THE STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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OCT 08 2002

BUREAU OF AIR REGULATION

In the Matter of an Application for Permit by:

OGC No.: 02-0856

Lakeland Electric 501 East Lemon Street Lakeland, FL 33801-5079 Permit No.: PSD-FL-245
McIntosh Unit 5 Combined Cycle Unit

Polk County, Florida

NOTICE OF WITHDRAWAL OF REQUEST FOR EXTENSION OF TIME TO FILE PETITION FOR HEARING

By and through undersigned counsel, Lakeland Electric ("Lakeland") hereby gives notice:

- 1. On August 12, 2002, the Department of Environmental Protection (Department) issued an Order granting the Lakeland's request, pursuant to Florida Administrative Code Rule 62-110.106(4), for extension of time until September 30, 2002, in which to file a Petition for Administrative Proceedings in the above-styled matter regarding a proposed modification to an air construction permit for McIntosh Unit 5, PSD-FL-245.
- 2. On September 24, 2002, Lakeland requested an additional extension of time until November 12, 2002.
- 3. Lakeland and the Department came to an agreement on the issues involved in the above-referenced proposed permit. The agreement between Lakeland and the Department is contained in the revised proposed modification, a copy of which is attached to this Notice (Exhibit A). This revised modification will address Lakeland's concerns with its abovementioned permit modification and obviates the need for an enlargement of time. Therefore, Lakeland hereby withdraws its Request for Extension, conditioned upon the Department's

issuance of the permit modification in accordance with the Department's agreement with Lakeland.

Respectfully submitted this 7th day of October, 2002.

HOPPING GREEN & SAMS, P.A.

Angela R. Morrison

Fla. Bar No. 0855766

123 South Calhoun Street

Tallahassee, FL 32301

(850) 222-7500

Attorneys for LAKELAND ELECTRIC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that an original and one copy of the foregoing has been furnished by hand-delivery to the Clerk of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399, and that a true and correct copy of the foregoing has been furnished to the following by U.S. Mail this 7th day of October, 2002:

Douglas Beason, Esq.
Office of General Counsel
Department of Environmental Protection
3900 Commonwealth Blvd.
Tallahassee, FL 32399

Al Linero Division of Air Resources Management Department of Environmental Protection 2600 Blair Stone Road Tallahassee, FL 32399-2400

ATTORNEY

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Keith Hulbert General Manager Lakeland Utilities 501 East Lemon Street Lakeland, Fl 33801-5079

Re: DEP File No. PSD-FL-245, PA 74-06 Lakeland McIntosh Unit No. 5

Dear Mr. Hulbert:

The Department reviewed your request to modify the PSD Permit relative to start-up emissions. The Department has additionally reviewed the May 24, 2002 summary provided by Ms. Farzie Shelton and Mr. Timothy Bachand concerning actual emissions data during Unit 5 start-up periods. As a result of this review, the Department has concluded that a permit modification may be granted. Accordingly, this request is acceptable as indicated herein.

Permit PSD-FL-245 is hereby modified as follows:

- 17. The permittee shall <u>install</u> design the stationary gas turbine, dueting, possible future heat recovery steam generator, and stack(s) to accommodate installation of SCR equipment and/or <u>install an</u> oxidation catalyst. The oxidation catalyst shall be designed for a minimum 90% destruction efficiency at base load in the event that the ULN technology fails to achieve the NOX limits given in Specific Condition No. 20 and 21 or the carbon monoxide (CO) limits given in Specific Condition 22 are not met. [Rule 62-4.070, F.A.C.]
- 22. Carbon Monoxide (CO) emissions: Prior to May 1, 2002, the concentration of CO (@15% O2 in the exhaust gas when firing natural gas shall not exceed 25 ppmvd when firing natural gas and 90 ppmvd when firing fuel oil as measured by EPA Method 10. CO emissions (at ISO conditions) shall not exceed 145 lb/hr (gas) and 539 lb/hr (oil). [Rule 62-212.400, F.A.C.]

Prior to August 1, 2003 CO emissions shall be minimized through the use of best operating practices and properly tuned combustors.

