

Governor

# Department of Environmental Protection

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

David B. Struhs Secretary

Pottog (Dile

# P.F. Certification Statement

Permittee:

Cedar Bay Generating Company

Draft Air Construction/PSD Permit No.:

0310337-004-AC/PSD-FL-137E

Cedar Bay Cogeneration Facility

DRAFT Title V Air Operation Permit Revision No.:

0310337-003-AV

Facility ID No.: 0310337

Project: Air Construction/PSD Permit and Title V Air Operation Permit Revision

I HEREBY CERTIFY that the engineering features described in the above referenced applications and related additional information submittals, if any, and subject to the proposed permit conditions outlined in the Draft Air Construction/PSD permit revision and the "Statement of Basis" attached to the DRAFT Title V Air Operation permit revision, provide reasonable assurance of compliance with applicable provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Chapters 62-4 and 62-204 through 62-297. However, I have not evaluated and I do not certify aspects of the proposal outside of my area of expertise (including but not limited to the electrical, mechanical, structural, hydrological, and geological features).

Jonathan K. Holtom, P.E.

Registration Number: 0052664

Date

Permitting Authority:

Florida Department of Environmental Protection Division of Air Resources Management

Bureau of Air Regulation Mail Station #5505

2600 Blair Stone Road

Tallahassee, Florida 32399-2400

Telephone: 850/488-0114

Fax: 850/922-6979

"More Protection, Less Process"

Printed on recycled paper.



# Department of Environmental Protection

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

David B. Struhs Secretary

August 20, 2001

# CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Randy Cole, General Manager Cedar Bay Generating Company, L.P. P.O. Box 26324 Jacksonville, Florida 32226

Re:

Draft Air Construction Permit No.: 0310337-004-AC

PSD Permit No.: PSD-FL-137E

DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV

Cedar Bay Cogeneration Facility

Dear Mr. Cole:

One copy of the Draft Air Construction/PSD Permit, and the DRAFT Title V Air Operation Permit Revision for the Cedar Bay Cogeneration Facility located at 9640 Eastport Road, Jacksonville, Duval County, is enclosed. The permitting authority's combined "INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" are also enclosed.

An electronic version of the DRAFT Title V Air Operation Permit Revision has been posted on the Division of Air Resources Management's world wide web site for the United States Environmental Protection Agency (USEPA) Region 4 office's review. The web site address is:

"http://www8.myflorida.com/licensingpermitting/learn/environment/air/tv/TitleVSearch.asp".

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" must be published as soon as possible upon receipt of this letter. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit revision.

Mr. Randy Cole, General Manager, Cedar Bay Generating Company Draft Air Construction/PSD Permit No.: 0310337-004-AC/PSD-FL-137E DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV Page 2 of 2

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Scott M. Sheplak, P.E., at the above letterhead address. If you have any other questions, please contact Jonathan Holtom, P.E., at 850/921-9531.

Sincerely,

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

CHF/sms/h

**Enclosures** 

U.S. EPA, Region 4 (INTERNET E-mail)

In the Matter of an Application for Permits by:

Cedar Bay Generating Company, L.P.

Draft Air Construction Permit No.: 0310337-004-AC

PSD Permit No.: PSD-FL-137E

Jacksonville, FL 32226

DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV

Cedar Bay Cogeneration Facility

**Duval County** 

# INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction/PSD Permit and a Title V Air Operation Permit Revision (copies of Draft Air Construction/PSD Permit and DRAFT Title V Air Operation Permit Revision attached) for the Title V source detailed in the application(s) specified above, for the reasons stated below.

The applicant, Cedar Bay Generating Company, L.P., applied on March 15, 2001, to the permitting authority for a Title V Air Operation Permit Revision to remove the ash pelletizing operations at the Cedar Bay Cogeneration Facility located at 9640 Eastport Road, Jacksonville, Duval County. The Applicant also applied on March 19, 2001, to the permitting authority for a revision to the Air Construction/PSD Permit to remove the ash pelletizing operations from it. On May 15, 2001, the applicant submitted a letter clarifying that they had intended for the applications to be processed concurrently so that a combined Public Notice could be published. To avoid conflicts between the two application processing clocks, the applicant also provided a waiver of the air construction application processing clock.

