

(DATE)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Dennis V. Space, General Manager
Okeelanta Power Limited Partnership
Post Office Box 8
South Bay, Florida 33493

Dear Mr. Space:

Re: Amendment of Permit
AC 50-219413/PSD-FL-196

The Department has reviewed the letter dated February ____, 1997 from Okeelanta Power Limited Partnership and Okeelanta Power's request that the above-referenced permit be amended to allow additional time for the simultaneous operation of the boilers at Okeelanta Corporation's sugar mill and the new cogeneration boilers at the facilities located near South Bay, Palm Beach County, Florida. This request is acceptable and the referenced permit is amended as follows:

SPECIFIC CONDITIONS FOR OKEELANTA POWER LIMITED PARTNERSHIP

FROM:

17. During the first three years of commercial cogeneration facility operation, the existing Boilers Nos. 4, 5, 6, 10, 11, 12, 14, and 15 (Permit Nos. A050-169210, 190690, 175414, 190693, 175411, 169215, 189904, and 209094, respectively), may be retained for standby operation. During the period from initial firing until April 1, 1997, all three cogeneration boilers can be operated simultaneously with the existing boilers. Only biomass and No. 2 fuel oil may be used in the cogeneration boilers during periods of simultaneous operation. If more than 910,836 lb/hr steam is generated in the cogeneration boilers, steam in excess of 910,836 lb/hr must be sent to the Okeelanta sugar mill, and the existing boiler's steam production reduced by an equivalent amount. After April 1, 1997, the cogeneration boilers may be operated only when the existing sugar mill boilers are shutdown or in the process of immediately shutting down. During operation, the existing boilers must meet all requirements in the most recent construction and operation permits for the boilers. These existing boilers shall be shutdown and rendered incapable of operation within three (3) years of commercial startup of the cogeneration facility, but no later than January 1, 1999.

Mr. Dennis V. Space
Page Two
February __, 1997

18. Boiler No. 16 (AC50-191876) may be retained as a standby boiler for the cogeneration facility provided its permit is amended to authorize standby use. Boiler No. 16 may be operated during startup, debugging, and testing of the cogeneration facility. After April 1, 1997, this boiler may be operated only when one or more of the three cogeneration boilers are shutdown. During operation, this boiler must meet all requirements in the current construction or operating permit for the boiler.

TO:

17. During the first three years of commercial cogeneration facility operation, the existing Boilers Nos. 4, 5, 6, 10, 11, 12, 14, and 15 (Permit Nos. A050-169210, 190690, 175414, 190693, 175411, 169215, 189904, and 209094, respectively), may be retained for standby operation. During the period from initial firing until April 1, 1998, all three cogeneration boilers can be operated simultaneously with the existing boilers. Only biomass and No. 2 fuel oil may be used in the cogeneration boilers during periods of simultaneous operation. If more than 910,836 lb/hr steam is generated in the cogeneration boilers, steam in excess of 910,836 lb/hr must be sent to the Okeelanta sugar mill, and the existing boiler's steam production reduced by an equivalent amount. After April 1, 1998, the cogeneration boilers may be operated only when the existing sugar mill boilers are shutdown or in the process of immediately shutting down. During operation, the existing **sugar mill** boilers must meet all requirements in the most recent construction and operation permits for the boilers. These existing boilers shall be shutdown and rendered incapable of operation within three (3) years of commercial startup of the cogeneration facility, but no later than January 1, 1999.

18. Boiler No. 16 (AC50-191876) may be retained as a standby boiler for the **sugar refinery and sugar mill in accordance with its existing permit**. Boiler No. 16 may be operated during startup, debugging, and testing of the cogeneration facility. After April 1, 1998, this boiler may be operated only when one or more of the three cogeneration boilers are shutdown. During operation, this boiler must meet all requirements in the current construction or operating permit for the boiler.

Mr. Dennis V. Space
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February __, 1997

A copy of this letter shall be attached to the referenced permit and shall become a condition of that permit.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Howard L. Rhodes, Director
Division of Air Resources
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that all copies of this INTENT TO ISSUE PERMIT AMENDMENT were mailed by certified mail before the close of business on _____ to the listed persons.

