

Department of Environmental Protection

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

Virginia B. Wetherell Secretary

June 3, 1996

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Timothy J. Cotner
Plant Director
Cedar Bay Generating Company, L.P.
Post Office Box 26324
9460 Eastport Road
Jacksonville, Florida 32226-6324

Dear Mr. Cotner:

RE: Request for Permit Amendment Cedar Bay Cogeneration Project PSD-FL-137(C); Duval County

The Department received your request of October 4, 1995, and November 22, 1995 to make minor amendments to the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverizer/conveyor for the above referenced PSD permit. The permit's specific conditions are amended as shown:

- II. B. 1. The material handling and treatment operations, including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone-dryers the Absorber Dryer System (ADS) including two absorber crusher/dryer trains, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continuously, i.e. 8760 hrs/yr, except that the limestone-crushers/dryers-may-be-operated for-a-maximum-of-11-hours-per-day-(maximum-of-2920-hrs/yr)-at maximum-capacity two ADS trains may be operated in any combination for maximum of 22 train-hours per day (maximum of 8030 train-hrs/yr) at maximum capacity.
 - II. B. 4. Material handling sources shall be regulated as follows:
 - a. The material handling and treatment area sources with either fabric filter or baghouse controls are as follows:

"Protest, Conserve and Manage Florida's Environment and Natural Resources"

Mr. Timothy J. Cotner Page Two June 3, 1996

> Coal Crusher Building Coal Silo Conveyor himestone-Pulverizers(2)/Conveyors ADS Trains (2) ADS Storage Bins (2) Bed Ash Hopper Bed Ash Seperator Bed Ash Silo Vent Fly Ash Silo Vent Fly Ash Seperators (2) Bed Ash Receiver Fly Ash Receiver Pellet Vibratory System Pellet Recycle Tank Cured Pellet Screening Conveyor System Pellet Recycle Conveyor Pelletizing Rail Loadout Dry Ash Rail Car Loadout

The emissions from the above listed sources are subject to the particulate emission limitation requirement of 0.003 gr/dscf (applicant-requested limitation which is more stringent than what is allowed by Rule 62-296.711, F.A.C.). Since these sources are RACT standard type then a one-time verification test on each source shall be required for PM mass emissions to demonstrate that the baghouse control systems can achieve the 0.003 gr/dscf. The performance tests shall be conducted using EPA Method 5 or Method 17 pursuant to Rule 62-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version). Initial performance test shall be conducted within 90 days after final DEP approval of these facilities or within 90 days after completion of construction of the source, whichever occurs last.

The dry ash loadout system and the pelletizer system shall not be operated simultaneously.

II. B. 7. The maximum emissions from each of the bimestone Pulverizers/Conveyors-(including-limestone-dryer) ADS trains shall not exceed the following:

Estimated Limitations

<u>Pollutant</u>	lbs/hr	TPY	TPY for 2 pulveriser/conveyor	rs
			<u>ADS trains</u>	
PM/PM ₁₀	- 1 - 2 6* <u>1</u> .	.08 - 1 -68 2.18	3.3 6 <u>4.35</u> *	
SO ₂	0.85	1.15	2.3	
ເວ້	0.60	0.81	1.62	
NOX VOC	2.40	3.25	6.5	
VOC	0.05	0.06	0.12	

Mr. Timothy J. Cotner Page Three June 3, 1996

The emissions for SO_2 , CO, NO_X , and VOC are based on AP-42 factor, Table 1, 3-1, Industrial Distillate, 10/86.

- * This-reflects-the-emission-limitation-for-the-limestone pulverizers/conveyors-in-Condition-II-B-4-a-and-limits-the-emission for-the-bimestone-Pulverizer/Conveyor-and-the-dryer.
- * This value is derived from the design volumetric flow rate limit of 42,100 dscfm, the emission limit in condition B.4.a of 0.003 gr./dscf, and the hours of operation limit in condition B.1 of 8030 hours per year.
- (42,100 dscf/min) * (60 min/hr) * (0.003 gr/dscf) * (1 lb/7000 gr.)* (8030 hours/yr) * (1 ton/2000 lb.) = 4.35 tons/yr.

Visible emissions from the limestone-pulverizers/conveyors ADS trains shall not exceed 5% opacity.

- II. B. 12. The maximum material feed rate to each ADS train shall not exceed 42.6 tons per hour and the volumetric flow rate shall not exceed 42,100 dry standard cubic feet per minute per ADS train.
- II. B. 13. Testing of emissions shall be conducted with the source operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum operating rate allowed by the permit. If it is impracticable to test at permitted capacity, then sources may be tested at less than capacity; in this case subsequent source operation is limited to 110 percent of the test load until a new test is conducted. Once the unit is so limited, then operation at higher capacities is allowed for no more than 15 consecutive days for the purposes of additional compliance testing to regain the permitted capacity in the permit.

A copy of this letter shall be attached to the above mentioned permit, No. PSD-FL-137(C), and shall become a part of the permit.

Sincerely,

Howard L. Rhodes, Director Division of Air Resources

Management

HLR/sa/t

cc: C. Kirts, NED

H. Oven, PPS

J. Bunyak, NPS

J. Manning, RESD

J. Harper, EPA

D. Roberts, HGS&S

Mr. Timothy J. Cotner Page Four June 3, 1996

CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that all copies of this PERMIT AMENDMENT were mailed before the close of business on 6-4-96 to the listed persons.

Clerk Stamp

FILING AND ACKNOWLEDGMENT
FILED, on this date, pursuant
to Chapter §120.52(11), Florida
Statutes, with the designated
Department Clerk, receipt of
which is hereby acknowledged.

M 18 Date

Final Determination

The permit amendment affecting the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverizers/conveyors for Cedar Bay Cogeneration, located in Duval County, Florida, was distributed on January 17, 1996. The Notice of Intent to Issue was published in the Florida Times Union on February 19, 1996. Copies of the amendment were available for public inspection at the Department Offices in Jacksonville and Tallahassee.

No comments were submitted by the National Park Service and the U.S. Environmental Protection Agency. Comments were submitted by the applicant relating to minor language changes and inclusion of EPA Method 17 for particulate testing in the draft permit amendment. The Department agrees with the applicant, and appropriate changes have been included.

The final action of the Department is to issue the PSD permit (PSD-FL-137C) with the changes noted above.

Environmental Protection

TO:

Howard L. Rhodes

THRU:

Clair Fancy askin for C.H. Turny 5/11

FROM:

Syed Arif

DATE:

June 3, 1996

SUBJ:

Approval of Permit Amendment Cedar Bay Cogeneration Project PSD-FL-137(C); Duval County

Attached for your approval and signature is a transmittal letter to a PSD permit amendment prepared by the Bureau of Air Regulation for Cedar Bay Cogeneration Project in Jacksonville. The purpose of this amendment is to allow the facility to increase its material feed rate associated with the material handling systems. increase in emissions due to this change is less than 1 ton per year of particulate matter. The amendment was public noticed in the Florida Times Union and no comments were received from the public.

This amendment is recommended for your approval and signature.

CHF/sa/t

attachment

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

POST OFFICE BOX 6526

TALLAHASSEE, FLORIDA 32314

(904) 222-7500

FAX (904) 224-8551

FAX (904) 425-3415

JAMES C. GOODLETT GARY K. HUNTER, JR. JONATHAN T. JOHNSON ROBERT A. MANNING ANGELA R. MORRISON GARY V. PERKO KAREN M. PETERSON MICHAEL P. PETROVICH LISA K. RUSHTON R. SCOTT RUTH JULIE R. STEINMEYER T. KENT WETHERELL, II

OF COUNSEL CARLOS ALVAREZ W. ROBERT FOKES

Writer's Direct Dial No. (904) 425-2258

May 8, 1996

RECEIVED

MAY () 9 1996

BUREAU OF AIR REGULATION

Mr. Charles W. Bostwick, Esquire P.O. Box 12 Jacksonville, FL 32201

> Cedar Bay Cogeneration Project - Modification to Site Certification No. PA-88-24C; Amendment to PSD Permit No. PSD-FL-137C

Dear Mr. Bostwick:

On behalf of Cedar Bay Generating Company, L.P. (CBGC), we request your assistance in executing a waiver of CBGC's administrative wait period for final issuance of requested permit changes. As you may recall from notifications sent to you in October and November of last year, CBGC requested that the Florida Department of Environmental Protection make minor changes in both the above-referenced PSD permit and the separate conditions of site certification. Those changes involved the absorber (formerly "limestone") crusher/dryer system (ADS) and the ash handling and removal system. Specifically, because of ADS malfunctions and subsequent repairs, CBGC requested that the permitted hours of operation be increased. CBGC also requested correction of an arithmetical error in the particulate matter (PM) emission rate for the ADS. CBGC also requested approval for a fabric filter baghouse for the permitted dry ash loadout system to better control fugitive PM emissions. Changes would also limit the simultaneous operation of the pelletizing system with the dry ash loadout system, thereby limiting ash PM emissions.

