

A.K. (BEN) SHARMA, P.E.
Vice President of Power Supply
E-mail: BSHARMA@KUA.COM



P.O. BOX 423219, KISSIMMEE, FLORIDA 34742-3219
(407) 933-7777 FAX: 407-847-0787

RECEIVED

JUL 15 2002

July 10, 2002

BUREAU OF AIR REGULATION

Mr. A. A. Linero, P. E.
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Ref: Kissimmee Utility Authority – Cane
Island Power Park
PSD Permit PSD-FL-254 (Unit 3)
Request for Permit Modification

0970043 - 011 - AC
0970043 - 012 - AV

Dear Mr. Linero:

This is to request a change to specific condition 29 of permit PSD-FL-254 to allow 5 hours of excess emissions during cold startup to combined cycle operation and to change the definition of "cold start-up." Condition 29 of the current PSD permit for Unit 3 permits up to 4 hours of excess emissions during cold startup to combined cycle operation. The startup procedure for Unit 3 requires a minimum of 3.5 hours of built-in "hold" times during the actual startup procedure; that is, if the actual startup procedures (opening/closing of vents, valves, breakers, etc.) were instantaneous, the required hold times alone would require a minimum of 3.5 hours. The procedures themselves require almost 30 minutes under optimum conditions; however, startup will not always occur under optimum conditions. In addition, many of the hold points during the startup procedure do not specify a minimum time, but require the operator to assure certain conditions before continuing, such as absence of vibrations. If these conditions are not met, then these hold times can easily reach 10 or 20 minutes each.

For these reasons, KUA requests that up to five hours of excess emissions be permitted during cold startup to combined cycle operation and that cold startup be defined as a start-up to combined cycle operation following a complete shut down lasting at least eight hours. Specifically, KUA requests that specific condition 29 of permit PSD-LF-254 be changed as follows:

Excess emissions resulting from startup, shutdown, or malfunction shall be permitted provided that best operational practices are adhered to and the duration of excess emissions shall be minimized. Excess emissions occurrences shall in no case exceed two hours in any 24-hour period except during both "cold start-up" to or shutdowns from combined cycle plant operation. During start-up to

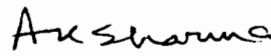
July 10, 2002

Page 2

simple cycle operation, up to one hour of excess emissions are allowed. During cold start-up to combined cycle operation, up to ~~four~~ five hours of excess emissions are allowed. During shutdowns from combined cycle operation, up to three hours of excess emissions are allowed. Cold start-up is defined as a startup to combined cycle operation following a complete shutdown lasting at least 48 8 hours.

I would also request that this change be implemented in the Title V permit application for Unit 3 which is currently being processed by your office (Facility ID 0970043). If you have any questions regarding this request, please call Mr. Jeff Ling at 407/933-7777 or Mr. Jerome Guidry at 407/333-7374.

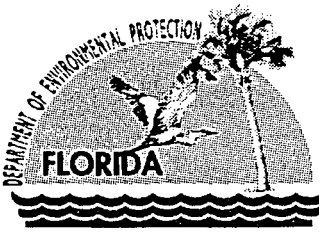
Sincerely,



A.K. (Ben) Sharma, P.E.
Vice President of Power Supply

cc: Alan Zahm, P. E.
Mark A. Wiitanen, P. E.
Jeff Ling
Larry Mattern
Richard Stephens
Jerome J. Guidry, P. E.

1078/27
Mattern



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

July 31, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. A. K. Sharma, P.E.
Director of Power Supply
Kissimmee Utility Authority
Post Office Box 423219
Kissimmee, Florida 34742-3219

Re: Request for Additional Information
DEP File Nos. PSD-FL-254, PA98-38
Cane Island Unit No. 3 – Excess Emissions During Start-Up

Dear Mr. Sharma:

The Department is in receipt of your letter dated July 10, 2002 related to PSD-FL-254. In order to continue processing your application, the Department will need the additional information below. Should your response to any of the below items require calculations, please submit the calculations, assumptions, reference material and any appropriate revised pages of the application.

