



Department of Environmental Protection

Jeb Bush
Governor

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

Colleen M. Castille
Secretary

October 26, 2006

ELECTRONICALLY SENT – Received Receipt Requested

Mr. Martin J. Drango
Plant Manager
Florida Power Corporation dba Progress Energy Florida, Inc.
Hines Energy Complex
100 Central Avenue, HE-44
St. Petersburg, Florida 33701

Re: Draft Air Construction Permit Project No.: 1050234-015-AC/PSD-FL-195(D)/PSD-FL-296(C)/PSD-FL-330(B)
DRAFT/PROPOSED Title V Air Operation Permit Renewal Project No.: 1050234-014-AV
Hines Energy Complex: Power Blocks 1, 2 and 3

Dear Mr. Drango:

One copy of the Technical Evaluation and Preliminary Determination, the combined Public Notice, the Draft Air Construction Permit, and the DRAFT/PROPOSED Title V Air Operation Permit Renewal for the PEFI's Hines Energy Complex Power Blocks 1, 2 and 3, located off County Road 555, approximately 2.5 miles South of County Road 640, Polk County, is enclosed. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT RENEWAL" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT RENEWAL" are also included.

An electronic version of the DRAFT/PROPOSED Title V Air Operation Permit Renewal has 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/ards/default.asp>

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT RENEWAL" 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.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Jeffrey F. Koerner, P.E., at the above letterhead address. If you have any other questions, please contact Bruce Mitchell at 850/413-9198.

Sincerely,

Trina L. Vielhauer
Chief
Bureau of Air Regulation

TLV/jfk/bm

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permits by:

Florida Power Corporation dba Progress Energy Florida, Inc.

100 Central Avenue, HE-44
St. Petersburg, Florida 33701

Draft Air Construction Permit No.: 1050234-015-AC/PSD-FL-195(D)/
PSD-FL-296(C)/PSD-FL-330(B)

DRAFT/PROPOSED Title V Permit Renewal No.: 1050234-014-AV
Hines Energy Complex: Power Blocks 1, 2 and 3
Polk County

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

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit Renewal (copies of the Draft Air Construction Permit and DRAFT/PROPOSED Title V Air Operation Permit Renewal attached) for the Title V source detailed in the application specified above, for the reasons stated below.

The permittee, Florida Power Corporation dba Progress Energy Florida, Inc., submitted a request on April 21, 2006, for a Title V Air Operation Permit Renewal, and on September 5, 2006, for an Air Construction Permit for the existing facility located off County Road 555, approximately 2.5 miles South of County Road 640, Polk County. Supplemental information was also received in the September 5, 2006 submittal, and on September 15, 2006.

The subjects of the Air Construction Permit are to: (1) remove the Emergency Generator; (2) for Power Blocks 1 - 3, allow the use of the ASTM analytical methods for testing the sulfur content of the fuels as established in 40 CFR 60, Subpart GG; (3) for Power Block 1, allow CEMS data exclusion for fuel switches; and, (4) for Power Blocks 2 and 3, revise the duration of CEMS data exclusions due to cold startups and fuel switches.

The subject of the Title V Air Operation Permit is for the renewal of the initial Title V Air Operation Permit, No. 1050234-001-AV. In addition, the renewal will be used to incorporate the terms and conditions of the ACs identified above.

The facility is also subject to Florida's Power Plant Site Certification Act, project No. PA 92-33.

The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Chapters 62-4, 62-210, 62-212, 62-213 and 62-214, F.A.C. This source is not exempt from Title V permitting procedures. The permitting authority has determined that an Air Construction Permit and a Title V Air Operation Permit Renewal are required to commence or continue operations at the described facility.

The permitting authority intends to issue the Air Construction Permit and Title V Air Operation Permit Renewal based on the belief that reasonable assurances have been provided to indicate that 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, 62-214, 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 RENEWAL." 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. 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.

The permitting authority will issue the Air Construction Permit in accordance with the conditions of the attached Draft Air Construction Permit unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

EPA has agreed to treat the DRAFT Title V Permit as a PROPOSED Title V Permit and to perform its 45-day review provided by the law and regulations concurrently with the public comment period. Although EPA's 45-day review period will be performed concurrently with the public comment period, the deadline for submitting a citizen petition to object to the EPA Administrator will be determined as if EPA's 45-day review period is performed after the public comment period has ended. The FINAL Title V Air Operation Permit will be issued after the conclusion of the 45-day EPA review period so long as no adverse comments are received that results in a different decision or significant change of terms or conditions.

The status regarding EPA's 45-day review of this project and the deadline for submitting a citizen petition can be found at the following website address:

<http://www.epa.gov/region4/air/permits/Florida.htm>

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 RENEWAL." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft Air Construction Permit, the permitting authority shall issue a Revised Draft Air Construction Permit and require, if applicable, another Public Notice.

The permitting authority will accept written comments concerning the proposed Title V Air Operation Permit Renewal 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 RENEWAL." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT/PROPOSED Title V Air Operation Permit Renewal, the permitting authority shall issue a Revised DRAFT Title V Air Operation Permit Renewal and require, if applicable, another Public Notice.

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 (Telephone: 850/245-2241; Fax: 850/245-2303). 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 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.

