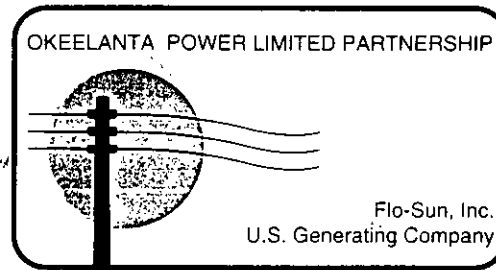


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MAR 02 2000

BUREAU OF AIR REGULATION



February 29, 2000

Mr. Jeffery F. Koerner, P.E.
New Source Review Section
Florida Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Okeelanta Power, L.P.--DEP File No. 0990332-008-AC
(PSD-FL-196)

Dear Mr. Koerner:

On behalf of the Department of Environmental Protection, you recently sent a letter (dated January 31, 2000) to Mr. Ricardo Lima concerning the permit for Okeelanta Power Limited Partnership's cogeneration facility. I am sending you this response because your letter contains several statements that need to be clarified or corrected. My comments are organized in the same order as the statements in your letter.

First, your letter was addressed to Mr. Lima as "V.P. and General Manager, Okeelanta Corporation & Okeelanta Power, L.P." While Mr. Lima is the Vice President and General Manager of Okeelanta Corporation, he does not hold those positions with Okeelanta Power Limited Partnership (OPLP). Any correspondence to OPLP should be sent to me, as the Authorized Representative of OPLP. Further, I should also note that, for purposes of this letter, I am also authorized to make the statements below related to Okeelanta Corporation. Although the cogeneration facility and the sugar mill are deemed by DEP to be one source for the purposes of DEP's Title V program, they are two separate facilities and they are currently owned by different entities.

The lawsuit filed by Florida Power & Light Company ("FPL") is currently in the discovery phase of the litigation. This case is presently scheduled to go to trial on September 5, 2000, and it is anticipated that the trial will last approximately five

weeks. Even with this schedule, it is impossible to predict accurately how long it will take to resolve the FPL litigation, the related bankruptcy proceeding, or any appeals from these two cases.

Although there are several reasons why OPLP and Okeelanta Corporation would prefer to operate the cogeneration facility's boilers instead of the sugar mill's boilers, it should be remembered that the sugar mill boilers were successfully operated for many years in compliance with all of the applicable state and federal standards that are designed to protect human health and the environment. If necessary, the mill boilers could still be operated safely and in compliance with all applicable DEP ambient air quality standards.

The PSD permit for the cogeneration facility was extended in the past to provide additional time for Okeelanta Corporation and OPLP to perfect the interconnected operation of the two facilities. The extensions were not the result of "physical problems with the new cogeneration boilers." The most recent request for an extension of time has been necessitated by FPL's lawsuit, the related bankruptcy case, and the uncertainties created by those two legal proceedings.

The sugar mill's boilers have not been used for some time and I hope that it will not be necessary to use them again in the future. For your records, the last date of operation for each boiler is provided below:

Boiler 4	11/23/98
Boiler 5	11/24/98
Boiler 6	1/26/99
Boiler 10	11/23/98
Boiler 11	1/26/99
Boiler 12	11/22/98
Boiler 14	11/23/98
Boiler 15	3/4/99

Your letter indicates that a "complete shutdown of the cogeneration boilers to operate the sugar mill boilers would require substantially new permits" and "the applicant is advised to plan appropriately." OPLP does not wish to see, and currently has no reason to expect, a complete shutdown of the cogeneration boilers. However, OPLP and Okeelanta Corporation cannot rely exclusively on the cogeneration facility until the FPL litigation and the bankruptcy proceeding are resolved successfully.

Further, I am not aware of any legal requirement that would compel Okeelanta Corporation to obtain "substantially new permits" in the unlikely event that it must resume full time operations with the sugar mill boilers, in lieu of receiving process steam from the cogeneration facility. Accordingly, I must respectfully disagree with your assertion that such permits would be necessary. Regardless of our respective opinions about this legal issue, it is unnecessary for us to answer this question (or any other hypothetical questions) at this time. It would be more appropriate to reserve such questions until we see how the FPL litigation and the bankruptcy proceeding unfold.

In the interim, please be assured that OPLP will continue to work cooperatively with the Department so that we can resolve our respective concerns in a mutually acceptable manner.

Sincerely,



Gus Cepero

Authorized Representative for OPLP

cc: (Clair Fancy, DEP)

James Stormer, PBCHD

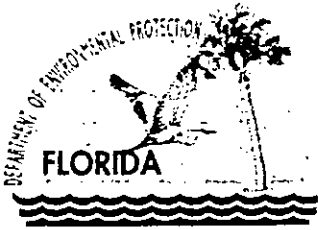
Gregg Worley, EPA

John Bunyak, NPS

Ricardo Lima, Okeelanta Corporation

cc: SD

Buff, Holder
Dee, LTP



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

January 31, 2000

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ricardo Lima, V.P. and General Manager
Okeelanta Corporation & Okeelanta Power L.P.
P.O. Box 86
South Bay, FL 33493