Your letter makes requests, which cover two areas of the existing PSD permit:

- 1) Revise the definition a cold start-up, as a start-up to combined cycle operation following a complete shutdown lasting at least 8 hours rather than 48 hours which is currently specified
- 2) Increase the allowable period of excess emissions during cold start-ups to 5 hours rather than 4 hours which is currently authorized

The Department notes that the pertinent language contained in PSD-FL-254 is quite common for nearly every PSD permit issued over the past few years, where combined cycle units are involved. As you are likely aware, 62-210.700(1) allows excess emissions resulting from start-up and shutdown, "... but in no case exceed two hours in any 24 hour period unless specifically authorized by the Department for longer duration". In the past, we have been told by EPA that they expect us to be very judicious in our application of the rule, and EPA continues to comment adversely on draft permits where we have authorized up to 3 or 4 hours in a 24-hour period rather than the two hours written in the rule. We have had several discussions with Region IV on this precise topic, and have come to understand that their dissatisfaction stems from the underlying presumption that by allowing excess emissions to occur (with no defined limits) all pollutant levels are authorized to be unlimited for that entire period of time. Since we have not required applicants to do modeling during startup, some possibility exists that a permit could be issued which allows ambient air quality standards to be violated during those times. We believe that these are valid concerns.

"More Protection, Less Process"

Printed on recycled paper.

Mr. A.K. Sharma
Page 2 of 2
July 31, 2002

In the event that you wish to continue to process the request dealing with extensions of time for excess start-up emissions, we must have further information. The purpose of the additional information is to define with some precision:

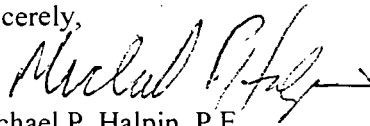
- a) How much time is required for each of the startup modes requested (to at least 1 hour of precision)
- b) Which pollutant(s) exceed the permitted limits during the above startup mode(s)
- c) What actual emission level(s) are observed during each of the startup modes and
- d) What emission level(s) are reasonably attainable during each of the startup modes

The above information will form the basis for a permit revision defining alternate (but not unlimited) emission levels during the affected startup mode. As indicated above, we believe that this approach is workable and is similar to the approach being utilized for Lakeland Electric's McIntosh facility.

Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. Please note that per Rule 62-4.055(1): *"The applicant shall have ninety days after the Department mails a timely request for additional information to submit that information to the Department..... Failure of an applicant to provide the timely requested information by the applicable date shall result in denial of the application."* We suggest that when you provide the above requested information, you provide at least two of the portions from our standard application, those being the signature of the facility's authorized representative, and a PE signature.

If you have any questions, please call me at 850/921-9519.

Sincerely,



Michael P. Halpin, P.E.

DEP/DARM

New Source Review Section

cc: Buck Oven, DEP PPSO
Len Kozlov, DEP CD

A.K. (BEN) SHARMA, P.E.
Vice President of Power Supply
E-mail: BSHARMA@KUA.COM



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Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

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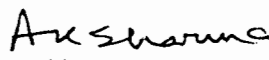
July 10, 2002

Page 2

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Sincerely,



A.K. (Ben) Sharma, P.E.
Vice President of Power Supply

cc: Alan Zahm, P. E.
Mark A. Wiitanen, P. E.
Jeff Ling
Larry Mattern
Richard Stephens
Jerome J. Guidry, P. E.



Technical Services, Inc.

October 9, 2002

RECEIVED

OCT 10 2002

BUREAU OF AIR REGULATION

Mr. Michael P. Halpin, P. E.
DEP/DARM
New Source Review Section
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: Response to Request for Additional Information
Kissimmee Utility Authority - Cane Island Power Park - Facility ID: 0970043
Unit 3 Excess Emissions During Startup

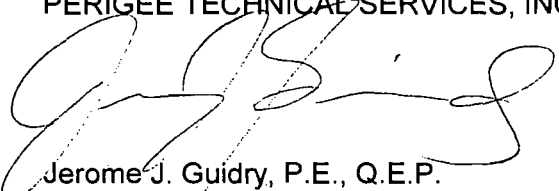
Dear Mr. Halpin:

In response to your Request for Additional Information dated July 31, 2002, I have attached four (4) copies of the relevant pages of the Application for Air Permit - Title V Source. The responses to your information request are included as Attachment A to the application.