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. Any petition shall be based only on objections to the permit 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

Draft Air Construction Permit No.: 1050234-015-AC/PSD-FL-195(D)/PSD-FL-296(C)/PSD-FL-330(B)
DRAFT/PROPOSED Title V Air Operation Permit Renewal No.: 1050234-014-AV
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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.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**



Trina L. Vielhauer
Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Permit (including the combined PUBLIC NOTICE, the Draft Air Construction Permit and the DRAFT/PROPOSED Title V Air Operation Permit) and all copies were sent electronically (with Received Receipt requested) before the close of business on 10/27/06 to the person(s) listed below:

Mr. Martin J. Drango, Plant Manager and R.O., PEFI (martin.drango@pgnmail.com)
Ms. Mara Nasca, DAPA, DEP-SWD (Nasca_M@dep.state.fl.us)
Mr. Scott Osbourn, P.E., GAI (sosbourn@golder.com)
Mr. Hamilton Oven, P.E., DEP-SCO (Oven_H@dep.state.fl.us)
Ms. Ann Quillian, P.E., Application Contact (Ann.Quillian@pgnmail.com)
Mr. Gregg Worley, U.S. EPA, Region 4 (worley.gregg@epamail.epa.gov)

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency Clerk, receipt of which is hereby acknowledged.

Barbara J. Sunday 10/27/06
(Clerk) (Date)

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

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Draft Air Construction Permit No.: 1050234-015-AC/PSD-FL-195(D)/PSD-FL-296(C)/PSD-FL-330(B)
DRAFT/PROPOSED Title V Air Operation Permit Renewal No.: 1050234-014-AV

Florida Power Corporation dba Progress Energy Florida, Inc. (PEFI)
Hines Energy Complex
Polk County

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit Renewal for the PEFI's Hines Energy Complex Power Blocks 1, 2 and 3, located off County Road 555, approximately 2.5 miles South of County Road 640, Polk County. The applicant's name and address is: Mr. Martin J. Drango, Plant Manager and responsible Official, Florida Power Corporation dba Progress Energy Florida, Inc., Hines Energy Complex, 100 Central Avenue, HE-44, St. Petersburg, Florida 33701.

The subjects of the Air Construction Permit are to: (1) remove the Emergency Generator; (2) for Power Blocks 1 - 3, allow the use of the ASTM analytical methods for testing the sulfur content of the fuels as established in 40 CFR 60, Subpart GG; (3) for Power Block 1, allow CEMS data exclusion for fuel switches; and, (4) for Power Blocks 2 and 3, revise the duration of CEMS data exclusions due to cold startups and fuel switches.

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The facility is also subject to Florida's Power Plant Site Certification Act, project No. PA 92-33.

The permitting authority will issue the Air Construction Permit in accordance with the conditions of the Draft Air Construction Permit unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

EPA has agreed to treat the DRAFT Title V Permit as a PROPOSED Title V Permit and to perform its 45-day review provided by the law and regulations concurrently with the public comment period. Although EPA's 45-day review period will be performed concurrently with the public comment period, the deadline for submitting a citizen petition to object to the EPA Administrator will be determined as if EPA's 45-day review period is performed after the public comment period has ended. The FINAL Title V Air Operation Permit will be issued after the conclusion of the 45-day EPA review period so long as no adverse comments are received that results in a different decision or significant change of terms or conditions.

The status regarding EPA's 45-day review of this project and the deadline for submitting a citizen petition can be found at the following website address:

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The permitting authority will accept written comments concerning the proposed Draft Air Construction Permit issuance action for a period of 14 (fourteen) days from the date of publication of this Notice. Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this

Draft Air Construction Permit, the permitting authority shall issue a Revised Draft Air Construction Permit and require, if applicable, another Public Notice.

The Permitting Authority will accept written comments concerning the DRAFT/PROPOSED Title V Air Operation Permit Renewal for a period of thirty (30) days from the date of publication of this Public Notice. Written comments must be post-marked and all facsimile comments must be received by the close of business (5:00 pm), on or before the end of this 30-day period, by the Permitting Authority's office or facsimile, as listed below. 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 in the Florida Administrative Weekly (<http://faw.dos.state.fl.us/>) and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority's office at the address or phone number listed below. If written comments or comments received at a public meeting result in a significant change to the DRAFT/PROPOSED Title V Air Operation Permit Renewal, the Permitting Authority shall issue a Revised DRAFT Title V Air Operation Permit Renewal 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 of the Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/245-2241; Fax: 850/245-2303). 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 the 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 applicable 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 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 is not available for this proceeding.

In addition to the above, 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. Any petition shall be based only on objections to the permit 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.

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Permitting Authority:

Department of Environmental Protection
Bureau of Air Regulation
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Telephone: 850/488-0114
Fax: 850/922-6979

Affected District Office:

Department of Environmental Protection
Southwest District Office
13051 N. Telecom Parkway
Temple Terrace, FL 33637-0926
Telephone: 813/632-7600
Fax: 813/744-6084

The complete project file includes the Technical Evaluation and Preliminary Determination and associated Draft Air Construction Permit and DRAFT/PROPOSED Title V Air Operation Permit Renewal, the application(s), and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact Jeffrey F. Koerner, P.E., at the above address, or call 850/921-9536, for additional information.