FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

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SECRETARY

(Sent by Electronic Mail – Return Receipt Requested)

Todd Shirley
Projects General Manager
Indiantown Cogeneration, L.P.
13303 SW Silver Fox Lane
Indiantown, Florida 34956

Re: Title V Air Operation Permit Renewal
Proposed Permit No. 0850102-022-AV
Indiantown Cogeneration Plant

Dear Mr. Shirley:

One copy of the proposed permit determination for the renewal of the Title V air operation permit for the Indiantown Cogeneration Plant located at at the intersection of Silver Fox Lane and State Road 710, Indiantown, Martin County, is attached below. This letter is only a courtesy to inform you that the draft permit has become a proposed permit.

An electronic version of this determination has been posted on the Division of Air Resource Management's world wide web site for the United States Environmental Protection Agency (USEPA) Region 4 office's review. The web site address is: http://appprod.dep.state.fl.us/air/emission/apds/default.asp.

Pursuant to Section 403.0872(6), Florida Statutes, if no objection to the proposed Title V air operation permit is made by the USEPA within 45 days, the proposed permit will become a final permit no later than 55 days after the date on which the proposed permit was mailed (posted) to USEPA. If USEPA has an objection to the proposed permit, the final permit will not be issued until the permitting authority receives written notice that the objection is resolved or withdrawn.

If you should have any questions, please contact Edward J. Svec, at 850/717-9031.

Executed in Tallahassee, Florida.

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

JFK/dlr/ejs

cc:
Mr. Todd Shirley, Indiantown Cogeneration: tshirley@ppmsllc.com
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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.

Permit No. 0850102-022-AV

I. Public Notice.

An Intent To Issue Air Permit issued to Indiantown Cogeneration, L.P.for the Indiantown Cogeneration Plant located at at the intersection of Silver Fox Lane and State Road 710, Indiantown, Martin County, was clerked on August 1, 2014. The Public Notice Of Intent To Issue Air Permit was published in The Stuart News on August 8, 2014. The draft Title V air operation permit was available for public inspection at the permitting authority's office in Tallahassee. Proof of publication of the Public Notice Of Intent To Issue Air Permit was received on August 14, 2014.

II. Public Comment(s).

No Comments were received from the public during the 30-day public comment period; however, comments were received from the Permittee. The comments were not considered significant enough to reissue the draft Title V air operation permit and require another Public Notice; therefore, the draft Title V air operation permit was changed. Those comments are addressed below. Additions to the permit are indicated by a double underline. Deletions from the permit are indicated by a ~~strike through~~.

Letter from Todd Shirley dated September 2, 2014.

Response 1. The Department agrees with the comment. Condtion No. **A.33.** has been changed as follows:

A.33. Test Methods. When required, tests shall be performed in accordance with the following reference methods:

Method	Description of Method and Comments
1-4	Traverse Points, Velocity and Flow Rate, Gas Analysis, and Moisture Content
5	Determination of Particulate Matter Emissions from Stationary Sources
6	Determination of Sulfur Dioxide Emissions from Stationary Sources
6C	Determination of Sulfur Dioxide Emissions from Stationary Sources (Instrumental Analyzer Procedure)
7E	Determination of Nitrogen Oxide Emissions from Stationary Sources
8	Determination of Sulfuric Acid and Sulfur Dioxide Emissions from Stationary Sources
9	Visual Determination of the Opacity of Emissions from Stationary Sources
10	Determination of Carbon Monoxide Emissions from Stationary Sources {Note: The method shall be based on a continuous sampling train.}
13A	Determination of Total Fluoride Emissions from Stationary Sources (SPADNS Zirconium Lake Method)
13B	Determination of Total Fluoride Emissions from Stationary Sources (Specific Ion Electrode Method)
18	Measurement of Gaseous Organic Compound Emissions by Gas Chromatography
19	Determination of Sulfur Dioxide Removal Efficiency and Particulate Matter, Sulfur Dioxide, and Nitrogen Oxides Emission Rates (Optional F-factor method may be used to determine flow rate and gas analysis to calculate mass emissions in lieu of Methods 1-4.)
~~20~~	~~Determination of Nitrogen Oxides, Sulfur Dioxide and Diluent Emissions from Stationary Gas Turbines~~
22	Visual Determination of Fugitive Emissions From Material Sources and Smoke Emissions