The Air Construction/PSD Permit is being issued to reflect the demolition and removal of the ash pelletizing operations and all associated equipment. Fly ash and bed ash will continue to be removed from the site by means of open or closed rail cars and/or closed trucks. Removal of the ash pelletizing equipment will not result in an increase in air pollutant emissions since the ash pelletizing equipment has never been functional for commercial operations.

The Title V Air Operation Permit Revision is being issued to reflect the removal of the ash pelletizing operations outlined in permit No. 0310337-004-AC/PSD-FL-137E, and to incorporate the boiler heat input clarifications and short-term sulfur dioxide emissions limit increases that were authorized by permit No. PSD-FL-137D, issued March 9, 2000.

The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, 62-212 and 62-213. This source is not exempt from construction and Title V permitting procedures. The permitting authority has determined that an Air Construction/PSD Permit and a Title V Air Operation Permit Revision are required to properly reflect the removal of the ash pelletizing equipment and to continue operations at the described facility.

The permitting authority intends to issue the Air Construction/PSD Permit and the Title V Air Operation Permit Revision based on the belief that reasonable assurances have been provided to indicate that the removal of the ash pelletizing equipment will not adversely impact air quality, and the source will continue to comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.087, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE

Draft Air Construction/PSD Permit No.: 0310337-004-AC/PSD-FL-137E DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV

Page 2 of 5

OF INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." The notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of Sections 50.011 and 50.031, F.S., in the county where the activity is to take place. Where there is more than one newspaper of general circulation in the county, the newspaper used must be one with significant circulation in the area that may be affected by the permits (construction and revision). If you are uncertain that a newspaper meets these requirements, please contact the permitting authority at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-1344; Fax: 850/922-6979), within 7 (seven) days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permits pursuant to Rule 62-110.106, F.A.C.

The permitting authority will issue the Air Construction/PSD Permit and the PROPOSED Title V Air Operation Permit Revision and subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the attached Draft Air Construction/PSD Permit and the DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

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

The permitting authority will accept written comments concerning the proposed Title V Air Operation Permit Revision issuance action for a period of 30 (thirty) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Title V Air Operation Permit Revision, the permitting authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/488-9730; Fax: 850/487-4938). Petitions filed by the permit's (construction and revision) applicant or any of the parties listed below must be filed within 14 (fourteen) days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of this notice of intent, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the permitting authority for notice of agency action may file a petition within 14 (fourteen) days of receipt of that notice, regardless

Draft Air Construction/PSD Permit No.: 0310337-004-AC/PSD-FL-137E DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV Page 3 of 5

of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the permitting authority's action is based must contain the following information:

- (a) The name and address of each agency affected and each agency's file or identification number, if known;
- (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination;
- (c) A statement of how and when each petitioner received notice of the agency action or proposed action;
- (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate:
- (e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle the petitioner to relief;
- (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and,
- (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the permitting authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the permitting authority's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application(s) have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation will not be available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply to the Department of Environmental Protection for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542, F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information:

- (a) The name, address, and telephone number of the petitioner;
- (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any;

Draft Air Construction/PSD Permit No.: 0310337-004-AC/PSD-FL-137E DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV Page 4 of 5

- (c) Each rule or portion of a rule from which a variance or waiver is requested;
- (d) The citation to the statute underlying (implemented by) the rule identified in (c) above;
- (e) The type of action requested;
- (f) The specific facts that would justify a variance or waiver for the petitioner;
- (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and,
- (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2), F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the United States Environmental Protection Agency and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

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

Draft Air Construction/PSD Permit No.: 0310337-004-AC/PSD-FL-137E DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV

Page 5 of 5

Executed in Tallahassee, Florida.

# STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

### CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the combined PUBLIC NOTICE, the Draft Air Construction/PSD Permit and the DRAFT Title N Air Operation Permit Revision) and all copies were sent by certified mail before the close of business on person(s) listed:

Mr. Randy Cole, Cedar Bay

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this INTENT TO ISSUE AN AIR CONSTRUCTION/PSD PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the combined PUBLIC NOTICE, the Draft Air Construction/PSD Permit and the DRAFT Title V Air Operation Permit Revision) were sent by U.S. mail on the same date to the person(s) listed or as otherwise noted:

Mr. Jeffery Walker, Cedar Bay

Mr. C. Kirts, DEP NED

Mr. H. Oven, PPS

Mr. J. Manning, RESD

Mr. G. Worley, EPA

Mr. Andrew Jablonski, P.E., Earth Tech

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency Clerk, receipt of which is hereby

acknowledged.

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

# DEPARTMENT OF ENVIRONMENTAL PROTECTION

Draft Air Construction Permit No.: 0310337-004-AC
PSD Permit No.: PSD-FL-137E
DRAFT Title V Air Operation Permit Revision No.: 0310337-003-AV
Cedar Bay Cogeneration Facility
Duval County

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction/PSD Permit and a Title V Air Operation Permit Revision to Cedar Bay Generating Company, L.P. for the Cedar Bay Cogeneration Facility located at 9640 Eastport Road, Jacksonville, Duval County. The applicant's name and address are: Cedar Bay Generating Company, L.P., 9640 Eastport Road, Jacksonville, FL 32226.

The Air Construction/PSD Permit is being issued to reflect the demolition and removal of the ash pelletizing operations and all associated equipment. Fly ash and bed ash will continue to be removed from the site by means of open or closed rail cars and/or closed trucks. Removal of the ash pelletizing equipment will not result in an increase in air pollutant emissions since the ash pelletizing equipment has never been functional for commercial operations.

The Title V Air Operation Permit Revision is being issued to reflect the removal of the ash pelletizing operations outlined in permit No. 0310337-004-AC/PSD-FL-137E, and to incorporate the boiler heat input clarifications and short-term sulfur dioxide emissions limit increases that were authorized by permit No. PSD-FL-137D, issued March 9, 2000.

The permitting authority will issue the Air Construction/PSD Permit, the PROPOSED Title V Air Operation Permit Revision, and the subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the Draft Air Construction/PSD Permit and the DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Draft Air Construction/PSD Permit issuance action for a period of 14 (fourteen) days from the date of publication of this Notice. Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-1344; Fax: 850/922-6979). Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft Air Construction/PSD Permit, the permitting authority shall issue a Revised Draft Air Construction/PSD Permit and require, if applicable, another Public Notice.

The permitting authority will accept written comments concerning the proposed DRAFT Title V Air Operation Permit Revision issuance action for a period of 30 (thirty) days from the date of publication of this Notice. Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-1344; Fax: 850/922-6979). Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Title V Air Operation Permit Revision, the permitting authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57 of the 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 of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/488-9730; Fax: 850/487-4938). Petitions filed by any persons

Note to Newspaper: DO NOT PRINT THIS FOOTER!
Page numbers are only included for administrative purposes.

other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of the notice of intent, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the permitting authority for notice of agency action may file a petition within 14 (fourteen) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the applicable time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code (F.A.C.).

A petition that disputes the material facts on which the permitting authority's action is based must contain the following information:

- (a) The name and address of each agency affected and each agency's file or identification number, if known;
- (b) The name, address and telephone number of the petitioner; name address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how petitioner's substantial rights will be affected by the agency determination;
  - (c) A statement of how and when the petitioner received notice of the agency action or proposed action;
  - (d) A statement of all disputed issues of material fact. If there are none, the petition must so state;
- (e) A concise statement of the ultimate facts alleged, as well as the rules and statutes, which entitle petitioner to relief;
- (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and,
- (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the permitting authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the permitting authority's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application(s) have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation is not available for this proceeding.

