

PASCO COGEN, LTD.

14850 Old State Road 23 • Dade City, FL 33523
Tel (352) 523-0062 • Fax (352) 523-0572

May 24, 2010

Mr. Jeff Koerner
Florida Department of Environmental Protection
Bureau of Air Resources
2600 Blairstone Road
Tallahassee, Florida 32399-2400
(850) 921-9510

RECEIVED
MAY 26 2010
BUREAU OF
AIR REGULATION

RE: Pasco Cogeneration Facility; Draft Air Permit No. 1010071-010-AC;
Installation of Oxidation Catalyst System

Dear Mr. Koerner:

The purpose for this letter is to provide the Department with several minor comments we observed in reviewing the referenced draft construction permit. As you are aware, the Department's Notice of Intent to issue the construction permit was published in the May 18, 2010 edition of the Tampa Tribune for public review.

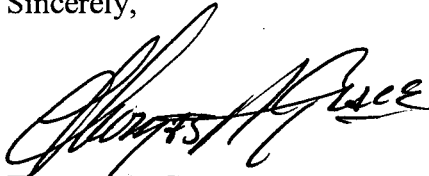
We have the following minor comments/observations:

- Page 2 of 5 within the Draft Permit, under the Existing Facility Description; change Pasco Investment, Ltd. to Pasco Cogeneration, Ltd.
- Page 4 of 5, within the Draft Permit, under the Capacity description in Section A.; change the "approximately 42 MW" to "approximately 45 MW".
- General comment. It is our understanding that the proposed draft construction permit will not affect either the concentration or mass limits of CO from the facility, as noted on page 4 of 5 under the emissions limits and performance standards section of the draft permit.
- Pursuant to an earlier telephone between us, it is also understood that while requested in the permit application, the Department will not, at this time, allow for an adjusted CO monitoring program that is based upon a correction factor of 15% O₂.

We certainly appreciate the Department's effort in getting this construction permit out for the project and allowing use to proceed with the installation of the CO catalyst. If there are any questions concerning the comments provided above, please feel free to either call or e-mail me. My telephone number is 917 472-4593 and my e-mail address is tgrace@caithnessenergy.com.

For Pasco Cogeneration, Ltd.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas A. Grace', written in a cursive style.

Thomas A. Grace

Director – Environmental, Health & Safety

Cc: R. Christmas
K. Collins
J. Miller
S. Osbourn

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection
Division of Air Resource Management, Bureau of Air Regulation
Draft Air Construction Permit
Project No. 1010071-010-AC
Pasco Cogeneration Ltd., Pasco Cogeneration Facility
Pasco County, Florida

Applicant: The applicant for this project is Pasco Cogeneration Ltd. The applicant's authorized representative and mailing address is: Mr. Richard Christmas, Plant Manager, Pasco Cogeneration Ltd., Pasco Cogeneration Facility, 14850 Old State Road 23, Dade City, Florida 33523.

Facility Location: Pasco Cogeneration Ltd. operates the existing Pasco Cogeneration Facility, which is located in Pasco County at 14850 Old State Road 23 in Dade City, Florida.

Project: The Pasco Cogeneration Facility consists of two General Electric (GE) LM-6000 combustion turbine (CT) units. Each unit is equipped with an inlet chiller and a supplementary fired duct burner that exhausts through a Heat Recovery Steam Generator (HRSG) stack. Natural gas is the primary fuel fired in the CT, with distillate oil used as a restricted alternate fuel. The CT recently underwent a Spray Intercooling (SPRINT) upgrade for enhanced efficiency. The proposed project is for the installation of an oxidation catalyst and associated control system in the HRSG associated with each of the two CT units.

Each oxidation catalyst system is used to reduce carbon monoxide (CO) and volatile organic compound (VOC) emissions. The catalyst (stainless steel foil coated with calcined alumina with platinum metal) enhances the chemical reaction between oxygen and CO and forms carbon dioxide. This project generally provides for CO emission control in the range of 50 to 70%. In addition, emissions of VOC will be reduced by the project.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210 and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Permitting Authority responsible for making a permit determination for this project is the Bureau of Air Regulation in the Department of Environmental Protection's Division of Air Resource Management. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m. Monday through Friday (except legal holidays) at the physical address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application and information submitted by the applicant (exclusive of confidential records under Section 403.111, F.S.). Interested persons may contact the Permitting Authority's project engineer for additional information at the address and phone number listed above. In addition, electronic copies of these documents are available on the following web site: <http://www.dep.state.fl.us/air/emission/apos/default.asp>.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an air construction permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the proposed Draft Permit for a period of 14 days from the date of publication of this Public Notice. Written comments must be received by the Permitting Authority by close of business (5:00 p.m.) on or before the end of the 14-day period. If written comments received result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with the Department of Environmental Protection.

The Tampa Tribune

Published Daily

Tampa, Hillsborough County, Florida

State of Florida }
County of Hillsborough } SS.

Before the undersigned authority personally appeared C. Pugh, who on oath says that she is the Advertising Billing Analyst of The Tampa Tribune, a daily newspaper published at Tampa in Hillsborough County, Florida; that the attached copy of the

Legal Ads

IN THE TT Pasco

In the matter of

Legal Notices

was published in said newspaper in the issues of

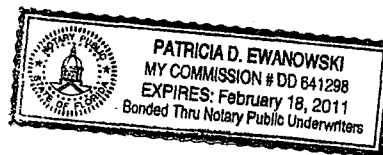
05/19/2010

Affiant further says that the said The Tampa Tribune is a newspaper published at Tampa in said Hillsborough County, Florida, and that the said newspaper has heretofore been continuously published in said Hillsborough County, Florida, each day and has been entered as second class mail matter at the post office in Tampa, in said Hillsborough 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 has neither paid nor promised any person, this advertisement for publication in the said newspaper.

Sworn to and subscribed by me, this 20 day
of May, A.D. 2010

Personally Known ☒ or Produced Identification ☐
Type of Identification Produced _____

Pat Pugh



1224374 -- PASCO COGENERATION

Clerk in the Office of General Counsel of the Department of Environmental Protection at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/245-2241). Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of publication of this Public Notice or receipt of a written notice, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within 14 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 (in a proceeding initiated by another party) will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information:

- 1 (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 rights will be affected by the agency determination; (c) A statement of when and how the petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (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, including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the 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 Permitting Authority'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, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Public Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

J Mediation: Mediation is not available for this proceeding.

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