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MAY 23 2000

BUREAU OF AIR REGULATION

May 22, 2000

Mr. Scott M. Sheplak, P.E.
Florida Department of Environmental Protection
Division of Air Resource Management
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301

Via FedEx
Airbill No. 7923 3467 3031

**Re: Tampa Electric Company – Phase II NO_x Compliance Plan Revision
for Big Bend and Gannon Stations**

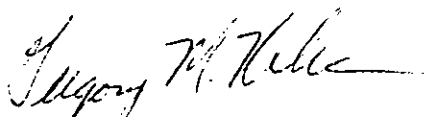
Dear Mr. Sheplak:

As you are aware, to ensure compliance with Phase II of the Acid Rain program, Tampa Electric Company has elected to employ a System Wide NO_x Averaging Plan. However, in the absence of a final Title V permit for Big Bend and Gannon Stations, there was some question as to whether or not the System Wide NO_x Averaging Plan was valid. Recently, Section 403.0872 of the Florida Statutes was amended by HB 1425 to address this issue. Specifically, Section 13 of HB 1425 reads:

“...This operation permit is the only department operation permit for a major source of air pollution required for such source; provided, at the applicant’s request, the department shall issue a separate Acid Rain permit for a major source of air pollution that is an affected source within the meaning of 42 U.S.C s. 7651a(1)....”

Therefore, in accordance with section 403.0872 F.S., TEC formally requests a separate Acid Rain permit that includes the System Wide NO_x Averaging Plan as approved by the Department on January 19, 2000. If you have any questions, please telephone Shannon Todd or me at (813) 641-5125.

Sincerely,


Gregory M. Nelson, P.E.
Designated Representative
Acid Rain Program

EP\gm\SKT165

c: Robert Miller, USEPA
Brian Beals, USEPA
Scott Davis, USEPA Region IV
Jerry Campbell, EPCHC

cc: Clair Kuny
Pat Connor
Cindy Phillips

-file-



TAMPA ELECTRIC

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APR 06 2000

BUREAU OF AIR REGULATION

April 5, 2000

Mr. Scott M. Sheplak, P.E.
Florida Department of Environmental Protection
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301

Via FedEx
Airbill No. 7908 2756 9790

**Re: Tampa Electric Company
F. J. Gannon Station
Title V Application Amendments
FDEP File No. 0570040-002-AV**

Dear Mr. Sheplak:

As you requested, please find enclosed, submitted under my signature as the Responsible Official, a copy of TEC's proposed compliance plan to address the ambient SO₂ issues related to the Title V permitting of this facility. It is my understanding that this proposal will be incorporated into the final Title V permit as a compliance glidepath to bring the facility into compliance with all modeled ambient air quality standards.

With regard to periodic monitoring, TEC proposes the following language for periodic monitoring of particulate matter.

Periodic monitoring for particulate matter shall be COMS. For any calendar quarter in which more than five percent of the COMS readings show 20% or greater opacity for any of the Units 1 - 6 (excluding startup, shutdown, and malfunction periods), a steady-state particulate matter stack test shall be performed within the following calendar quarter. Due to the allowed opacity level of 60% for sootblowing and load changing periods for Units 1 - 6, periods of sootblowing and load changing shall also be excluded. The stack test shall comply with all of the testing and reporting requirements contained in the preceding specific conditions. Units are not required to be brought on-line solely for the purpose of performing this special test. If the unit does not operate in the following quarter, the special test may be postponed until the unit is brought back on-line. In such cases, the special test shall be performed within 30 days of the unit being brought back on-line.

In addition to the above, TEC requests that the following air construction permits be incorporated into the Title V permit application and the relevant conditions contained within them be addressed in the next version of the draft Title V permit.

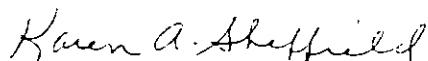
Mr. Scott M. Sheplak, P.E.
April 5, 2000
Page 2 of 2

<u>PROJECT</u>	<u>PERMIT</u>
Gannon Station Fuel Yard	0570040-006-AC
Gannon Unit 3 WDF Modification	0570040-011-AC
Gannon Crusher House Modification	0570040-010-AC

TEC requests the foregoing items, along with the detailed comments on the current draft version of the Title V permit submitted to you on November 10, 1999, be included in a new draft version of the permit.

Please feel free to telephone Jamie Hunter at (813) 641-5033, if you have any questions.

