STATEMENT OF BASIS

Title V Air Operation Permit Renewal
Permit No. 0694801-015-AV

APPLICANT

The applicant for this project is Lake Cogeneration, Ltd. The applicant's responsible official and mailing address are: Mr. James Miller, Plant Manager, Lake Cogeneration, Ltd., Lake Cogeneration Facility, 39001 Golden Gem Drive, Umatilla, Florida 32784.

FACILITY DESCRIPTION

The applicant operates the existing Lake Cogeneration Facility, which is located in Lake County at 39001 Golden Gem Drive, Umatilla, Florida.

This facility is a nominal 126.5 megawatts (MW, gross) cogeneration plant, which consists of two nominal 50 megawatt (MW) combined cycle combustion turbines with duct burners that exhaust through heat recovery steam generators, which are used to power a nominal 26.5 MW steam turbine. Nitrogen oxides (NO_X) emissions are controlled by using water injection. A continuous emission monitoring system for reporting and monitoring NO_X emissions is installed on each unit. Carbon monoxide (CO) and volatile organic compounds are controlled using oxidation catalyst system. The facility also includes an emergency generator, a fire pump and a fuel oil storage tank (170,000 gallon).

Also included in this permit are miscellaneous insignificant emission units and/or activities.

PROJECT DESCRIPTION

The purpose of this permitting project is to renew the Title V permit for the above referenced facility which reflects the standards and requirements to be established in the concurrently issued air construction permit No. 0694801-014-AC/ PSD-FL-176D. Further details are included in the Technical Evaluation and Preliminary Determination accompanying the draft air construction permit.

PROCESSING SCHEDULE AND RELATED DOCUMENTS

Application for a Title V Air Operation Permit Renewal received 2/1/2011.
Additional Information Request dated 4/1/2011.
Additional Information Response received 8/26/2011.
Draft/Proposed permit issued 11/7/2011.
Public Notice of Intent to Issue Air Permit published 11/8/2011.

PRIMARY REGULATORY REQUIREMENTS

Title III: The facility is not identified as a major source of hazardous air pollutants (HAP).

Title V: The facility is a Title V major source of air pollution in accordance with Chapter 62-213, Florida Administrative Code (F.A.C.).

PSD: The facility is a Prevention of Significant Deterioration (PSD)-major source of air pollution in accordance with Rule 62-212.400, F.A.C.

NSPS: The existing combined cycle combustion turbines are subject to the applicable federal New Source Performance Standards (NSPS) in Subpart A (General Provisions) and Subpart KKKK (Stationary Combustion Turbines) of 40 CFR 60.

NESHAP: The existing reciprocating internal combustion engines (RICE) are subject to the applicable federal National Emissions Standards for Hazardous Air Pollutants (NESHAP) in Subpart A (General Provisions) and Subpart ZZZZ (Stationary Reciprocating Internal Combustion Engines).

CAIR: The facility is subject to the Clean Air Interstate Rule (CAIR) set forth in Rule 62-296.470, F.A.C.

CAM: Compliance Assurance Monitoring (CAM) applies to Combined Cycle Units 1 and 2 (EU 003 and EU 004). These emissions units are subject to CAM for the regulated emissions of CO, which are controlled by an oxidation catalyst.

CONCLUSION

This project renews Title V air operation permit No. 0694801-011-AV, which was effective on June 23, 2009. This Title V air operation permit renewal is issued under the provisions of Chapter 403, Florida Statues (F.S.), and Chapters 62-4, 62-210, 62-213, F.A.C.