Re: Request for Additional Information No. 2
DEP File No. 0990332-008-AC (PSD-FL-196)
Okeelanta Power L.P. - Extended Operation of Sugar Mill Boilers

Dear Mr. Lima:

On January 4, 2000, the Department received additional information from Golder Associates regarding the above application. On January 21, 2000, the Department met with your representatives, David Dee (Landers & Parsons) and David Buff (Golder Associates) to discuss this information and the status of the cogeneration plant. The following briefly summarizes the items discussed:

1. Okeelanta Power has finalized the design for the new dust collectors and has begun the purchasing process. The related Consent Order is being finalized with the Department's South District Office and the Palm Beach County Health Department.
2. Okeelanta Power indicated that little progress has been made with regard to the lawsuit with FPL.
3. Okeelanta Power maintained that at least two years of standby service for the sugar mill boilers might be needed due to the uncertain legal matters.
4. Okeelanta Power stated that Boiler No. 16 was initially permitted to operate throughout the year as a refinery boiler as well as a backup for the cogeneration boilers after commercial operation had begun.
5. Both the Department and Okeelanta Power agree that it is more environmentally beneficial to operate the cogeneration boilers instead of the sugar mill boilers.
6. The Department maintained that the original PSD permit required shutdown of the sugar mill boilers by the end of 1999. This has been extended several times due to physical problems with the new cogeneration boilers. However, the new boilers have been in operation for nearly two years and the sugar mill boilers have not been operated within the last 18 months. The Department is hesitant to continue extensions beyond the intent of the original PSD permit, which was to establish commercial operation of the new cogeneration boilers.
7. The Department indicated that "permanent shutdown" of the sugar mill boilers was necessary due to the original net decreases used by Okeelanta Power to avoid BACT determinations for several pollutants. A future scenario of complete shutdown of the cogeneration boilers to operate the sugar mill boilers would require substantially new permits. The applicant is advised to plan appropriately.

"More Protection, Less Process"

Printed on recycled paper.

Mr. Ricardo Lima, Okeelanta Corporation / Okeelanta Power L.P.

Request for Additional Information No. 2

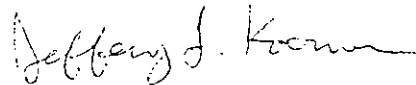
Page 2 of 2

January 31, 2000

8. This meeting concluded with an agreement that David Dec and David Buff would work together to revise the initial request in the form of suggested permit language for an extension to operate the sugar mill boilers. The Department would hold the application incomplete until the revised request is submitted. This would be the Department's last request for additional information.

The Department will resume processing your application after receipt of the requested information. Should your response to any of these items require new calculations, please submit the new calculations, assumptions, reference material and appropriate revised pages of the application form. 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. A new certification statement by the authorized representative or responsible official must also accompany any material changes to the application. Permit applicants are advised that Rule 62-4.055(1), F.A.C. now requires applicants to respond to requests for information within 90 days. If you have any questions, please contact the project engineer, Jeff Koerner, at 850/414-7268.

Sincerely,



Jeffery F. Koerner, P.E.

New Source Review Section

JFK

Enclosure

cc: David Dec, Landers & Parsons
David Buff, Golder Associates
James Meriwether, Okeelanta Power
Matt Capone, Okeelanta Corporation
David Knowles, SD
James Stormer, PBCHD
Gregg Worley, EPA Region 4
John Bunyak, NPS

Z 031 391 926

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Ricardo Lina	
Street & Number	
Okeelanta Corp	
Post Office, State, & ZIP Code	
South Bay, FL	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
0990332-006 AC 1-31-00	
PSD-FL-196	

PS Form 3800 April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Ricardo Lina, VP
Okeelanta Corp. + Power
P.O. Box 86
South Bay, FL
33493

4a. Article Number

Z 031 391 926

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery

2-2-00

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

October 21, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. David S. Dee
Landers & Parsons, P.A.
P.O. Box 271
Tallahassee, FL 32301

Re: Request for Additional Information
DEP File No. 0990332-008-AC (PSD-FL-196)
Okeelanta Power L.P. - Extended Operation of Sugar Mill Boilers

Dear Mr. Dee:

On September 28, 1999, the Department received your request for a permit modification and \$250 fee on behalf of Okeelanta Power Limited Partnership. The request is to further extend simultaneous operation of the sugar mill boilers with the cogeneration boilers. The Department also received comments from the Palm Beach County Health Department on October 15, 1999 regarding this request. Originally, emissions of the sugar mill boilers were used to offset emissions from the new cogeneration project. Another extension of the operation of the sugar mill boilers could trigger additional PSD review. Based on the available information, the Department believes that this is a compliance issue best resolved by adding a Compliance Plan to the Title V permit application currently under review by the Department's South District Office. The Compliance Plan should include a proposed schedule for ramping up the Okeelanta Power cogeneration plant to full operation as well as a new schedule for the shutdown and dismantling of the sugar mill boilers. The Department requests that Okeelanta Power withdraws this application to modify the PSD permit and submit a Compliance Plan as described above.

Alternatively, you may elect to proceed with this request, however the application is incomplete. In order to continue processing your request, the Department will need the additional information requested below.

