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March 11, 2022

VIA: ELECTRONIC MAIL

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition of Tampa Electric Company for approval of a new environmental program for cost recovery through the Environmental Cost Recovery Clause

Dear Mr. Teitzman:

Attached for filing, please find Petition of Tampa Electric Company for approval of a new environmental program for cost recovery through the Environmental Cost Recovery Clause.

Thank you for your assistance in connection with this matter.

Sincerely,

Malcolm N. Means

Malcolm N. Means

MNM/bmp
Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company for approval of a new environmental program for cost recovery through the Environmental Cost Recovery Clause.	)))))	DOCKET NO. 2022__-EI FILED: March 11, 2022

PETITION OF TAMPA ELECTRIC COMPANY FOR APPROVAL OF A NEW ENVIRONMENTAL PROGRAM FOR COST RECOVERY THROUGH THE ENVIRONMENTAL COST RECOVERY CLAUSE

Tampa Electric Company ("Tampa Electric" or "the company"), by and through its undersigned counsel, and pursuant to Section 366.8255, Florida Statutes, and Florida Public Service Commission ("Commission") Order Nos. PSC-94-0044-FOF-EI and PSC-94-1207-FOF-EI, hereby petitions the Commission for approval of the company's proposed environmental compliance program – Clean Air Act ("CAA"), National Emission Standards Hazardous Air Pollutants ("NESHAP") Subpart YYYY compliance project – such that all prudent costs incurred after the date of this Petition may be recovered through the Environmental Cost Recovery Clause ("ECRC"). In support of its Petition, the company states:

1. Tampa Electric is an investor-owned electric utility subject to the Commission's jurisdiction pursuant to Chapter 366, Florida Statutes. Tampa Electric serves retail customers in Hillsborough and portions of Polk, Pinellas, and Pasco Counties in Florida. The company's principal offices are located at 702 North Franklin Street, Tampa Florida 33602.

2. The persons to whom all notices and other documents should be sent in connection with this docket are:

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3. In March of 2004, the Environmental Protection Association ("EPA" or "Agency") promulgated National Emission Standards for Hazardous Air Pollutants ("NESHAP") for stationary, gas-fired combustion turbines ("CTs"). In August 2004, EPA stayed the effectiveness of the rule for two categories of stationary combustion turbines.[1] EPA concluded that a stay was necessary because data was limited and to avoid unnecessary expenditures on compliance if these two categories of turbines were later delisted. In March 2020, the EPA determined that even without the standard in place, risks associated with hazardous air pollutants emitted from CTs were acceptable.[2]

4. Since that time, public commenters asked that the EPA reconsider its March 2020 determination, lift the stay and allow the standard as written to become effective, while industry interests requested EPA to delist stationary, gas-fired CTs from the Hazardous Air Pollutant ("HAP") program entirely.

5. On March 9, 2022, the EPA published in the *Federal Register*, at 87 Fed. Reg. 13,183, a final rule to remove the stay for natural gas-fired, stationary CTs. EPA announced that

[1] Environmental Protection Agency ("EPA") promulgated its original § 112 emission standards for stationary combustion turbines, it promulgated a stay of these standards for lean premix gas-fired turbines and diffusion flame gas-fired turbines constructed after January 14, 2003. 69 Fed. Reg. 51,184, 51,185 (Aug. 18, 2004) ("2004 Stay").
[2]ENVIRONMENTAL PROTECTION AGENCY, 40 CFR Part 63 [EPA–HQ–OAR–2017–0688; FRL–10005–14–OAR] RIN 2060–AT00 National Emission Standards for Hazardous Air Pollutants: Stationary Combustion Turbines Residual Risk and Technology Review.

it will continue to evaluate the delisting petition, but the agency asserts that even if it granted the petition, the delisting would require a lengthy rulemaking process. EPA has therefore concluded that delisting would not be likely to occur in the near term and the petition does not warrant any further delay in lifting the stay. As a result of the Final Rule, lean premix and diffusion flame gas-fired turbines that were constructed or reconstructed at major sources of HAP emissions after January 14, 2003, must comply with the formaldehyde standard beginning March 9, 2022 or upon startup of future affected units. Owners/operators will then have 180 days to demonstrate compliance with the formaldehyde standard, i.e. September 5, 2022. *See* 40 C.F.R. § 63.6110(a).

