

**NORTH CAROLINA  
DIVISION OF AIR QUALITY  
Air Permit Review**

**Region:** Washington Regional Office  
**County:** Wayne  
**NC Facility ID:** 9600017  
**Inspector's Name:** Betsy Huddleston  
**Date of Last Inspection:** 05/21/2008  
**Compliance Code:** 3 / In Compliance - Inspection

**Permit Issue Date:**

<b>Facility Data</b>			<b>Permit Applicability (this application only)</b>
<p><b>Applicant (Facility's Name):</b> Progress Energy - H. F. Lee Steam Electric Plant</p> <p><b>Facility Address:</b>  Progress Energy Carolinas, Inc. - H. F. Lee Steam Electric Plant  1677 Old Smithfield Road  Goldsboro, NC 27530</p> <p><b>SIC:</b> 4911 / Electric Services  <b>NAICS:</b> 221112 / Fossil Fuel Electric Power Generation</p> <p><b>Facility Classification: Before:</b> Title V <b>After:</b> Title V  <b>Fee Classification: Before:</b> Title V <b>After:</b> Title V</p>			
<b>Contact Data</b>			<b>Application Data</b>
<b>Facility Contact</b>	<b>Authorized Contact</b>	<b>Technical Contact</b>	<p><b>Application Number:</b> 9600017.06C  <b>Date Received:</b> 05/03/2006  <b>Application Type:</b> Modification  <b>Application Schedule:</b> TV-Significant</p> <p style="text-align: center;"><b>Existing Permit Data</b></p> <p><b>Existing Permit Number:</b> 01812/T33  <b>Existing Permit Issue Date:</b> 09/23/2008  <b>Existing Permit Expiration Date:</b> 08/31/2013</p>
Ricky Miller Engineer (919) 580-3983 1677 Old Smithfield Road Goldsboro, NC 27530	Tim Hill Plant Manager (919) 580-3983 1677 Old Smithfield Road Goldsboro, NC 27530	Ricky Miller Engineer (919) 580-3983 1677 Old Smithfield Road Goldsboro, NC 27530	
<b>Review Engineer:</b> Rahul Thaker		<b>Comments / Recommendations:</b>	
<b>Review Engineer's Signature:</b>		<b>Issue</b> 01812/T34	
<b>Date:</b> March 23, 2009		<b>Permit Issue Date:</b>	
		<b>Permit Expiration Date:</b>	

**1. Purpose of Application**

Progress Energy Carolinas, Inc. (PEC) has applied to NC Division of Air Quality (DAQ) to revise the Acid Rain permit portion of the existing Title V permit for simple cycle combustion turbine (ID No. Lee IC Unit No. 14).

The Acid Rain Permit application for this turbine was received on May 3, 2006 and was deemed complete as of that date.

**2. 40 CFR Part 72 Review**

The Acid Rain program requirements are implemented through 15A NCAC 2Q .0400. However, this SIP regulation references the program requirements in 40 CFR 72 "Permits Regulation" among others.

This simple cycle combustion turbine is deemed as "New Unit" as per §72.2 "Definitions".

§72.7(b)(1) indicates that new utility unit is exempt from the Acid Rain program requirements except for the provisions of §72.2 through 72.6, and §§72.10 through 72.13. These provisions do not indicate any substantive requirements for the proposed simple cycle combustion turbine. This turbine is not subject to any SO<sub>2</sub> allocation requirements nor it will need to comply with any specific NO<sub>x</sub> limitation.

Finally, the Permittee does need to submit a permit application for this new turbine under §72.30(b)(2)(ii), at least 24 months before the unit commences operation. This application includes the date of commencement for the simple cycle turbine as June 1, 2008. The application was submitted on April 27, 2006, thus complying with the submittal requirement.

The revised Title V permit containing as revision to the Acid Rain permit portion will be issued as a “Draft” and “Proposed” permit as a single document as per §72.72(b)(5) “Direct Proposed Procedures”. The public notice containing an opportunity for a public hearing and seeking comments for the issuance of the draft (proposed) Title V permit will be published in the local newspaper for 30 days. EPA and affected states will be sent the permit for their review and comments. Finally, any interested person(s) in the DAQ mailing list will also be afforded an opportunity to comment.

The following is a revised Acid Rain portion (turbines only) of the Title V permit, which includes new combustion turbine (ID No. Lee IC Unit Nos. 14):

		2005	2006	2007	2008	2009
<b>Lee IC Unit Nos. 10, 11, 12, 13, and 14</b>	SO <sub>2</sub> allowances, under Tables 2, 3, or 4 of 40 CFR part 73.	NA*	NA*	NA*	NA*	NA*
	NO <sub>x</sub> limit	NA**				

\* SO<sub>2</sub> allowances are not allocated by U.S. EPA for new units under 40 CFR Part 72.

\*\* Does not apply for gas or oil-fired units.

The Acid Rain Permit application will become part of the Acid Rain permit portion of the Title V permit.