The Jacksonville Regulatory and Environmental Services Department (RESD) commented on CBGC's October 4, 1995 request, and the RESD's comments were incorporated in a revised request filed on November 21, 1995. A copy of this letter to the Department addressing the RESD comments is enclosed for your information. You should have previously received copies of the October 4 letter, as well as a November 22, 1995 letter explaining the addition of the dry ash loadout baghouse. As you can see from the November 21 letter, the annual PM emissions

JAMES S. ALVES BRIAN H. BIBEAU KATHLEEN BLIZZARD ELIZABETH C. BOWMAN RICHARD S. BRIGHTMAN PETER C. CUNNINGHAM RALPH A. DEMEO THOMAS M. DEROSE

GARY P. SAMS ROBERT P. SMITH

WILLIAM H. GREEN WADE L. HOPPING FRANK E. MATTHEWS RICHARD D. MELSON DAVID L. POWELL

WILLIAM D. PRESTON CAROLYN S. RAEPPLE DOUGLAS 5, ROBERTS

CHERYL G. STUART

Mr. Charles W. Bostwick, Esquire May 8, 1996 Page 2

from the ADS are being reduced from the October 4 proposed changes. The permitted increase in ADS PM emissions will be less than one ton per year. The increase would only occur should the pelletizer operate simultaneously with the ADS, otherwise there is an emissions decrease with dry ash operations.

The Department also added new, standard language to the site certification regarding changes made in corresponding permits. Specifically, the condition provides that in the future the certification will be automatically modified to conform to any subsequent changes made to any separately issued PSD permit, Title V air permit, or NPDES permit for the Cedar Bay facility. CBGC is required to notify each party to the original certification proceeding if a standard is being relaxed under one of these permits, and the Department is required to notify the parties any time a change in one of these permits effectively modifies the site certification.

The Department is preparing to issue the final PSD permit amendment and final order modifying the conditions of certification. You should be receiving copies of the notices from the Department soon if you have not already received copies. These approvals are consistent with the requests previously submitted to you in October and November 1995.

After the Department provides notice of its intent to issue, there is a 30-day administrative period prior to issuance of the permit (45 days for the certification). CBGC requests your assistance in waiving the period and respectfully requests your signature on the enclosed Waiver and Statement of No Objection. Please return the signed waiver to CBGC in the self-addressed and stamped envelope within the next two days. By signing the waiver, you will simply be stating that you have no objections to either the proposed PSD permit amendment or the proposed final order modifying the conditions of certification. The changes being made to the permit and certification are minor in nature and have already been reviewed by the Settlement Parties. The process of finalizing the amendment and order will be expedited with your execution of the enclosed Waiver and Statement of No Objection, and CBGC would very much appreciate your assistance in this effort.

Additionally, during CBGC's most recent effort to modify the conditions of certification, we noticed that you have not been included on the Department's service list and therefore may not have received copies of the final orders modifying the conditions of certification issued in 1993 and 1995. (We have requested that the Department include you as a party for any future mailings.) While you may not have received copies of the final orders, you should be aware of the changes made to the conditions of certification since you were a party to the settlement agreement in 1993 and the final order simply reflected the terms of that agreement. Also, you were sent a copy of CBGC's October 31, 1994, request that resulted in the 1995 modification. Nevertheless, to help ensure that you are fully aware of the conditions of certification as they

Mr. Charles Bostwick May 8, 1996 Page 3

currently exist, copies of the 1993 and 1995 orders are enclosed for your information. The enclosed waiver also addresses these earlier modifications.

If you have any questions regarding the substance of either the proposed PSD permit amendment or the proposed final order modifying the conditions of certification, please contact Kevin Grant at the Cedar Bay plant at (904) 751-4000, extension 22. If you have any questions regarding the amendment or modification procedural processes, please contact me at (904) 425-2258. Thank you for your continued cooperation in this matter.

Sincerely.

Angela R. Morrison

Angela R. Morrese

Attorney for Cedar Bay Cogenerating

Company, L.P.

Clair H. Fancy, DEP cc:

Hamilton S. (Buck) Oven, Jr., DEP

Kevin Grant, Cedar Bay Generating Company, L.P.

Gary Sams, Hopping, Green, Sams and Smith

cc: Syed Arif, BAR NED Duval Co:

WAIVER AND STATEMENT OF NO OBJECTION

On October 4, 1995, Cedar Bay Generating Company, L.P. (CBGC), requested that the Florida Department of Environmental Protection amend the Prevention of Significant Deterioration (PSD) permit for the Cedar Bay Cogeneration Project (No. PSD-FL-137). CBGC revised that request on November 21, 1995, and on November 22, 1995. In response to CBGC's requests, the Department issued a notice of intent to issue a permit amendment on January 11, 1995. I have received and reviewed a copy of this notice of intent to issue the permit amendment and have no objection. I understand that under Rule 62-210.350, Florida Administrative Code, and Section 120.57, Florida Statutes, I have thirty (30) days within which to comment or request a hearing and fourteen (14) days within which to request a formal administrative hearing. I waive these time periods and state that I have no objection to issuance of the permit amendment.

Additionally, CBGC requested that the Department issue conforming changes to the conditions of certification for the Cedar Bay Cogeneration Project (No. PA-88-24) on October 4, 1995. That request was also revised on November 21, 1995, and on November 22, 1995. Based on these requests, the Department issued a notice of intent to issue along with a proposed final order modifying conditions of certification on May 1, 1996. I received and reviewed a copy of this notice of intent to issue and proposed final order and have no objection. I understand that under the provisions of Section 403.516(1)(b), Florida Statutes, I have forty-five (45) days within which to comment on or object to the changes being made to the conditions of certification. I waive this time period and state that I have no objection to the proposed final order modifying conditions of certification.

Two other final orders have modified the conditions of certification for the Cedar Bay Cogeneration Project, one dated May 11, 1993, and one dated October 9, 1995. I have read and reviewed these two orders and have no objections.

Dated:	
	CHARLES W. BOSTWICK
	WILLIAM C. BOSTWICK
	BARNETT BANK TRUST COMPANY, N.A.
	BY:
	Charles W. Bostwick, Attorney
	P.O. Box 12
	Jacksonville, FL 32201

Copies to: Clair H. Fancy, DEP Hamilton S. (Buck) Oven, Jr., DEP Kevin Grant, Cedar Bay Generating Company, L.P. Gary Sams, Hopping Green Sams & Smith

76206

Cedar Bay Generating Company Limited Partnership

May 7, 1996

Mr. Earl M. Barker, Jr.
Industrial Park Development Corporation and Imeson International Industrial Park, Inc.
334 East Duval Street
Jacksonville, Florida 32202

RECEIVED
MAY 15 1996
BUREAU OF
AIR REGULATION

Subject:

Cedar Bay Cogeneration Project - Modification to Site Certification No. PA-88-24C; Amendment to PSD Permit No. PSD-FL-137C

Dear Mr. Barker, Jr.:

Cedar Bay Generating Company, L. P. (CBGC) is requesting your assistance in executing a waiver of our administrative wait period for final issuance of requested permit changes. As you may recall from notifications sent to you in October and November of last year, CBGC requested that the Florida Department of Environmental Protection make minor changes in both the above-referenced PSD permit and the separate conditions of site certification. Those changes involved the absorber (formerly "limestone") crusher/dryer system (ADS) and the ash handling and removal system. Specifically, because of ADS malfunctions and subsequent repairs, CBGC requested that the permitted hours of operation be increased. CBGC also requested correction of an arithmetical error in the particulate matter (PM) emission rate for the ADS. CBGC also requested approval for a fabric filter baghouse for the permitted the dry ash loadout system to better control fugitive PM emissions. Changes would also limit the simultaneous operation of the pelletizing system with the dry ash loadout system, thereby limiting ash PM emissions.

The Jacksonville RESD commented on CBGC's October 4, 1995 request, and the RESD's comments were incorporated in a revised request filed on November 21, 1995. A copy of this letter to the Department addressing the RESD comments is enclosed for your information. You should have previously received copies of the October 4 letter, as well as a November 22, 1995 letter explaining the addition of the dry ash loadout baghouse. As you can see from the November 21 letter, the annual PM emissions from the ADS are being reduced from the October 4 proposed changes. The permitted increase in ADS PM emissions will be less than one ton per year. The increase would only occur should the pelletizer operate simultaneously with the ADS, otherwise there is an emissions decrease with dry ash operations.