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

A complete project file 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:

# Permitting Authority:

Department of Environmental Protection 111 S. Magnolia Drive Tallahassee, Florida 32301

Telephone: 850/488-0114

Fax: 850/922-6979

Affected District

Northeast District 7825 Baymeadows Way, Suite 200B Jacksonville, Florida 32256-7590 Telephone: 904/448-4300

Fax: 904/448-4363

Affected Local Program:

City of Jacksonville Regulatory and Environmental Services Department Air and Water Quality Division 117 West Duval Street, Suite 225 Jacksonville, Florida 32202

Telephone: 904/630-3484 Fax: 904/630-3638

The complete project file includes the Draft Air Construction/PSD Permit and DRAFT Title V Air Operation Permit Revision, the application(s), and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact Mr. Scott M. Sheplak, P.E., at the above address, or call 850/488-0114, for additional information.



# Department of Environmental Protection

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

David B. Struhs
Secretary

Month Day, 2001

# CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Randy Cole, General Manager Cedar Bay Generating Company, L.P. P.O. Box 26324 Jacksonville, Florida 32226

Re: Cedar Bay Cogeneration Facility

DEP File No. 0310337-004-AC/PSD-FL-137E

Dear Mr. Cole:

The Department reviewed your letter dated March 16, 2001, requesting the deletion of the ash pelletizer and associated equipment at the referenced facility. Your request to retire the ash pelletizing operation is acceptable to the Department. All references to the below listed units will be removed from the appropriate version of your PSD permit.

Description	Control Device	Title V
		E.U. ID No.
Bed Ash Receiver (Pelletizer Bed Ash Receiver Bin)	Baghouse A-7	-013
Fly Ash Receiver (Pelletizer Fly Ash Receiver Bin)	Baghouse A-8	-014
Pellet Vibratory System	Baghouse A-17	-015
Pellet Recycle Tank	Baghouse A-10	-016
Pelletizing Recycle Hopper	Baghouse A-9	-017
Cured Pellet Screening Conveyor System	Baghouse A-14	-018
Pellet Recycle Conveyor	Baghouse A-16	-019
Ash Pellet Hydrator	Baghouse A-11	-021
Ash Pellet Curing Silos	Baghouse A-13	-022
Ash Pelletizing Pans	Baghouse A-12	-023
Pelletizing Rail Loadout (Pellet Railcar Loadout)	Baghouse A-15	-029

Permit No. PSD-FL-137B was issued on August 8, 1995, to make minor amendments to the material handling systems for ash pelletizing, coal unloading, dry ash loading and removal, and limestone pulverizer/conveyor that were authorized in permit No. PSD-FL-137A. Permit No. PSD-FL-137C was issued on June 4, 1996, to also make minor amendments to the same material handling operations.

Please note that the PSD revision issued March 9, 2000, referenced as "Modification of Permit No. PSD-FL-137", should have been referenced as "DEP File No. PSD-FL-137D, Modification of Permit No. PSD-FL-137A". This revision did not make any amendments to the material handling operations.

As a result of the above request, Permit Nos. PSD-FL-137A, B & C are hereby modified as follows:

"More Protection, Less Process"

#### PSD-FL-137A

#### Specific Condition II.1.B.1. is changed:

#### FROM:

II.1.B.1. The material handling and treatment operations, including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone dryers, 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.

#### TO:

II.1.B.1. The material handling and treatment operations, including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone dryers, fly and bed ash silos, 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.

### Specific Condition II.1.B.4. is changed:

#### FROM:

- II.1.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:

Coal Crusher Building
Coal Silo Conveyor
Limestone Pulverizer/Conveyor
Limestone Storage Bin
Bed Ash Hopper
Bed Ash Silo
Fly Ash Silo

Bed Ash Bin
Fly Ash Bin
Pellet Vibratory Screen
Pelletizing Ash Recycle Tank
Pelletizing Recycle Hopper
Cured Pellet Recycle Conveyor

Pellet Recycle Conveyor

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 17.296.711, 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 17-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

b. The PM emissions from the following process, equipment, and/or facility in the material handling and treatment area sources shall be controlled using wet suppression/removal techniques as follows:

Coal Car Unloading Ash Pellet Hydrator Ash Pellet Curing Silo Ash Pelletizing Pan DEP File No. 0310337-004-AC/PSD-FL-137E Page 3 of 7

The above listed sources are subject to a visible emission (VE) and a particulate matter (PM) limitation of 5% opacity and 0.01 gr/dscf (applicant requested limitation which is more stringent than what is allowed by rule), respectively, in accordance with Rule 17-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE and PM using EPA Methods 9 and 5, respectively, in accordance with Chapter 17-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

TO:

0

- II.1.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:

Coal Crusher Building Coal Silo Conveyor Bed Ash Hopper Bed Ash Silo Limestone Pulverizer/Conveyor Limestone Storage Bin Fly Ash Silo

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 Chapter 62-297, F.A.C., and 40 CFR 60, Appendix A.

b. The PM emissions from the following process, equipment, and/or facility in the material handling and treatment area sources shall be controlled using wet suppression/removal techniques as follows:

Coal Car Unloading

The above listed source is subject to a visible emission (VE) and a particulate matter (PM) limitation of 5% opacity and 0.01 gr/dscf (applicant requested limitation which is more stringent than what is allowed by rule), respectively, in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE and PM using EPA Methods 9 and 5, respectively, in accordance with Chapter 62-297, F.A.C., and 40 CFR 60, Appendix A.

#### PSD-FL-137B

#### Specific Condition II.B.4. is changed:

FROM:

- 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:

Coal Crusher Building Coal Silo Conveyor Limestone Pulverizer (2) /Conveyors Limestone Storage Bins (2) DEP File No. 0310337-004-AC/PSD-FL-137E Page 4 of 7

₹

Bed Ash Hopper
Bed Ash Separator
Bed Ash Silo Vent
Fly Ash Silo Vent
Fly Ash Separators (2)
Bed Ash Receiver
Fly Ash Receiver
Pellet Vibratory System
Pellet Recycle Tank
Cured Pellet Screening Conveyor System
Pellet Recycle Conveyor
Pelletizing Rail 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).

b. The PM emissions from the following process equipment, and/or facility in the material handling and treatment area sources shall be controlled as follows:

Ash Pellet Hydrator:

Scrubber

Ash Pellet Curing Silos:

Scrubber

Ash Pelletizing Pan:

Scrubber

The above listed sources are subject to a visible emissions (VE) and a particulate matter (PM) emissions limitation requirement of 5 percent % opacity and 0.01 gr/dscf (applicant requested limitation which is more stringent than what is allowed by rule), respectively, in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE and PM using EPA Methods 9 and 5, respectively, in accordance with Chapter 62-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

c. Fugitive emissions from the following material handling and transport sources shall be controlled as follows:

Coal Car Unloading: Dry Ash Rail Car Loadout: Wet Suppression using continuous water sprays during unloading. Using closed or covered containers under negative air pressures during ash loadout; and using water sprays prior to removal of rail

car loadout cap when loading open rail cars.

The above listed sources are subject to a visible emission (VE) limitation requirement of 5 percent (5%) opacity in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE using EPA method 9 or other FDEP approved methods in accordance with Chapter 62-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version). Initial visible emissions testing 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. Ash shipped in open rail cars will either be pelletized or be sprayed with water to create a crust on the top layer of non-pelletized ash. Removal of bottom and fly ash from the Project site by any means other than by rail shall require the prior approval of DEP and RESD of the method(s) of fugitive emissions control.

DEP File No. 0310337-004-AC/PSD-FL-137E Page 5 of 7

TO:

ŗ

# 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:

Coal Crusher Building
Coal Silo Conveyor
Limestone Pulverizer (2) /Conveyors
Limestone Storage Bins (2)
Bed Ash Hopper
Bed Ash Separator
Bed Ash Silo Vent
Fly Ash Silo Vent
Fly Ash Separators (2)

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 Chapter 62-297, F.A.C., and 40 CFR 60, Appendix A.

b. Fugitive emissions from the following material handling and transport sources shall be controlled as follows:

Coal Car Unloading: Dry Ash Rail Car loadout: Wet Suppression using continuous water sprays during unloading. Using closed or covered containers under negative air pressures during ash loadout; and using water sprays prior to removal of rail car loadout cap when loading open rail cars.

