This does not constitute any intent regarding a Best Available Control Technology (BACT) determination. It is for cost sensitivity purposes.

| Hours of Distillate Fuel Oil Used | NO _x , ppmvd @ 15% O ₂ |
|-----------------------------------|--|
| First 500 | 42 |
| Second 500 | 36 |
| Third 500 | 30 |
| Fourth 500, 2000 total | 24 |

2. Please provide the rationale for the 16 ppmvd @ 15% O₂ limit proposed for CO as BACT. The combustors capable of meeting 9 ppm NO_x typically achieve 12 ppm of CO.
3. Please describe the adequacy of the 60 foot stack height with respect to both plume rise/bouyancy and possibilities of localized downwash.
4. Please submit overlays (isopleths) of the maximum ground-level concentrations of NO_x, PM/PM₁₀, CO, and SO₂ with respect to residential communities up to 2 miles (3.2 kilometers) from the proposed site.
5. Please provide a detailed map showing the location of all of the fence-line receptors used in the air quality impact analysis. These receptor locations should be shown in UTM coordinates since the UTM coordinate system is used in the modeling. In addition send us diskettes containing all of the air quality impact analysis modeling output files.
6. How will fuel oil be delivered to the site, e.g. pipeline or trucks?

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Printed on recycled paper.

7. At the rated of 100,000 pounds per hour per turbine, the amount of fuel oil used in one day for the entire facility is 1.5 million gallons. The two 2.8 million gallon storage tanks can store only four days-worth of fuel oil. Please comment on the practicality of actually operating 2000 hours per year on fuel oil given this apparent limitation.
8. The emission limits proposed do comport with recent Department Best Available Control Technology (BACT) determinations for natural gas firing with fuel oil back-up. However the Department's BACT determinations include minimization of fuel oil-firing and maximization of natural gas use.
9. Please re-examine the use of natural gas versus fuel oil and the cost-effectiveness of NO_x emission control strategies from the stand-point of average expected revenues and profitability per MW-hr versus pollution control costs per MW-hr. The approach towards cost-effectiveness of pollution control in peaking operation mode should parallel the economics of a project that presumably maximizes revenues and profitability under peaking mode. Because the project otherwise comports with very recent and draft BACT Department determinations (especially for peaking units), this analysis is not required if Oleander can agree to minimize its operation in the fuel oil use mode.
10. Please provide the emission characteristics of the Siemens, Westinghouse, General Electric and ABB combustion turbines under consideration for this project. Include any information regarding their ability to meet 9 ppm NO_x by Dry Low NO_x (DLN) technology or high temperature selective catalytic reduction. If a vendor has been identified and the information is available, it will not be necessary to provide the information regarding other suppliers.
11. Provide the worst case start-up and shutdown emissions characteristics for the units under consideration including start-up curves and duration of excess emissions. The Department plans to address excess emissions in its BACT determination.

We received a request to conduct a public meeting. We will advise you of the schedule. It will partially depend on the status of the Department's review of this application.

Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. Please note that per Rule 62-4.055(1): "*The applicant shall have ninety days after the Department mails a timely request for additional information to submit that information to the Department..... Failure of an applicant to provide the timely requested information by the applicable date shall result in denial of the application.*"

If you have any questions, please call Susan DeVore-Fillmore at 850/921-9537 or Mike Halpin at 850/921-9530 (engineers). Matters regarding review of the modeling should be directed to Cleve Holladay (meteorologist) at 850/921-8986.

Sincerely,



A.A. Linero, P.E. Administrator
New Source Review Section

AAL/sdf

cc: Gregg Worley, EPA
Mr. John Bunyak, NPS
Len Koslov, DEP CD
Ken Kosky, P.E., Golder Associates

the return address

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):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Mr. Richard Wolfinger, VP
Oxander Power Project
250 West Pratt St. 23rd Fl
Baltimore, MD
21201

4a. Article Number
Z 333 612 571

4b. Service Type

| | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery
12-24-98

5. Received By: (Print Name)
J. Downing

6. Signature: (Addressee or Agent)
X [Signature]

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

PS Form 3811, December 1994 102595-97-8-0179 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

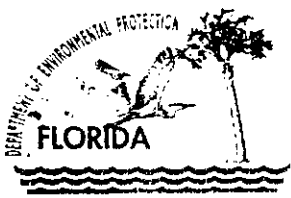
Thank you for using Return Receipt Service.

