



Jeb Bush
Governor

Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

David B. Struhs
Secretary

December 8, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Frank Hrach, Project Manager
Separation Technologies, Inc.
10 Kearney Road
Needham,, MA 02494

Re: Draft Minor Source Construction Permit Application
Flyash Beneficiation Project at SJRPP

Dear Mr. Hrach:

The Department has made a determination after reviewing your letter of November 22, 1999 and telephonic conversations between St. Johns River Power Park (SJRPP) and Syed Arif of my staff that the above referenced project will be handled as a part of SJRPP's facility. This determination was also based on EPA's guidance and policies concerning the subject of common control and input from our Office of General Council.

As a result of this determination and in order to expedite this project in a timely manner, the Department requests that the following steps should be taken:

- 1) A site certification application along with the necessary fees should be submitted for modification to the SJRPP's Conditions of Certification. This application should be submitted to the Siting Office and addressed to Buck Oven, the Siting Office Administrator.
- 2) An air construction permits application to modify SJRPP's PSD permit should be submitted to this Office. SJRPP will have to be a co-applicant along with STI and should fill out the Owner/Authorized Representative form in the application. This will provide reasonable assurance to the Department that SJRPP will have ultimate compliance authority for the facility. A letter to that effect can also be included in the application.
- 3) The application should also include the necessary language to amend the pertinent SJRPP's PSD permit conditions as it relates to this project. This will help in expediting the project in a timely fashion. An updated PSD permit can be obtained from SJRPP.
- 4) The application should reflect necessary compliance with all the PM RACT requirements of 62-296.700 and any other applicable sections. In order to avoid PSD review of PM, the applicant should accept the lower restrictive limits of 1.52 TPY for total PM as suggested in

Mr. Frank Hrach
December 8, 1999
Page 2 of 2

Table 1 of the draft application instead of the RACT limit of 0.03 gr/dscf. The applicant will be required to show compliance with this limit of 1.52 TPY on an initial basis only. If the initial compliance test indicates PM emissions of 15 TPY, then the applicant will have to undergo PSD review for PM₁₀. A PSD application would have to be submitted at that time.

If you have any questions regarding this matter, please call Syed Arif, P.E. at (850) 921-9528.

Sincerely,

Handwritten signature of A. A. Linero, dated 12/8.

A. A. Linero, P.E. Administrator
New Source Review Section

AAL/sa

cc: Deborah R. Henry, Black & Veatch
Richard Robinson, RESD
Buck Owen, DEP-OSC
Mark Loechelt, SJRPP
Bert Gianazza, JEA
Scott Goorland, DEP-OGC

Z 031 391 897

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PS Form 3800, April 1995

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Separation Tech.
10 Kearney Rd
Needham, MA

02494

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OUR FAX NUMBER IS (781) 433-0289 (Technical Center)

DATE: 11/22/99
COMPANY: Fl. DEP Air
ATTN: Syed Arif
FAX #: 850-9²2-6979
FROM: Frank Hrach

Total pages in this transmission, including this page: 5

If you do not receive all of the pages, please call (781) 455-8824 Ext. 311

COMMENTS:

Attached is a copy of the letter that I sent out today to Al Linero. If any additional questions arise, please contact me at the above number, or Mark Locchelt at St. John's River Power Park.

Regards,

Frank Hrach
Separation Technologies

SEPARATION TECHNOLOGIES, INC.
10 KEARNEY ROAD, NEEDHAM, MA 02494
TEL: (781) 455-6600 · FAX: (781) 455-6518



November 22, 1999

Mr. A. A. Linero
P.E. Administrator
New Source Review Section
Bureau of Air Regulation
State of Florida Department of Environmental Protection
2600 Blair Stone Road, MS 5505
Tallahassee, FL 32399-2400

RECEIVED

NOV 30 1999

BUREAU OF AIR REGULATION

RE: JEA/St. Johns River Power Park (SJRPP)
COC Permit No. PA 81-13
PSD Permit No. PSD-FL-010
Separation Technologies, Inc (STI)
Flyash Beneficiation Project at SJRPP
Response to the Additional Information Request Dated 11/3/99

Dear Mr. Linero,

In response to your additional information request dated November 3, 1999, answers to each of the questions posed are given below.

1) What is the dependency of one facility on the other? If one shuts down, what are the limitations on the other to pursue outside business interests?

STI's facility is designed to receive its raw material (flyash) from the existing SJRPP flyash storage silos. Absent an alternative raw material source, STI depends upon SJRPP for its raw material and cannot operate if SJRPP is not producing flyash. On the other hand, SJRPP's operations are completely independent from STI's. If for some reason STI is unable to receive and process flyash, the flyash may be sold or landfilled consistent with current practice. Although it is not contemplated at this time, it would be possible for STI's facility to continue carbon separation operation [with an alternate source of raw material] if SJRPP were to shut down. However, STI would have to obtain an alternate supplier of electricity and potable water, a separate method of wastewater treatment, and a new flyash landfill outlet for the carbon-rich flyash product.

SEPARATION TECHNOLOGIES, INC.
10 KEARNEY ROAD, NEEDHAM, MA 02194
TEL: (781) 455-6600 · FAX: (781) 455-6518

2) Does one operation support the operation of the other? What are the financial arrangements between the two entities?

Although STI uses flyash produced by SJRPP as its raw material, the two processes, i.e., electricity production and flyash beneficiation, are otherwise completely independent.