Method	Description of Method and Comments
	From Flares
25A	Method for Determining Gaseous Organic Concentrations (Flame Ionization)
29	Determination of Metals Emissions from Stationary Sources
30B	Determination of Total Vapor Phase Mercury Emissions From Coal-Fired Combustion Sources Using Carbon Sorbent Traps
CTM-027	Conditional EPA Test Method 027, Measurement of Ammonia Slip (or equivalent method)

The above methods are described in 40 CFR 60, Appendix A, and adopted by reference in Rule 62-204.800, F.A.C. No other methods may be used unless prior written approval is received from the Department. [Rule 62-297.401, F.A.C.; PSD-FL-168, Specific Condition No. 19.; and applicant request dated March 5, 2004.]

o Emissions Limits. Comply with one of the following two emission limit options:
  a. Hydrogen chloride (HCl): 2.0E-3 lb/MMBtu or 2.0E-2 lb/MWh
  b. Sulfur dioxide (SO_2): 2.0E-1 lb/MMBtu or 1.5EO lb/MWh (note: You may not use the SO_2 limit if your EGU does not have some form of FGD system and SO_2 CEMS installed.)

[Table 2 to Subpart UUUUU of Part 63]

o Emissions Limits. Comply with the Mercury (Hg) emission limit of: 1.2EO lb/TBtu or 1.3E-2 lb/GWh [Table 2 to Subpart UUUUU of Part 63]

Response 2. The Department agrees with the comment. Condtion No. **A.79.** has been changed as follows:

A.79. Emissions Limits. Comply with one of the following ~~three~~ two emission limit options:
  a. Hydrogen chloride (HCl): 2.0E-3 lb/MMBtu or 2.0E-2 lb/MWh
  b. Sulfur dioxide (SO_2): 2.0E-1 lb/MMBtu or 1.5E0 lb/MWh
  (note: You may not use this SO_2 limit if your EGU does not have some form of FGD system and SO_2 CEMS installed.)
  ~~c. Mercury (Hg): 1.2E0 lb/TBtu or 1.3E-2 lb/GWh~~

[Table 2 to Subpart UUUUU of Part 63]

A.79.a. Emissions Limits. Mercury (Hg): 1.2E0 lb/TBtu or 1.3E-2 lb/GWh. [Table 2 to Subpart UUUUU of Part 63]

Comment 3. Please correct the dates within Condition A.102 to: state "...every January 31 / July 31 afterward", rather than "...every December 31 / June 30 afterward..."

Response 3. The Department agrees with the comment. Condtion No. **A.102.** has been changed as follows:

A.102. Semi-annual Compliance Reports. Submit semi-annual compliance reports starting January 31, 2016 and every ~~December 31 / June 30~~ January 31 / July 31 afterward, containing the information specified in 40 CFR 63.10031 and Table 8. [40 CFR 63.10031]

Comment 4. On Page 3 of the permit renewal: please correct "40 CFR 63, Subpart A, NSPS General Provisions" to state: "40 CFR 63, Subpart A, MACT General Provisions".

