

Department of Environmental Protection

Jeb Bush
Governor

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

Colleen M. Castille
Secretary

November 7, 2005

Mr. David Kellermeyer
Vice President, EH&S
Northern Star Generation Services Company LLC
2929 Allen Parkway
Suite 2200
Houston, TX 77019

Re: Title V Air Operation Permit Revision Application and
Application for an Air Construction Permit
Orange Cogeneration Facility
Projects 1050231-008-AC and 1050231-009-AV

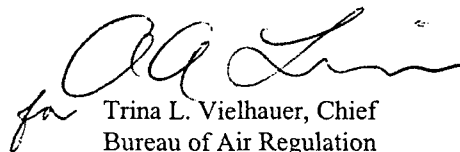
Dear Mr. Kellermeyer:

One copy of the Technical Evaluation and Preliminary Determination, the combined Public Notice, the Draft Air Construction Permit, and the DRAFT Title V Air Operation Permit Revision for the Orange Cogeneration Facility, located at 1901 Clear Springs Mine Road, Bartow, Polk County, is enclosed. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" are also included.

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION" must be published as soon as possible. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permits pursuant to Rule 62-110.106(11), F.A.C.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to the Program Administrator at the above letterhead address. If you have any other questions, please contact Project Engineer Tom Cascio, at 850/921-9526.

Sincerely,


Trina L. Vielhauer, Chief
Bureau of Air Regulation

Enclosures

U.S. EPA, Region 4 (INTERNET E-mail)

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permits by:

Northern Star Generation Services Company LLC
2929 Allen Parkway, Suite 2200
Houston, TX 77019

Draft Air Construction Permit No. 1050231-008-AC
DRAFT Title V Permit Revision No. 1050231-009-AV
Orange Cogeneration Facility
Polk County

**INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION
PERMIT REVISION**

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit Revision (copies of the Draft Air Construction Permit and DRAFT Title V Air Operation Permit Revision attached) for the Title V source detailed in the application(s) specified above and the attached Technical Evaluation and Preliminary Determination, for the reasons stated below.

The applicant, Northern Star Generation Services Company LLC, applied on September 19, 2005, to the permitting authority for an Air Construction Permit and a Title V Air Operation Permit Revision for the Orange Cogeneration Facility, located at 1901 Clear Springs Mine Road, Bartow, Polk County.

These permitting actions implement requests for: 1) incorporation of alternate startup and shutdown emissions limits utilizing a simple 4-hour moving average, 2) revisions to the NOx emission limit averaging time, 3) definition of excess emissions, and 4) recognition of the operational state of "combustor tuning session" for the emission units and the corresponding definition of allowed excess emissions. The revision also removes the auxiliary boiler from the Acid Rain Part of the Title V permit due to its cogeneration status under 40 CFR Part 72.

The permitting authority 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, 62-212 and 62-213. This source is not exempt from construction and Title V permitting procedures. The permitting authority has determined that an Air Construction Permit and a Title V Air Operation Permit Revision are required to construct and to commence or continue operations at the described facility.

The permitting authority intends to issue the Air Construction Permit and the Title V Air Operation Permit Revision based on the belief that reasonable assurances have been provided to indicate that the construction activity and operation of the source will not adversely impact air quality, and the source will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.087, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "**PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION.**" The notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected. 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 permitting authority at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax: 850/922-6879, within 7

(seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication may result in the denial of the permits pursuant to Rule 62-110.106(11), F.A.C.

The permitting authority will issue the Air Construction Permit and the PROPOSED Title V Air Operation Permit Revision and subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the attached Draft Air Construction Permit and the DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Air Construction Permit issuance action for a period of 14 (fourteen) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft Air Construction Permit, the permitting authority shall issue a Revised Draft Air Construction Permit and require, if applicable, another Public Notice.

The permitting authority will accept written comments concerning the proposed Title V Air Operation Permit Revision issuance action for a period of 30 (thirty) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Title V Air Operation Permit Revision, the permitting authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice.

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 (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/245-2242; Fax: 850/245-2303). Petitions filed by the permits' (construction and revision) applicant or any of the parties listed below must be filed within 14 (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), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of this notice of intent, 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 (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, F.A.C.

