



Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Colleen M. Castille
Secretary

December 22, 2005

CERTIFIED MAIL - Return Receipt Requested

Benjamin M. H. Borsch, P.E.
Manager- Safety, Health, and Environment
Calpine Corporation
2701 North Rocky Point Drive, Suite 1200
Tampa, FL, 33607

Re: Title V Air Operation Permit Revision
DRAFT Permit Project No.: 1050221-009-AV
Revision to Title V Air Operation Permit No.: 1050221-007-AV
DRAFT Air Construction Permit Modification No.: 1050221-010-AC
Auburndale Energy Complex

Dear Mr. Borsch:

This is a revised copy of the Draft Package issued to Calpine Corporation on December 15, 2004. One copy of the Technical Evaluation and Preliminary Determination, the combined Public Notice, the Draft air construction permit modification (letter), and the DRAFT Title V air operation permit revision for the Auburndale Energy Complex located at 1501 and 1651 Derby Avenue, Auburndale, Polk County, is enclosed. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" are also included.

An electronic version of the DRAFT Title V Air Operation Permit Revision 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://www.dep.state.fl.us/air/permitting/airpermits/AirSearch_ltd.asp"

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" must be published as soon as possible. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Jeffery F. Koerner, P.E., at the above letterhead address. If you have any other questions, please contact Bobby Bull at 850/921-9585.

Sincerely,

Trina L. Vielhauer
Chief
Bureau of Air Regulation

TLV/JFK/rlb

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permits by:

Calpine Corporation
Auburndale Energy Complex
2701 North Rocky Point Drive, Suite 1200
Tampa, FL, 33607

DRAFT Title V Air Operation Permit Revision Project
No. 1050221-009-AV
Draft Air Construction Permit Modification No. 1050221-010-AC
Auburndale Energy Complex
Polk County

**WRITTEN NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR
OPERATION PERMIT REVISION**

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an air construction permit revision (AC) and a Title V Air Operation Permit revision (copies of the draft permits attached) for the Title V source detailed in the application specified above, for the reasons stated below.

The applicant, Calpine Corporation, applied on September 17, 2004, to the permitting authority for a Permit Revision for the Auburndale Energy Complex, 1501 and 1651 Derby Avenue, Auburndale, Polk County. On May 27, 2005, the applicant submitted an air construction application for permit modifications to three air construction permits.

The Air Construction Permit 1050221-010-AC is being issued for the modification of specific conditions to permits PSD-FL-185, 1050221-004-AC, and PSD-FL-287.

The Permit revision is being issued to allow continued commercial operation of the facility, as authorized by the initial Permit, No. 1050221-002-AV, and incorporate the terms of Air Construction Permits 1050221-010-AC, 1050334-006-AC and 1050334-007-AC.

The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, 62-212, and 62-213. This source is not exempt from construction and Title V permitting procedures. The permitting authority has determined that an AC and a Permit revision are required to commence or continue operations at the described facility.

The permitting authority intends to issue the AC and the Permit revision based on the belief that reasonable assurances have been provided to indicate that the AC activity and operation of the source will not adversely impact air quality, and the source will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.087, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." The notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of Sections 50.011 and 50.031, F.S., in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the permitting authority at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax: 850/921-9533), within 7 (seven) days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permits pursuant to Rule 62-110.106, F.A.C.

The permitting authority will issue the AC and the PROPOSED Permit and subsequent FINAL Permit, in accordance with the conditions of the attached Draft AC and the DRAFT Permit, unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed AC issuance action for a period of 14 (fourteen) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft AC, the permitting authority shall issue a Revised Draft AC and require, if applicable, another Public Notice.

The Permitting Authority will accept written comments concerning the DRAFT Permit for a period of thirty (30) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments must be post-marked and all facsimile comments must be received by the close of business (5:00 pm), on or before the end of this 30-day period, by the Permitting Authority at the above address or facsimile. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official web site for notices at <http://tlhora6.dep.state.fl.us/onw> and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the DRAFT Permit, the Permitting Authority shall issue a Revised DRAFT Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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 (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the permit revision applicant or any of the parties listed below must be filed within fourteen days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen (14) days of publication of the public notice or within fourteen (14) days of receipt of this notice of intent, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the permitting authority for notice of agency action may file a petition within fourteen days of receipt of that notice, regardless of the date of publication. 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 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 how and when each petitioner received notice of the agency action or proposed action;
- (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- (e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle the petitioner to relief;
- (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and,
- (g) A statement of the relief sought by the petitioner, stating precisely the action 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.

Calpine Corporation
Auburndale Energy Complex
DRAFT Title V Air Operation Permit Project No. 1050221-009-AV
Draft Air Construction Permit Project No. 1050221-010-AC
Page 3 of 5

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 notice of intent. 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 will not be available in this proceeding.

Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any permit. Any petition shall be based only on objections to the permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding EPA review and objections, visit EPA's Region 4 web site at: <http://www.epa.gov/region4/air/permits/Florida.htm>.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**



Trina L. Vielhauer, Chief
Bureau of Air Regulation

Calpine Corporation
Auburndale Energy Complex
DRAFT Title V Air Operation Permit Project No. 1050221-009-AV
Draft Air Construction Permit Project No. 1050221-010-AC
Page 5 of 5

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the Combined PUBLIC NOTICE, Draft AC and DRAFT Permit) and all copies were sent by certified mail before the close of business on 12/22/05 to the person(s) listed:

Benjamin M. H. Borsch, P.E., Manager- Safety, Health, and Environment, Calpine Corporation, 2701 North Rocky Point Drive, Suite 1200, Tampa, FL, 33607

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the Combined PUBLIC NOTICE, Draft AC and DRAFT Permit) were sent by U.S. mail on the same date to the person(s) listed:

Heidi Whidden, Calpine Corporation
Thomas W. Davis, P.E., Environmental Consulting and Technology, Inc.