Clerk Stamp

FILING AND ACKNOWLEDGEMENT
FILED, on this date, pursuant to §120.52(11), Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Clerk Date

Attachment: Okeelanta Power's February __, 1997 letter

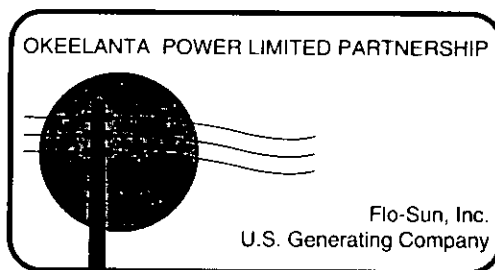
Copies furnished to:

David Knowles, SD
Isidore Goldman, SED
James Stormer, PBCHD
Jewell Harper, EPA
John Bunyak, NPS
David Buff, Golder
David Dee, Landers & Parsons

/vc:FLSN5

April 10, 1997

State of Florida
Palm Beach County Health Department
Air Pollution Control Section
901 Evernia Street
West Palm Beach, Florida 33402-0029



Attn: Ajaya K. Satyal
Environmental Manager

Re: Okeelanta Power Limited Partnership
AC50-219413/PSD-FL-196
Warning Notice AP-04-97

Dear Mr. Satyal:

On March 7, 1997 Okeelanta Power Limited Partnership (OPLP) met with members of the Palm Beach County Health Department and Florida Department of Environmental Protection to discuss Warning Notice AP-04-97 dated February 11, 1997. This Warning Notice identified possible violations of state and federal air pollution regulations specifically, excess emissions reports for opacity and carbon monoxide and source test reports for mercury emissions. OPLP has reviewed the Warning Notice and based on our discussion provides the following response:

Visible Emissions (Opacity)

Based on our internal investigation of the opacity exceedance that occurred on 01/16/97 Okeelanta Power has determined the event to be caused by equipment malfunction. Attached is a U.S. Generating Company memorandum dated 03/06/97 which explains the sequence of events leading up to the event and the probable cause of the exceedance.

In addition, Carmen Alexander (Bechtel Instrument Control Specialist) has implemented the following changes to the interface between the DCS and the Precipitator Controllers to improve the performance of this system:

1. The mode selection switches from the DCS have been changed to pulses. This will allow the mode to be changed locally, and not overwritten by the DCS.

2. A common read from the gateway will be used which will lower the overall traffic. There are a few bugs remaining which ABB is investigating. This is for data transfer only (not control).
3. The phasing for the processor has been changed to allow more transfers.
4. A faster gateway is going to be available in the near future. This will allow transmission of data at 19.2 KBaud instead of the present 4800 Baud.

Mercury Emissions

The emission compliance tests conducted in May 1996 and December 1996 have shown that boilers B and C are exceeding the permitted limit for mercury. Okeelanta Power conducted the December 1996 tests at three different carbon injection rates and was unable to meet the mercury limit of $.29 \times 10^{-6}$ lb/MMBtu.

As discussed in the meeting, Okeelanta Power will apply for a permit modification to revise the permitted limit for mercury emissions. Golder Associates is currently preparing the permit modification application which is scheduled for submittal to FDEP by April 25, 1997.

Carbon Monoxide Emissions

Boiler B exceeded the carbon monoxide (CO) emission limit of .35 lb/MMBtu on January 9, 10, and 14, 1997. The permit limit is based on an 8-hour rolling average. These exceedances were due to problems associated with the fuel feed system which includes broken flights in the fuel conveyor, plugging of fuel feeders, and fuel distribution.

Okeelanta Power has taken the following steps to improve the reliability of the fuel feed system. These improvements include:

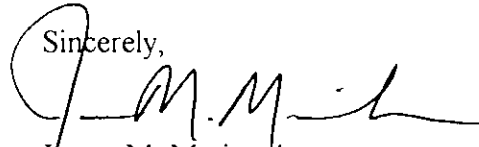
1. Installation of a fuel re-injection chute (recycle system) which reduces fuel handling requirements by maintaining fuel in the system until accepted by the feeders. This modification will provide an evenly distributed fuel feed rate to the boilers. The re-injection chute logic is currently being tuned for optimum performance.
2. Installation of an overpile fuel reclaim system which will also assist in evenly distributing fuel to the boilers. Fuel staged at this system could be used during wet conditions to supply a drier quality fuel to the boilers. This system is presently being tested and tuned for optimum operation.

3. Increasing grate sizes in "A" boiler from 3/16" to 1/4" to minimize debris piling on the grate. Evaluation of this modification is ongoing.
4. Preliminary tuning of the new bagasse feed system has been completed which has also provided positive additions to the wood combustion logic.

Okeelanta Power is also preparing a modification to the air permit which will request a revision of the averaging period for CO. A longer averaging period would allow for fluctuations in fuel quality (and therefore CO emissions) to occur on a short-term basis. This modification request is scheduled for submittal to FDEP by April 25, 1997.