Sincerely,



Karen A. Sheffield, P.E.
General Manager
F.J. Gannon Station

EP\gm\JJH918

Enclosure

c/enc: Mr. Clair Fancy, FDEP-Tallahassee
Mr. Jerry Kissel, FDEP-SW District
Mr. Jerry Campbell, EPCHC

PROPOSED SO₂ GLIDEPATH TO COVER GANNON THROUGH THE CONVERSION TO BAYSIDE

Background

The current and historical regulatory SO₂ limits that cover the operations at Gannon Station are as follows:

2.4 lbs/MMBtu (individual unit on a weekly average basis);
10.6 tons/hour (station-wide cap on a weekly average basis).

During the initial Title V permitting of Gannon Station, the FDEP performed updated ambient air quality dispersion modeling. This new modeling calculated exceedances of the SO₂ ambient air quality standard using the existing allowable SO₂ limits.

Based on this information Tampa Electric Company (TEC) evaluated possible alternatives to the current operations at Gannon Station to alleviate the modeled SO₂ exceedances. These evaluations centered around reducing the sulfur content of the fuel, raising one or more of the existing stacks, or a combination of both. Ultimately, a decision to raise the existing stacks on Units 5 & 6, along with accepting a new limit on SO₂ on a 24-hourly average basis of approximately 11.5 tons/hour, was determined to be the best course of action. To this end, an air construction permit application for the stack extension project was submitted in October 1998 and discussions of a 24-hour based SO₂ limit were held during the ongoing Title V negotiations.

As a result of the Consent Final Judgement entered into by the FDEP and TEC in December 1999, and the Consent Decree entered into by the U.S. Department of Justice (on behalf of EPA) and TEC in February 2000, Gannon Station will be repowered using natural gas fired combustion turbines with oil backup and will cease burning coal by January 1, 2005. The repowered facility will be named Bayside Station to reflect the change in operations. The operations of the Bayside facility will comply with all ambient air quality standards.

Proposed Glidepath

Based on the short life remaining for the existing Gannon Station coal-fired units, the above strategy to extend the stacks to remove the modeled ambient SO₂ exceedances is no longer the best strategy. For this short period of time, it is also unreasonable to make any significant modifications to the units, or the fuel contracts, necessary to reduce the SO₂ levels needed to show no modeled ambient SO₂ exceedances with the existing operations. In light of the foregoing, the following interim SO₂ limits are proposed to be included in the final Title V Operating Permit for Gannon Station:

Calendar Year	Station-wide SO2 Limit Tons per hour (24-hour Average)	Basis for Limit
2001	11.5	Equivalent to 1.9 lbs/MMBtu multiplied by the existing station-wide heat input in MMBtu/hour.
2002	10.3	Equivalent to 1.7 lbs/MMBtu multiplied by the existing station-wide heat input in MMBtu/hour.
2003 *	10.3	Equivalent to 1.7 lbs/MMBtu multiplied by the existing station-wide heat input in MMBtu/hour.
2003 **	**	Equivalent to 1.7 lbs/MMBtu multiplied by the existing station-wide heat input, less any Unit(s) shutdown due to repowering, in MMBtu/hour.
2004 **	**	Equivalent to 1.7 lbs/MMBtu multiplied by the existing station-wide heat input, less any Unit(s) shutdown due to repowering, in MMBtu/hour.

Notes: All Gannon coal-fired boilers will be removed from service by December 31, 2004. Above limits apply only to the collection of boiler emissions and do not include SO2 emissions due to the Bayside Station units.

* Limits applicable to the portion of the year prior to the repowering of any unit(s).

** Limits applicable to the portions of the year following the repowering of any unit(s). The station-wide heat input used in the above equations will be based on the total of the coal-fired boilers remaining after each stage of repowering at the following MMBtu/Hour rates: Boiler No. 1 = 1257; Boiler No.2 = 1257; Boiler No. 3 = 1599; Boiler No. 4 = 1876; Boiler No. 5 = 2284; Boiler No. 6 = 3798.

The above represents a reasonable overall glidepath that will result in ultimate compliance with all modeled ambient air quality standards.

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MAR 14 2000

BUREAU OF AIR REGULATION

March 13, 2000

Mr. Scott M. Sheplak, P.E.
Florida Department of Environmental Protection
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301

Via FedEx
Airbill No. 7923 1218 4589

**Re: Tampa Electric Company
F. J. Gannon Station
FDEP File No. 0570040-002-AV
Proposed SO2 Compliance Plan**

Dear Mr. Sheplak:

As discussed in our last meeting, please find enclosed TEC's proposed compliance plan to address the ambient SO₂ issues related to the Title V permitting of this facility. This proposal will be incorporated into the final Title V permit as a compliance glidepath to bring the facility into compliance with all modeled ambient air quality standards.

Please feel free to telephone me at (813) 641-5033, if you have any questions.

