Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Rick Scott
Governor

Jennifer Carroll
Lt. Governor

Herschel T. Vinyard Jr.
Secretary

Electronic Mail – Received Receipt Requested.

Mr. James Miller, Plant Manager
Lake Cogeneration, Ltd.
39001 Golden Gem Drive
Umatilla, Florida 32784

Re: Permit Nos. 0694801-015-AV and 0694801-014-AC (PSD-FL-176D)
Lake Cogeneration Facility
Updated Air Construction Permit and Renewed Title V Air Operation Permit

Dear Mr. Miller:

Enclosed are the permit packages for an air construction permit and a renewed Title V air operation permit for the Lake Cogeneration Facility. This existing facility is located in Lake County, at 39001 Golden Gem Drive, Umatilla, Florida 32784. The permit package includes the following documents:

- The draft air construction permit and supporting technical evaluation and preliminary determination document.
- The statement of basis, which summarizes the facility, the equipment and the primary rule applicability for the renewed Title V air operation permit.
- The draft/proposed renewed Title V air operation permit, which includes the specific permit conditions that regulates the emissions units covered by the proposed project.
- The Written Notice of Intent to Issue Air Permits provides important information regarding: the Permitting Authority's intent to issue air permits for the proposed project; the requirements for publishing a Public Notice of the Permitting Authority's intent to issue air permits; the procedures for submitting comments on the draft/proposed permits; the process for filing a petition for an administrative hearing; and the availability of mediation.
- The Public Notice of Intent to Issue Permits is the actual notice that you must have published in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The Public Notice of Intent to Issue Permits must be published as soon as possible and the proof of publication must be provided to the Department within seven days of the date of publication. Because this permit is being processed as a combined draft/proposed permit in order to reduce processing time, a duplicate copy of the proof of publication must also be transmitted by electronic mail within seven days of the date of publication to Ms. Ana Oquendo at EPA Region 4 at the following address: oquendo.ana@epa.gov.

If you have any questions, please contact the Project Engineer, Tammy McWade, by telephone at (850) 717-9086 or by email at tammy.mcwade@dep.state.fl.us

Sincerely,

_____ _____

Jeffery F. Koerner, Program Administrator (Date)
Office of Permitting and Compliance
Division of Air Resource Management

Enclosures
JFK/aal/ttm

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMITS

In the Matter of an
Application for an Air Construction Permit Modification and a Renewed Title V Air Operation Permit by:

Lake Cogeneration, Ltd.
39001 Golden Gem Drive
Umatilla, FL 32784

Responsible Official:
Mr. James Miller, Plant Manager

Facility ID No. 0694801
Permit Nos. 0694801-015-AV and
0694801-014-AC (PSD-FL-176D)
Lake Cogeneration Facility
Air Construction Permit
Renewed Title V Air Operation Permit
Lake County, Florida

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

Project: The applicant applied on February 1, 2011, to the Department for an updated air construction permit and a renewed Title V air operation permit. Details of the project are provided in the application and the enclosed Technical Evaluation and Preliminary Determination.

The purpose of this project is to modify the original Air Construction Permit No. AC35-196459 (PSD-FL-176), and subsequent modifications thereto, applicable to Combined Cycle Units 1 and 2 for the following items: correct the nominal electrical production rate of each combustion turbine-electric generator from 52 megawatt (MW) to 50 MW; revise to include a performance curve identifying maximum heat input rate based on the fluctuating compressor inlet temperature; correct and update the allowable emission limits; remove the distinction between the normal operating mode and the SPRINT mode; include authorization to replace limited components for maintenance and repairs of the combined cycle combustion turbine system; change the annual test schedule from July 15th to within the federal fiscal year; and update the permit to be more consistent with recent air construction permits for combined cycle combustion turbines.

The renewed Title V air operation permit will include the applicable requirements of the updated draft air construction permit as well as other applicable regulatory requirements.

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, Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air construction permit is required to perform the proposed work. Applications for Title V air operation permits are subject to review in accordance with the provisions of Chapter 403, F.S. and Chapters 62-4, 62-210, and 62-213 of the F.A.C. The proposed project is not exempt from air permitting requirements and a Title V air operation permit is required to operate the facility.