Response 4. The Department agrees with the comment in that NSPS General Provisions should read NESHAP General Provisions. The following change is made to the Federal Rule Citation Table:

Regulation	EU No(s).
Federal Rule Citations	

40 CFR 60, Subpart A, NSPS General Provisions	001, 004, 007, 008
40 CFR 60, Subpart Da, Standards of Performance for Electric Utility Generating Units	001
40 CFR 60, Subpart Db, Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units	007
40 CFR 60, Subpart Dc, Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units	008
40 CFR 60, Subpart Y, Standards of Performance for Coal Preparation Plants	004
40 CFR 63, Subpart A, ~~NSPS~~ NESHAP General Provisions	001, 007, 009, 010
40 CFR 63, Subpart ZZZZ, National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines	009, 010
40 CFR 63, Subpart DDDDD, National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters	007
40 CFR 63, Subpart UUUUU, National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units	001

Comment 5. For EU 009 and EU 010 (emergency RICE): the listed permit provisions are for "area sources of HAPs" (e.g., conditions G4, G5, G7, G9), but should apply to "major sources of HAPs". The sample RICE MACT provisions in the permit renewal application included the (very similar) requirements for major source of HAPs.

Response 5. The Department agrees with the comment. Condtion Nos. **G.4.**, **G.5.**, **G.7 and G.9.** have been changed as follows.

G.4. Monitoring of Operations. If you own or operate an existing emergency or black start stationary RICE with a site rating of less than or equal to 500 HP located at ~~an area source of HAP emissions~~ a major source of HAP emissions, you must operate and maintain the stationary RICE and after-treatment control device (if any) according to the manufacturer's emission-related written instructions or develop your own maintenance plan which must provide to the extent practicable for the maintenance and operation of the engine in a manner consistent with good air pollution control practice for minimizing emissions. [40 CFR 63.6625(e)(~~3~~ 2)]

G.5. Monitoring of Operations. If you own or operate any of the stationary RICE in paragraph~~s~~ a. ~~and b.~~ below, you must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. The owner or operator must document how many hours are spent for emergency operation, including what classified the operation as emergency and how many hours are spent for non-emergency operation. If the engine is used for the purposes specified in 40 CFR 63.6640(f)(2)(ii) or (iii) or 40 CFR 63.6640(f)(4)(ii), the owner or operator must keep records of the notification of the emergency situation, and the date, start time, and end time of engine operation for these purposes.

a. An existing emergency stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions that does not meet the standards applicable to non-emergency engines.

~~b. An existing emergency stationary RICE located at an area source of HAP emissions that does not meet the standards applicable to non-emergency engines.~~

[40 CFR 63.6655(f)]

G.7. Requirements for Emergency Stationary RICE. If you own or operate an emergency stationary RICE, you must operate the emergency stationary RICE according to the requirements in paragraphs (f)(1) through (4) of 40 CFR 63.6640. In order for the engine to be considered an emergency stationary RICE under this

subpart, any operation other than emergency operation, maintenance and testing, emergency demand response, and operation in non-emergency situations for 50 hours per year, as described in paragraphs (f)(1) through (4) of 40 CFR 63.6640, is prohibited. If you do not operate the engine according to the requirements in paragraphs (f)(1) through (4) of 40 CFR 63.6640, the engine will not be considered an emergency engine under this subpart and must meet all requirements for non-emergency engines.

(1) There is no time limit on the use of emergency stationary RICE in emergency situations.

(2) You may operate your emergency stationary RICE for any combination of the purposes specified in paragraphs (f)(2)(i) through (iii) of 40 CFR 63.6640 for a maximum of 100 hours per calendar year. Any operation for non-emergency situations as allowed by paragraphs (f)(3) and (4) of 40 CFR 63.6640 counts as part of the 100 hours per calendar year allowed by this paragraph (f)(2) of 40 CFR 63.6640.

(i) Emergency stationary RICE may be operated for maintenance checks and readiness testing, provided that the tests are recommended by federal, state or local government, the manufacturer, the vendor, the regional transmission organization or equivalent balancing authority and transmission operator, or the insurance company associated with the engine. The owner or operator may petition the Administrator for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the owner or operator maintains records indicating that federal, state, or local standards require maintenance and testing of emergency RICE beyond 100 hours per calendar year.