6. The Final Rule establishes national emission and operating limitations for stationary CTs located at major sources of HAP emissions, and requirements to demonstrate initial and continuous compliance with the emission and operating limitations. Under the EPA's definition of major source,[3] Tampa Electric's Big Bend Station will be subject to the rule and associated compliance requirements will be assigned to CT Units 4A, 4B, 5, and 6. The standard limits the emission concentration of formaldehyde to 91 parts per billion by volume, dry basis ("ppbvd") or less at 15-percent O_2, except during turbine startup. If the unit requires an oxidation catalyst to bring emissions to acceptable level, then operating limitations call for maintaining a 4-hour rolling average of the catalyst inlet temperature within the range suggested by the catalyst manufacturer. The catalyst inlet temperature data that is recorded during engine startup in the calculations of the 4-hour rolling average catalyst inlet temperature is not required. If an oxidation catalyst is required, it must be cleaned approximately every five years to ensure operating effectiveness and efficiency. The estimated life of an oxidation catalyst for the Big Bend station

[3] A major source of HAP emissions is a contiguous site under common control that emits or has the potential to emit any single HAP at a rate of 10 tons (9.07 megagrams) or more per year or any combination of HAP at a rate of 25 tons (22.68 megagrams) or more per year, except that for oil and gas production facilities, a major source of HAP emissions is determined for each surface site.

units is approximately ten years. If no oxidation catalyst is required, then operating limitations call for maintaining any operating limitations approved by the Administrator, the Florida Department of Environmental Protection ("FDEP"). Initial compliance demonstrations, annual performance tests and monitoring are required to ensure that the formaldehyde emissions meet standard limitations. The result of the testing and monitoring must be provided to the EPA in accordance with the standard.

7. With the removal of the stay, Tampa Electric must assess the standard and the associated compliance requirements for Big Bend CT Units 4A, 4B, 5, and 6. Preliminary data suggests that Big Bend CT Units 4A and 4B cannot meet the standard without installing new oxidation catalysts. Big Bend CT Units 5 and 6 appear to meet the standard using only lean-premix combustion technology based on test data for General Electric 7FA series CTs.[4][5] In terms of monitoring, Carbon Monoxide ("CO") appears to be an effective surrogate to monitor CTs not equipped with oxidation catalyst.

8. A compliance requirement study is necessary to confirm the applicable compliance measures. The estimated capital cost includes oxidation catalyst and Fourier Transform Infrared Spectroscopy ("FTIR"), formaldehyde analyzing equipment, for Big Bend CT Units 4A, 4B, 5, and 6 and CO monitoring equipment and data acquisition system ("DAS") for Big Bend Units CT 5 and CT 6. O&M costs include air permitting and performance testing costs for all units and catalyst testing and maintenance costs for Big Bend Unit CT4A and CT4B. If the preliminary test

[4]EPA Docket OAR-2002-0060-0233, Volume I of II: Bechel Power Corp. @ Hermiston Generating Company L.P.'s Hermiston Generating Project, General Electric Frame 7FA Turbines, Hermistion, Oregon, June 13-15, 17, 20-21, and 23, 1996. Final Report. (PART 2) A-95-51 II-I-111, November 29, 2002

[5]EPA Docket OAR-2002-0060-0252, Test Report for Particulates, formaldehyde, nitrogen oxides, carbon monoxide and VOC measurements. Fort St. Vrain Station, Unit No. 3, Heat Recovery Steam Generator (HRSG) stack. A-95-51 II-I-148, January 19, 2001

data shows additional equipment or additional compliance is required, then the proper permitting and construction activities must take place before compliance can be demonstrated. At this time, the estimated costs of this project are as shown in the following table.