Mr. Earl M. Barker, Jr. May 7, 1996 Page 2

The Department also added a new, standard language to the site certification regarding changes made in corresponding permits. Specifically, the condition provides that in the future the certification will be automatically modified to conform to any subsequent changes made to any separately issued PSD permit, Title V air permit, or NPDES permit for the Cedar Bay facility. CBGC is required to notify each party to the original certification proceeding if a standard is being relaxed under one of these permits, and the Department is required to notify the parties any time a change in one of these permits effectively modifies the site certification.

The Department is preparing to issue the final PSD permit amendment and final order modifying the conditions of certification. You should be receiving copies of the notices from the Department soon. These approvals are consistent with the requests previously submitted to you in October and November 1995.

After the Department provides notice of its intent to issue, there is a 30 day administrative period prior to issuance of the permit (45 days for the certification). CBGC requests your assistance in waiving the period and respectfully requests your signature on the enclosed Waiver Statement. Please return the signed waiver to CBGC in the self-addressed and stamped envelope within the next two days. By signing the waiver, you will simply be stating that you have no objections to either the proposed PSD permit amendment or the proposed final order modifying the conditions of certification. The changes being made to the permit and certification are minor in nature and have already been reviewed by Settlement Parties. The process of finalizing the amendment and order will be expedited with your execution of the enclosed waiver and statement of no objection. CBGC would very much appreciate your assistance in this effort.

If you have any questions regarding the substance of either the proposed PSD permit amendment or the proposed final order modifying the conditions of certification, please contact me at the Cedar Bay plant (904) 751-4000, extension 22. If you have any questions regarding the amendment or modification procedural processes, please contact our attorney Angela Morrison at Hopping, Green, Sams and Smith (904) 425-2258. Thank you for your continued cooperation in this matter.

Sincerely,

Kevin Grant, C.E.P., Q.E.P.

hour D. Grant/con

Clair H. Fancy, DEP Hamilton S. (Buck) Oven, Jr., DEP Kevin Grant, Cedar Bay Generating Company, L.P. Gary Sams, Hopping, Green Sams and Smith





Cedar Bay Generating Company Limited Partnership

111

November 21, 1995

Mr. Syed Arif Florida Department of Environmental Protection Bureau of Air Regulation Tallahassee, FL

Re: Revisions to Proposed Changes to Cedar Bay Generating Co., LP Environmental

Approvals, October 4, 1995

Dear Mr. Arif:

Cedar Bay Generating Co. (CBGC) has received comments from the Jacksonville RESD regarding the October 4, 1995 proposed changes to the facility's PSD permit and site certification (i.e., environmental approvals). The RESD has requested that the proposed changes also include conditions on the dryer/crusher stack volumetric flow rate and on the material process rates of the ADS units. We are writing to inform the Department that CBGC agrees to include these conditions proposed by the RESD. We also agree to include the Department's standard language on operating rate, referencing DARM-SS/CE-04, 'Guidance on Rate of Operation During Compliance Tests', February 11, 1994, within the ADS proposed changes, provided that this condition is not retroactive.

The manufacturer's design maximum volumetric flow rate of each ADS unit is 42,100 dscfm. The design adsorber material process output of each dryer/crusher unit is 40 dry tons product per hour with a material feed rate of 42.58 tph. These specifications have been reviewed with the RESD and we have agreed to include the volumetric flow rate of 42,100 dscfm and a material feed rate limit of 42.58 tons per hour per unit in the proposed changes of October 4.

Today's proposed change to include a volumetric flow rate limit would also effect the 'Estimated Limitations' of PM. Referencing Condition II. B.7. (Estimated Limitations) of PA 88-24B, our proposed changes of October 4 noted that the increase in ADS hours would have the result of increasing potential PM emissions from 3.36 TPY to 5.06 TPY. The 5.06 TPY limit was derived by multiplying the proposed hour limit of 8030 hours by the 1.26 pound per hour limit noted in Condition II. B. 7.. The proposed volumetric flow rate limit of 42,100 dscfm would revise the ADS units' Estimated Limitations of 'PM/PM10' from 5.06 TPY to 4.35 TPY ((42,100 dscf/min.) * (60 min./ 1 hr.) * (0.0003 gr. / dscf) * (1 lb./7000 gr.) * (8030 hr.) * (1 ton / 2000 lb.)).

Again referencing Condition II. B.7, the RESD has offered suggestions in structuring the proposed changes within the 'Estimated Limitations' Table. The RESD suggests a footnote to the estimated PM/PM10 TPY value (e.g., 4.35 tons) to show that the value is derived from the









design volumetric flow rate limit (42,100 dscfm), the emission limit in condition 'B. 4. a.' of 0.003 gr./dscf, and the hours of operation limit in condition 'B.1.' of 8030 hours. CBGC agrees to this footnote, if it is acceptable to the FDEP.

Design changes to improve ADS product output could be initiated in 1996. As would be required by the Department's proposed standard language, a re-test of PM emissions (Method 5 or other approved method) from ADS units A and B would be conducted should these improvements increase production rates. Additionally, since current production rates of ADS units may exceed the production rates observed during the initial PM compliance tests, we volunteer to re-test PM emissions at the end of 1996, should ADS improvements be substantially delayed.

Regarding future Title V requirements for enhanced monitoring (compliance assurance monitoring) and the RESD proposed limits on volumetric flow, we desire to have the proposed changes written to indicate that no continuous or intermittent enhanced monitoring would be required to demonstrate compliance with the proposed volumetric flow rate. We propose using compliance data from fuel use, material feed, and opacity permit conditions as a means to demonstrate compliance with Title V compliance assurance monitoring requirements.

I will contact you during the week of November 27 to discuss the revised changes. Should there be any questions regarding today's revisions to the October 4, 1995 proposed changes, please contact me at (904) 751-4000.

Sincerely

Kevin Grant, C.E.P.

Richard Robinson, P.E., RESD Hamilton Oven, DEP, OSC Sandy Hartman, Esq., USGen Don Beckham, USGen Tim Cotner, CBGC John Garvey, CBGC

(1)

Charl / 80

CC: NED

DUVAT CO

EPA

NPS

cc:

WAIVER AND STATEMENT OF NO OBJECTION

On October 4, 1995, Cedar Bay Generating Company, L.P. (CBGC), requested that the Florida Department of Environmental Protection amend the Prevention of Significant Deterioration (PSD) permit for the Cedar Bay Cogeneration Project (No. PSD-FL-137). CBGC revised that request on November 21, 1995, and on November 22, 1995. In response to CBGC's requests, the Department issued a notice of intent to issue a permit amendment on January 11, 1995. I have received and reviewed a copy of this notice of intent to issue the permit amendment and have no objection. I understand that under Rule 62-210.350, Florida Administrative Code, and Section 120.57, Florida Statutes, I have thirty (30) days within which to comment or request a hearing, and fourteen (14) days within which to request a formal administrative hearing. I waive these time periods and state that I have no objection to issuance of the permit amendments.

Additionally, CBGC requested that the Department issue conforming changes to the conditions of certification for the Cedar Bay Cogeneration Project (No. PA-88-24) on October 4, 1995. That request was also revised on November 21, 1995, and on November 22, 1995. Based on these requests, the Department issued a notice of intent to issue along with a proposed final order modifying conditions of certification on May 1, 1996. I have received and reviewed a copy of this notice of intent to issue and proposed final order and have no objection. I understand that under the provisions of Section 403.516(1)(b), Florida Statutes, I have forty-five (45) days within which to comment on or object to the changes being made to the conditions of certification. I waive this time period and state that I have no objection to the proposed final order modifying conditions of certification.