1. Please submit at least the first six pages (Section I) of the Department's permit application, DEP Form No. 62-210.900(1), F.A.C., certified by the authorized representative and a Professional Engineer registered to practice in Florida.
2. Please provide a new schedule for the shutdown and dismantling of the sugar mill boilers. If the cogeneration boilers are fully functional and capable of delivering steam to the sugar mill, why is it necessary to extend simultaneous operation with the sugar mill boilers?
3. Please describe the current functional status of the cogeneration boilers. The Palm Beach County Health Department has indicated that this facility is in the process of signing a consent order for violations of the permit emissions standards. How are these violations being resolved in the consent order? Are the cogeneration boilers now in compliance with the permit emissions standards? When were the last compliance stack tests performed for the cogeneration boilers? Please provide a summary of the compliance status for each regulated pollutant identifying the emissions, the emissions standard, and the method of compliance.

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

Mr. David S. Dee
 Request for Additional Information – Okeelanta Power LP
 Page 2 of 2
 October 20, 1999

4. When were the last compliance tests conducted for each of the sugar mill boilers? Please provide a summary of the compliance status for each regulated pollutant identifying the emissions, the emissions standard, and the method of compliance.
5. Will simultaneous operation of the cogeneration boilers with the sugar mill boilers exceed any ambient air quality standards or PSD increments?
6. Please provide a response to the Palm Beach County Health Department's letter dated October 15, 1999 (attached). As shown in the county's letter, the actual annual emissions from this project for several pollutants are not only greater than the potential emissions allowed by the PSD permit, but also greater than the PSD baseline actual emissions. Please provide additional information describing additional control and monitoring measures that could be implemented at both the cogeneration plant and the sugar mill to minimize pollutant emissions.

The Department will resume processing your application after receipt of the requested information. Should your response to any of these items require new calculations, please submit the new calculations, assumptions, reference material and appropriate revised pages of the application form. 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. A new certification statement by the authorized representative or responsible official must also accompany any material changes to the application. Permit applicants are advised that Rule 62-4.055(1), F.A.C. now requires applicants to respond to requests for information within 90 days. If you have any questions, please contact the project engineer, Jeff Koerner, at 850/414-7268.

Sincerely,



A. A. Linero, P.E. Administrator
 New Source Review Section

AAL/jfk

Enclosure

- cc: Mr. Gus Cepero. Okeelanta Power
 Mr. James Meriwether. Okeelanta Power
 Mr. Gregg Worley. EPA
 Mr. John Bunyak. NPS
 Phil Barbaccia. South District Office DEP
 James Stormer. Palm Beach County Health Department

no green card
 986 THE TENDZ

US Postal Service Receipt for Certified Mail No Insurance Coverage Provided. Do not use for International Mail (See reverse)	
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Postage	\$
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Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
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	0990333-008-AC PDD-FI-196

OKEELANTA COGENERATION FACILITY
P.O. Box 9
South Bay, Florida 33493
(561) 993-1010
(561) 992-7744 (fax)

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SEP 07 1999

BUREAU OF AIR REGULATION

September 1, 1999

Department of Environmental Protection
Twin Towers Office Building
Bureau of Air Regulation
New Source Review Section
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Attn: A. A. Linero, P.E.
Administrator

Re: Okeelanta Cogeneration Facility
Permit No. AC50-219413/PSD-FL-196

Dear Mr. Linero:

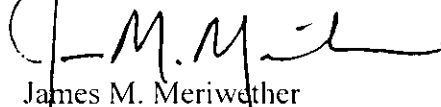
The Okeelanta Cogeneration Facility has recently performed a structural inspection of the stacks on Boilers "A", "B", and "C". This inspection identified significant corrosion in the upper sections of each stack. Based on these findings, the facility is planning to remove the uppermost twenty-six feet (26') of the stack for each boiler.

Each boiler was originally constructed with an as-built stack height of two hundred and twenty-five feet (225'). Specific Condition #3 of the above-referenced construction permit states that each boiler shall have a minimum height of one hundred and ninety-nine feet (199'). Based on my review of the original air permit application it is my understanding that the facility air modeling was based upon a stack height of 199'. Therefore, the planned reduction in stack height from 225' to a total of 199' will not violate the DEP permit conditions that are applicable to the facility and will not be inconsistent with the air quality impact assessment that was provided in the PSD permit application for the facility.

We have discussed this issue with the Palm Beach County Health Department and the Department's staff in the Ft. Myers District Office to confirm that the stack renovations are not subject to any new or additional permitting requirements. Based on our understanding that the Department has no objections to the stack renovations, the Okeelanta Cogeneration Facility is planning to move forward with the stack renovations in the near future.

Please contact me at (561) 993-1003 should you have any questions or need additional information regarding the stack renovation activities.

Sincerely,



James M. Meriwether
Environmental Manager

Cc: Darrel Graziani – PBCHD
Phillip Barbaccia – FDEP/South District
Ricardo Lima
Gus Cepero
Rodney Williams
Paul Claerbout
Keith Mazur
Bill Tarr
David Dee
David Buff

cc: Koerner
EPA
NPS