Florida Department of Environmental Protection

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Tallahassee, Florida 32399-2400

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Governor

Carlos Lopez-Cantera
Lt. Governor

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Secretary

PERMITTEE

Eight Flags Energy, LLC
1750 South Fourteenth Street, Suite 200
Fernandina Beach, Florida 32034

Authorized Representative:
Kevin Webber, Vice President, Business Development and Operations, Eight Flags Energy, LLC

Air Permit No. 0890441-002-AC
Permit Expires: 05/31/2017
Minor Air Construction Permit
Fernandina Beach Plant
Install Gas Compressor

PROJECT

This is the final air construction permit, which authorizes the installation of a natural gas compressor at the new Fernandina Beach Plant. The purpose of the compressor is to compress the natural gas in the natural gas pipeline coming to the site from 300 pounds per square inch (psi) to the required 425 psi for the natural gas fired gas turbine. Once the natural gas pressure in the pipeline is increased to 425 psi, the compressor will be retained as a stand by unit. The proposed work will be conducted at the new Fernandina Beach Plant, which is an electric/steam cogeneration facility categorized under Standard Industrial Classification No. 4911. The new facility will be located in Nassau County at 10 Gum Street in Fernandina Beach, Florida. The UTM coordinates are Zone 17, 454.7 kilometers (km) East; 3392.2 km North.

This final permit is organized into the following sections: Section 1 (General Information); Section 2 (Administrative Requirements); Section 3 (Emissions Unit Specific Conditions); and Section 4 (Appendices). Because of the technical nature of the project, the permit contains numerous acronyms and abbreviations, which are defined in Appendix A of Section 4 of this permit.

STATEMENT OF BASIS

This air pollution construction permit is issued under the provisions of: Chapter 403 of the Florida Statutes (F.S.) and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to conduct the proposed work in accordance with the conditions of this permit. This project is subject to the general preconstruction review requirements in Rule 62-212.300, F.A.C. and is not subject to the preconstruction review requirements for major stationary sources in Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality.

Upon issuance of this final permit, any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes 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

David Lyle Read, P.E.

David L. Read, P.E.
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For:

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

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Air Construction Permit package 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.

Mr. Kevin Webber, V.P., Business Development and Operations, Eight Flags Energy: kwebber@fpuc.com
Mr. Calvin Favors, Manager of Engineering and System Development, Eight Flags Energy: cfavors@chpk.com
Mr. Jeremy Paul, Senior Project Engineer, Golder Associates, Inc.: jeremy_paul@golder.com
Mr. David Buff, P.E., Golder Associates Inc.: dbuff@golder.com
Mr. Richard Rachal, Administrator, DEP NED: richard.rachal@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.

Lynn Scearce

2016.06.07
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PROJECT DESCRIPTION

Eight Flags seeks authorization (Link to application) to install a natural gas compressor at the new Fernandina Beach Plant. The purpose of the compressor is to compress the natural gas in the natural gas pipeline coming to the site from a pressure of 300 pounds per square inch (psi) to the required 425 psi for the natural gas fired gas turbine. Once the natural gas pressure in the pipeline is increased to 425 psi, the compressor will be retained as a stand-by-unit. The compressor will be powered by a Caterpillar G3306TA internal combustion engine (ICE). The proposed ICE will be a 203 horsepower (HP) natural gas-fired rich burn engine, and will employ a model QAC4-29-5 (or equivalent) 3-way catalytic converter to control emissions of nitrogen oxides (NOx), carbon monoxide (CO), and volatile organic compounds (VOC). The following new emissions units will be added by this project.

Facility ID No. 0890441	
ID No.	**Emission Unit Description**
003	Natural Gas Compressor

FACILITY REGULATORY CLASSIFICATION

- The facility is not a major source of hazardous air pollutants (HAP).
- The facility does not operate units subject to the acid rain provisions of the Clean Air Act.
- The facility is not a Title V major source of air pollution in accordance with Chapter 62-213, F.A.C.
- The facility is not a major stationary source in accordance with Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality.
- The facility operates units subject to the New Source Performance Standards (NSPS) of Title 40 Code of Regulations (CFR) part 60.
- The facility operates units subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) of 40 CFR 63

SECTION 2. ADMINISTRATIVE REQUIREMENTS

1. Permitting Authority: The permitting authority for this project is the Office of Permitting and Compliance in the Division of Air Resource Management of the Department of Environmental Protection (Department). The Office of Permitting and Compliance mailing address is 2600 Blair Stone Road (MS #5505), Tallahassee, Florida 32399-2400.

2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the Department's Northeast District Office at: Waste and Air Resource Management, 8800 Baymeadows Way West, Suite 100, Jacksonville, Florida 32256.

3. Appendices: The following Appendices are attached as a part of this permit: Appendix A (Citation Formats and Glossary of Common Terms); Appendix B (General Conditions); Appendix C (Common Conditions); and Appendix D (Common Testing Requirements).

