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UTILITY BOARD OF THE CITY OF KEY WEST

RECEIVED

AUG 10 2009

BUREAU OF AIR REGULATION

August 5, 2009

DEP Bureau of Air Regulation
MS 5505
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: Acid Rain Retired Unit Exemption

To Whom It May Concern:

Enclosed you will find the "Acid Rain Retired Unit Exemption" for Keys Energy Services' Stock Island Power Plant located at 6900 Front Street Extended, Key West, FL 33040.

Please contact me at (305) 295-1134 if more information is needed.

Sincerely,

A handwritten signature in cursive script that reads "Edward Garcia".

Edward Garcia
Director of Generation
Edward.Garcia@Keysenergy.com

c:
L. Tejada, General Manager & CEO
J. Wetzler, Asst. Gen Manager & CFO
A. Deese, FMPA
FILE: SOF-110

Enclosures

Acid Rain, CAIR, and Hg Budget Retired Unit Exemption

For more information, see instructions and refer to 40 CFR 72.8, 96.105, 96.205, 96.305, and 60.4105; and Rules 62-214.340(2), 62-296.470, and 62-296.480, F.A.C.

This submission is: New Revised

STEP 1

Identify the unit by plant name, State, ORIS code and unit ID#.

Plant Name Stock Island Power Plant	State FL	ORIS/Plant Code 6584	Unit ID# 1
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Applicable Program(s): Acid Rain CAIR NO_x Annual CAIR SO₂ CAIR NO_x Ozone Season
 Mercury (Hg) Budget Trading

STEP 2

Identify the date on which the unit was (or will be) permanently retired.

01/01/1998

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STEP 3

If an acid rain affected unit, identify the first full calendar year in which the unit meets (or will meet) the requirements of 40 CFR 72.8(d).

January 1, 1998

BUREAU OF AIR REGULATION

STEP 4

Read the special provisions.

Acid Rain Special Provisions

- (1) A unit exempt under Rule 62-214.340(2), F.A.C., shall not emit any sulfur dioxide and nitrogen oxides starting on the date that the exemption takes effect. The owners and operators of the unit will be allocated allowances in accordance with 40 CFR Part 73, Subpart B. If the unit is a Phase I unit, for each calendar year in Phase I, the designated representative of the unit shall submit a Phase I permit application in accordance with 40 CFR Part 72, Subparts C and D, and an annual certification report in accordance with 40 CFR 72.90 through 72.92 and is subject to 40 CFR 72.95 and 72.96.
- (2) A unit exempt under Rule 62-214.340(2), F.A.C., shall not resume operation unless the designated representative of the source that includes the unit submits a complete Acid Rain Part application under Rule 62-214.320, F.A.C., for the unit not less than 24 months prior to the date on which the unit is first to resume operation.
- (3) The owners and operators and, to the extent applicable, the designated representative of a unit exempt under Rule 62-214.340(2), F.A.C., shall comply with the requirements of Chapter 62-214, F.A.C., and the Acid Rain Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.
- (4) For any period for which a unit is exempt under Rule 62-214.340(2), F.A.C., the unit is not an Acid Rain unit and is not eligible to be an opt-in source under 40 CFR Part 74. As a non-Acid Rain Unit, the unit shall continue to be subject to any other applicable requirements under Chapter 62-213, F.A.C.
- (5) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under Rule 62-214.340(2), F.A.C., shall retain at the source that includes the unit records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the EPA or the DEP. The owners and operators bear the burden of proof that the unit is permanently retired.
- (6) On the earlier of the following dates, a unit exempt under Rule 62-214.340(2), F.A.C., shall lose its exemption and become an Acid Rain Unit: (i) the date on which the designated representative submits an Acid Rain Part application under paragraph (2); or (ii) the date on which the designated representative is required under paragraph (2) to submit an Acid Rain Part application. For the purpose of applying monitoring requirements under 40 CFR Part 75, a unit that loses its exemption under Rule 62-214.340(2), F.A.C., shall be treated as a new unit that commenced commercial operation on the first date on which the unit resumes operation.