Sincerely,

Jamie Hunter
Consulting Engineer
Environmental Planning

EP\gmJJH917

Enclosure

c/enc: Mr. Clair Fancy, FDEP-Tallahassee
Mr. Jerry Kissel, FDEP-SW District
Mr. Jerry Campbell, EPCHC

PROPOSED SO₂ GLIDEPATH TO COVER GANNON THROUGH THE CONVERSION TO BAYSIDE

Background

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- 2.4 lbs/MMBtu (individual unit on a weekly average basis);
- 10.6 tons/hour (station-wide cap on a weekly average basis).

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Based on this information Tampa Electric Company (TEC) evaluated possible alternatives to the current operations at Gannon Station to alleviate the modeled SO₂ exceedances. These evaluations centered around reducing the sulfur content of the fuel, raising one or more of the existing stacks, or a combination of both. Ultimately, a decision to raise the existing stacks on Units 5 & 6, along with accepting a new limit on SO₂ on a 24-hourly average basis of approximately 11.5 tons/hour, was determined to be the best course of action. To this end, an air construction permit application for the stack extension project was submitted in October 1998 and discussions of a 24-hour based SO₂ limit were held during the ongoing Title V negotiations.

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- Notes: All Gannon coal-fired boilers will be removed from service by December 31, 2004.
Above limits apply only to the collection of boiler emissions and do not include SO2 emissions due to the Bayside Station units.
- * Limits applicable to the portion of the year prior to the repowering of any unit(s).
 - ** Limits applicable to the portions of the year following the repowering of any unit(s). The station-wide heat input used in the above equations will be based on the total of the coal-fired boilers remaining after each stage of repowering at the following MMBtu/Hour rates: Boiler No. 1 = 1257; Boiler No.2 = 1257; Boiler No. 3 = 1599; Boiler No. 4 = 1876; Boiler No. 5 = 2284; Boiler No. 6 = 3798.

The above represents a reasonable overall glidepath that will result in ultimate compliance with all modeled ambient air quality standards.

INTEROFFICE MEMORANDUM

Sensitivity: COMPANY CONFIDENTIAL

Date: 04-Feb-2000 10:29am

From: Patricia Comer TAL
COMER_P

Dept: Office General Counsel

Tel No: 850/488-9730

To: Scott Sheplak TAL

(SHEPLAK_S)

Subject: Re: Phase II NOX acid rain

I don't understand the question. Is the question about whether the plan can be retroactive or whether the plan can be used if it hasn't been approved by the permitting authorities (EPA didn't say that the plan could be used if it isn't approved, did they? I thought their issue was why the state had to issue a permit to approve the plan)

Anyway:

Timing and approval:

40 CFR 76.11 (a) says " In lieu of complying with the applicable provisions in s. 76.5, 76.6, or 76.7, any affected units subject to such emissions limitation, under control of the same owner or operator, and having the same designated representative may average their NOx emissions under an averaging plan approved under this section."

40 CFR 76.11(b) says:

(1) The designated representative of a unit meeting the requirements of paragraphs (a)(1), (a)(2) and (a)(8) of this section may submit an averaging plan...at any time up to and including January 1 (or July 1, if the plan is restricted to units located within a single permitting authority's jurisdiction) of the calendar year for which the plan is to become effective.

(3) When an averaging plan... is not approved, the owner or operator of each unit in the plan shall operate in compliance with the emissions limitation that would apply in the absence of the averaging plan..."

62-210.300 says we can issue a permit with a later effective date, but not with an effective date earlier than the date of final issuance.

So...under federal law, it appears that an Acid Rain plan can be approved during the year it would be in effect. But because we have only one way to approve the terms and conditions of a plan (final issuance of the permit containing the plan) and because we cannot issue retroactive permits, our rules preclude that.

I'm not sure how this would affect TECO in real life. The Acid Rain limits aren't in any Florida permit now (I believe), they exist only in federal regs. But the feds would be unable to enforce the non-averaging-plan limits and we wouldn't be likely to do it either (especially when the currently permitted limits are different)....so the limits would be practically enforceable (to use an EPA term in a different way) only upon issuance of the Title V permit, which would include the averaging plan...

But TECO cannot get one thing they would likely

want...retroactivity of the permit. The permit must become effective on January 1 2001 (or 2002, or 2003.....)and the averaging plan will be effective when the permit is, under state law. The feds can do what they want. I don't expect citizen involvement, but that could be TECO's real problem, here. Not our problem, though. The best solution for everyone is to get the permits issued.

INTEROFFICE MEMORANDUM

Sensitivity: COMPANY CONFIDENTIAL

Date: 03-Feb-2000 02:34pm

From: Scott Sheplak TAL
SHEPLAK_S

Dept: Air Resources Management

Tel No: 850/488-1344

To: Patricia Comer TAL (COMER_P)

To: Clair Fancy TAL (FANCY_C)

Subject: Phase II NOx acid rain

We had a meeting yesterday with TECO on their Title V permits for Big Bend and Gannon.