Dated:	
	IMESON INTERNATIONAL INDUSTRIAL PARK, INC.
	BY:
	Mr. Earl M. Barker, Jr.
	Industrial Park Development Corporation and
	Imeson International Industrial Park, Inc.
	334 East Duval Street
	Jacksonville, Florida 32202

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

POST OFFICE BOX 6526

TALLAHASSEE, FLORIDA 32314

(904) 222-7500

FAX (904) 224-8551

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KRISTIN M. CONROY CONNIE C. DURRENCE JONATHAN S. FOX JAMES C. GOODLETT GARY K. HUNTER, JR. JONATHAN T. JOHNSON ROBERT A. MANNING ANGELA R. MORRISON GARY V. PERKO KAREN M. PETERSON MICHAEL P. PETROVICH DOUGLAS S. ROBERTS LISA K. RUSHTON R. SCOTT RUTH JULIE R. STEINMEYER

OF COUNSEL CARLOS ALVAREZ W. ROBERT FOKES

RECEIVED

APR 1 U 1996

BUREAU OF

AIR REGULATION

April 10, 1996

Mr. Clair Fancy Bureau of Air Resources Management Department of Environmental Protection Magnolia Courtyard Tallahassee, FL 32399-2400

Cedar Bay Cogeneration Project

Notice of Intent to Issue Permit Amendment PSD-FL-137(C)

Dear Clair:

JAMES S. ALVES

BRIAN H. BIBEAU

KATHLEEN BLIZZARD

THOMAS M. DEROSE

WADE L. HOPPING FRANK E. MATTHEWS

RICHARD D. MELSON

WILLIAM D. PRESTON

CAROLYN'S, RAEPPLE

WILLIAM H. GREEN

DAVID L. POWELL

GARY P. SAMS ROBERT P. SMITH

CHERYL G. STUART

ELIZABETH C. BOWMAN

RICHARD S. BRIGHTMAN

PETER C. CUNNINGHAM RALPH A. DEMEO

> Attached for your records is the original Proof of Publication for the Notice of Intent to Issue Permit Amendment PSD-FL-137(C) for the above referenced facility, which was published in the Jacksonville Times Union in Jacksonville, Florida on February 19, 1996.

> > Sincerely,

Encls.

Syed Arif, DEP cc:

Kevin Grant, Cedar Bay

Don Beckham, U.S. Generating Co.

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

POST OFFICE BOX 6526

TALLAHASSEE, FLORIDA 32314

(904) 222-7500

FAX (904) 224-8551

FAX (904) 425-3415

CONNIE C. DURRENCE
JAMES C. GOODLETT
GARY K. HUNTER, JR.
JONATHAN T. JOHNSON
ROBERT A. MANNING
ANGELA R. MORRISON
GARY V. PERKO
KAREN M. PETERSON
MICHAEL P. PETROVICH
LISA K. RUSHTON
R. SCOTT RUTH
JULIE R. STEINMEYER
T. KENT WETHERELL, II

OF COUNSEL CARLOS ALVAREZ W. ROBERT FOKES

MEMORANDUM

RECEIVED

APR 0 4 1996

BUREAU OF AIR REGULATION

TO:

JAMES S. ALVES

BRIAN H. BIBEAU

RALPH A. DEMEO

THOMAS M. DEROSE

RICHARD D. MELSON

WILLIAM D. PRESTON

CAROLYN S. RAEPPLE DOUGLAS S. ROBERTS

DAVID L. POWELL

GARY P. SAMS

ROBERT P. SMITH CHERYL G. STUART

WILLIAM H. GREEN WADE L. HOPPING FRANK E. MATTHEWS

KATHLEEN BLIZZARD

ELIZABETH C. BOWMAN

RICHARD S. BRIGHTMAN

PETER C. CUNNINGHAM

Syed Arif, FDEP

FROM:

Doug Roberts

RE:

Cedar Bay Cogeneration Project;

PSD-FL-137(C);

Permit Modification

DATE:

April 3, 1996

Attached is a list of the additional agencies which should

Attached is a list of the additional agencies which should receive notice of the pending PSD permit modification for the Cedar Bay Cogeneration Project, PSD-FL-137(C). In addition to the agencies already copied on the Department's original intent to issue, these would be additional agencies to receive notice under the federal PSD rules. It should be sufficient to show them as additional "CC"s on the original transmittal letter with a separate date, such as follows:

Additional cc: (April --, 1996)

We will forward the proof of publication of the newspaper notice in the near future, when received from the paper.

Your attention to this request is appreciated. Please call should you have any questions.

DSR/mee Attachment

AGENCIES

Mr. Brian Teeple, Director North Central Florida Regional Planning Council (NCFRPC) 9143 Phillips Highway, Suite 350 Jacksonville, Fla. 32256

Honorable John A. Delaney Mayor City of Jacksonville City Hall 230 East Bay Street, 14th Floor Jacksonville, Fla. 32202

George Percy Director Division of Historical Resources Florida Department of State 500 S. Bronough Street Tallahassee, Fla. 32399-0250

Michael Bentcien
Acting Field Supervisor
Jacksonville Field Office
US Fish and Wildlife Service (USFWS)
6620 Southpoint Drive, S.
Suite 310
Jacksonville, Fla. 32216

FLORIDA PUBLISHING COMPANY

Publisher

JACKSONVILLE, DUVAL COUNTY, FLORIDA

STATE OF FLORID)A
COUNTY OF DUV	AL

Before the undersigned authority personally appeared
Aretha R. Brown who on oath says that he is
Legal Advertising Representatige The Florida Times-Union,
a daily newspaper published at Jacksonville in Duval County, Florida; that the attached copy of advertisement, being a
n the matter of Notice of Intent to Issue Permit
in the Court,
February 19, 1996
·
Affiant further says that the said The Florida Times-Union is a newspaper published at Jacksonville, in aid Duval County, Florida, and that the said newspaper has heretofore been continuously published in aid Duval County, Florida, The Florida Times-Union each day, has been entered as second class mail matter at the postofice in Jacksonville, in said Duval County, Florida, for a period of one year next preceeding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in said newspaper.
Sworn to and subscribed before me this
My Comunication Expires My Comunication Expires

STATE OF FLORIDA

DEPARTMENT OF ENVIRONMENTAL PROTECTION
NOTICE OF INTERN TO ISSUE PERMIT AMENDMENT
PSD-FL-137 (C)
and of Environmental Protection gives notice of its intent to issue a permit amendment rotting Company, LP, 9400 Eastport road, jocksonvile, Fiorida 3226. This Facility resulating fluidized bed coal-fired boilers, associated coal, ash, and other moterial for the protection of the coal-fired boilers.

so of the approval of the presiding officer upon motion pursuant to Rule 28-5.207, Fk intertire Code.

The applicant request and other intermetion is evalidate for public inspection during no sa hours, 6:00 a.m. s 5:00 p.m. Monday through Friday, except legal holidays, on a sa hours of the reference of the president of the second perfection of the segment of the president of the second perfection of the segment of the second perfection of the second perfection of the second perfection of the second perfection of the second perfect of the second

DA 444



Department of Environmental Protection

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

Virginia B. Wetherell Secretary

January 11, 1996

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Timothy J. Cotner
Plant Director
Cedar Bay Generating Company, L.P.
Post Office Box 26324
9460 Eastport Road
Jacksonville, Florida 32226-6324

Dear Mr. Cotner:

Re: Request for Permit Amendment Cedar Bay Cogeneration Project PSD-FL-137(C); Duval County

Enclosed is a proposed amendment letter, Intent to Issue and Public Notice of Intent to Issue Permit Amendment (for publication by Cedar Bay) for the referenced project located in Duval County, Florida. All comments during the public notice period should be addressed to Mr. A. A. Linero at the Department's Tallahassee address. If there are additional questions on the above, please call Syed Arif at (904) 488-1344.

Sincerely,

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

CHF/sa/t

cc: C. Kirts, NED

J. Manning, RESD

H. Oven, PPS

J. Harper, EPA

J. Bunyak, NPS

D. Roberts, HGS&S

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

CERTIFIED MAIL

In the Matter of an Application for Permit by:

DEP File No. PSD-FL-137(C)
Duval County

Mr. Timothy J. Cotner Cedar Bay Generating Company, L.P. P.O. Box 26324 9460 Eastport Road Jacksonville, FL 32226-6324

INTENT TO ISSUE PERMIT AMENDMENT

The Department of Environmental Protection gives notice of its intent to issue a permit amendment (copy attached) to the applicant as detailed in the application/request specified above for the reasons stated below.

The applicant, Cedar Bay Generating Company, L.P., submitted an application on October 4, 1995, to the Department for a permit amendment to Cedar Bay Cogeneration Project's permit. The facility is located in Duval County.

The Department has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Chapters 62-212 and 62-4, Florida Administrative Code (F.A.C.). The project is not exempt from permitting procedures. The Department has determined that a permit amendment is required for the proposed work.

Pursuant to Section 403.815, F.S., and Rule 62-103.150, F.A.C., you (the applicant) are required to publish at your own expense the enclosed Notice of Intent to Issue Permit Amendment. The notice shall be published one time only within 30 days in the legal ad section of a newspaper of general circulation in the area affected. For the purpose of this rule, "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. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, within 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 permit amendment.

The Department will issue the permit amendment with the attached conditions unless a petition for an administrative proceeding (hearing) is filed pursuant to the provisions of Section 120.57, F.S.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 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 at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400. Petitions filed by the permit applicant and the parties listed below must be filed within 14 days of receipt of this intent. Petitions filed by other persons must be filed within 14 days of publication of the public notice or within 14 days of their receipt of this intent, whichever first occurs. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, F.S.