Please call me at (407) 333-7374 if you have any questions regarding this submittal.

Very truly yours,

PERIGEE TECHNICAL SERVICES, INC.



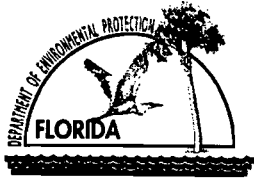
Jerome J. Guidry, P.E., Q.E.P.
President

JJG:emc

cc: A. K. Sharma
Jeff Ling
Larry Mattern
Richard Stephens

Enclosures

via Federal Express Airbill Number 8132 1390 6581



Department of Environmental Protection

Division of Air Resources Management

APPLICATION FOR AIR PERMIT - TITLE V SOURCE

See Instructions for Form No. 62-210.900(1)

I. APPLICATION INFORMATION

RECEIVED

OCT 10 2002

BUREAU OF AIR REGULATION

Identification of Facility

1. Facility Owner/Company Name: Kissimmee Utility Authority	
2. Site Name: Cane Island Power Park – Unit 3	
3. Facility Identification Number: 0970043 [] Unknown	
4. Facility Location: Street Address or Other Locator: 6075 Old Tampa Highway City: Intercession City County: Osceola Zip Code: 33848	
5. Relocatable Facility? [] Yes [X] No	6. Existing Permitted Facility? [X] Yes [] No

Application Contact

1. Name and Title of Application Contact: A. K. Sharma, Vice President of Power Supply	
2. Application Contact Mailing Address: Organization/Firm: Kissimmee Utility Authority Street Address: P. O. Box 423219 City: Kissimmee State: Florida Zip Code: 34742-3219	
3. Application Contact Telephone Numbers: Telephone: (407) 933 - 7777 Fax: (407) 847 - 0787	

Application Processing Information (DEP Use)

1. Date of Receipt of Application:	
2. Permit Number:	
3. PSD Number (if applicable):	
4. Siting Number (if applicable):	

Purpose of Application

Air Operation Permit Application

This Application for Air Permit is submitted to obtain: (Check one)

- Initial Title V air operation permit for an existing facility which is classified as a Title V source.
- Initial Title V air operation permit for a facility which, upon start up of one or more newly constructed or modified emissions units addressed in this application, would become classified as a Title V source.
Current construction permit number: _____
- Title V air operation permit revision to address one or more newly constructed or modified emissions units addressed in this application.
Current construction permit number: _____
Operation permit number to be revised: _____
- Title V air operation permit revision or administrative correction to address one or more proposed new or modified emissions units and to be processed concurrently with the air construction permit application. (Also check Air Construction Permit Application below.)
Operation permit number to be revised/corrected: _____
- Title V air operation permit revision for reasons other than construction or modification of an emissions unit. Give reason for the revision; e.g., to comply with a new applicable requirement or to request approval of an "Early Reductions" proposal.
Operation permit number to be revised: PSD Permit PSD-FL-254.
Reason for revision: Change in excess emissions parameters.

Air Construction Permit Application

This Application for Air Permit is submitted to obtain: (Check one)

- Air construction permit to construct or modify one or more emissions units.
- Air construction permit to make federally enforceable an assumed restriction on the potential emissions of one or more existing, permitted emissions units.
- Air construction permit for one or more existing, but unpermitted, emissions units.

Owner/Authorized Representative or Responsible Official

1. Name and Title of Owner/Authorized Representative or Responsible Official: A. K. Sharma, Vice President of Power Supply
2. Owner/Authorized Representative or Responsible Official Mailing Address: Organization/Firm: Kissimmee Utility Authority Street Address: P. O. Box 423219 City: Kissimmee State: Florida Zip Code: 34742-3219
3. Owner/Authorized Representative or Responsible Official Telephone Numbers: Telephone: (407) 933 - 7777 Fax: (407) 847 - 0787
4. Owner/Authorized Representative or Responsible Official Statement: <i>I, the undersigned, am the owner or authorized representative*(check here [X], if so) or the responsible official (check here [], if so) of the Title V source addressed in this application, whichever is applicable. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof. I understand that a permit, if granted by the Department, cannot be transferred without authorization from the Department, and I will promptly notify the Department upon sale or legal transfer of any permitted emissions unit.</i> Signature: <u>AK Sharma</u> Date: <u>10/7/2002</u>

* Attach letter of authorization if not currently on file.