Z 333 612 571

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| | |
|---|-------------------|
| Sent to | Richard Wolfinger |
| Street & Number | Oxander P.P. 250 |
| Post Office, State, & ZIP Code | Baltimore MD |
| 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 | 12-17-98 |

PS Form 3800, April 1995
0090180-001-AC
P50-FI-258



Department of Environmental Protection

Lawton Chiles
Governor

Virginia B. Wetherell
Secretary

November 25, 1998

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. John Bunyak, Chief
Policy, Planning & Permit Review Branch
NPS - Air Quality Division
Post Office Box 25287
Denver, Colorado 80225

Re: Oleander Power Project
960 MW Simple Cycle Project
PSD-FL-258

Dear Mr. Bunyak:

Enclosed is a copy of a PSD application for five 190 MW "F Class" combustion turbine-electrical generators to be operated as peaking units by Oleander Power (a subsidiary of Baltimore Gas and Electric) near Cocoa, Brevard County.

The "primary fuel" is given as natural gas to be used for 1,390 hours per year. The "backup fuel" is No. 2 fuel oil to be used up to 2000 hours per year. Emissions of NO_x are proposed at 9 ppm while operating on gas compared with the allowable NSPS value of 110 ppm for these units. This is the lowest value we are aware of for peaking units. However NO_x emissions are projected at 42 ppm for oil. There is at least the theoretical possibility that the units will always run on oil and never realize the very low NO_x emissions on gas.

We are interested in any ideas on BACT for the units while operating on oil. Because oil is given as the backup fuel and the units operate in simple cycle and peaking mode, various hot and conventional SCR options do not appear to be cost-effective to the applicant.

Please provide your comments as soon as possible. Our rules require us to determine whether an application is complete within 30 days of receipt and to make a Preliminary Determination within 60 days (given that the application is complete). This project is not subject to the Florida Power Plant Siting Act and review by the Governor and Cabinet. If you have any questions regarding this matter, please call Cleve Holladay 850/921-8986 or Susan DeVore-Fillmore at 850/921-9537.

Sincerely,

A. A. Linero, P.E., Administrator
New Source Review Section

AAI/aal

Enclosures



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

November 25, 1998

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Gregg Worley, Section Chief
Air, Radiation Technology Branch
Preconstruction/HAP Section
US EPA Region IV
61 Forsyth Street
Atlanta, Georgia 30303

Re: Oleander Power Project
960 MW Simple Cycle Project
PSD-FL-258

Dear Mr. Worley:

Enclosed is a copy of a PSD application for five 190 MW "F Class" combustion turbine-electrical generators to be operated as peaking units by Oleander Power (a subsidiary of Baltimore Gas and Electric) near Cocoa, Brevard County.

The "primary fuel" is given as natural gas to be used for 1,390 hours per year. The "backup fuel" is No. 2 fuel oil to be used up to 2000 hours per year. Emissions of NO_x are proposed at 9 ppm while operating on gas compared with the allowable NSPS value of 110 ppm for these units. This is the lowest value we are aware of for peaking units. However NO_x emissions are projected at 42 ppm for oil. There is at least the theoretical possibility that the units will always run on oil and never realize the very low NO_x emissions on gas.

We are interested in any ideas on BACT for the units while operating on oil. Because oil is given as the backup fuel and the units operate in simple cycle and peaking mode, various hot and conventional SCR options do not appear to be cost-effective to the applicant.

Please provide your comments as soon as possible. Our rules require us to determine whether an application is complete within 30 days of receipt and to make a Preliminary Determination within 60 days (given that the application is complete). This project is not subject to the Florida Power Plant Siting Act and review by the Governor and Cabinet. If you have any questions regarding this matter, please call Susan DeVore-Fillmore at 850/921-9537.

Sincerely,

A. A. Linero, P.E., Administrator
New Source Review Section

AAL/aal

Enclosures

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Printed on recycled paper.

Fold at line over top of envelope to the right of the return address

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.

| | | |
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| 3. Article Addressed to: Richard Wolfinger, VP Oleander Power Project, LP 250 W. Pratt St. - 23 rd Fl Baltimore, MD 21201 | | 4a. Article Number Z 333 612 562 |
| 5. Received By: (Print Name) J. Downing | | 4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD |
| 6. Signature: (Addressee or Agent) X <i>[Signature]</i> | | 7. Date of Delivery 11/30/98 |
| PS Form 3811 December 1994 | | 8. Addressee's Address (Only if requested and fee is paid) |

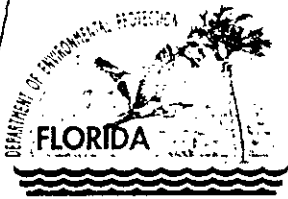
Thank you for using Return Receipt Service.