I trust the above information will satisfy your concerns and should you have any questions or require additional information please contact me at (561) 993-1003.

Sincerely,



James M. Meriwether
Environmental Manager

cc: David Knowles - FDEP/South District
Jim Pennington - FDEP DARM/Tallahassee
Al Linero - FDEP DARM/Tallahassee
D. Space - OPLP
G. Cepero - OC
J. Ketterling - USOSC
M. Golden - USGen
D. Dee - Landers & Parsons
D. Buff - Golder Associates

RECEIVED

APR 18 1997

BUREAU OF
AIR REGULATION

U.S. Generating Company

Memorandum

To: James Meriwether
Date: March 6, 1997
Subject: Opacity Exceedance -- January 16, 1997
From: Jerome Ketterling
Copies: M Golden, Steve Pileski, B. Zarbo, D. Space, B. Stevens
File: 528

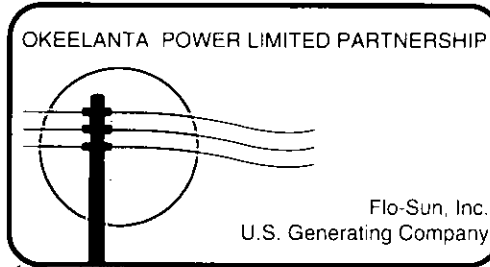
On January 16, 1997, the attached fax notification was provided to Palm Beach County (PBC) reporting opacity excess emissions. A follow up investigation has been conducted and we have determined that the cause of the emission was not as reported to PBC. A summary of the chain of events leading to the excess emission and based on operator reports is provided below.

Date	Time	Action/Event
1/15/97	2015	The CRO was in the process of starting up Boiler A and experienced difficulty starting A - ESP from the DCS. The CRO notified the DCS Specialist (Carmen) of the problem. The CRO sent an operator to the MCC (local cabinet) to manually reset the equipment. The ESP was placed into Startup mode at that time. Once ESP was in startup mode, A Boiler was brought up on oil.
1/16/97	0450	Wood Fuel feed commenced.
1/16/97	0454	A high opacity alarm occurred. CRO attempted to place the ESP in Normal mode from DCS and again experienced difficulty. The CRO showed a PPO how to place ESP in Service using the RTU in the control room. The CRO placed the ESP in normal Mode 3 at that time and the high opacity problem cleared. The CRO correctly coded the Opacity alarm "01" for Startup. Boiler startup continued without incident.
1/16/97	0700	Shift Change occurred.
1/16/97	1040	Opacity alarms for boiler A. The CRO checked the screen for the ESP and determined that ESP was in Startup mode.

1/16/97 1100 Other problems with Boiler A occur: A feeder goes out of service, clinker on the grate.
1/16/97 1348 "A" feeder was placed back in service.

From the chronology above, a question is raised how did the ESP get back in startup mode after being placed in Normal Mode at approximately 5 am? Further discussions with the DCS Specialist have lead us to the conclusion that an equipment malfunction occurred. The information highway between the ESP and the DCS bases through the MCC. Equipment supplied by the ESP vendor communicates at a different speed than the DCS. Occasionally this results in the gateway locking up which sometimes requires it to be reset. The DCS specialist has reported during this investigation that he reset the system on the date in question. Sometimes the rate difference results in ESP state of operation being missed by the DCS. If this occurs the DCS will query system status and return systems to the last known operating state. DCS is the main control system.

We believe this is what occurred on 1/16/97. The DCS performed an update and thought the ESP should be in startup mode based on the last known status. At the time the opacity exceedence occurred, DCS automatically reset the ESP status to Startup mode which is not adequate to consistently control particulate emissions during normal operations. The operator was dealing with other alarms on this boiler concurrently and did not initially address the opacity alarm. We have made adjustments in the DCS software to minimize these communication problems.



March 7, 1997

State of Florida
Department of Environmental Protection
Twin Tower Office Building
Bureau of Air Regulation
2600 Blair Stone Road, MS #5505
Tallahassee, Florida 32399-2400

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APR 09 1997
BUREAU OF
AIR REGULATION

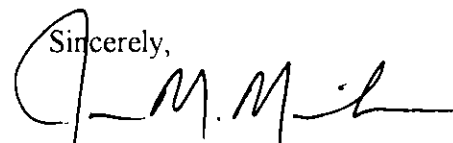
Attn: Mr. A.A. Linero, P.E.
Administrator
New Source Review Section

Re: Okeelanta Power Limited Partnership
Draft Permit Modification No. 0990332-005-AC,
PSD-FL-196C

Dear Mr. Linero:

The "Public Notice of Intent to Issue Air Construction Permit Modification" (Draft Permit Modification No. 0990332-005-AC, PSD-FL-196C) was published in The Palm Beach Post on March 28, 1997. This modification would allow for simultaneous operation of the cogeneration plant boilers and sugar mill boilers until April 1, 1998. Please find enclosed the "Proof of Publication" from that newspaper.

