PERMITTEE

Calpine Corporation
717 Texas Avenue, Suite 1000
Houston, Texas 77002

PERMITTING AUTHORITY

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

PROJECT

Final Permit Nos. 1130168-011-AV and 1130168-012-AC/PSD-FL-253C
Calpine Operating Services Company, Inc., Santa Rosa Energy Center, LLC, Santa Rosa Energy Center.

The purpose of this permitting project is to renew the existing Title V air operation permit for the above referenced facility and to incorporate minor revisions from Permit No. 1130168-012-AC/PSD-FL-253C, issued concurrently with this permit.

The Title V air operation permit was processed using a parallel review.

NOTICE AND PUBLICATION

The Department distributed an Intent to Issue Air Permit package for both the Air Construction Permit and the Title V Air Operation Permit on July 27, 2012. The applicant published the Public Notice of Intent to Issue Air Permit in The Pensacola News Journal in Escambia County, Pensacola, Florida on August 2, 2012. The Department received the proof of publication on August 9, 2012.

COMMENTS

Applicant Comments

Comments on the draft/proposed permit renewal were received from the applicant in an e-mail received on August 9, 2012. These recommended administrative changes were accepted as noted below. ~~Strikethrough~~ indicates deleted text; double-underline indicates added text.

Comment 1 - Facility Description

PSD and Title V Facility Description: The facility was built to be a cogeneration facility for the neighboring plant. However, due to bankruptcy of the neighboring plant, the facility is no longer piped to be a cogeneration facility. It should be indicated in the Facility Description as a "combined cycle facility".

Response. The Department agrees with this comment and recommends the changes as noted below.

This is an existing combined cycle facility located on the site of the steam host, Sterling Fiber, which is a manufacturer of acrylonitrile-based fibers.

Comment 2 - Facility Description

PSD and Title Facility Description: The Fire Pump should be added to the Facility Description.

Response. The Department agrees to add the fire pump in the facility description and recommends the changes as noted below.

It is a cogeneration plant and consists of one natural gas-fired nominal 167 megawatt combined-cycle combustion turbine-electrical generator with a heat recovery steam generator, one 200-foot exhaust stack, an unregulated wet cooling tower, ~~and~~ a small natural gas preheater and an emergency diesel fire pump.

Comment 3 - Section III. Subsection A.12. Table

PSD Section 3(1)(Table): Please updated the hot start-up excess emission condition to: "~~Complete~~ Shutdown of CT-HRSG <8 hours". The use of the word complete contradicts the text which allows for some operation at modes outside of Mode 6.

Comment 4 - Section III. Subsection A.12. Table

PSD Section 3(1)(Table): Please updated the cold start-up excess emission condition to: "~~STG~~ Shutdown of CT-HRSG ≥ 48 hours". Dependence on the steam turbine was removed during permit discussions.

Comment 5 - Section III. Subsection A.12. Table

PSD Section 3(1)(Table): Please updated the warm start-up excess emission condition to: "~~Complete~~ Shutdown of CT-HRSG lasting <48 hours and ≥ 8 hours." In addition to the use of the word complete contradicts the text providing above for some operation less than Mode 6, please add the 48 hour limit.

Response to Comments 3, 4, and 5.

The Department agrees with these comments and recommends the changes as noted in the table below.

Method of Operation	Excess Emissions Conditions	Period Authorized for Excess Emissions
Hot Start-up	~~Complete s~~Shutdown of CT-HRSG lasting < 8 hours	≤ 2 hours/start-up
Cold STG Start-up	~~STG s~~Shutdown of CT-HRSG lasting ≥ 48 hours	≤ 4 hours /start-up
Warm CT-HRSG Start-up	~~Complete s~~Shutdown of CT-HRSG lasting < 48 hours and ≥ 8 hours	≤ 3 hours/start-up
Shutdown	Shutdown	≤ 3 hours/shutdown
Documented Malfunctions	Malfunctions	≤ 3 hours in any 24-hour block

Comment 6 - Section III. Subsection A.12. Table

Title V Section III Subsection A.12(Table): Please make the Title V Table match the Table in the PSD Permit and as depicted in our previous comments.

Response. The Department will make the Title V, Section III, Subsection A.12 Table match the AC permit Section 3.1. Table.

Comment 7 - Section III. Subsection B.4:

Title V Section III Subsection B.4: Please reword for clarification purposes: "The owner/operator must comply with the general provisions in 40 CFR Subpart A (except 40 CFR 60.11 and 60.18) as required in 40 CFR Subpart IIII [40 CFR 60.4218]

Response. The Department agrees with this comment and recommends the changes as noted below.

The owner ~~or~~/operator must comply with the general provisions in 40 CFR Subpart A (except 40 CFR 60.11 and 60.18) as required in 40 CFR Subpart IIII ~~contained in Appendix NSPS Subpart A – General Provisions.~~ [40 CFR 60.4218]

Public Comments: No comments were received from the public.

EPA Comments: No comments were received from EPA.

CONCLUSION

The final action of the Department is to issue the permit with the changes noted above.