The above listed sources are subject to a visible emission (VE) limitation requirement of 5 percent (5%) opacity in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE using EPA Method 9 or other FDEP approved methods in accordance with Chapter 62-297, F.A.C., and 40 CFR 60, Appendix A. Initial visible emissions testing 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. Ash shipped in open rail cars will be sprayed with water to create a crust on the top layer of ash. Removal of bottom and fly ash from the Project site by any means other than by rail shall require the prior approval of DEP and RESD of the method(s) of fugitive emissions control.

### PSD-FL-137C

#### Specific Condition II.B.4. is changed:

FROM:

- 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:

DEP File No. 0310337-004-AC/PSD-FL-137E Page 6 of 7

Coal Crusher Building Coal Silo Conveyor ADS Trains (2) ADS Storage Bins (2) Bed Ash Hopper Bed Ash Separator Bed Ash Silo Vent Fly Ash Silo Vent Fly Ash Separators (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 final completion of construction of the source, whichever comes last.

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

TO:

### 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:

Coal Crusher Building
Coal Silo Conveyor
ADS Trains (2)
ADS Storage Bins (2)
Bed Ash Hopper
Bed Ash Separator
Bed Ash Silo Vent
Fly Ash Silo Vent
Fly Ash Separators (2)
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

DEP File No. 0310337-004-AC/PSD-FL-137E Page 7 of 7

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 Methods 5 or 17 pursuant to Chapter 62-297, F.A.C., and 40 CFR 60, Appendix A. Initial performance tests shall be conducted within 90 days after final DEP approval of these facilities or within 90 days after final completion of construction of the source, whichever comes last.

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit is issued pursuant to Chapter 403, Florida Statutes. Any party to this order (permit) has the right to seek judicial review of it under Section 120.68, F.S., by the filing of a Notice of Appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the Clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station 35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000, and by filing a copy of the Notice of Appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The Notice of Appeal must be filed within (thirty) days after this Notice is filed with the Clerk of the Department.

Executed in Tallahassee, Florida.

Howard L. Rhodes, Director Division of Air Resources Management

#### **CERTIFICATE OF SERVICE**

The undersigned duly designated deputy agency clerk hereby certifies that this Air Construction/PSD Permit was sent by certified mail (\*) and copies were mailed by U.S. Mail before the close of business on \_\_\_\_\_\_ to the person(s) listed:

Mr. Randy Cole, Cedar Bay\*

Mr. Jeffery Walker, Cedar Bay

Mr. C. Kirts, DEP NED

Mr. H. Oven, PPS

Mr. J. Manning, RESD

Mr. G. Worley, EPA

Mr. Andrew Jablonski, P.E., Earth Tech

Clerk Stamp

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

(Clerk)	(Date)	



₽,



POB 26324 Jacksonville, FL 32226-6324

904.751.4000 Fax: 904.751.7320

BUREAU OF AIR REGULATION

September 18, 2001

Mr. Scott Sheplak, P.E.
Florida Department of Environmental Protection
Division of Air Resource Management
Bureau of Air Regulation
Mail Station #5505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Cedar Bay Draft Air Construction/PSD Permit No. 0310337-004-AC/PSD-FL-137E

Dear Mr. Sheplak:

Cedar Bay Generating Company, L.P. would like to take the opportunity to provide written comments to the proposed Air Construction/PSD Permit Revision during the Public Notice period.

#### Material Handling Handling and Treatment

The previous PSD modification that became effective in March 2000 is now identified as PSD-FL-137D. One of the items in the original modification request was a request to modify the material handling and usage rates of the coal and limestone/aragonite. Due to the modification's intensive focus on SO2 limits and supporting air dispersion modeling, this particular item was apparently overlooked during the draft and final permit issuance.

