TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

Okeelanta Cogeneration Plant, New Natural Gas-fired Boiler (Boiler D)
Extension of Permit and Authorization to Construct

PERMITTEE

New Hope Power Company (NHPC)
Okeelanta Cogeneration Plant
8001 U.S. Highway 27 South
South Bay, Florida 33493

PERMITTING AUTHORITY

Florida Department of Environmental Protection (Department)
Division of Air Resource Management
Office of Permitting and Compliance (OPC)
2600 Blair Stone Road, MS #5505
Tallahassee, Florida 32399-2400

PROJECT

DEP File No. 0990332-023-AC (PSD-FL-425A)
Extension of Permit and Authorization to Construct
Okeelanta Cogeneration Plant Natural Gas-fired Boiler (Boiler D)
Palm Beach County

BACKGROUND

NHPC owns and operates the Okeelanta Cogeneration Plant. The NHPC Okeelanta Cogeneration Plant is located at 8001 U.S. Highway 27 South approximately six miles south of South Bay in Palm Beach County, Florida.

On August 27, 2013, the Department issued an air construction permit to NHPC pursuant to Rule 62-212.400, Florida Administrative Code (F.A.C.), Prevention of Significant Deterioration (PSD). The permit authorized construction of a natural gas-fired boiler (Cogeneration Boiler D) at the NHPC Okeelanta Cogeneration Plant. Link to Boiler D PSD Permit

The Department conducted PSD review and Best Available Control Technology (BACT) determinations for nitrogen oxides (NO_X), carbon monoxide (CO); particulate matter with a mean diameter of 10 microns or less (PM_{10}), and PM with a mean diameter of 2.5 microns or less ($PM_{2.5}$).

PRESENT REQUEST

On December 18, 2014, the Department received a request from the applicant for an extension of the expiration date of Air Construction Permit No. 0990332-021-AC (PSD-FL-425) from December 31, 2016 to July 31, 2017. Link to Extension Request

According to the application, the extension request is necessary because NHPC was delayed in commencement of actual construction until it received a separate PSD permit from EPA for greenhouse gases (GHG). The applicant also requests that the Department PSD permit be revised to state that construction will commence within 18 months of issuance of the final GHG PSD permit by EPA.

REVIEW:

Section 2, Specific Condition 7, Source Obligation, Paragraph (a) of Permit No. 0990332-023-AC (PSD-FL-425A) states:

"Authorization to construct shall expire if construction is not commenced within 18 months after receipt of the permit, if construction is discontinued for a period of 18 months or more, or if construction is not completed within a reasonable time. This provision does not apply to the time period between construction of the approved phases of a phased construction project except that each phase must commence construction within 18 months of the commencement date established by the Department in the permit".

The Department PSD permit was received by the applicant on August 27, 2013 and addressed the conventional PSD pollutants defined in the Department's rule. Therefore the applicant is presently required to commence construction by February 27, 2015.

The Department's definition of "commence construction" is:

"Commence Construction" – As applied to the construction or modification of a facility, means that the owner has ***all preconstruction permits and approvals required under federal*** *air pollution control laws and regulations and those air pollution control laws and regulations which are part of the State Implementation Plan (SIP), etc.* (Emphasis added)

The applicant did not have all preconstruction permits and approvals required under federal air pollution control laws until March 17, 2014. Specifically, the GHG PSD permit issued by EPA pursuant to 40 Code of Federal Regulation (CFR) Section 52.21 was required prior to commencement of construction. The GHG PSD permit was not issued by EPA until March 17, 2014. Link to EPA GHG PSD Permit

According to Permit Condition I.A. of the EPA GHG PSD permit, the permit becomes invalid if construction *"is not commenced [as defined in 40 CFR § 52.21(b)(9)] within 18 months after the approval takes effect".* Thus, according to EPA, NHPC has until September 17, 2015 to commence construction compared with February 27, 2015 according to the Department PSD permit.

According to Section 62-4.080(3), F.A.C.

"A permittee may request that a permit be extended as a modification of the permit. Such a request must be submitted to the Department in writing before the expiration of the permit. Upon timely submittal of a request for extension, unless the permit automatically expires by statute or rule, the permit will remain in effect until final agency action is taken on the request. For construction permits, an extension shall be granted if the applicant can demonstrate reasonable assurances that, upon completion, the extended permit will comply with the standards and conditions required by applicable regulation".

The Department continues to rely on the original permit applications and the technical evaluations issued by the Department as reasonable assurance that, upon completion, the extended permit will comply with the standards and conditions required by applicable regulations and original permit.
Link to Department PSD Technical Evaluation

PRELIMINARY DETERMINATION

Based on the circumstances and information provided, the Department will extend the permit through July 31, 2017. The additional time granted by this action will allow the applicant to complete physical construction of the project, conduct shakedown activities, demonstrate compliance and prepare and submit an application for a Title V Operation Permit. For the purposes of Section 2, Specific Condition 7, Source Obligation, Paragraph (a), the date of "receipt of the permit" shall be the date (March 17, 2014) when the EPA GHG permit was received by the applicant. The Department's authorization to construct shall now expire if construction is not commenced within by September 17, 2015.