Florida Department of Environmental Protection

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

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

Sent by Electronic Mail – Received Receipt Requested

Bradley Krohn, President and Managing Member
Highlands EnviroFuels, LLC
10027 Water Works Lane
Riverview, Florida 33578

Re: Extension of Air Construction Permit Expiration Date
Highlands EnviroFuels, Biorefinery and Cogeneration Plant
Project No. 0550063-003-AC
Extension of Original Air Permit No. 0550063-001-AC

Dear Dr. Krohn:

On September 26, 2016, Highlands EnviroFuels (HEF) requested an extension of the expiration date of air construction Permit No. 0550063-001-AC for the HEF Biorefinery and Cogeneration Plant located in Highlands County, approximately 0.5 miles south-southwest of the intersection of U.S. Highway 27 and State Route 70, near Lake Placid, Florida. HEF requests the additional time to prepare an application for a revised air construction permit, with an updated assessment of Best Available Control Technology (BACT) for the project. Since initial issuance of this permit in 2011, HEF lost project funding due to reasons beyond the permittee's control. Additionally, the instability of the federal renewable fuels standard and low prices for oil and gasoline have made securing project funding more difficult. HEF is moving forward with acquiring the necessary funding for the project, and HEF is also considering making changes to the design of the facility, including possible changes in end products.

HEF's request would constitute the second extension of this permit. The first extension was requested and issued in June 2016, extending the permit expiration date from June 30, to September 30, 2016. HEF has requested a six-month extension to the existing air construction permit to allow for possible design changes to be incorporated into an application for a modified permit. This time will also be used to prepare an application for a revised BACT determination, since more than 18 months have passed between initial issuance of the Prevention of Significant Deterioration (PSD) permit and the beginning of construction. Based on the circumstances and information provided, the Department approves this request.

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 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Department of Environmental Protection's Office of Permitting and Compliance is the Permitting Authority responsible for making a determination for this project. The Permitting Authority's physical address is: 2600 Blair Stone Road, 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.

Determination: The expiration date is hereby extended from **September 30, 2016**, to **March 30, 2017**, to provide the necessary time to complete an application for a revised PSD permit, with a revised or re-validated BACT analysis. The permittee may not begin physical construction until the final revised PSD permit, with a revised or re-validated BACT has been issued, and all construction shall be in accordance with the revised permit. The only purpose of this permitting action is to extend the expiration date of Permit No. 0550063-001-AC and it does not authorize any new construction. A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permitting decision is issued pursuant to Chapter 403, Florida Statutes.

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. Petitions must be filed within 14 days of receipt of this permit extension. 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; (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 written notice. 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 Department 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 Department.

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, Agency_Clerk@dep.state.fl.us, 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.

David Lyle Read, P.E.

David Lyle Read, P.E.
2016.09.29 08:24:27 -04'00'

For:

Syed Arif, P.E., Program Administrator
Office of Permitting and Compliance
Division of Air Resource Management

SA/dlr/jpd

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Air Permit 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 the date indicated below to the following persons.

Bradley Krohn, Highlands EnviroFuels, LLC: BKrohn@usenvirofuels.com
David Buff, P.E., Golder Associates, Inc.: dbuff@golder.com
Gary Maier, DEP South District: Gary.Maier@dep.state.fl.us
EPA Region 4: NSRSubmittals@epa.gov
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.

Lynn Scearce 2016.09.29 08:37:35 -04'00'