Coal and limestone are staged in lined storage piles. Coal is supplied via rail and limestone/aragonite is supplied via ship, then truck. Cedar Bay Generating Company, L.P. is concerned that current PSD permit conditions do not allow sufficient material handling capacity to allow the facility to weather catastrophic events or business interruptions. It would be prudent to have the ability to increase the amount of coal and limestone "handled" at the facility.

#### Given that:

- Coal unloading and storage, as well as limestone/aragonite unloading and storage, represent fugitive particulate emissions for which no emission rate limits are set;
- There is no federal or state regulation limiting the quantities of these material or emissions on a monthly basis; and
- Compliance with a rigorous interpretation of the current monthly conditions would, in theory, render the storage piles to be eventually depleted if the boilers ran at full capacity for an extended period with even intermittent cessation of supply periods;

Cedar Bay therefore requests doubling the monthly limitations for coal and limestone/aragonite unloading and storage, and increasing the annual usage rate by one month's capacity. This would require separating the limits for these sources from the other material handling sources.

Thus, Cedar Bay proposes to modify Conditions II.B.2 as follows:

# 2. Material Handling and Usage Rate

a. The material handling/usage rates for coal unloading and storage and for limestone/aragonite unloading and storage shall not exceed the following:

Handling/Usage Rate			
<u>Material</u>	TPM	TPY	
Coal	234,000	1,287,000	
Limestone/A	Aragonite 54,000	347,000	

b. For fly ash and bed ash handling sources, the handling/usage rates shall not exceed the following:

<u> Handling/Usage Rate</u>				
Material	TPM	TPY		
Fly Ash	28,000	336,000		
Bed Ash	8,000	88,000		

Note: TPM is tons per month based on 30 consecutive days; and, TPY is tons per year

It is important to note that the latest version of Cedar Bay's Conditions of Certification reflect these changes as requested in the PSD modification application although the material handling changes were not part of the proposed changes in the draft PSD permit.

### Addition of language for a Pug Mill

As explained in a letter to the Department dated August 21, 2001, Cedar Bay desires to improve the flexibility for ash handling and transportation from the site with the installation of a pug mill. The pug mill will mix ash and water in an enclosed system and enable the removal of ash by other than sealed trucks. This process will enable the ash to be loaded, transported, and disposed in a Class 1 landfill while minimizing fugitive emissions.

While the PSD Modification Application in 1994 explicitly detailed "Dry Ash Unloading in Sealed Trucks", the resulting modification, PSD-FL-137(B), did not specifically reference the use of trucks as a means to remove ash from the site. Instead, Section II.B.4.added a stipulation that requires the Project site to option prior approval of the DEP and RESD for removal of bottom and fly ash by any other means other than rail. Cedar Bay has since obtained such permission once it was clear that long-term beneficial re-use opportunities were available.

September 18, 2001 Page 3

The use of the pug mill will alter the process of loading the trucks but will enable the project to meet the visible emission limitation (VE) of five per cent (5%) opacity in accordance with rule 62-296.711, F.A.C. By wetting and blending the ash, the pug mill will produce a more uniform ash with less opportunity for dusting. There are no new vents or other air emission sources associated with the pug mill itself.

Therefore, Cedar Bay requests to modify PSD-FL-137(B) (in conjunction with the retirement of the pelletizer emission units) as follows:

#### From

II.1.B.4 Material handling sources shall be regulated as follow:

a. The material handling and treatment area sources with either fabric filter or baghouse controls are as follows:

Coal Crusher Building Coal Silo Conveyor Bed Ash Hopper Bed Ash Separator Bed Ash Silo Vent Bed Ash Receiver Bin Fly Ash Receiver Bin Limestone Pulverizer (2)/Conveyor

Limestone Storage Bins(2)