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the Draft AC and DRAFT Permit packages) were sent by INTERNET E-mail on the same date to the person(s) listed:

Mara Nasca, FDEP- SWD
U.S. EPA, Region 4

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.

Paula J. Sunday 12/22/05
(Clerk) (Date)

**PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V
AIR OPERATION PERMIT REVISION**

Permitting Authority
Department of Environmental Protection

Draft Title V Major Source Air Operation Permit No. 1050221-009-AV
DRAFT Air Construction Permit No. 1050221-010-AC
Calpine Corporation- Auburndale Energy Complex
Polk County

Applicant: The applicant for this project is Calpine Construction Finance Company, LP, Calpine Corporation, 2701 North Rocky Point Drive, Suite 1200, Tampa, FL, 33607. The applicant's responsible official is Mr. Benjamin M. H. Borsch, P.E., Manager- Safety, Health and Environment.

Facility Location: The applicant owns the Osprey Energy Center and is operated by the Auburndale Energy Complex, which is located at 1501 and 1651 Derby Avenue, in Auburndale, Polk County Florida. The Auburndale Energy Complex consists of four collocated combustion turbines along with ancillary and supporting equipment and facilities. Calpine Operating Services Company, Inc. operates all of the units at the facility; however, there are three different owners for the combustion turbines. EU 001 is owned by Auburndale Power Partners, L.P. EU 006 is owned by Auburndale Peaker Energy Center, LLC (APEC). EUs 007 and 008 are the newly constructed units, and are owned by Calpine Construction Finance Company, L.P.

Project: On September 17, 2004, the applicant submitted an application for a Title V Air Operation Permit (Permit) Revision. On May 27, 2005, the applicant applied for an air construction permit modification (AC). Details of the project are provided in the in the application and the enclosed "Statement of Basis", for the Permit Revision, and the Preliminary Determination, for the AC.

The Air Construction Permit 1050221-010-AC is being issued to revise Air Construction Permit Nos. PSD-FL-185, 1050221-004-AC, and PSD-FL-287.

The Title V permit revision is being issued to allow commercial operation of the facility, as authorized by the initial Permit, No. 1050221-002-AV, and incorporate the terms of Air Construction Permits 1050221-010-AC, 1050334-006-AC, 1050334-007-AC.

The applicant will incorporate the newly constructed Osprey Energy Center (Air Construction Project 1050334-001-AC) into the current Auburndale Energy Complex permit (Facility ID No. 1050221). The Osprey Energy Center was initially constructed with the intention of being a stand alone facility. However, it is contiguous with the Auburndale Energy Complex, and will be incorporated in the Auburndale Cogeneration Facility permit, Facility ID No. 1050221. The Permit revision is being issued to allow continued commercial operation of the facility, as authorized by the initial Permit, No. 1050221-002-AV, and incorporate the terms of Air Construction Permits 1050334-001-AC. All units will operate under Facility ID No. 1050221. The emissions units (EU 007 through EU 011) have been built and the initial performance test has been conducted and compliance demonstrated.

Permitting Authority: Applications for Title V air operation permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, 62-212, and 62-213 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 operate the facility. The Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination regarding this project. The Bureau of Air Regulation's physical address is: 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301. The Permitting Authority's mailing address is: Division of Air Resource Management, MS 5505, 2600 Blair Stone Road, Tallahassee, FL 32399-2400. The Permitting Authority's telephone number is 850/488-0114 and facsimile 850/921-9533.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the DRAFT Permit, the Statement of Basis, the TEPD, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may view the DRAFT Permit and file electronic comments

Public Notice to be Published in the Newspaper

**PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V
AIR OPERATION PERMIT REVISION**

by visiting the following website: <http://www.dep.state.fl.us/air/eproducts/ards/>. A copy of the complete project file is also available at the Southwest District at 3804 Coconut Palm Drive, Tampa, FL, 33619-1352 (Telephone: 813/744-6100).

Notice of Intent to Issue A Permit: The Permitting Authority gives notice of its intent to issue an AC and a permit revision to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the facility will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C. The Permitting Authority will issue an AC and the PROPOSED Permit and subsequent FINAL Permit in accordance with the conditions of the DRAFT AC and DRAFT Permit unless a response received in accordance with the following procedures results in a different decision or a significant change of terms or conditions.

Comments: The permitting authority will accept written comments concerning the proposed AC issuance action for a period of 14 (fourteen) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft AC, the permitting authority shall issue a Revised Draft AC and require, if applicable, another Public Notice.

The Permitting Authority will accept written comments concerning the DRAFT Permit for a period of thirty (30) days from the date of publication of this "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments must be post-marked and all e-mail or facsimile comments must be received by the close of business (5 pm) on or before the end of this 30-day period by the Permitting Authority at the above address, email or facsimile. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official web site for notices at <http://tlhora6.dep.state.fl.us/onw> and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the DRAFT Permit, the Permitting Authority shall issue a Revised DRAFT Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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 Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen (14) days of publication of this Public Notice or receipt of a written notice, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. 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 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 rights will be affected by the agency determination; (c) A statement of how and when the petitioner

**PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V
AIR OPERATION PERMIT REVISION**

received notice of the agency action or proposed action; (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; 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 Public Notice of intent. 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 for this proceeding.

Objections: In addition to the above right to petition, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within sixty (60) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to the issuance of any Title V air operation permit. Any petition shall be based only on objections to the Permit that were raised with reasonable specificity during the thirty (30) day public comment period provided in the Public Notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding EPA review and objections, visit EPA's Region 4 web site at <http://www.epa.gov/region4/air/permits/Florida.htm>.