Z 333 612 562

US Postal Service
Receipt for Certified Mail
Insurance Coverage Provided.
Do not use for International Mail (See reverse)

| |
|---|
| Sent to Richard Wolfinger |
| Street & Number Oleander P.P. LP |
| Post Office, State, & ZIP Code Baltimore, MD |
| 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 0990180-00-AC 11-25-98 P50-FI-258 |

PS Form 3800 April 1995



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

November 25, 1998

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Richard L. Wolfinger, Vice-President
Oleander Power Project, L.P.
250 West Pratt St., 23rd Floor
Baltimore, Maryland 21201

Re: Oleander Power Project
960 MW Simple Cycle Project
PSD-FL-258

Dear Mr. Wolfinger:

Your application was received on November 24 and assigned to Ms. Susan DeVore-Fillmore. We have determined that the fee of \$7,500 is correct. We sent copies of the application to our Central District office, USEPA Region IV, and the National Park Service for their review and comment.

We will conduct our completeness review over a period of 30 days. If the project has no completeness issues (i.e. is complete when received), we will make a Preliminary Determination within 60 days and issue an Intent with a Public Notice and any drafts by approximately 70 days. At that point, the clock is stopped.

On PSD permitting actions, the Department typically offers the public a period of 30 days to comment or to request a public meeting regarding our proposed actions following public notice. Because we must take final action by the 90th day (and the clock remains stopped for only two weeks after you provide proof of notice) it is possible that we have to take a final permit action before actually holding a public meeting (if requested).

We are considering the possibility of scheduling such a meeting before issuance of an Intent. This will insure that the public has a proper opportunity to comment. This could be done by publishing a Notice that we have received an application and that the opportunity exists for a public meeting or by just noticing and scheduling such a meeting. The meeting will have no impact on our statutory requirement regarding the 90 days.

Public meetings are not a concern under the alternative Power Plant Siting Act (which does not apply to your project), because the PSD review clock is stopped until the Governor and Cabinet certify the facility. Administrative hearings, including public sessions are included in all those projects. There is ample time even if a public meeting is requested for the PSD permit.

Regarding the application, we are quite impressed with the 9 ppm BACT proposal for NO_x control while using gas at these "peaking" or "intermittent duty" units. However, more hours are requested for operation on fuel oil than on natural gas (the cornerstone of our BACT determinations for combustion turbines). There is at least the theoretical possibility that the units would never operate on gas. In that case, they would operate much like many such units of late 80's and early 90's vintage that also meet 42 ppm NO_x and operate on fuel oil. We appreciate that your units may often startup when there is a "dash for gas" and you are reluctant to enter into firm supply contracts because of the higher costs. In any case, we will require that the units installed be tested for compliance with the 9 ppm limit on gas whether or not gas firing.

We recommend examination of alternatives such as more control by wet injection. Conceivably conditions could be included that would require progressively lower NO_x values on oil based on the number of hours during which the units are actually fired on oil. Steam could be provided by a once-through steam generator on one unit and possibly serve the others. There may be many other economic options. The economics of such options should be considered with the thought in mind that electrical rates may be very high when the units are operated and that the usual levelized cost-effectiveness analyses may not be a real concern at those times. We recommend developing them now instead of needing to respond to such concepts as a result of a 30 day incompleteness review request.

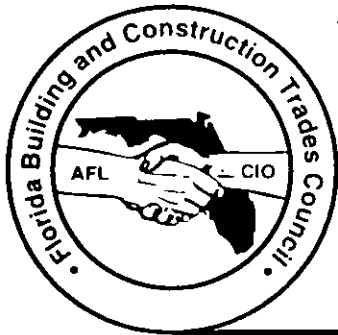
If you have any questions, please call Ms. DeVore-Fillmore at 850/921-9537. You may also E-Mail her at Devore_S@dep.state.fl.us.

Sincerely,

 11/25

A. A. Linero, P.E., Administrator
New Source Review Section

AAL/aal



Florida Building & Construction Trades Council AFL-CIO

104 W. Jefferson St. - Tallahassee, FL 32301 - (850) 224-4440 fax (850) 224-4763

Executive Vice President
Gory Waters

President
Mike Williams

Secretary / Treasurer
Marty Barry

RECEIVED

December 04, 1998

DEC 07 1998

Al Linero, Administrator
New Source Review Section
Florida Department of Environmental Protection
Tallahassee, Florida 32399-2400

BUREAU OF
AIR REGULATION

Re: Brevard County Oleander Power Generating Facility

Dear Mr. Linero:

I have been informed the Department has jurisdiction in regards to the above referenced project. Also, that the Section will be involved in the process. Would you please copy and furnish the following information and documents related to the proposed project:

1. Status of the Project
2. Applications
3. Review Process
4. Scheduled hearings and meetings
5. Correspondence associated with the project

If you need any further information or action to be taken by this organization in order to fulfill this request, please contact me at your earliest convenience. I will be more than happy to provide whatever you might need such that this request may be processed.

Please send all correspondence to:

Mike Williams, President
Florida Building and Construction Trades Council
104 West Jefferson Street
Tallahassee, Florida 32301
Voice 850-224-4440 Fax 850-224-4763

Sincerely,

R. Michael Williams