Professional Engineer Certification

1. Professional Engineer Name: Jerome J. Guidry, P.E., Q.E.P. Registration Number: 32589
2. Professional Engineer Mailing Address: Organization/Firm: Perigee Technical Services, Inc. Street Address: 3214 Deer Chase Run City: Longwood State: Florida Zip Code: 32779-3173
3. Professional Engineer Telephone Numbers: Telephone: (407) 333 - 7374 Fax: (407) 333 - 9396

4. Professional Engineer Statement:

I, the undersigned, hereby certify, except as particularly noted herein, that:*

(1) To the best of my knowledge, there is reasonable assurance that the air pollutant emissions unit(s) and the air pollution control equipment described in this Application for Air Permit, when properly operated and maintained, will comply with all applicable standards for control of air pollutant emissions found in the Florida Statutes and rules of the Department of Environmental Protection; and

(2) To the best of my knowledge, any emission estimates reported or relied on in this application are true, accurate, and complete and are either based upon reasonable techniques available for calculating emissions or, for emission estimates of hazardous air pollutants not regulated for an emissions unit addressed in this application, based solely upon the materials, information and calculations submitted with this application.

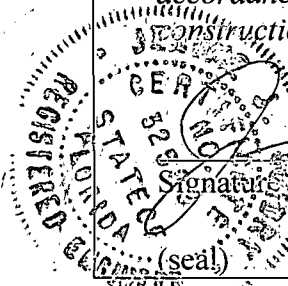
If the purpose of this application is to obtain a Title V source air operation permit (check here [X], if so), I further certify that each emissions unit described in this Application for Air Permit, when properly operated and maintained, will comply with the applicable requirements identified in this application to which the unit is subject, except those emissions units for which a compliance schedule is submitted with this application.

If the purpose of this application is to obtain an air construction permit for one or more proposed new or modified emissions units (check here [], if so), I further certify that the engineering features of each such emissions unit described in this application have been designed or examined by me or individuals under my direct supervision and found to be in conformity with sound engineering principles applicable to the control of emissions of the air pollutants characterized in this application.

If the purpose of this application is to obtain an initial air operation permit or operation permit revision for one or more newly constructed or modified emissions units (check here [], if so), I further certify that, with the exception of any changes detailed as part of this application, each such emissions unit has been constructed or modified in substantial accordance with the information given in the corresponding application for air construction permit and with all provisions contained in such permit.

(Signature)

10-9-02
Date



Attach any exception to certification statement.

Construction/Modification Information

1. Description of Proposed Project or Alterations:

The purpose of this application is to respond to the request for additional information from Michael P. Halpin, P. E. to Mr. A. K. Sharma dated July 31, 2002 regarding the request for changes to excess emissions parameters contained in PSD permit PSD-FL-254 (see Attachment B). The request was made in a letter from Mr. Sharma dated July 10, 2002 (see Attachment C). Attachment A contains responses to the requests.

2. Projected or Actual Date of Commencement of Construction: **N/A**

3. Projected Date of Completion of Construction: **N/A**

Application Comment

Attachment A

Responses to Request for Additional Information

a) How much time is required for each of the startup modes requested (to at least 1 hour of precision)?

The only startup mode change which is requested is for cold startup to combined cycle operation. The startup requires a minimum of 4 hours under optimum conditions. However, startup may not always occur under optimum conditions. At several points during the startup process, the operator must evaluate the condition of the unit and determine if additional hold times are required to assure proper startup. The duration of these situations cannot be accurately estimated since they are discretionary. During the previous two startups, these situations did not occur, but it was evident that additional discretionary hold times or slower ramping to full power could easily exceed the currently permitted 4 hours for startup. KUA believes that one additional hour should accommodate these unforeseen circumstances. These observations have prompted this request for up to 5 hours of excess emissions during startup.

b) Which pollutant(s) exceed the permitted limits during the above startup mode(s)?

Nitrogen oxides exceed the permitted limits during startup.

c) What actual emission level(s) are observed during each of the startup modes?

