Indiantown Cogeneration, L.P.

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January 21, 2003

Mr. Al Linero Florida Department of Environmental Protection Bureau of Air Regulation 2600 Blair Stone Road Tallahassee, FL 32399-2400



JAN 27 2003

BURFAU OF AIR REGULATION

Subject:

Indiantown Cogeneration., L.P.

Permit PSD-FL-168 - Temporary Boiler

Dear Mr. Linero:

Indiantown Cogeneration, L.P. (ICLP) would like to modify its air permits to allow operation of a temporary rental boiler in the event that ICLP's main pulverized coal (PC) boiler and the auxiliary boilers are unavailable. This letter proposes a framework for permit modifications; we are requesting Department guidance before proceeding with the formal permits application process.

Background

In May 2002 ICLP was performing scheduled repairs on the main PC boiler when an explosion rendered auxiliary boiler "B" inoperative. ICLP received emergency authorization from the Department to use a rental boiler that was needed to supply steam to our steam host, Louis Dreyfus (formerly Caulkins Indiantown Citrus), for the period until the main boiler came back on-line. While steps have been taken to prevent similar accidents, there is always a possibility that sometime over the plant life another malfunction will limit ICLP's ability to supply steam to our steam host, and a rental boiler will once again be required. Given this possibility, we wish to have a permit in place to address this situation, so that ICLP can meet its contractual steam supply obligations, without jeopardizing ICLP's compliance with environmental regulations.

Proposed Framework

<u>Triggering Event:</u> The new permit conditions would be triggered in the event that a malfunction causes the main PC boiler and at least one auxiliary boiler to be offline simultaneously. The new permit conditions will only be triggered if the steam host needs more steam than can be reasonably supplied with ICLP's existing, operational equipment.

Under such circumstances, the following permit conditions would govern ICLP's use of a temporary boiler. <u>Proposed Conditions:</u>

- 1. ICLP will promptly notify the Department of the situation and the need for the rental boiler.
- 2. ICLP will provide the specifications for the rental boiler to the Department. The boiler must meet the minimum specifications established by the Department. (The minimum specifications will be set when the Department approves the permit conditions authorizing the use of the temporary boiler).
- 3. ICLP will provide calculations to the Department documenting that the full load mass emission rate for the rental boiler will be below the full load mass emission rate for one auxiliary boiler, for all criteria pollutants.
- 4. The rental boiler will have a NOx emission rate of 0.15 pounds per million Btu or lower.
- 5. The rental boiler will be rated at 99 MMBtu/hr or less, and will therefore not be subject to 40 CFR 60 Subpart Db.
- 6. The rental boiler will fire natural gas and propane only, and will therefore be subject only to simple notification requirements under 40 CFR 60 Subpart Dc.
- 7. ICLP will issue the notification letters required by 40 CFR 60 Subpart Dc.

- 8. Steam from the rental boiler will not be used to generate electricity.
- 9. The rental boiler will not be operated at the same time as the main PC boiler is in normal operation. (I.e. not including startup).
- 10. The rental boiler will not be operated at the same time as both auxiliary boilers.
- 11. Fuel use will be tracked and included in the annual totals for the auxiliary boilers.
- 12. Operating hours will be tracked and included in the annual totals for the auxiliary boilers.
- 13. Emissions will be tracked and included in the annual totals for the auxiliary boilers. Subject to the Department's approval, emissions will be tracked based on fuel use, vendor data, and emissions factors, or in the alternative, by using the existing emissions monitoring equipment at the facility.
- 14. Rental boiler operation will be limited to eight operating weeks per calender year.

PSD Applicability

There are two key reasons why use of the rental boiler does not trigger PSD review:

- The change will not increase the facility's emissions; and
- The change is not a significant change in operation.

The use of the rental boiler will directly replace the use of the (already permitted) auxiliary boiler. Given the permit conditions proposed above, the facility's emissions of criteria pollutants will not increase.

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The use of the rental boiler is not a significant change in the overall method of plant operation. Natural gas and propane are still being combusted to produce steam, to supply to the steam host.

The temporary use of the rental equipment does not involve the replacement or reconstruction of facility equipment.

We request that language be added to the PSD and Title V permits so that additional permitting is not needed in the event that a malfunction occurs and a temporary boiler is needed. We would like to address this issue now, as part of a prudent and cooperative planning effort with the Department, rather than waiting for emergency conditions to develop. Prior to moving forward with the permit application, we would appreciate your review and concurrence with our proposed approach. We would be following this letter with a phone call to schedule a meeting with you to further discuss the details of our request.

Please contact Nick Laryea at 772-597-6500, extension 19 if you have any questions. Thank you for your assistance with this matter.

Sincerely,

George K. Allen General Manager

Cc: Tom Fromm, PG&E NEG
David Dee, Landers & Parsons
AJ Jablonowski, Earth Tech
Nicholas Laryea, ICLP