Plant Name (from STEP 1) **Stock Island Power Plant**

STEP 4
(continued)

CAIR Special Provisions

- (1) A unit exempt under 40 CFR 96.105(a), 96.205(a), or 96.305(a), shall not emit any sulfur dioxide or nitrogen oxides starting on the date that the exemption takes effect. The DEP will allocate CAIR NO_x allowances in accordance with Rule 62-296.470, F.A.C.
- (2) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under Rule 62-296.470, F.A.C., shall retain at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the EPA or the DEP. The owners and operators bear the burden of proof that the unit is permanently retired.
- (3) The owners and operators and, to the extent applicable, the CAIR designated representative of a unit exempt under 40 CFR 96.105(a), 96.205(a), or 96.305(a), shall comply with the applicable requirements of the CAIR NO_x Annual Trading Program, the CAIR SO₂ Trading Program, and the CAIR NO_x Ozone Season Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.
- (4) A unit exempt under 40 CFR 96.105(a), 96.205(a), or 96.305(a), and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the CAIR designated representative of the source submits a complete CAIR Part application under Rule 62-213.420, F.A.C., for the unit before the date on which the unit resumes operation.
- (5) On the earlier of the following dates, a unit exempt under 40 CFR 96.105(a), 96.205(a), or 96.305(a) shall lose its exemption:
 - (i) the date on which the CAIR designated representative submits a CAIR Part application under Special Provision (4) above;
 - (ii) the date on which the CAIR designated representative is required under Special Provision (4) above to submit an CAIR Part application for the unit; or
 - (iii) the date on which the unit resumes operation, if the CAIR designated representative is not required to submit a CAIR Part application for the unit.
- (6) For the purpose of applying monitoring, reporting and recordkeeping requirements under 40 CFR Part 96, Subparts HH, HHH, and/or HHHH, a unit that loses its exemption under 40 CFR 96.105(a), 96.205(a), or 96.305(a), shall be treated as a unit that commences commercial operation on the first date on which the unit resumes operation.

Mercury (Hg) Budget Trading Special Provisions

- (1) A unit exempt under 40 CFR 60.4105(a) shall not emit any mercury starting on the date that the exemption takes effect.
- (2) The DEP will allocate Hg allowances under Rule 62-296.480, F.A.C.
- (3) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under 40 CFR 60.4105(a) shall retain at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any before the end of the period, in writing by the EPA or the DEP. The owners and operators bear the burden of proof that the unit is permanently retired.
- (4) The owners and operators and, to the extent applicable, the Hg designated representative of a unit exempt under 40 CFR 60.4105(a) shall comply with the requirements of the Hg Budget Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.
- (5) A unit exempt under 40 CFR 60.4105(a) and located at a source that is required, or but for this exemption would be required, to have a title V operating permit shall not resume operation unless the Hg designated representative of the source submits a complete Hg Budget Part application under 40 CFR 60.4122 and Rule 62-213.420, F.A.C., for the unit before the date on which the unit resumes operation.
- (6) On the earlier of the following dates, a unit exempt under 40 CFR 60.4105(a) shall lose its exemption:
 - (i) the date on which the Hg designated representative submits a Hg Budget Part application for the unit under Special Provision (5);
 - (ii) the date on which the Hg designated representative is required under Special Provision (5) to submit a Hg Budget Part application for the unit; or
 - (iii) the date on which the unit resumes operation, if the Hg designated representative is not required to submit a Hg Budget Part application for the unit.
- (7) For the purpose of applying monitoring, reporting and recordkeeping requirements under 40 CFR 60.4170 through 60.4176, a unit that loses its exemption under 40 CFR 60.4105(a) shall be treated as a unit that commences operation and commercial operation on the first date on which the unit resumes operation.

Plant Name (from STEP 1) **Stock Island Power Plant**

STEP 5
Make Statement of Compliance.

Statement of Compliance

I state that the unit identified above in STEP 1 was (or will be) permanently retired on the date identified in STEP 2 and will comply with the Special Provisions listed in STEP 4.

STEP 6
Read the certification and sign and date.

Certification (for designated representatives or alternate designated representatives only)

I am authorized to make this submission on behalf of the owners and operators of the affected source and affected unit for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name Edward Garcia	Title Director of Generation
Owner Company Name Keys Energy Services	
Phone 305-295-1134	Email Edward.garcia@keysenergy.com
Signature <i>Edward Garcia</i>	Date <i>8/5/09</i>