If you have any questions please contact me at (561) 993-1003.

Sincerely,

James M. Meriwether
Environmental Manager

cc: (w/o enclosure)
D. Space
G. Cepero
R. Lima
J. Ketterling
D. Dee
B. Tarr
M. Golden
D. Buff

CC: EPA
NPS
SD
Palm Bch Co.
W. Hanks, BAR

RECEIVED
APR - 7 1997
OPLP

THE PALM BEACH POST

Published Daily and Sunday
West Palm Beach, Palm Beach County, Florida

PROOF OF PUBLICATION

STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared Chris Bull
who on oath says that she/he is Class Adv Mgr of The Palm Beach Post,
a daily and Sunday newspaper published at West Palm Beach in Palm Beach County,
Florida; that the attached copy of advertising, being a Notice
in the matter of _____ of intent
in the _____ Court, was published in said newspaper in
the issues of march 28, 1997

Affiant further says that the said The Post is a newspaper published at West Palm Beach,
in said Palm Beach County, Florida, and that the said newspaper has heretofore been
continuously published in said Palm Beach County, Florida, daily and Sunday and has been
entered as second class mail matter at the post office in West Palm Beach, in said Palm Beach
County, Florida, for a period of one year next preceding the first publication of the attached
copy of advertisement; and affiant further says that she/he has neither paid nor promised
any person, firm or corporation any discount, rebate, commission or refund for the purpose
of securing this advertisement for publication in the said newspaper.

Sworn to and subscribed before me this 31 day of March A.D. 19 97

Karen McLinton
Notary Public, State of Florida
Commission No. CC 591337
My Commission Exp. 11/15/2000
800-5-NOTARY Fla. Notary Service & Bonding Co.

Karen M. McLinton, Notary Public

Personally known XX or Produced Identification _____
Type of Identification Produced _____

NO. 266228
PUBLIC NOTICE OF INTENT
TO ISSUE AIR CONSTRUCTION
PERMIT MODIFICATION
STATE OF FLORIDA
DEPARTMENT OF
ENVIRONMENTAL
PROTECTION
DRAFT Permit Modification
No. 0990332-005-AC, PSD-FL-
196C.
Okeelanta Power
Limited Partnership
Palm Beach County
The Department of Environ-
mental Protection (Depart-
ment) gives notice of its intent
to issue an air construction
permit modification to Okeel-
anta Power Limited Partner-
ship for the congeneration
plant located near South Bay,
Palm Beach County. A Best
Available Control Technology
(BACT) determination was not
required for this modification
pursuant to Rule 62-212.400,
F.A.C. and 40 CFR 52.21. Pre-
vention of Significant Deterior-
ation(PSD). The modification
will not result in an increase in
allowable emissions from the
facility, and will not cause a
violation of any state or federal
ambient air quality stan-
dards or increments. The ap-
plicant's name and address
are: Okeelanta Power Limited
Partnership, P.O. Box 8, South
Bay, FL 33493.
The modification will allow an
additional year for concurrent
operation of the Okeelanta
sugar mill's existing boilers
and the new congeneration
boilers while problems with
the interconnections between
the two plants are being re-
solved.
The Department will issue the
FINAL Permit Modification, in
accordance with the condi-
tions of the DRAFT Permit
Modification unless a re-
sponse received in accor-
dance with the following pro-
cedures results in a different
decision or significant change
of terms or conditions.
The Department will accept
written comments concerning
the proposed DRAFT Permit
Modification issuance action
for a period of 30 (thirty) days
from the date of publication of
this Notice. Any written com-
ments should be provided to
the Department's Bureau of
Air Regulation, 2800 Blair
Stone Road, Mail Station
#5505, Tallahassee, Florida
32399-2400. Any written com-
ments filed shall be made
available for public inspection.
If written comments received
result in a significant change
in this Draft Permit Modifica-
tion, the Department shall is-
sue a Revised DRAFT Permit
Modification and require, if ap-
plicable, another Public No-
tice.
The Department will issue Fi-
NAL Permit Modification with
the conditions of the DRAFT
Permit Modification unless a
timely petition for an adminis-
trative hearing is filed pursu-
ant to Sections 120.569 and
120.57 F.S. or a party requests
mediation as an alternative
remedy under Section
120.573 before the deadline
for filing a petition. Choosing
mediation will not adversely
affect the right to a hearing if
mediation does not result in a
settlement. The procedures
for petitioning for a hearing
are set forth below, followed
by the procedures for request-
ing mediation.
A person whose substantial in-
terests are affected by the De-
partment's proposed permit-
ting decision may petition for
an administrative hearing in
accordance with Sections
120.569 and 120.57 F.S. The
petition must contain the in-
formation set forth below and
must be filed (received) in the
Office of General Counsel of
the Department, 3900 Com-
monwealth Boulevard, Mail
Station #35, Tallahassee,
Florida 32399-3000, tele-
phone: 904.488-9370,
fax:904.487-4938. Petitions
must be filed within fourteen
days of publication of the pub-
lic notice or within fourteen
days of receipt of this notice
of intent, whichever occurs
first. A petitioner must mail a