During a recent startup, nitrogen oxide emissions averaged 60 ppm.

d) What emission level(s) are reasonably attainable during each of the startup modes?

Since this unit has been started up in this mode only a few times, an average emission level of 60 ppm could probably be considered reasonable. However, startup procedures, by their nature, can vary considerably along with actual emissions.

Attachment B
Request for Additional Information



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

July 31, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. A. K. Sharma, P.E.
Director of Power Supply
Kissimmee Utility Authority
Post Office Box 423219
Kissimmee, Florida 34742-3219

Re: Request for Additional Information
DEP File Nos. PSD-FL-254, PA98-38
Cane Island Unit No. 3 - Excess Emissions During Start-Up

Dear Mr. Sharma:

The Department is in receipt of your letter dated July 10, 2002 related to PSD-FL-254. In order to continue processing your application, the Department will need the additional information below. Should your response to any of the below items require calculations, please submit the calculations, assumptions, reference material and any appropriate revised pages of the application.

Your letter makes requests, which cover two areas of the existing PSD permit:

- 1) Revise the definition a cold start-up, as a start-up to combined cycle operation following a complete shutdown lasting at least 8 hours rather than 48 hours which is currently specified
- 2) Increase the allowable period of excess emissions during cold start-ups to 5 hours rather than 4 hours which is currently authorized

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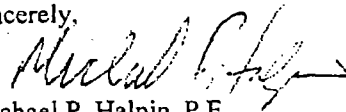
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The above information will form the basis for a permit revision defining alternate (but not unlimited) emission levels during the affected startup mode. As indicated above, we believe that this approach is workable and is similar to the approach being utilized for Lakeland Electric's McIntosh facility.

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If you have any questions, please call me at 850/921-9519.

Sincerely,



Michael P. Halpin, P.E.
DEP/DARM
New Source Review Section

cc: Buck Oven, DEP PPSO
Len Kozlov, DEP CD

Attachment C
Original Request for Permit Revision

A.K. (BEN) SHARMA, P.E.
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E-mail: BSHARMA@KUA.COM



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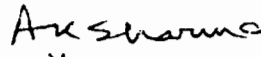
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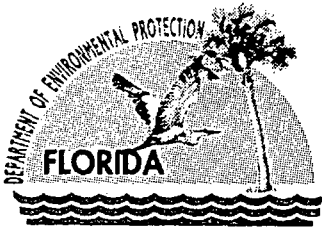
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Department of Environmental Protection

Jeb Bush
Governor

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

David B. Struhs
Secretary

October 29, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

A.K. Sharma
Vice President of Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, Fl 34742-3219

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KUA Cane Island Unit No. 3

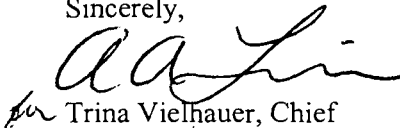
Dear Mr. Sharma:

Enclosed is one copy of the Draft PSD Permit Modification relative to the start-up emissions on KUA Cane Island Unit 3. The facility is located at 6075 Old Tampa Highway, Intercession City, Osceola County.

The Public Notice of Intent to Issue PSD Permit Modification must be published one time only, as soon as possible, in the legal advertisement section of a newspaper of general circulation in the area affected, pursuant to the requirements Chapter 50, Florida Statutes. Proof of publication, i.e., newspaper affidavit, must be provided to the Department's Bureau of Air Regulation office within seven days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit.

Please submit any written comments you wish to have considered concerning the Department's proposed action to A. A. Linero, P.E., Administrator, New Source Review Section at the above letterhead address. If you have any other questions, please contact Michael P. Halpin, P.E. at 850/921-9519.

Sincerely,


for Trina Vielhauer, Chief
Bureau of Air Regulation

mph

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permit by:

A. K. Sharma, Vice President
Kissimmee Utility Authority
P. O. Box 423219
Intercession City, Florida 34742-3219

DEP File No. PSD-FL-254 (PA 98-38)

INTENT TO ISSUE PSD PERMIT MODIFICATION

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification (copy of Draft permit attached) for the proposed project, detailed in the application specified above and for the reasons stated below.