The Division of Air Resource Management is the Permitting Authority responsible for making the permit determination for these projects. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone 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 air construction permit, the draft/proposed Title V air operation permit, the Statement of Basis, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may view the draft/proposed permits by visiting the following website: http://www.dep.state.fl.us/air/emission/apds/default.asp and entering the permit numbers shown above. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address or phone number listed above.

Notice of Intent to Issue Air Permits: The Permitting Authority gives notice of its intent to issue an air

construction permit modification to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate 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 draft air construction 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.

The Permitting Authority gives notice of its intent to issue a Title V air operation permit to the applicant for the project described above. The applicant has provided reasonable assurance that continued operation of existing equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296 and 62-297, F.A.C. The Permitting Authority will issue a final Title V air operation permit in accordance with the conditions of the draft/proposed Title V air operation 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 draft air construction permit or the draft/proposed Title V air operation permit 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 at the above address. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on these permitting actions. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location in the Florida Administrative Weekly (FAW).

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 written comments received result in a significant change to the draft air construction permit or the draft/proposed Title V air operation permit, the Permitting Authority shall revise the draft air construction permit or the draft/proposed Title V air operation permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection. For additional information, contact the Permitting Authority at the above address or phone number.

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 at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. 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 the 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 rights will be affected by the agency determination; (c) A statement of when and how the petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (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 for this proceeding.

EPA Review: EPA has agreed to treat the draft/proposed Title V air operation permit as a proposed Title V air operation permit and to perform its 45-day review provided by the law and regulations concurrently with the public comment period, provided that the applicant also transmits an electronic copy of the required proof of publication directly to EPA at the following email address: oquendo.ana@epa.gov. Although EPA's 45-day review period will be performed concurrently with the public comment period, the deadline for submitting a citizen petition to object to the EPA Administrator will be determined as if EPA's 45-day review period is performed after the public comment period has ended. The final Title V air operation permit will be issued after the conclusion of the 45-day EPA review period so long as no adverse comments are received that result in a different decision or significant change of terms or conditions. The status regarding EPA's 45-day review of this project and the deadline for submitting a citizen petition can be found at the following website address: http://www.epa.gov/region4/air/permits/Florida.htm.

Objections: Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 days of the expiration of the Administrator's 45-day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to the issuance of any Title V air operation permit. Any petition shall be based only on objections to the permit that were raised with reasonable specificity during the 30-day public comment period provided in the Public Notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding EPA review and objections, visit EPA's Region 4 web site at http://www.epa.gov/region4/air/permits/Florida.htm.

Executed in Tallahassee, Florida.

_____ _____
Jeffery F. Koerner, Program Administrator (Date)
Office of Permitting and Compliance
Division of Air Resource Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that either this Written Notice of Intent to Issue an Air Construction Permit and a Renewed Title V Air Operation Permit (including the Public Notice, the Statement of Basis, the Draft/Proposed Permits and Technical Evaluation and Preliminary Determination), or a link to these documents available electronically on a publicly accessible server, was sent by electronic mail with received receipt requested before the close of business on _____ to the persons listed below.

Mr. James Miller, Lake Cogeneration Facility: (jmiller@caithnessenergy.com)
Mr. Thomas Grace, Caithness Energy: (tgrace@caithnessenergy.com)
Mr. Scott Osbourn, Golder Associates: (sosbourn@golder.com)
Ms. Caroline Shine, DEP CD Office: (caroline.shine@dep.state.fl.us)
Ms. Ana Oquendo, US EPA Region 4: (oquendo.ana@epa.gov)
Ms. Heather Ceron, US EPA Region 4: (ceron.heather@epa.gov)
Ms. Katy Forney, EPA Region 4: (forney.kathleen@epa.gov)
Ms. Barbara Friday, DEP OPC: (barbara.friday@dep.state.fl.us)
Ms. Lynn Scearce, DEP OPC: (lynn.scearce@dep.state.fl.us)

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.

_____ _____
(Clerk) (Date)