A petition that disputes the material facts on which the permitting authority'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 each 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, as well as the rules and statutes which entitle the petitioner to relief;

(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 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 notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application(s) have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation will not be available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply to the Department of Environmental Protection 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 of Environmental Protection, 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

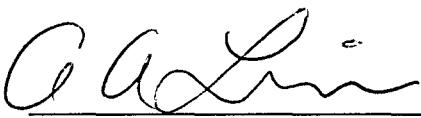
those terms is defined in Section 120.542(2), F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

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 United States Environmental Protection Agency 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.

Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any permit revision. Any petition shall be based only on objections to the permit revision that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**


for Trina L. Vielhauer, Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the combined PUBLIC NOTICE, the Draft Air Construction Permit and the DRAFT Title V Air Operation Permit Revision) and all copies were sent by certified mail before the close of business on 11/10/05 to the person(s) listed:

David Kellermeyer, Northern Star Generation Services Company LLC

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION (including the combined PUBLIC NOTICE, the Draft Air Construction Permit and the DRAFT Title V Air Operation Permit Revision) were sent by U.S. mail on the same date to the person(s) listed or as otherwise noted:

Scott Osbourn, P.E., Golder Associates, Inc.
Mara Nasca, Southwest District Office

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency Clerk, receipt of which is hereby acknowledged.

Barbara J. Friday 11/10/05
(Clerk) (Date)

PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION

Department of Environmental Protection

Draft Air Construction Permit No. 1050231-008-AC
DRAFT Title V Air Operation Permit Revision Project No. 1050231-009-AV
Orange Cogeneration Facility
Polk County

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit Revision to the Northern Star Generation Services Company LLC, for the Orange Cogeneration Facility located at 1901 Clear Springs Mine Road, Bartow, Polk County. The applicant's name and address are: Mr. David Kellermeyer, Vice President, EH&S and Responsible Official, Northern Star Generation Services Company LLC, 2929 Allen Parkway, Suite 2200, Houston, TX 77019.

These permitting actions implement requests for: 1) incorporation of alternate startup and shutdown emissions limits utilizing a simple 4-hour moving average, 2) revisions to the NOx emission limit averaging time, 3) definition of excess emissions, and 4) recognition of the operational state of "combustor tuning session" for the emission units and the corresponding definition of allowed excess emissions. The revision also removes the auxiliary boiler from the Acid Rain Part of the Title V permit due to its cogeneration status under 40 CFR Part 72. There are no pollutant emission changes associated with this project.

The permitting authority will issue the Air Construction Permit and the PROPOSED Title V Air Operation Permit Revision and subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the Draft Air Construction Permit and the DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

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

The Permitting Authority will accept written comments concerning the DRAFT Title V Air Operation Permit Revision for a period of thirty (30) days from the date of publication of this Public Notice. Written comments must be post-marked and all facsimile comments must be received by the close of business (5:00 pm), on or before the end of this 30-day period, by the Permitting Authority at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 or facsimile (850/922-6979). As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official web site for notices at <http://tlhora6.dep.state.fl.us/onw> and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the DRAFT Title V Air Operation Permit Revision, the Permitting Authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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 of the Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35,

Tallahassee, Florida 32399-3000 (Telephone: 850/245-2242; Fax: 850/245-2303). Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of the notice of intent, 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 (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 applicable 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 (F.A.C.).

A petition that disputes the material facts on which the permitting authority'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; 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 petitioner's substantial rights will be affected by the agency determination;

(c) A statement of how and when the 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 state;

(e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle petitioner to relief;

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(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.

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Mediation is not available for this proceeding.

In addition to the above, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any permit revision. Any petition shall be based only on objections to the permit revision that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460.

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:

Permitting Authority:

Department of Environmental Protection
Bureau of Air Regulation
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Telephone: 850/488-0114
Fax: 850/922-6979

Affected District/Local Program:

Department of Environmental Protection
Southwest District Office
3804 Coconut Palm Drive
Tampa, Florida 33619
Telephone: 813/744-6100
Fax: 813/744-6084

The complete project file includes the Technical Evaluation and Preliminary Determination and associated Draft Air Construction Permit and DRAFT Title V Air Operation Permit Revision, the application(s), and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Program Administrator, at the above address, or call 850/921-9523, for additional information.