The applicant, A.K. Sharma, Vice President, Kissimmee Utility Authority, applied on October 10, 2002, to the Department for a PSD Permit Modification for its Cane Island Combined Cycle Electric Generating Unit No. 3, located at 6075 Old Tampa Highway, Intercession City, Osceola County. The request is to revise the permit to accommodate those emissions, which have been determined during actual start-up conditions.

The Department 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, and 62-212. The above actions are not exempt from permitting procedures. The Department has determined that a PSD Permit Modification is required to revise the permit with respect to start-up emissions.

The Department intends to issue this PSD Permit Modification based on the belief that reasonable assurances have been provided to indicate that operation of these emission units will not adversely impact air quality, and the emission units will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C.

Pursuant to Section 403.815, F.S., and Rule 62-110.106(7)(a)1., F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue PSD Permit Modification. The notice shall be published one time only in the legal advertisement section of a newspaper of general circulation in the area affected. Rule 62-110.106(7)(b), F.A.C., requires that the applicant cause the notice to be published as soon as possible after notification by the Department of its intended action. 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. If you are uncertain that a newspaper meets these requirements, please contact the Department at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax 850/ 922-6979). You must provide proof of publication within seven days of publication, pursuant to Rule 62-110.106(5), F.A.C. No permitting action for which published notice is required shall be granted until proof of publication of notice is made by furnishing a uniform affidavit in substantially the form prescribed in section 50.051, F.S. to the office of the Department issuing the permit. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rules 62-110.106(9) & (11), F.A.C.

The Department will issue the final permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed permit issuance action for a period of 14 (fourteen) days from the date of publication of Public Notice of Intent to Issue PSD Permit Modification. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within 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) of the Florida Statutes must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within 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 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 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department'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 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, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (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 Department'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.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that 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 such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation is not available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply 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, 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; (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 EPA 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.

Executed in Tallahassee, Florida.


for Trina Vielhauer, Chief
Bureau of Air Regulation

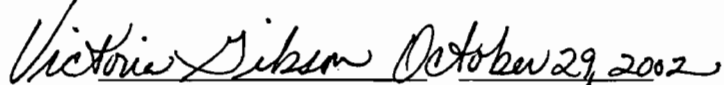
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Intent to Issue PSD Permit Modification (including the Public Notice of Intent to Issue PSD Permit Modification and the Draft permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 10/29/02 to the person(s) listed:

- Mr. A. K. Sharma, KUA *
- Mr. Jerome J. Guidry, P.E., Perigee Technical Services, Inc.
- Mr. Gregg Worley, EPA
- Mr. John Bunyak, NPS
- Mr. Len Kozlov, CD
- Mr. Buck Oven, DEP

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.


Victoria Siskin October 29, 2002
(Clerk) (Date)

PUBLIC NOTICE OF INTENT TO ISSUE PSD PERMIT MODIFICATION

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. PSD-FL-254 (PA 98-38)

Kissimmee Utility Authority
Cane Island Power Plant - Unit No. 3
Osceola County

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification to Kissimmee Utility Authority, for the Cane Island Unit 3 Combined Cycle Unit located at 6075 Old Tampa Highway, Intercession City, Osceola County. The permit is to revise the conditions relative to start-up emissions. This is a new generating unit, which has commenced initial operation. The applicant's mailing address is: A. K. Sharma, Kissimmee Utility Authority, P.O. Box 423219, Kissimmee FL 34742-3219.

This modification specifies an alternate emission limit for NO_x during any calendar day in which a start-up or shutdown occurs. There are no other changes to the authorized emissions as a result of this modification.

An air quality impact analysis was not conducted. The Department will issue the Final Permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed permit issuance action for a period of 14 (fourteen) days from the date of publication of this Public Notice of Intent to Issue PSD Permit Modification. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below. Mediation is not available in this proceeding.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within 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) of the Florida Statutes must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department for notice of agency action may file a petition within 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 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 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department'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 petitioner received notice of the agency action or proposed action;

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

(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, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (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 Department'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

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that 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 such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

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:

Florida Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: (850) 488-1344
Fax: (850) 922-6979

Florida Department of Environmental Protection
Central District Office
3319 Maguire Boulevard, Suite 23
Orlando, Florida 32803-3767
Telephone: (407) 894-7555
Fax: (407) 897-2966

The complete project file includes the application, Draft permit, and the information submitted by the Responsible Official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Administrator, New Source Review Section, at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850/488-0114, for additional information.