(ii) Emergency stationary RICE may be operated for emergency demand response for periods in which the Reliability Coordinator under the North American Electric Reliability Corporation (NERC) Reliability Standard EOP-002-3, Capacity and Energy Emergencies (incorporated by reference, see 40 CFR 63.14), or other authorized entity as determined by the Reliability Coordinator, has declared an Energy Emergency Alert Level 2 as defined in the NERC Reliability Standard EOP-002-3.

(iii) Emergency stationary RICE may be operated for periods where there is a deviation of voltage or frequency of 5 percent or greater below standard voltage or frequency.

(3) Emergency stationary RICE located at major sources of HAP may be operated for up to 50 hours per calendar year in non-emergency situations. The 50 hours of operation in non-emergency situations are counted as part of the 100 hours per calendar year for maintenance and testing and emergency demand response provided in paragraph (f)(2) of 40 CFR 63.6640. The 50 hours per year for non-emergency situations cannot be used for peak shaving or non-emergency demand response, or to generate income for a facility to supply power to an electric grid or otherwise supply power as part of a financial arrangement with another entity. ~~Emergency stationary RICE located at area sources of HAP may be operated for up to 50 hours per calendar year in non-emergency situations. The 50 hours of operation in non-emergency situations are counted as part of the 100 hours per calendar year for maintenance and testing and emergency demand response provided in paragraph (f)(2) of 40 CFR 63.6640. Except as provided in paragraphs (f)(4)(i) and (ii) of 40 CFR 63.6640, the 50 hours per year for non-emergency situations cannot be used for peak shaving or non-emergency demand response, or to generate income for a facility to an electric grid or otherwise supply power as part of a financial arrangement with another entity. [40 CFR 63.6640(f)]~~

~~(i) Reserved~~

~~(ii) The 50 hours per year for non-emergency situations can be used to supply power as part of a financial arrangement with another entity if all of the following conditions are met:~~

~~(A) The engine is dispatched by the local balancing authority or local transmission and distribution system operator.~~

~~(B) The dispatch is intended to mitigate local transmission and/or distribution limitations so as to avert potential voltage collapse or line overloads that could lead to the interruption of power supply in a local area or region.~~

~~(C) The dispatch follows reliability, emergency operation or similar protocols that follow specific NERC, regional, state, public utility commission or local standards or guidelines.~~

~~(D) The power is provided only to the facility itself or to support the local transmission and distribution system.~~

~~(E) The owner or operator identifies and records the entity that dispatches the engine and the specific NERC, regional, state, public utility commission or local standards or guidelines that are being followed for dispatching the engine. The local balancing authority or local transmission and distribution system operator may keep these records on behalf of the engine owner or operator.~~ [40 CFR 63.6640(f)(1), (2), and (~~**4**~~ 3)]

G.9. Recordkeeping. You must keep records of the maintenance conducted on the stationary RICE in order to demonstrate that you operated and maintained the stationary RICE and after-treatment control device (if any) according to your own maintenance plan if you own or operate an existing stationary RICE ~~located at an area source of HAP emissions subject to management practices as shown in Table 2d of 40 CFR 63, Subpart ZZZZ~~. [40 CFR 63.6655(e)(~~3~~ 2)]

Comment 6. There are newly issued opacity meter QA rules (40 CFR 60 Appendix F, Procedure 3) which apply to EU 001, which has a COMS required under 40 CFR 60 Subpart Da. These QA requirements were published on 5/16/2014, after the Title V renewal application was submitted. For completeness, please include a reference to Appendix F, Procedure 3 within the Title V permit.

Response 6. 40 CFR 60 Appendix F, Procedure 3 will become effective November 12, 2014. The Department will add a permitting note after Condtion No. **A.21.** as follows:

{Permitting note: The COMS will comply with the requirements contained in 40 CFR 60 Appendix F, Procedure 3.}

III. Conclusion.

The enclosed proposed Title V air operation permit includes the aforementioned changes to the draft Title V air operation permit.

The permitting authority will issue the proposed permit No. 0850102-022-AV, with the changes noted above.