The Petition shall contain the following information;

(a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Department Permit File Number and the county in which the project is proposed;

(b) A statement of how and when each petitioner received notice

of the Department's action or proposed action;

(c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action;

(d) A statement of the material facts disputed by Petitioner,

if any;

- (e) A statement of facts which petitioner contends warrant reversal or modification of the Department's action or proposed action;
- (f) A statement of which rules or statutes petitioner contends require reversal or modification of the Department's action or proposed action; and,
- (g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the Department's action or proposed action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, the Department's final action may be different from the position taken by it in this intent. Persons whose substantial interests will be affected by any decision of the Department with regard to the application/request have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of receipt of this intent in the Office of General Counsel at the above

address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, F.A.C.

Executed in Tallahassee, Florida.

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

C. H. Fancy, P.E., Chief Bureau of Air Regulation 2600 Blair Stone Road Tallahassee, Florida 32399 904-488-1344

CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that this INTENT TO ISSUE PERMIT AMENDMENT all copies were mailed by certified mail before the close of business on [-17-96]the listed persons.

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to §120.52(11), Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Clerk

Date

Copies furnished to:

- C. Kirts, NED
- H. Oven, PPS
- J. Manning, RESD
- J. Harper, EPA J. Bunyak, NPS
- D. Roberts, HGS&S

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOTICE OF INTENT TO ISSUE PERMIT AMENDMENT

PSD-FL-137(C)

The Department of Environmental Protection gives notice of its intent to issue a permit amendment to Cedar Bay Generating Company, L.P., 9460 Eastport Road, Jacksonville, Florida 32226. This facility consists of three circulating fluidized bed coal-fired boilers, associated coal, ash, and other material handling equipment, a cooling tower, and two limestone dryers. The facility is located in Jacksonville, Duval County, Florida. The amendments include the changes to the specific conditions for particulate matter and material feed rates associated with the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverization/conveyance from the site. The increase in emission due to the amendment is less than 1 ton per year of particulate matter.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 120.57, Florida Statutes (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 at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, within 14 days of publication of this notice. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, F.S.

The Petition shall contain the following information; (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Department Permit File Number and the county in which the project is proposed; (b) A statement of how and when each petitioner received notice of the Department's action or proposed action; (c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action; (d) A statement of the material facts disputed by Petitioner, if any; (e) A statement of facts which petitioner contends warrant reversal or modification of the Department's action or proposed action; (f) A statement of which rules or statutes petitioner contends require reversal or modification of the Department's action or proposed action; and, (g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the Department's action or proposed action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, the Department's final action may be different from the position taken by it in this Notice. Persons whose substantial interests will be affected by any decision of the Department with regard to the application/request have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of publication of this notice in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, Florida Administrative Code.

The application/request is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Department of Environmental Protection Bureau of Air Regulation 111 S. Magnolia Drive, Suite 4 Tallahassee, Florida 32301

Department of Environmental Protection Northeast District Suite 200B 7825 Baymeadows Way Jacksonville, Florida 32256-7577

Any person may send written comments on the proposed action to Administrator, New Source Review Section at the Department of Environmental Protection, Bureau of Air Regulation, Mail Station 5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400. All comments received within 14 days of the publication of this notice will be considered in the Department's final determination.



February xx, 1996

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Timothy J. Cotner
Plant Director
Cedar Bay Generating Company, L.P.
Post Office Box 26324
9460 Eastport Road
Jacksonville, Florida 32226-6324

Dear Mr. Cotner:

RE: Request for Permit Amendment Cedar Bay Cogeneration Project PSD-FL-137(C); Duval County

The Department received your request of October 4, 1995, and November 22, 1995 to make minor amendments to the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverizer/conveyor for the above referenced PSD permit. The permit's specific conditions are amended as shown:

- II. B. 1. The material handling and treatment operations, including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone-dryers the Absorber Dryer System (ADS) including two absorber crusher/dryer trains, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continuously, i.e. 8760 hrs/yr, except that the limestone-crushers/dryers-may-be-operated for-a-maximum-of-li-hours-per-day-(maximum-of-2920-hrs/yr)-at maximum-capacity two ADS trains may be operated in any combination for maximum of 22 train-hours per day (maximum of 8030 train-hrs/yr) at maximum capacity.
- II. B. 4. Material handling sources shall be regulated as follows:
 - a. The material handling and treatment area sources with either fabric filter or baghouse controls are as follows:

Mr. Timothy J. Cotner Page Two February xx, 1996



Coal Crusher Building Coal Silo Conveyor bimestone-Pulverizers(2)/Conveyors ADS Trains (2) Limestone Storage Bins (2) Bed Ash Hopper Bed Ash Seperator Bed Ash Silo Vent Fly Ash Silo Vent Fly Ash Seperators (2) Bed Ash Receiver Fly Ash Receiver Pellet Vibratory System Pellet Recycle Tank Cured Pellet Screening Conveyor System Pellet Recycle Conveyor Pelletizing Rail Loadout Dry Ash Rail Car Loadout

The emissions from the above listed sources are subject to the particulate emission limitation requirement of 0.003 gr/dscf (applicant-requested limitation which is more stringent than what is allowed by Rule 62-296.711, F.A.C.). Since these sources are RACT standard type then a one-time verification test on each source shall be required for PM mass emissions to demonstrate that the baghouse control systems can achieve the 0.003 gr/dscf. The performance tests shall be conducted using EPA Method 5 pursuant to Rule 62-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version). Initial performance test shall be conducted within 90 days after final DEP approval of these facilities or within 90 days after completion of construction of the source, whichever occurs last.

The dry ash loadout system and the pelletizer system shall not be operated simultaneously.

II. B. 7. The maximum emissions from each of the bimestone Pulverizers/Conveyors-(including-limestone-dryer) ADS trains shall not exceed the following:

Estimated Limitations

Polluta	nt lbs/hr	TPY	TPY for 2 pulverizer/conveyors
			ADS trains
i			
PM/PM ₁	- 1-26 *	1.08 -1-68 2.18	3 ÷36 4.35*
SO ₂ [0.85	1.15	2.3
co	0.60	0.81	1.62
NОX	2.40	3.25	6.5
voc	0.05	0.06	0.12

Mr. Timothy J. Cotner Page Three February xx, 1996



The emissions for SO_2 , CO, NO_X , and VOC are based on AP-42 factor, Table 1, 3-1, Industrial Distillate, 10/86.

- This-reflects-the-emission-limitation-for-the-limestone pulverizers/conveyors-in-Condition-II.B.4-a-and-limits-the-emission for-the-Limestone-Pulverizer/Conveyor-and-the-dryer.
- This value is derived from the design volumetric flow rate limit of 42,100 dscfm, the emission limit in condition B.4.a of 0.003 gr./dscf, and the hours of operation limit in condition B.1 of 8030 hours per year.
- (42,100 dscf/min) * (60 min/hr) * (0.003 gr/dscf) * (1 lb/7000 gr.)* (8030 hours/yr) * (1 ton/2000 lb.) = 4.35 tons/yr.

Visible emissions from the limestone-pulverizers/conveyors ADS trains shall not exceed 5% opacity.

- The maximum material feed rate to each ADS train shall II. B. 12. not exceed 42.6 tons per hour and the volumetric flow rate shall not exceed 42,100 dry standard cubic feet per minute per ADS train.
- II. B. 13. Testing of emissions shall be conducted with the source operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum operating rate allowed by the permit. If it is impracticable to test at permitted capacity, then sources may be tested at less than capacity; in this case subsequent source operation is limited to 110 percent of the test load until a new test is conducted. Once the unit is so limited, then operation at higher capacities is allowed for no more than 15 consecutive days for the purposes of additional compliance testing to regain the permitted capacity in the permit.

A copy of this letter shall be attached to the above mentioned permit, No. PSD-FL-137(C), and shall become a part of the permit.

Sincerely,

Howard L. Rhodes, Director Division of Air Resources Management

HLR/sa/t

cc: C. Kirts, NED

H. Oven, PPS

J. Bunyak, NPS

J. Manning, RESD

J. Harper, EPA

D. Roberts, HGS&S

Environmental Protection

TO:

Clair Fancy A. A. Linero

FROM:

Syed Arif A

DATE:

January 11, 1996

SUBJ:

Approval of Permit Amendment Cedar Bay Cogeneration Project PSD-FL-137(C); Duval County

Attached for your approval and signature is a transmittal letter and draft amendment to a PSD permit prepared by the Bureau of Air Regulation for Cedar Bay Cogeneration Project in Jacksonville. The purpose of this amendment is to allow the facility to increase its material feed rate associated with the material handling systems. The increase in emission due to this change is less than 1 ton per year of particulate matter.