The revised DRAFT permits issued in September 1999 include the 'straight' NOx emission limits from their originally submitted NOx compliance plan. My understanding is that regardless of whether or not a source has a FINAL Title V permit they must comply with the 'straight' limits beginning January 1, 2000.

TECO submitted a Phase II NOx acid rain averaging plan the end of December 1999. We have reviewed their plan and found it to be complete. In the new plan, TECO wants to establish alternate contemporaneous emission limits for the Big Bend and Gannon plants. You remember that Gulf Power was in a similar situation last year however, they submitted their averaging plan well in advance and the plan was approved in the Title V permit effective January 1, 2000.

At yesterday's meeting I informed TECO that they would not be able to use the new plan until it was approved via the Title V permit. They indicated that there was a deadline to submit NOx averaging plans prior to July 1. Can their new plan be used for CY 2000?

Note, EPA mailed a letter to Clair indicating that a source could operate under a Phase II NOx averaging plan (application) until final approval of the plan. The letter was in response to Gulf Power's situation with a multi-state averaging plan.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION 4
 ATLANTA FEDERAL CENTER
 61 FORSYTH STREET
 ATLANTA, GEORGIA 30303-8960

-file- Copy: D. Waters - Gulf
 J. Hunter - RECO
 11/24 E. Middelmeier - NW Div
 B. Dumas - SW Dist
 J. Campbell - HCEPC
 P. Conner - OGC
 H. Rhodes - VARLM

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BUREAU OF AIR REGULATION

Mr. Clair H. Fancy, P.E.
 Chief
 Bureau of Air Regulation
 Air Resources Management Division
 Florida Department of Environmental
 Protection
 Mail Station 5500
 2600 Blair Stone Road
 Tallahassee, FL 32399-2400

Dear Mr. Fancy:

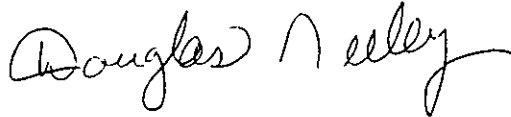
This letter is to follow up on our recent conversation regarding the approval process for the multi-state Phase II Acid Rain NOx Averaging Plan submitted by participating Southern Company plants to their respective State permitting authorities. Our conversation focused on the status of the proposed averaging plan, should the process of approval through the issuance of permits incorporating the plan not be completed by all the relevant permitting authorities by the Phase II effective date of January 1, 2000.

It is our understanding that the Florida Department of Environmental Protection (FDEP) has set a goal to complete the title V permitting process (i.e., finalize the title V permits) for the Gulf Power plants participating in the Southern Company Phase II NOx Averaging Plan by the end of this year. There remains the possibility, however, due to title V permitting delays that the FDEP may not approve Southern Company's plan and incorporate the plan into final title V permits by the end of this year.

The Acid Rain Division of the Environmental Protection Agency (EPA) considers a compliance plan submitted with an Acid Rain permit application to be part of the Acid Rain permit application (see 40 CFR 72.31(c)). This would include a Phase II NOx Averaging Plan; however, it would not include a petition for an alternative emission limitation period, a final alternative emission limitation or a renewal of a final alternative emission limitation. Therefore, the permit application shield provided in the Acid Rain regulations extends to a Phase II NOx Averaging Plan that is timely and complete (see 40 CFR 72.32(b)). Further, a complete Phase II NOx Averaging Plan is binding on the owners and operators until issuance or denial of the Acid Rain permit (see 40 CFR 72.32(c)). Under these rule provisions the units included in the Southern Company Phase II NOx Averaging Plan are required to operate in accordance with the terms of the averaging plan until the final approval of the plan (i.e., when all permitting authorities with jurisdiction over the units in the plan have approved the plan) (see 40 CFR 72.40(b)(2)).

If you have any questions or concerns regarding this matter, please contact Jenny Jachim of the EPA Region 4 staff at (404) 562-9126.

Sincerely,

A handwritten signature in black ink that reads "Douglas Neeley". The signature is written in a cursive style with a large, sweeping initial "D".

R. Douglas Neeley
Chief
Air & Radiation Technology Branch
Air, Pesticides and Toxics
Management Branch

cc: W. Danny Herrin, Southern Company Services, Inc.
Ronald W. Gore, Alabama Department of Environmental Management
Ronald C. Methier, Environmental Protection Division
James L. Carroll, Jefferson County Department of Health
Dwight Alpern, Acid Rain Division
Robert Miller, Acid Rain Division