

Florida Department of Environmental Protection

Bob Martinez Center 2600 Blair Stone Road Tallahassee, Florida 32399-2400 Governor

Charlie Crist

Jeff Kottkamp Lt. Governor

Michael W. Sole Secretary

June 6, 2007

Electronic Mail - Received Receipt Requested

Ed Nunez@fpl.com
Mr. H. O. Nunez, Plant General Manager
Florida Power & Light Company
Turkey Point Fossil Plant
9700 Southwest 344th Street

Homestead, Florida 33035

Re: Turkey Point Fossil Power Plant Units 1 and 2
DEP File No. 0250003-008-AC
BART Determination Application – Request for Additional Information

Dear Mr. Nunez:

The Department received your response to our request for additional information letter on May 7, 2007. However, we have deemed your application still incomplete for the reasons given below, and require submittal of additional information to process the application. Our original questions are repeated below, with additional comments addressing your responses.

- 1. According to Public Service Commission (PSC) Docket Item No. 060007-EI (August 4, 2006), the projected net investment in the Port Everglades ESPs (December 2006) is approximately \$60,000,000 for the four units. Please reconcile the estimate of \$94,000,000 for the two Turkey Point units with the \$60,000,000 investment in the four Port Everglades units.
 - <u>Comment:</u> Please provide more detail and quantify the various factors used to estimate the ESP installation cost at the Turkey Point facility. Specifically, escalation factors, nuclear plant proximity complications, economies of scale parameters, etc., need to be explained.
- 2. According to information submitted in support of Title V fees, Turkey Point Unit s 1 and 2 combined used 23,600,000 and 6,500,000 MM Btu of fuel oil and natural gas respectively in 2005. Therefore the plant used natural gas for nearly 25 percent of its fuel requirement in 2005.
 - Please estimate the costs of using 50, 75 and 100% natural gas to reduce particulate matter (PM/PM_{10}) , sulfur dioxide (SO_2) and nitrogen oxide (NO_X) emissions from the two units.
 - <u>Comment:</u> Please provide the economic analyses used to derive the fuel cost estimates for the various natural gas use levels.
- 3. Provide information on the sulfur contained in the fuel oil combusted or co-fired with natural gas on Units 1 and 2. Estimate the costs for using lower sulfur fuel than presently used (e.g. 0.5% or 0.1% sulfur fuel oil).

Mr. H.O. Nunez, General Manager FPL Turkey Point Fossil Plant Page 2 of 2

<u>Comment:</u> Please provide the details of the economic analysis used for your response.

4. Please provide the basis for the equipment costs noted in Table 5-1 (the table) of the Application. The estimates of both the Direct Capital Cost items and the Indirect Capital Cost items need justification based on contractors' bids.

Comment: The requested contractor bid information needs to be provided.

5. The Direct Operating Cost part of the table includes operator labor cost information. Do the cited values include benefits and overhead? Please provide further justification for the given labor estimates, preferably from the Company's own cost factors.

<u>Comment:</u> Please provide appropriate generic salary schedules from the Company's human resource files justifying these estimates.

When we receive this information, we will continue processing your application. We are available to discuss the details of our request for additional information. 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.

The processing of this application is under time constraints. The Division of Air Resource Management has a goal to finalize all BART determinations by October 1, 2007. The Department must submit a state implementation plan (SIP) to EPA by December 17, 2007, identifying all BART determinations. Because of the timing of the rule and submittal of the applications, you are being granted a limited time to submit the requested information. Please provide the additional information by July 6, 2007.

If you have any questions, please contact me at 850-921-9523 or Mr. Tom Cascio at 850-921-9526.

Sincerely,

A. A. Linero, P.E.

Program Administrator Permitting South Section

AAL/tbc

Cc: John C. Hampp, Principal Specialist, FPL: john_hampp@fpl.com

H. Patrick Wong, Miami-Dade DERM: wongp@miamidade.gov

Lee Hoefert, P.E., Southeast District Office: <u>lee.hoefert@dep.state.fl.us</u>

Dee Morse, National Park Service: <u>dee_morse@nps.gov</u>

Dan Kimball, Superintendent, Everglades National Park: dan_kimball@nps.gov

James Little, EPA Region 4: little.james@epa.gov Ken Kosky, P.E., Golder: ken_kosky@golder.com