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

November XX, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

A.K. Sharma, Vice President Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, Fl 34742-3219
Re: DEP File No. PSD-FL-254, PA 98-38
KUA Cane Island Unit No. 3

Dear Mr. Sharma:

The Department reviewed your request to modify the PSD Permit relative to start-up emissions. As a result of this review, the Department has concluded that a permit modification may be granted. Accordingly, this request is acceptable as indicated herein.

Permit PSD-FL-254 is hereby modified as follows:

29. Excess emissions resulting from startup, shutdown, or malfunction shall be permitted provided that best operational practices are adhered to and the duration of excess emissions shall be minimized. Excess emissions occurrences shall in no case exceed two hours in any 24-hour period ~~except during both "cold start-up" to or shutdowns from combined cycle plant operation. During start up to simple cycle operation, up to one hour of excess emissions are allowed. During cold start up to combined cycle operation, up to four hours of excess emissions are allowed. During shutdowns from combined cycle operation, up to three hours of excess emissions are allowed. Cold start up is defined as a startup to combined cycle operation following a complete shutdown lasting at least 48 hours. During any calendar day in which a start-up or shutdown occurs, an alternative limit of 86 lb/hr on the basis of a 24-hour average shall apply.~~ [Applicant Request, G.E. Combined Cycle Startup Curves Data and Rule 62-210.700, F.A.C.].
44. Continuous Monitoring System: The permittee shall install, calibrate, maintain, and operate a continuous emission monitor in the stack to measure and record the nitrogen from these units. Periods when NO_x emissions (ppmvd @ 15% oxygen) are above the permitted limits, listed in Specific Condition No. 24 ~~(other than those allowed for in Specific Condition No. 29)~~, shall be reported to the DEP Central District Office within one working day (verbally) followed up by a written explanation not later than three (3) working days (alternatively by facsimile within one working day). [Rules 62-204.800, 62-210.700, 62-4.130, 62-4.160(8), F.A.C and 40 CFR 60.7 (1998 version)].

Mr. A. K. Sharma
November XX, 2002

No other changes to the permit are authorized by this action.

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit modification is issued pursuant to Chapter 403, Florida Statutes. Any party to this order (permit modification) 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.

Sincerely,

Howard L. Rhodes, Director
Division of Air Resources
Management

HLR/mpb

DRAFT

Florida Department of
Environmental Protection

Memorandum

TO: ~~Trina Vielhauer~~ *by [signature] 10/28*
THRU: Al Linero *AL 10/28*
FROM: Michael P. Halpin *MH*
DATE: October 28, 2002
SUBJECT: Kissimmee Utility Authority Cane Island Power Park
Modification to Emission Standard During Start-up and Shut-down Conditions
DEP File No. PSD-FL-254 (PA 98-38)

Attached is the public notice package for a modification to the PSD permit for Unit 3 at KUA's Cane Island Power Park. The applicant has requested an increase from 4 hours to 5 hours for excess emissions, during start-up to combined cycle operation. Through many discussions with EPA, I have become aware that they prefer for us to "hold firm" with the allowable 2 hours of excess emissions (State Rule), which limits excess emissions only during certain conditions. As a result of this, I prefer to establish an alternate emission standard during start-up and shutdown, and reduce allowable excess emissions to the 2 hours allowed by rule.

In this case, KUA is additionally authorized to operate in simple cycle mode with a limit of 12 ppmvd and 86 lbs/hour. I believe such an emission rate provides a good surrogate for the establishment for an alternate emission standard during start-up, since no SCR is used during simple cycle operation. Accordingly, I am reducing the allowable level of excess emissions to 2 hours and establishing an alternate emission limit 86 lbs/hr (24-hour average) for any calendar day during which a start-up or shutdown occurs. This is consistent with the rationale utilized for the recent permit revision to Lakeland's McIntosh Unit 5.

I recommend your approval of the attached Intent to Issue.

MPH

Attachments