After July 31, 2003 May 1, 2002, the concentration of CO in the exhaust gas shall be additionally controlled by the use of an oxidation catalyst with a minimum of 90% CO removal efficiency (based upon design at base load). The CO emissions shall be tested annually at full load and shall not exceed 2 ppmvd when firing natural gas as measured by EPA Method 10. The oxidation catalyst shall be maintained according to manufacturers recommendations, however in the event that CO emissions exceed 2 ppmvd (as demonstrated by annual testing above) the permittee shall implement a remedy and re-test within 90 days of operation. Should the re-test result in CO emissions exceeding 2 ppmvd the remedy shall be to completely replace the oxidation catalyst. when firing natural gas shall not exceed 25 ppmvd when firing natural gas and 90 ppmvd when firing fuel oil as measured by EPA Method 10. CO emissions (at ISO conditions) shall not exceed 106 lb/hr (gas) and 386 lb/hr (oil). [Rule 62-212.400, F.A.C.]



25. Volatile Organic Compounds (VOC) Emissions: The concentration of VOC in the exhaust gas when firing natural gas shall not exceed 4 ppmvd when firing natural gas and 10 ppmvd when firing fuel oil as assured by EPA Methods 18, and/or 25 A. VOC emissions (at ISO conditions) shall not exceed 10 lb/hr (gas) and 25 lb/hr (oil). [Rule 62-212.400, F.A.C.]

Prior to August 1, 2003 VOC emissions shall be minimized through the use of best operating practices and properly tuned combustors.

After July 31, 2003 VOC emissions shall be additionally controlled through the use of an oxidation catalyst. CO emissions shall be employed as a surrogate for VOC emissions and no further annual testing will be required.

26. Excess emissions resulting from startup, shutdown, malfunction or fuel switching shall be permitted provided that best operational practices are adhered to and the duration of excess emissions shall be minimized. Excess emissions occurrences shall in no case exceed four hours in any 24-hour period for cold startup or two hours in any 24-hour period for other reasons unless specifically authorized by DEP for longer duration.

During any calendar day in which a start-up, shutdown, or fuel change occurs, the following alternative NO_x limit applies:

100 lb/hr on the basis of a 24-hour average

200 lb/hr on the basis of a 24-hour average if fuel oil is fired during a start-up or shut-down within the 24-hour period

20. The following table is a summary of the BACT determination and is followed by the applicable specific conditions. Values for NO_X are corrected to 15% O₂. Values for CO are corrected to 15% O₂. [Rule 62-212.400, F.A.C.]

Operational	NO _x	CO	VOC	PM/Visibility	Technology and Comments
Mode	(ppm)	(ppm)	(ppm)	(% Opacity)	
Simple Cycle	25 - NG (basis)	25 NG or	4-NG	10	DLN on gas, WI on oil.
·	237 lb/hr (24-hr avg)	10 - Ox Cat	10 - FO	,	Applies until 05/1/2002 . Clean
ĺ	42 - FO (3 hr avg)	90 - FO	}	ł	fuels, good combustion
Simple Cycle	9 - NG (basis)	25 - NG or	4-NG	10	ULN on gas, WI on oil.
	85 lb/hr (24-hr-avg)	10 - Ox Cat	10~FO		Applies after 05/1/2002
ł	4 2 - FO (3 hr avg)	90 - FO	l		Clean fuels, good combustion
Simple Cycle	9 - NG (3 hr avg)	25 - NG or	4-NG	10	Hot SCR. Applies not later than
	15 - FO (3-hr avg)	10 - Ox Cat	10 FO		05/1/2002 if 9 ppm NO _x not
		90 - FO			achievable by ULN. Clean
		[fuels, good combustion.
Combined Cycle	7.5 - NG (3 hr avg)	25 - NG or	4-NG	10	Conventional SCR with
	15 - FO (3-hr avg)	10 - Ox Cat	10 FO		Oxidation Catalyst. unless
		90 FO	Oxidation		simple eyele limits are achieved
		Oxidation	Catalyst		on or before 05/01/2002.
		Catalyst			Clean fuels, good combustion
		(annual test			
		<u>2 ppm</u>			
		criteria at			
		full load			
		firing	'		
		<u>natural</u>			
		gas.)			

Mr. Keith Hulbert
June-XX, 2002

No other changes to the permit are authorized by this action.

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit modification is issued pursuant to Chapter 403, Florida Statutes. Any party to this order (permit modification) has the right to seek judicial review of it under Section 120.68, F.S., by the filing of 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 of Appeal must be filed within (thirty) days after this Notice is filed with the Clerk of the Department.

Executed in Tallahassee, Florida.

Sincerely,

Howard L. Rhodes, Director Division of Air Resources Management

HLR/mph