August xx, 2002

Mr. Bruce Smith
General Manager
Cedar Bay Generating Company, L.P.
P.O. Box 26324
Jacksonville, Florida 32226-6324

Re: DEP File No. PA 88-24; Modification of Permit No. PSD-FL-137
Cedar Bay Generating Plant / Duval County

The applicant, Cedar Bay Generating Company, L.P., applied on August 29, 2001, to the Department for a modification to PSD permit number PSD-FL-137 for its Cedar Bay Generating Plant located in Duval County. The modification is to allow the facility to co-fire petroleum coke (petcoke) in its three circulating fluidized bed boilers (A, B and C). The Department has reviewed the modification request. The referenced permit is hereby modified as follows:

II.A. Emission Limitations for CBCP Boilers

1. Fluidized Bed Coal Fired Boilers (CFB)

   a. The maximum coal charging rate of each CFB shall neither exceed 104,000 lbs/hr., 39,000 tons per month (30 consecutive days), nor 390,000 tons per year (TPY). This reflects a combined total of 312,000 lbs/hr., 117,000 tons per month, and 1,170,000 TPY for all three CFBs. Petroleum coke (petcoke) may be utilized as a co-firing fuel, and shall not exceed 35% fuel input by weight on a daily basis. {Permitting Note: The limitations on the coal charging rate include both coal and petcoke.}

   d. The sulfur content of the coal shall not exceed 1.2%, by weight, on an annual basis. The sulfur content shall not exceed 1.7%, by weight, on a shipment (train load) basis. When co-firing coal and petcoke, the blended fuel input to the CFBs shall not exceed 3.2 lb/MMBtu equivalent SO_2 content. Compliance shall be determined on a monthly basis via a composite of daily fuel samples.

4. Ammonia (NH_3) slip from the exhaust gases shall not exceed 10 ppmvd when co-firing petcoke or burning coal at 100% capacity and 30 ppmvd when burning oil.

10. Operations Monitoring for each CFB

    b. All coal, petcoke and No. 2 fuel oil usage shall be recorded on a 24-hr (daily) basis for each CFB. Recycle rejects usage on a volumetric basis shall be estimated and recorded for each 24-hour period in which rejects are burned.

17. The permittee shall submit annual reports to RESD and DEP/BAR summarizing emissions for each calendar year. The reports will commence during the first year in which petcoke is fired and continue for a total of five calendar years. Such reports are required in order to confirm Cedar

Bay's projections of future actual emissions and to demonstrate to the Department's satisfaction that petcoke co-firing did not result in a significant emissions increase. Reporting shall be as follows:

Pollutant	**Compliance Procedures**
NO_X	Five years of annual reporting by CEMS proving annual facility emissions do not exceed 1799 TPY
CO	Five years of annual reporting by CEMS proving annual facility emissions do not exceed 648 TPY
VOC	Five years of annual reporting by stack test proving annual facility emissions do not exceed 74 TPY
SO_2	Five years of annual reporting by CEMS proving annual facility emissions do not exceed 1985 TPY
SAM	Five years of annual reporting by stack test proving annual facility emissions do not exceed 7.3 TPY
PM_{10}	Five years of annual reporting by stack test proving annual facility emissions do not exceed 198 TPY

II.B. CBCP - Material Handling and Treatment

2. The material handling/usage rates for coal, limestone, fly ash, and bed ash shall not exceed the following:

Material	Handling/Usage Rate TPM	TPY	
Coal	117,000	1,170,000	
Petcoke	40,950	409,500	
Limestone	27,000	~~320,000~~	275,000
Fly Ash	28,000	336,000	
Bed Ash	8,000[1]	88,000[1]	

Note: TPM is tons per month based on 30 consecutive days; and, TPY is tons per year.

[1] The Department will require a monitoring system to accurately measure Bed Ash throughput. The applicant will propose (to the Department's satisfaction) the system it recommends to utilize, prior to the initial receipt of petcoke. Actual in-service testing (while combusting coal) will be completed prior to the initial firing of petcoke, demonstrating its adequacy to the Department's satisfaction.

4.b. The PM emissions from the following process and/or equipment, in the material handling and treatment area sources, shall be controlled using wet suppression/removal techniques:

Coal Car Unloading
Ash Pellet Hydrator
Ash Pellet Curing Silo
Ash Pelletizing Pan
Petcoke Unloading/Handling Areas
Petcoke Transfer Areas
Petcoke Storage Areas

The above listed sources are subject to a VE and a PM emissions limitation requirement of 5% opacity and 0.01 gr/dscf (applicant requested limitation, which is more stringent than what is allowed by rule), respectively, in accordance with Rule 17-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE and PM emissions using EPA Methods 9 and 5, respectively, in accordance with Chapter 17-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit modification is issued pursuant to Chapter 403, Florida Statutes.

Any party to this order (permit modification) 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 thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

_____
Howard L. Rhodes, Director
Division of Air Resources
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this permit modification was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on _____ to the person(s) listed:

Bruce Smith, Cedar Bay *
J. A. Walker, Cedar Bay
Ken Kosky, P.E. Golder Associates
Hamilton S. Oven, P.E.
James L. Manning, P.E., RESD
Doug Neeley, EPA
John Bunyak, NPS
Chris Kirts, DEP-NED
Stafford Campbell, Greater Arlington Civic Council

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to §120.52, Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

_____ _____
(Clerk) (Date)