Fly Ash Silo Vent
Fly Ash Separators(2)
Pellet Vibratory System

Pellet Recycle tank

Cured Pellet Screening Conveyor System

Pellet Recycle System Pelletizing Rail Loadout

The emissions from the above listed sources are subject to the particulate emission limitation requirement of 0.003 gr./disc (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 Chapter 62-297, F.A.C. and 40 CFR 60, Appendix A.

b. The PM emissions from the following process equipment and/or facility in the material handling and treatment area sources shall be controlled as follows:

Ash Pellet Hydrator: Scrubber
Ash Pellet Curing Silos: Scrubber
Ash Pelletizing Pan: Scrubber

The above listed sources are subject to a visible emissions (VE) and a particulate matter (PM) emissions limitation requirement of 5 percent opacity and a 0.01 gr/dscf(applicant requested limitation, which is more stringent than what is allowed by rule), respectively, in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance tests shall be

September 18, 2001 Page 4

conducted for VE and PM using EPA methods 9 and 5, respectively, in accordance with Rule 62-297, D=F.A.C. and 40 CFR 60, Appendix A.

c. Fugitive emissions from the following material handling and transport sources shall be controlled as follows:

Coal Car Unloading: Wet Suppression using continuous water sprays

during unloading

Dry Ash Rail Car Loadout: Using closed or covered containers under negative air

pressures during ash loadout; and using water sprays prior to removal of railcar loadout cap when loading open rail

cars

The above listed sources are subject to a visible emission (VE) limitation requirement of five percent (5%) opacity in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance test shall be conducted for VE using EPA Method 9 or other FDEP approved methods in accordance with Rule 62-297, F.A.C. and 40 CFR 60, Appendix A (July, 1992) version). Initial visible emission testing 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. Ash shipped in open rail cars will either be pelletized or be sprayed with water to create a crust on the top layer of non-pelletized ash. Removal of bottom and fly ash from the Project site by any means other than by rail shall require the prior approval of DEP and RESD of the method(s) of fugitive emissions control.

To:

II.1.B.4 Material handling sources shall be regulated as follow:

The material handling and treatment area sources with either fabric filter or baghouse controls are as follows:

Coal Crusher Building

Limestone Pulverizer (2)/Conveyor

Coal Silo Conveyor

Limestone Storage Bins(2)

Bed Ash Hopper

Fly Ash Silo Vent

Bed Ash Separator

Bed Ash Silo Vent

Fly Ash Separators(2)

The emissions from the above listed sources are subject to the particulate emission limitation requirement of 0.003 gr./disc (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 Chapter 62-297, F.A.C. and 40 CFR 60, Appendix A.

b. Fugitive emissions from the following material handling and transport sources shall be controlled as follows:

Coal Car Unloading: Wet Suppression using continuous water sprays

during unloading

Dry Ash Rail Car Loadout: Using closed or covered containers under negative air

pressures during ash loadout; and using water sprays prior to removal of railcar loadout cap when loading open rail

<u>cars</u>

Dry Ash Truck Loadout: Using sealed trailers under negative air

Wet Ash Truck Loadout: Using a pug mill to mix water with ash

The above listed sources are subject to a visible emission (VE) limitation requirement of five percent (5%) opacity in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance test shall be conducted for VE using EPA Method 9 or other FDEP approved methods in accordance with Rule 62-297, F.A.C. and 40 CFR 60, Appendix A (July, 1992 version). Initial visible emission testing 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. Ash shipped in open rail cars will either be pelletized or be sprayed with water to create a crust on the top layer of non-pelletized ash. Removal of bottom and fly ash from the Project site by any means other than by rail shall require the prior approval of DEP and RESD of the method(s) of fugitive emissions control.

We hope that these proposed changes are satisfactory to you and we look forward to working with you to ensure that we can operate the Cedar Bay facility in a reliable, environmentally responsible, and cost-effective manner. Please contact me at 904-751-4000 extension 22 with any questions or comments.

Sincerely,

Jeffrey A. Walker

Environmental Manager, Cedar Bay

Gypry a. Walker

cc: Robert Dehart, PG&E National Energy Group

Bruce Smith, Cedar Bay