This modification is recommended for your approval and signature.

CHF/sa/t

attachment

Cedar Bay Generating Company Limited Partnership

November 21, 1995

. .

RECEIVED

NUV 2 9 1995

BUREAU OF
AIR REGULATION

Mr. Syed Arif Florida Department of Environmental Protection Bureau of Air Regulation Tallahassee, FL

> Revisions to Proposed Changes to Cedar Bay Generating Co., LP Environmental Re: Approvals, October 4, 1995

Dear Mr. Arif:

Cedar Bay Generating Co. (CBGC) has received comments from the Jacksonville RESD regarding the October 4, 1995 proposed changes to the facility's PSD permit and site certification (i.e., environmental approvals). The RESD has requested that the proposed changes also include conditions on the dryer/crusher stack volumetric flow rate and on the material process rates of the ADS units. We are writing to inform the Department that CBGC agrees to include these conditions proposed by the RESD. We also agree to include the Department's standard language on operating rate, referencing DARM-SS/CE-04, 'Guidance on Rate of Operation During Compliance Tests', February 11, 1994, within the ADS proposed changes, provided that this condition is not retroactive.

The manufacturer's design maximum volumetric flow rate of each ADS unit is 42,100 dscfm. The design adsorber material process output of each dryer/crusher unit is 40 dry tons product per hour with a material feed rate of 42.58 tph. These specifications have been reviewed with the RESD and we have agreed to include the volumetric flow rate of 42,100 dscfm and a material feed rate limit of 42.58 tons per hour per unit in the proposed changes of October 4.

Today's proposed change to include a volumetric flow rate limit would also effect the 'Estimated Limitations' of PM. Referencing Condition II. B.7. (Estimated Limitations) of PA 88-24B, our proposed changes of October 4 noted that the increase in ADS hours would have the result of increasing potential PM emissions from 3.36 TPY to 5.06 TPY. The 5.06 TPY limit was derived by multiplying the proposed hour limit of 8030 hours by the 1.26 pound per hour limit noted in Condition II. B. 7.. The proposed volumetric flow rate limit of 42,100 dscfm would revise the ADS units' Estimated Limitations of 'PM/PM10' from 5.06 TPY to 4.35 TPY ((42,100 dscf/min.) * (60 min./ 1 hr.) * (0.0003 gr. / dscf) * (1 lb./7000 gr.) * (8030 hr.) * (1 ton / 2000 lb.)).

Again referencing Condition II. B.7, the RESD has offered suggestions in structuring the proposed changes within the 'Estimated Limitations' Table. The RESD suggests a footnote to the estimated PM/PM10 TPY value (e.g., 4.35 tons) to show that the value is derived from the









design volumetric flow rate limit (42,100 dscfm), the emission limit in condition 'B. 4. a.' of 0.003 gr./dscf, and the hours of operation limit in condition 'B.1.' of 8030 hours. CBGC agrees to this footnote, if it is acceptable to the FDEP.

Design changes to improve ADS product output could be initiated in 1996. As would be required by the Department's proposed standard language, a re-test of PM emissions (Method 5 or other approved method) from ADS units A and B would be conducted should these improvements increase production rates. Additionally, since current production rates of ADS units may exceed the production rates observed during the initial PM compliance tests, we volunteer to re-test PM emissions at the end of 1996, should ADS improvements be substantially delayed.

Regarding future Title V requirements for enhanced monitoring (compliance assurance monitoring) and the RESD proposed limits on volumetric flow, we desire to have the proposed changes written to indicate that no continuous or intermittent enhanced monitoring would be required to demonstrate compliance with the proposed volumetric flow rate. We propose using compliance data from fuel use, material feed, and opacity permit conditions as a means to demonstrate compliance with Title V compliance assurance monitoring requirements.

I will contact you during the week of November 27 to discuss the revised changes. Should there be any questions regarding today's revisions to the October 4, 1995 proposed changes, please contact me at (904) 751-4000.

Sincerely

W

Kevin Grant, C.E.P.

cc: Richard Robinson, P.E., RESD Hamilton Oven, DEP, OSC Sandy Hartman, Esq., USGen Don Beckham, USGen Tim Cotner, CBGC John Garvey, CBGC

Kewin Chant /80

Cedar Bay Generating Company Limited Partnership

RECEIVED

November 22, 1995

NOV 28 1995

BUREAU OF AIR REGULATION

Mr. Clair Fancy, Chief Bureau of Environmental Regulation Department of Environmental Protection 2600 Blair Stone Road Tallahassee, FL 32399-2400 Mr. Hamilton S. Oven
Office of Siting Coordination
Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Subject:

Cedar Bay Cogeneration Inc. (Site Certification No. PA 88-24)

Cedar Bay Cogeneration Inc. (Permit No. PSD-FL-137)

Dear Mr. Fancy and Mr. Oven:

Cedar Bay Cogeneration Inc. ("Cedar Bay") plans to complete the previously approved dry ash rail loadout system at the Cedar Bay Generating Facility (the "Facility") by installing and operating a fabric filter (baghouse) to control particulate matter emissions from dry ash loading activities at the Cedar Bay Generating Facility (the "Facility"). Baghouse operation is expected to begin as early as December 18, 1995. By this letter Cedar Bay respectfully requests the Florida Department of Environmental Protection (DEP) to (i) concur that installation of the fabric filter is not subject to PSD or minor source preconstruction permitting requirements, (ii) issue a minor modification to Condition II.B.4.a of the captioned Site Certification to reflect use of the baghouse; and (iii) issue a minor correction to Condition II.B.4.a of the captioned PSD Permit to reflect use of the baghouse.

During the Fall of 1995, DEP modified the Site Certification and PSD permit (respectively) to include conditions for a "dry ash rail car loadout" system that could be used in lieu of the approved ash pelletizing system.¹ The pelletizer has been placed in an indefinite maintenance lay-up condition shut down and the dry ash loadout system is currently being used exclusively to remove ash. Although the pelletizer remains permitted and may be brought back into service, there are no plans to operate both systems simultaneously.

¹ The captioned Site Certification was issued on February 11, 1991 (Site Certification No. PA 88-24). It was modified on May 11, 1993 (Site Certification No. PA 88-24A) and on September 29, 1995 (Site Certification No. PA 88-24B). The September 29, 1995 modification addressed the use of dry ash rail car loadout. The captioned PSD Permit was issued on March 29, 1991 (PSD-FL-137). It was amended on November 16, 1993 (PSD-FL-137A) and on August 8, 1995 (PSD-FL-137B). The August 8, 1995 amendment addressed the use of dry ash rail car loadout.









Mr. Clair Fancy and Mr. Hamilton S. Oven November 22, 1995 Page 2

The control device to be installed is a fabric filter (baghouse) manufactured by Johnson March Systems, Inc. The baghouse is a standard design, model PT-12-1220. Flow through the baghouse will be a maximum of 17,540 dry standard cubic feet per minute. Potential emissions from the new fabric filter are estimated at 0.45 lb./hour and 1.84 tons per year (reference attached calculations). To be conservative, Cedar Bay has assumed that all particulate emissions are less than 10 microns (PM-10). Based on this assumption, and on Cedar Bay's commitment not to operate both the dry ash loadout system and the pelletizer simultaneously, use of the dry ash loadout system instead of the pelletizer will result in a decrease in permitted emissions of up to .64 tons per year (reference attached calculations).

Cedar Bay believes that installation and operation of the fabric filter is not subject to preconstruction review under the Department's rules for several reasons. First, the addition of the fabric filter is being made in conjunction with the previously approved dry ash loadout system. Recognition of the fabric filter as the pollution control device for the dry ash loadout system is being made for clarification of the Department's records. No increase in emissions will occur as result of dry ash loadout system operation. In fact, as noted above, total facility emissions are reduced when the dry ash loadout system is used in lieu of the pelletizer. Since no net emissions increase will occur, the definition of modification is not triggered and a construction permit is not required.

Moreover, a determination that the addition of the fabric filter does not trigger construction permit requirements is consistent with the Department's June 8, 1995 guidance regarding the addition of air pollution control equipment. See Division of Air Resources Management "Guidance on the Replacement or Addition of Air Pollution Control Equipment on Existing Sources" (copy attached). The fabric filter is "off the shelf" pollution control equipment (i.e., the fabric filter has not been custom designed for the Facility) and the dry ash car loadout area has uncontrolled particulate emissions of less than 100 tons per year.