4. Applicable Regulations, Forms and Application Procedures: Unless otherwise specified in this permit, the construction and operation of the subject emissions units shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403, F.S.; and Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296 and 62-297, F.A.C. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations.

5. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]

6. Modifications: The permittee shall notify the Compliance Authority upon commencement of construction. No new emissions unit shall be constructed and no existing emissions unit shall be modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]

7. Construction and Expiration: The expiration date shown on the first page of this permit provides time to complete the physical construction activities authorized by this permit, complete any necessary compliance testing, and obtain an operation permit. Notwithstanding this expiration date, all specific emissions limitations and operating requirements established by this permit shall remain in effect until the facility or emissions unit is permanently shut down. For good cause, the permittee may request that a permit be extended. Pursuant to Rule 62-4.080(3), F.A.C., such a request shall be submitted to the Permitting Authority in writing before the permit expires. [Rules 62-4.070(3) & (4), 62-4.080 & 62-210.300(1), F.A.C.]

8. Application for Air Operation Permit: This permit authorizes construction of the permitted emissions units and initial operation to determine compliance with Department rules. An air operation permit is required for regular operation of the permitted emissions units. The permittee shall apply for an air operation permit at least 90 days prior to expiration of this permit, but no later than 180 days after commencing operation. To apply for an operation permit, the applicant shall submit the appropriate application form, compliance test results, and such additional information as the Department may by law require. The application shall be submitted to the appropriate Permitting Authority with copies to the Compliance Authority. [Rules 62-4.030, 62-4.050, and 62-4.220, F.A.C.]

A. EU 003, Natural Gas Compressor

This section of the permit addresses the following emissions unit.

EU No.	Emission Unit Description
003	Natural Gas Compressor

The purpose of the compressor is to compress the natural gas in the natural gas pipeline coming to the site from 300 psi to the required 425 psi for the natural gas fired gas turbine. The compressor is powered by a Caterpillar G3306TA (or equivalent) internal combustion engine (ICE). The ICE will be a 203 horsepower (HP) natural gas-fired, 4 stroke rich burn engine, manufactured on April 29, 2008, and will employ a model QAC4-29-5 (or equivalent) 3-way catalytic converter to control emissions of nitrogen oxides (NOx), carbon monoxide (CO), and volatile organic compounds (VOC).

{Permitting Note: This EU is regulated under 40 CFR 63, Subpart A – General Provisions, adopted and incorporated by reference in Rule 62-204.800(11)(d)(1), F.A.C.; and 40 CFR 63, Subpart ZZZZ, NESHAP for Stationary Reciprocating Internal Combustion Engines, adopted and incorporated by reference in Rule 62-204.800(8)(11)(b)82, F.A.C. Pursuant to 40 CFR 63.6590(c)(1), because the engine is a new engine and located at an area source of HAP, it meets the requirements of 40 CFR 63, Subpart ZZZZ by meeting requirements of 40 CFR 60, Subpart JJJJ for spark ignition engines and no further requirements apply for it under 40 CFR 63, Subpart ZZZZ.

The ICE is less than 500 HP and construction will be commenced after June 12, 2006; however, the engine was manufactured prior to July 1, 2008. As a result, the engine is not represented in §60.4230. Therefore the engine is not subject to regulations under 40 CFR 60, Subpart JJJJ, Standards of Performance for Stationary Spark Ignition ICE.}

COMPLIANCE WITH EXISTING PERMIT CONDITIONS

1. Existing Permits: This permit supplements all existing valid air construction permits. The permittee shall continue to comply with all applicable conditions from valid air construction permits (as incorporated into the current Title V air operation permit), except as modified by this permit. [Rule 62-4.070, F.A.C.]

EQUIPMENT

2. Natural Gas Compressor: The permittee is authorized to install a natural gas compressor manufactured by USA Compression (or equivalent). [Application No. 0890441-002-AC]

3. Catalyst: The compressor shall be equipped with a model QAC4-29-5 (or equivalent), 3-way catalytic converter to reduce emissions of NOx, CO, and VOC. [Rule 62-210.200(PTE), F.A.C. and Application No. 0890441-002-AC]

PERFORMANCE RESTRICTIONS

4. Restricted Operation: The hours of operation are not limited (8,760 hours per year). [Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

   {Permitting Note: The pressure in the natural gas pipeline is expected to be increased to 425 psi, by the end of 2016. The natural gas compressor will be retained as a stand-by-unit after that time to be used as a backup in the event that the natural gas line pressure is insufficient to operate the gas turbine.}

RECORDS AND REPORTS

5. Annual Operating Report: The permittee shall submit an annual report that summarizes the actual operating hours and emissions from this facility (including this emissions unit). Annual operating reports shall be submitted to the Compliance Authority by April 1st of each year. [Rule 62-210.370(2), F.A.C.]