196C

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 (or a request for mediation, as discussed below) 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 28-5.207 of the Florida Administrative Code.

A petition must contain the following information: (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Permit File Number and the county in which the project is proposed; (b) A statement of how and when each petitioner received notice of the Department's action or proposed action; (c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action; (d) A statement of the material facts disputed by petitioner, if any; (e) A statement of the facts that the petitioner contends warrant reversal or modification of the Department's action or proposed action; (f) A statement identifying the rules or statutes that the petitioner contends require reversal or modification of the Department's action or proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wants the Department to take with respect to the Department's action or proposed action addressed in this notice of intent.

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 of intent. 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 person whose substantial interests are affected by the Department's proposed permitting decision, may elect to pursue mediation by asking all parties to the proceeding to agree to such mediation and by filing with the Department a request for mediation and the written agreement of all such parties to mediate the dispute. The request and agreement must be filed in (received by) the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000, by the same deadline as set forth above for the filing of a petition.

A request for mediation must contain the following information: (a) The name, address, and telephone number of the person requesting mediation and that person's representative, if any; (b) A statement of the preliminary agency action; (c) A statement of the relief sought; and (d) Either an explanation of how the requester's substantial interests will be affected by the action or proposed action addressed in this notice of intent or a statement clearly identifying the petition that the requester has already filed, and incorporating it by reference.

The agreement to mediate must include the following: (a) The names, addresses, and telephone numbers of any persons who may attend the mediation; (b) The name, address, and telephone number

of the mediator selected by the parties, or a provision for selecting a mediator within a specified time; (c) The agreed allocation of the costs and fees associated with the mediation; (d) The agreement of the parties on the confidentiality of discussions and documents introduced during mediation; (e) The date, time, and place of the first mediation session, or a deadline for holding the first session, if no mediator has yet been chosen; (f) The name of each party's representative who shall have authority to settle or recommend settlement; and (g) The signatures of all parties or their authorized representatives.

As provided in Section 120.573 F.S., the timely agreement of all parties to mediate will toll the time limitations imposed by Sections 120.569 and 120.57 F.S. for requesting and holding an administrative hearing. Unless otherwise agreed by the parties, the mediation must be concluded within sixty days of the execution of the agreement. If mediation results in settlement of the administrative dispute, the Department must enter a final order incorporating the agreement of the parties. Persons whose substantial interests will be affected by such modified final decision of the Department have a right to petition for a hearing only in accordance with the requirements for such petitions set forth above. If mediation terminates without settlement of the dispute, the Department shall notify all parties in writing that the administrative hearing processes under Sections 120.569 and 120.57 F.S. remain available for disposition of the dispute, and the notice will specify the deadlines that then will apply for challenging the agency action and electing remedies under those two statutes.

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:

Department of Environmental Protection

Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Telephone: 904/488-1344

Division of Environmental Science and Engineering
Palm Beach County Health Unit

901 Evernia Street
West Palm Beach, Florida 33401

Telephone: 561/355-3070
Department of Environmental Protection South Florida District

2295 Victoria Avenue, Suite 364
Fort Myers, Florida 33901

Telephone: 813/332-6975
Department of Environmental Protection

Southeast District
400 N. Congress Avenue
Reception 2nd Floor
West Palm Beach, Florida 33416

Telephone: 561-681-6600

The complete project file includes the Draft Permit Modification, the application, 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 Resource Review Section at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 904/488-1344, for additional information. PUB: The Palm Beach Post March 28, 1997