Finally, installation and operation of the fabric filter should not be subject to PSD permitting because it does not result in a "significant net emissions increase" under Rule 62-212.400(1)(d)4.a., F.A.C. The total potential particulate matter emission from the dry ash loadout system and the fabric filter are 1.84 tons per year, which falls substantially short of the 15-ton-per-year significant emissions rate threshold for particulate matter. See Table 212.400-2 F.A.C. Moreover, as a pollution control device being added to an existing electric utility steam generating unit, installation of the fabric filter is exempt from PSD permitting under Rule 62-212.400(2)(a).2. F.A.C.

WIP?

Mr. Clair Fancy and Mr. Hamilton S. Oven November 22, 1995 Page 3

Accordingly, Cedar Bay requests the Department to (i) concur that installation of the fabric filter is not subject to PSD or minor source preconstruction permitting requirements; (ii) issue a minor modification to Condition II.B.4.a. of the captioned Site Certification to reflect use of the baghouse; and (iii) issue a minor correction to Condition II.B.a of the captioned PSD Permit to reflect the use of the baghouse. With respect to the minor modification to Condition II.B.4.a., Cedar Bay currently has a pending request for modification of the captioned Site Certification regarding the outstanding issue of the extension of time for the short-fiber-reject test burn. Cedar Bay proposes that this change be processed under that pending modification request.

We look forward to your response. Should you or your staff have any questions on this matter, please do not hesitate to contact Kevin Grant at (904)751-4000.

Sincerely,

Timothy J. Cotner

Plant Director

Enclosures

WI

cc: Richard Robinson, City of Jacksonville RESD

Syed Arif, DEP BAR

Charles T. Collette, DEP Office of General Counsel

Settlement Parties

EMISSION CALCULATIONS FOR DRY ASH LOADOUT CONTROL DEVICE

FLOW THROUGH THE FABRIC FILTER

Fan ascfm = 20,000 stack temperature = 140 ° F percent moisture = 2 % dcfm = 19,600 dscfm = 17,540

GRAIN LOADING AT FABRIC FILTER OUTLET

loading = 0.003 gr/dscf*

* Current design is for a fabric filter with emission loading of 0.001 gr/dscf. 0.003 is assumed for conservatism and to maintain design flexibility.

EMISSIONS CALCULATIONS

lb/hr = 0.003 gr/dscf * 17540 dscf * 60 min * 1 lb./ 7000 gr = 0.45 lb./hr.

TPY = 0.45 lb/hr. * 24 hr/day * 365 day/yr * .93(cf) = 3675 lb = 1.84 tpy

EMISSIONS AS MODELED FOR ASH PELLETIZER

2.48 Tons Per Year

Source: <u>Cedar Bay Cogeneration Project Air Quality Analysis</u>, February 1993 (as Supplemented in April 1993)

REDUCTION IN EMISSIONS

2.48 TPY - 1.84 TPY = .64 TPY

CALCULATION OF "UNCONTROLLED EMISSIONS" FROM DRY ASH SYSTEM WITHOUT ADDED FABRIC FILTER

In Compilation of Air Pollutant Emission Factors, Volume I: Stationary Point and Area Sources, AP-42, Fifth Edition, January 1995, the US EPA states, "The fly ash handling operations in most modern utility and industrial combustion sources consist of pneumatic systems or enclosed and hooded systems which are vented through small fabric filters or other dust control devices. The fugitive PM emissions from these systems are therefore minimal. Fugitive particulate emissions can sometimes occur during ash transfer operations from silos to trucks or rail cars." (page 1.1-33.) At Cedar Bay, all ash handling is through enclosed systems that exhaust through fabric filters. the actual ash load out into rail cars is controlled by covering the cars with a rigid hood and exhausting the vacant space above the ash through a fabric filter. Uncontrolled emissions in the existing system are therefore minimal. If we assume that there is no exhaust system, the hood and water spray suppression system of the existing system would still be in place and operable. Therefore, uncontrolled emissions would still be minimal.

To calculate an uncontrolled emission rate using the control efficiencies in <u>Control of Open Fugitive Dust Sources</u>, EPA-450/3-88-008, we would have to assume that the ash unloading was partially open and assume an appropriate wind speed. We could then apply the efficiencies for enclosures (stated to be greater than 80% in the EPA guide) and 70 % for wet suppression. It is obvious that under any reasonable assumptions, the total "uncontrolled emissions" would be less than 100 tons per year.

Florida Department of

Environmental Protection

Memorandum

PARM-PER/GEN-25

TO:

District Air Program Administrators County Air Program Administrators Bureau of Air Regulation Engineers

FROM:

Howard L. Rhodes, Director of A

Division of Air Resources Management

DATE:

June 8, 1995

SUBJECT: Guidance on the Replacement or Addition of Air Pollution

Control Equipment on Existing Sources

This memo is to provide guidance to district, local program, and headquarters staff on the permitting action required when a source owner replaces or adds an air pollution control device to an existing source.

If the pollution control equipment is for a unit with uncontrolled emissions of less than 100 tons per year, and the equipment is "off the shelf", then no permitting action is required.

If the pollution control equipment is custom designed for any source, or is "off the shelf" to control a unit with uncontrolled emissions greater than or equal to 100 tons per year, the source owner will need to apply for an amendment to the permit. The request would need to be signed and sealed by a P.E. The Department or local program, if it finds the replacement air pollution aguipment to be satisfactory, shall issue a letter amendment to the operation permit. No public notice shall be required for such an action.

HLR/chf/cd



Cedar Bay Generating Company Limited Partnership

Bureau of Air Regulation

October 4, 1995

Clair Fancy, Chief Bureau of Environmental Regulations Department of Environmental Protection 2600 Blair Stone Road Tallahassee, FL 32399-2400

Hamilton S. Oven
Office of Siting Coordination
Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: Proposed Changes to
Cedar Bay Generating Company, LP's
PSD-FL-137B-Duval County and
Site Certificate Number PA-88-24A

Dear Mr. Fancy and Mr. Oven:

The Cedar Bay Generating Company (CBGC) is petitioning the Department for minor amendment to specific conditions II.B.1 and 7 and minor modifications to the conditions II.B.1 and 7 of the above-captioned PSD permit and site certification, respectively, [hereinafter Environmental Approvals] as they pertain to the absorber dryer system (ADS) at the Cedar Bay Cogeneration Project (CBCP). These requested changes to the Environmental Approvals are needed because the original permit conditions were based on assumptions that have been overtaken by events and because the current conditions reflect an arithmetic error.

The current version of the terms of the Environmental Approvals provide that all systems in the material handling and treatment area are permitted for full-year operation "except that . . . [each train of the ADS] may be operated for a maximum of 11 hours per day (maximum of 2920 hrs/yr) at maximum capacity" (Environmental Approvals @ § II.B.1 and my 9/8/95 letter to both of you) and that the annual emissions of PM from both trains of









Clair Fancy, Chief Hamilton S. Oven October 4, 1995 Page 2

the ADS are limited to 3.36 TPY (Environmental Approvals @ § II.B.7). These terms were based on (A) the projection that the ADS would run at maximum capacity whenever it ran, (B) the projection that running at maximum capacity for 2920 hours in a year would enable the ADS to produce all of the crushed absorbent needed to extract SO2 from the CBCP's three circulating fluidized boilers so that the emission limits at their stack could be met, and (C) an arithmetical error in estimating the annual emissions of PM at the ADS.

Since the Environmental Approvals were issued, a malfunction of the ADS has developed. This malfunction is so severe that (1) the ADS has never exceeded approximately half of the maximum capacity for which the CBGC had contracted (as measured in absorbent throughput) and (2) the ADS has produced crushed absorbent at the average rate of about one third of this maximum capacity in 1995. This malfunction at the ADS, along with other malfunctions at the CBCP (including those associated with the ash pelletizing system previously brought to your attention) have prompted the CBGC to terminate the construction contractor for the CBCP and acquire a cash settlement from it to fund the necessary repairs, including repairs to the ADS. The ADS repairs are expected to be completed by March 31, 1996.

In the meantime, the CBCP is confronted with a mode of operation that is very different from the one underlying the original terms of the Environmental Approvals. This difference necessitates the proposed changes to the Environmental Approvals if CBCP is to continue to operate in compliance with its permit. As to hours of operation, the CBGC proposes that I.B.1 of the Environmental Approvals read as follows: "except that the sum of the total hours of operation of dryer trains A and B of the ADS shall be limited to 22 hours per day and 8030 hours per year." These limitations will provide enough time for the ADS to limp along at partial capacity, as repairs are being made to the ADS. We note too that the CBCP includes in the estimation of hours of operation only those hours when the ADS's burner is on and it is processing absorbent, but not that time of start-up when the burner is heating the ADS while not processing absorbent.









