PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection (Department)
Division of Air Resource Management, Office of Permitting and Compliance

DEP File No. 0550063-001-AC (PSD-FL-416)
Highlands EnviroFuels, LLC
Highlands County, Florida

Applicant: The applicant for this project is Highlands EnviroFuels (HEF), LLC. The applicant's authorized representative and mailing address are: Bradley Krohn, President and Managing Member, 10027 Water Works Lane, Riverview, Florida 33578.

Facility Location: The HEF facility will be located approximately 0.5 mile south-southwest of the intersection of U.S. Highway 27 and State Road 70, south of Lake Placid, in Highlands County, Florida.

Project: The project involves the construction of a 36 million gallons per year Sugarcane/Sweet Sorghum-to-Ethanol Advanced Biorefinery and Cogeneration Plant utilizing cane and sorghum grown on adjacent farmland. The cane and sorghum juice will be squeezed from the stalks, fermented, distilled and blended to make a range of ethanol/gasoline products. The leftover stalk fiber (sugarcane and sweet sorghum bagasse) along with supplemental biomass consisting of fuel crops, wood chips and vegetative debris will be used as fuel in a biomass boiler to make process steam and up to 30 megawatts (MW, gross) of electricity with 20 MW for sale to the grid. Natural gas will be used for boiler startup, flame stabilization and shutdown and also in the event of a disruption in the biomass supply. The project is subject to the preconstruction review requirements of Rule 62-212.400, Florida Administrative Code (F.A.C.) for the Prevention of Significant Deterioration (PSD) of Air Quality requiring a best available control technology (BACT) determination.

The project will result in emissions increases of 559.8 tons per year (TPY) of carbon monoxide (CO); 194.2 TPY of nitrogen oxides (NO_X); 36.9 TPY of particulate matter (PM); 30.6 TPY of PM with a mean diameter of 10 micrometers (µm) or less (PM_{10}); 19.5 TPY of PM with a mean diameter of 2.5 µm or less ($PM_{2.5}$); 6.8 TPY of sulfuric acid mist (SAM); 109.3 TPY of sulfur dioxide (SO_2); 136.6 TPY of volatile organic compounds (VOC); 0.2 TPY of lead (Pb); 1.1 TPY of fluoride (F); 9.0 TPY of hydrogen chloride (HCl); and less than 25 TPY of hazardous air pollutants (HAP).

The project will result in PSD-significant emissions increases for: NO_X, CO, SO_2, VOC, PM and PM_{10}. The controls to meet the BACT determinations for these pollutants consist of an electrostatic precipitator (ESP) on the boiler to control PM/PM_{10}/$PM_{2.5}$; good combustion practices (GCP) in a stoker (grate) boiler to control NO_X, CO and VOC; a dry sorbent injection system (DSIS) on the boiler to control SO_2, SAM and acid gas HAP such as HCl and hydrogen fluoride (HF); a non-selective catalytic reduction (SNCR) system on the boiler to control NO_X; an oxidation catalyst (Ox-cat) on the boiler to control CO, VOC and organic HAP; and liquid scrubbers on the ethanol production process, good storage tank design, and process equipment leak detection to control VOC and HAP. Emission control measures for NO_X, SO_2 and VOC will also minimize the formation of $PM_{2.5}$. Clean fuels (natural gas and ultra low sulfur distillate fuel oil) and GCP will be used in emergency equipment to control NO_X, CO, VOC, PM and SO_2 emissions.

Reasonable precautions and best management practices will be implemented to minimize fugitive dust and to ensure the biomass used at the HEF facility comports to the allowable types defined for the project.

Continuous emissions monitoring systems will be required for SO_2, NO_X, CO and HCl. A continuous opacity monitoring system will be required for visible emissions.

According to the application, the HEF project will emit less than 10 TPY of any single HAP and less than 25 TPY of all HAP combined and thus is an area source of HAP. The boiler is therefore subject to 40 Code of Federal regulations (CFR) 63, Subpart JJJJJJ - National Emission Standards for Hazardous Air Pollutants (NESHAP) for Area Sources: Industrial, Commercial and Institutional Boilers. Conditions were included in the permit to give the Department reasonable assurance that the HEF facility will be an area source of HAP.

(Public Notice to be Published in the Newspaper)

According to the applicant, maximum predicted air quality impacts due to emissions from the proposed HEF project are greater than the modeling significant impact levels applicable to areas in the vicinity of the project (i.e. PSD Class II Areas) for the pollutants SO_2 (1-hour and 24-hour averages), nitrogen dioxide (NO_2) (1-hour average) and PM_{10} (24-hour and annual averages). Therefore, multi-source PSD increment consumption modeling was required for SO_2 (24-hour average) and PM_{10} (24-hour and annual averages), but not for SO_2 or NO_2 1-hour because no increments exist for those averaging periods. The nearest PSD-Class I area is the Everglades National Park (ENP) that straddles Monroe, Collier and Miami-Dade Counties. The nearest boundary point in the ENP is located 147 km south of the proposed HEF site and is the only Class I area that is located within 200 kilometers of the proposed project. The maximum predicted project impacts in the Class I ENP are less than the applicable modeling significant impact levels for all pollutants. Because of the distance, low emissions and minimal effect by the project alone, a more detailed PSD-Class I multisource air quality analysis was not required. The results of the Class II multi-source increment consumption modeling are shown in the table below.

Pollutant Averaging Time	Class II PSD Increment Consumed ($\mu g/m^3$)	Allowable Increment ($\mu g/m^3$)	Percent Increment Consumed (%)
SO_2, 24-hour	27.9	91	31
PM_{10}, 24-hour	9.6	30	32
PM_{10}, Annual	2.4	17	14

Based on the required analyses, the Department has reasonable assurance that the proposed project will not cause or significantly contribute to a violation of any ambient air quality standard or PSD increment.

The details of the Department's BACT determination and the air quality analysis are provided in the Technical Evaluation and Preliminary Determination document available at the following web link:

www.dep.state.fl.us/air/emission/bioenergy/highlands_envirofuels_llc.htm

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210 and 62-212, F.A.C. The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Florida Department of Environmental Protection's Office of Permitting and Compliance is the Permitting Authority responsible for making a permit determination for this project. The Office of Permitting and Compliance physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Office of Permitting and Compliance phone number is 850/717-9000.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at the address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above. In addition, electronic copies of these documents are available at the link provided above.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the proposed equipment will not adversely impact air quality and that the project will comply with all applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, F.A.C.

The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and

120.57, F.S., or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the proposed Draft Permit and requests for a public meeting for a period of 30 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority by close of business (5:00 p.m.) on or before the end of this 30-day period. In addition, if a public meeting is requested within the 30-day comment period and conducted by the Permitting Authority, any oral and written comments received during the public meeting will also be considered by the Permitting Authority. If timely received comments result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Fax: 850/245-2303). Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of publication of this Public Notice or receipt of a written notice, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within 14 days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention (in a proceeding initiated by another party) will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action including an explanation of how the alleged facts relate to the specific rules or statutes; and (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Public Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation: Mediation is not available in this proceeding.