CAA, NESHAP Subpart YYYY Compliance Project

	2022 ($000)	2023 ($000)	2024 ($000)	2025 ($000)	2026 ($000)	Total ($000)
Capital						
Catalyst Equipment & Installation	250	-	-	-	-	250
DAS Installation & Intergration	50	-	-	-	-	50
CO Monitors Installation	150	-	-	-	-	150
FTIR-Formaldehyde Analyzing Equipment	135	-	-	-	-	135
Total	585	-	-	-	-	585
Compliance Requirement Study[1]	45	-	-	-	-	45
In-Service Annual O&M[2]						
Air Permitting	20	-	-	-	-	20
Annual Stack Tests	-	40	40	40	40	160
Catalyst Tests	-	-	-	-	20	20
Catalyst O&M (labor & materials)	-	10	10	10	10	40
Catalyst Wash (labor & materials)	-	-	-	-	125	125
Monitor Maintenance (labor & materials)	-	20	20	20	20	80
MKS Starboost FTIR O&M	-	5	5	5	5	20
Total	20	70	70	70	215	445

1 Estimated study costs incurred to ensure that measures implemented include best available technology to comply with the rule.

2 Estimated annual O&M expense after commercial in-service date to continue through life of compliance equipment.

9. Tampa Electric will follow its prudent and practical procurement policies, including competitive bidding for project components, to ensure it purchases equipment and services at the best prices available.

10. The Commission's policy for initial cost recovery approval of an ECRC eligible project is set forth in Order No. PSC-94-0044-FOF-EI issued January 12, 1994 in Docket No. 930613-EI, In re: Gulf Power Company, ("the Gulf Order") as follows:

> Upon petition, we shall allow the recovery of costs associated with an environmental compliance activity through the environmental cost recovery factor if:
>
> 1. such costs were prudently incurred after April 13, 1993;
>
> 2. the activity is legally required to comply with a governmentally imposed environmental regulation enacted, became effective, or whose effect was triggered after the company's last year upon which rates are based; and,
>
> 3. such costs are not recovered through some other cost recovery mechanism or through base rates.

11. Tampa Electric must demonstrate compliance with the EPA CAA, NESHAP Subpart YYYY standard, as described in this petition, within 180 days after the stay is lifted and published in the Federal Register or by September 5, 2022.

12. The proposed formaldehyde emission limitation compliance activities associated with the standard merit ECRC cost recovery under the Gulf Order criteria. All costs associated with the project will be prudently incurred after April 13, 1993. The formaldehyde emission limitation activities are required in order for Tampa Electric to continue complying with the requirements of the CAA, NESHAP Subpart YYYY. The need to engage in such activities has been triggered after the company's last rate case and were not included in the forecasted 2022 test year utilized in our last rate case. Finally, the costs of the proposed formaldehyde emission limitation activities are not recovered through some other cost recovery mechanism or through base rates. Like the Gulf Power ECRC project approved in Docket No. 980007-EI, the proposed formaldehyde emission limitation activities are needed in order to enable Tampa Electric to continue complying with the applicable environmental mandates.

13. Tampa Electric expects to begin incurring Section CAA, NESHAP Subpart YYYY compliance costs associated with the proposed formaldehyde emission limitation activities in 2022. Project costs will be subject to audit by the Commission.

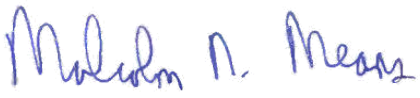
14. The project capital expenditures and operation and maintenance expenses should be allocated to rate classes on an energy basis.

15. Tampa Electric is not aware of any disputed issues of material fact relative to the matters set forth in this petition, and accordingly respectfully requests that the Commission consider this under the proposed agency action procedure.

WHEREFORE, Tampa Electric Company respectfully requests that the Commission approve the company's proposed CAA, NESHAP Subpart YYYY, formaldehyde emission limitation activities, project and the company's recovery of the carrying costs and operation and maintenance expenses of this program through the ECRC in the manner described herein.

DATED this 11th day of March, 2022.

Respectfully submitted,



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