Clair Fancy, Chief Hamilton S. Oven October 4, 1995 Page 3

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As to emissions, two adjustments to the Environmental Approvals are needed. The first adjustment involves correcting the arithmetical error built into the Environmental Approvals issued on 8/1/95. With the hourly emission limitation of 1.26 lbs/hr correctly included in the Environmental Approvals, the annual limits for PM from the ADS should have been set to 1.84 TPY for one dryer train (2920 hrs per year x 1.26 lbs/hr / 2000 lbs/ton) rather than the 1.68 TPY now in those Environmental Approvals. Similarly, for two dryer trains, the total limit should have been 3.68 TPY (2 x 1.84 TPY).

Second, the emission limitations need to be increased slightly to reflect the fact that the emissions of the ADS are more related to the time that it is processing absorbent than the amount of absorbent that is crushed and dried. In other words the emissions for the year will increase in proportion to the increase in hours of operation. Thus, the CBGC proposes a change to the estimated emissions for PM/PM-10 in I.B.1 of the Environmental Approvals as follows:

	Estimated limitations		
Pollutant	lbs/hr	TPY	TPY for 2
dryers			
PM/PM-10	1.26	1.68	3.36 <u>5.06</u>

This increase of 1.38 TPY is insignificant under EPA's guidelines as expressed in 40 CFR 52.21(b)(23). Moreover, this slight increase in allowable emissions is associated with an insignificant increase in the CBCP's ambient impacts of 0.7 ug/m3 (Appendix S of 40 CFR Part 51) and is not associated with an exceedance of the ambient standards or PSD increments.

These changes to the Environmental Approvals, if adopted, would permit the CBCP to produce the crushed and dried absorbent needed to keep SO2 emissions from the CBCP's main boilers in line with their emission limitations. As a result, there is no need to change the allowable amount of absorbent actually processed by

Clair Fancy, Chief Hamilton S. Oven October 4, 1995 Page 4

the ADS. Because the amount of fuel used by the ADS is proportional to the amount of absorbent processed, the CBCP does not need any change in the amount of fuel burned by the ADS.

In closing, the CBGC requests the Department to issue the changes to the Environmental Approvals addressed herein pursuant to the Department's PSD program and Power Plant Siting Act, 403.516(1)(b), FS. Should you or your staff have any questions or require additional information on this matter, please do not hesitate to contact me or Kevin Grant at (904) 751-4000.

Sincerely,

Timothy J. Cotner
Plant Director

cc: Steve Pace, Regulatory and Environmental Services Bruce Mitchell, DEP BAR Al Linero, DEP BAR Charles T. Collette, DEP Office of General Counsel Morton Benjamin, DEP, Jacksonville Doug Roberts, Hopping, Boyd, Green and Sams Nancy Barnard, St. Johns River Water Management District Gregory K. Radlinski, City of Jacksonville Brigette Ffolkes, Department of Community Affairs James Antista, Florida Games & Fresh Water Fish Commission Rob Vandiver, Florida Public Service Commission Terry Cole, Oertel, Hoffman, Fernandez & Cole, P.A. Scott Shirley, Oertel, Hoffman, Fernandez & Cole, P.A. James A. Heard William C. Bostwick C. Rufus Pennington, Margol & Pennington Lisa B. Cooper, Margol & Pennington Lawrence N. Curtin, Holland & Knight Earl M. Barker, Slott & Barker Stafford Campbell

Cedar Bay Generating Company Limited Partnership

RECEIVED
SEP 14 1995

September 8, 1995

File No.: 6.3.1.6

Bureau of Air Regulation

Clair Fancy, Chief

Bureau of Environmental Regulation

Department of Environmental Protection

2600 Blair Stone Road

Tallahassee, FL 32399-2400

Hamilton S. Oven

Office of Siting Coordination

Department of Environmental Protection

2600 Blair Stone Road

Tallahassee, FL 32399-2400

Re: Cedar Bay Generating Company, LP

Cedar Bay Cogeneration Project PSD-FL137B - Duval County

Dear Mr. Fancy:

On behalf of the Cedar Bay Generating Company (CBGC), I write to request that the Department of Environmental Protection (DEP) confirm its interpretation of the conditions of site certification and the separate PSD permit for the Cedar Bay Cogeneration Project (CBCP) to clarify the intent of those two documents regarding one issue. The Site Certificate was originally issued on February 11, 1991, and modified on May 11, 1993. The PSD Permit was originally issued on March 29, 1991, and subsequently amended on November 23, 1993 (PSD-FL-137A.) and on August 8, 1995 (PSD-FL-137B) This letter addresses the allowed operation of the Absorber Dryer System.

Based on the design and modeling and the intended construction and operation of the limestone pulverizer/conveyers system (generally referred to as the absorber dryer system (ADS)) at the CBCP, the ADS has two parallel trains of absorber crushers and dryers. Both trains draw aragonite (a calcium rich material similar in composition to limestone) from a common storage pile and discharge into hoppers. To ensure compliance with applicable requirements, the operation of the two trains in the ADS were limited to running at maximum capacity for a total of [8 hours times 2 trains] per day on annual average and of [11 hours times 2 trains] per day at peak operation. Thus, a total of 16 and 22 train-hours daily of maximum capacity operation in the ADS on average and peak, respectively, was authorized under the certification and the PSD permit. Moreover, the permitting of the ADS did not distinguish as to whether one ADS train ran for 100% of the allowable train-hours in a day or that the two trains ran in any combination totaling together 100% of the allowable train-hours in a year or day. Accordingly, the Material Handling and Treatment section of the certification (specific condition II.B.1) and the PSD permit (specific condition II.B.1) provided that:









"The material handling and treatment operations including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone dryer, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continually, i.e. 8760 hrs/yr except that the limestone crushers/dryers may be operated for a maximum of 11 hours per day (maximum of 2920 hrs/yr) at maximum capacity."

In addition, the condition II.B.7 provided that the emissions of SO2, for example, from one train in the ADS was to be 1.15 TPY for SO2 and 2.3 TPY for both trains.

The purpose of this letter is to confirm the Department's interpretation of this provision of the site certification and the PSD permit to remove any ambiguity that might be read into this language. Specifically, we understood that the Department interprets this provision as follows:

"The material handling and treatment operations including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone dryerthe Absorber Dryer System including two absorber crusher/dryer trains, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continuously, i.e. 7860 hrs/yr-except that the limestone crushers/dryers may be operated for a maximum of 11 hours per day (maximum of 2920, except that the two absorber crusher dryer trains may be operated in any combination for maximum of 22 train-hours per day (maximum of 5840 train-hrs/yr) at maximum capacity."

This interpretation does not refer to or allow any change in the operation of the ADS. It better describes allowable operations. As a result, there is no change in emissions or ambient impacts.

CBGC beilives that this accurately reflects the discussions we have had with you and your staff on this interpretation of the approvals. If you disagree with this interpretation, please advise me promptly. CBGC will proceed to act in reliance on this interpretation until otherwise advised. Your attention to this matter is appreciated. Should you or your staff have any questions on this matter, please do not hesitate to contact me or Kevin Grant at (904) 751-4000.









Sincerely,

7im Cotner Plant Director

DB/mm

Hamilton S, Oven, DEP Office of Siting Coordination cc:

Steve Pace, City of Jacksonville RESD

Bruce Mitchell, DEP BAR

Charles T. Collette, DEP Office of General Counsel

cc: NED

EPA

NPS D.Roberts, HG545 S. Arif, BAR A. Linero, BAR

Cedar Bay

Kent L. Fickett

Vice President Environmental, Health, Safety & Regulatory Affairs

September 1, 1995

Mr. Preston Lewis Bureau of Air Regulations Florida Department of Environmental Protection 2600 Blair Stone Road Tallahassee, Florida 32399

Dear Mr. Lewis:





We would like to notify you of a change in the contact person and address for communications from your office regarding Cedar Bay Generating Company, and our environmental permitting and regulatory responsibilities for the Cedar Bay Generating Project. Beginning immediately, please address correspondence pertaining to permitting, regulatory or enforcement issues to:

Mr. Timothy J. Cotner Plant Director Cedar Bay Generating Plant P.O. Box 26324 Jacksonville, Florida 32226 (904) 751-4000

If possible, please send a copy of all correspondence to Mr. Kevin Grant, Manager, Environmental Health and Safety, at the same address above, and a copy to:

Mr. Don Beckham Manager, Environmental Compliance 7500 Old Georgetown Road 13th Floor Bethesda, Maryland 20814-6161 (301) 718-6757

If you have any questions, please feel free to contact Mr. Beckham.

Sincerely,

Kent Fickett

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Patty adams
Barbara Bowwell