The financial arrangements between the two parties are defined by a contract, the material terms of which are summarized below:

1. SJRPP supplies an annual minimum amount of flyash to STI at no cost.
2. STI constructs the flyash facility at STI's cost on SJRPP land leased to STI
3. STI pays SJRPP for rent and electricity at rates described in the contract.
4. STI processes the flyash at STI's cost, and collects all the revenue from sales of the processed ash product.
5. Annual flyash sales targets are specified in our contract. If the targets are not met, STI pays SJRPP for the cost of landfilling flyash up to the annual target.
6. SJRPP retains financial and operational responsibility for existing operational equipment and the landfill. STI is responsible for reimbursing SJRPP for overtime labor costs incurred if flyash loadout service is requested by STI outside normal operating hours.

3) Do the facilities share equipment, other property, or pollution control equipment? What does the contract specify with regard to the pollution control responsibilities of the contractee? Can the managing entity of one facility made decisions that affect the pollution control at the other facility?

The STI processing facility consists of new flyash handling equipment with pollution controls described in the air permit application. This equipment will be owned, operated, and maintained by STI.

The ammonia-free mineral-rich flyash product, produced by the STI facility, will be stored in the existing SJRPP flyash storage silos, then loaded into trucks for sale using the existing SJRPP flyash loadout system. The carbon-rich flyash, produced by the STI facility, will also be stored in the existing SJRPP flyash silos, then loaded into trucks for landfill. These existing SJRPP facilities will be operated and maintained by SJRPP, consistent with current practice.

The contract provides that STI is responsible for ownership, operation, and maintenance of all new equipment installed as part of the STI flyash beneficiation process. Additionally, STI is responsible for all pollution control during construction of the STI facility.

Responsibility for air pollution control of the existing flyash storage silos and loadout system would remain with SJRPP. The STI/SJRPP contract does not contemplate that

either STI or SJRPP may make decisions that affect air pollution control at the other party's facility.

4) Who accepts the responsibility for compliance with air quality control requirements? What about for violations of the requirements?

Under the STI/SJRPP contract, STI assumes responsibility for air quality control compliance for the flyash processing facility. Furthermore, STI assumes responsibility for any violations of these requirements.

5) Do the facilities share common workforces, plant managers, security forces, corporate executive officers or board executives?

STI does not share common workforces, plant managers, corporate executive officers, or board executives with SJRPP, JEA, or FPL.

Since the STI facility is located within the SJRPP security perimeter, STI will not employ any additional security forces.

6) Please indicate the number of years the lease will be in effect.

The contract between STI and SJRPP is effective until December 31, 2014, and includes the lease of the SJRPP property for the duration of the contract.

Should you have any additional comments or questions regarding the proposed construction, please do not hesitate to contact me at (781) 455-8824 ext. 311.

Very truly yours,



Frank Hrach

SEPARATION TECHNOLOGIES, INC.

cc. Buck Oven, DEP-OSC
Richard Robinson, RESD
Mark Loechelt, SJRPP
Jay Worley, SJRPP
Bert Gianazza, JEA
Susan Hughes, JEA
Al Vasiliauskas, STI
Deb Henry, B&V
Bill Hollimon, Ausley



Jeb Bush
Governor

Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

David B. Struhs
Secretary

November 3, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Frank Hrach, Project Manager
Separation Technologies, Inc.
10 Kearney Road
Needham., MA 02494

Re: Draft Minor Source Construction Permit Application
Flyash Beneficiation Project at SJRPP

Dear Mr. Hrach:

The Department and the City of Jacksonville are in receipt of the draft application that was submitted on your behalf by Black & Veatch. The application proposes to construct a new flyash handling system on a portion of leased property at the St. Johns River Power Park. The flyash handling system will be owned and operated by Separation Technologies. The Department was asked to make a determination based on the draft application whether this project should be considered a separate facility or a part of St. Johns River Power Park.

Rule 62-210.200(126), F.A.C defines facility as "All of the emissions units which are located on one or more contiguous or adjacent properties, and which are under the control of the same person (or persons under common control)."

There is no ambiguity as to the location of the emissions units as they are all on the same premises as SJRPP's emissions units. In order for the Department to make a determination whether the emission units are under the control of the same person (or persons under common control) the following information should be provided concerning the contractual agreement between the two parties:

- 1) What is the dependency of one facility on the other? If one shuts down, what are the limitations on the other to pursue outside business interests?
- 2) Does one operation support the operation of the other? What are the financial arrangements between the two entities?
- 3) Do the facilities share equipment, other property, or pollution control equipment? What does the contract specify with regard to the pollution control responsibilities of

the contractee? Can the managing entity of one facility make decisions that affect pollution control at the other facility?

- 4) Who accepts the responsibility for compliance with air quality control requirements? What about for violations of the requirements?
- 5) Do the facilities share common workforces, plant managers, security forces, corporate executive officers or board executives?
- 6) Please indicate the number of years the lease will be in effect.

The Department will make a determination after receipt of the requested information. If you have any questions regarding this matter, please call Syed Arif, P.E. at (850) 921-9528.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. A. Linero" followed by a date "11/3".

A. A. Linero, P.E. Administrator
New Source Review Section

AAL/sa

cc: Deborah R. Henry, Black & Veatch
Richard Robinson, RESD
Buck Oven, DEP-OSC
Mark Loechelt, SJRPP
Bert Gianazza, JEA

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Flyash BP at SJRPP	

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Separation Tech, Inc
10 Kearney Rd
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