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

April 11, 2011

Sent by Electronic Mail – Received Receipt Requested

chanjm@jea.com
Mr. James Chansler, P.E.
Chief Operations Officer
JEA
21 West Church Street
Jacksonville, FL 32202

Re: Exemption from the Requirement to Obtain an Air Construction Permit
JEA Northside Generating Station Units 1 and 2
Project No. 0310045-031-AC
Wood Chips Project

Dear Mr. Chansler:

On March 30, 2011, JEA submitted an application for an air construction permit to allow a minimal amount of biomass, in the form of wood chips and similar plant materials, to supplement the fuel used in the two circulating fluidized bed (CFB) boilers (Units 1 and 2) located at Northside Generating Station, 11201 New Berlin Road, Jacksonville 32226.

The proposal is to burn approximately 12 tons per day (TPD) of the described biomass in the two coal and petroleum coke (petcoke) fueled CFB boilers.

Determination: A complete description of this project by the applicant's consultant is given in the application available at: http://arm-permit2k.dep.state.fl.us/psd/0310045/00005ADC.pdf .

Basically the wood chips will be derived from vegetative matter such as tree trimmings and will comprise up to 0.14 percent (%) of the maximum heat input to the CFB boilers or approximately 8 million Btu per hour (mmBtu/hr).

The CFB boilers were originally built to combust coal, petcoke and blends of the two fuels. Compared with coal, petcoke is characterized by greater sulfur content, heating value and hardness as well as lower moisture and volatile fractions. The biomass will contain even less sulfur and greater moisture and volatile fraction than coal.

The CFB units are fully equipped with air pollution control systems consisting of: limestone and lime injection coupled with a fabric filter baghouse to control acid gases and PM; and an ammonia-based selective non-catalytic reduction (SNCR) system to control NO_X emissions. The Department recently evaluated the operation of the units, the control equipment and emissions in relation with other projects at the facility.

The biomass will marginally shift the coal/petcoke blends in the direction of coal characteristics. The Department believes that any changes in emissions would be miniscule by comparison with the effects of small and allowable day-to-day variations in the coal and petcoke and blend ratios.

Pursuant to Rule 62.4.040(1)(b) of the Florida Administrative Code (F.A.C.) and for the reasons stated above, the Bureau of Air Regulation determines that the activity will not emit air pollutants "… in sufficient quantity, with respect to its character, quality or content, and the circumstances surrounding its location, use

and operation, as to contribute significantly to the pollution problems within the State, so that the regulation thereof is not reasonably justified." Therefore, the project is exempt from the requirement to obtain an air construction permit. This activity will be incorporated into the next facility Title V operation permitting action.

This determination may be revoked if the proposed activity is substantially modified or the basis for the exemption is determined to be materially incorrect. A copy of this letter shall be maintained at the site of the proposed activity. This permitting decision is made pursuant to Chapter 403, Florida Statutes.

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 Permitting Authority responsible for making a permit determination for this project is the Bureau of Air Regulation in the Department of Environmental Protection's Division of Air Resource Management. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida 32301. 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.

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 agency clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions must be filed within 21 days of receipt of this exemption from air permitting requirements. 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. If there are none, the petition must so state; (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 action. 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.

Effective Date: This permitting decision is final and effective on the date filed with the clerk of the Permitting Authority unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition pursuant to Rule 62-110.106, F.A.C., and the petition conforms to the content requirements of Rules 28-106.201 and 28-106.301, F.A.C. Upon timely filing of a petition or a request for extension of time, this action will not be effective until further order of the Permitting Authority.

Judicial Review: Any party to this permitting decision (order) has the right to seek judicial review of it under Section 120.68, F.S., by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000, and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

for Trina Vielhauer, Deputy Director
Division of Air Resource Management

TLV/aal

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Exemption from Air Construction Permitting was sent by electronic mail, or a link to these documents made available electronically on a publicly accessible server, with received receipt requested before the close of business on 4/11/11 to the persons listed below.

James Chansler, JEA: chanjm@jea.com
Bert Gianazza, JEA: giannb@jea.com
Ken Kosky, P.E., Golder Associates: ken_kosky@golder.com
Christopher Kirts, DEP NED Office: christopher.kirts@dep.state.fl.us
Richard Robinson, Jacksonville EQD: robinson@coj.net
Vickie Gibson, DEP BAR Reading File: victoria.gibson@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) 4/11/11 (Date)