

Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

April 1, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Benjamin M.H. Borsch, P.E.
Santa Rosa Energy Center, LLC
2701 N. Rocky Point Drive, Suite 1200
Tampa, Florida 33607

Re: Santa Rosa Energy LLC
DEP File No. 1130168-003-AC (PSD-FL-253)
Change in Inlet Cooler Design and Non-installation of Duct Burner

Dear Mr. Borsch:

The Department acknowledges receipt of your letter dated March 13, 2002, requesting the replacement of the evaporative cooler for the General Electric Spray Inlet Temperature Suppression (SPRITS) system and the deletion of the duct burners from the construction permit.

Based on your information and our review of your request, the Department accepts the installation of the SPRITS system instead of the evaporative cooler and the deletion of all references to the duct burners from the construction permit. A modification of the conditions of the construction permit reflecting your request will take effect during the processing of the Title V permit.

A copy of this letter shall be part of your records. This permitting decision is issued pursuant to Chapter 403, Florida Statutes.

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

"More Protection, Less Process"

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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.

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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.

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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.

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Any party to this permitting decision (order) has the right to seek judicial review of it under section 120.68 of the Florida Statutes, by filing 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 must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida


Howard L. Rhodes, Director
Division of Air Resources
Management

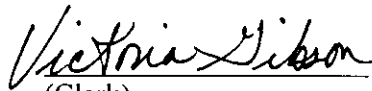
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this PERMIT MODIFICATION was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 4/1/02 to the person(s) listed:

Benjamin M.H. Borsch, P.E.*
Sandra Veazey, DEP NWD
Gregg Worley, EPA

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.


(Clerk) April 1, 2002
(Date)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Benjamin M.H. Borsch, P.E.
 Santa Rosa Energy Center, LLC
 2701 N. Rocky Point Dr.
 Suite 1200
 Tampa, FL 33607

2. 7001 0320 0001 3692 9052

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **R. Marzka** B. Date of Delivery **4-3-02**

C. Signature **X R. Marzka** Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7001 0320 0001 3692 9052

**U.S. Postal Service
 CERTIFIED MAIL RECEIPT**
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

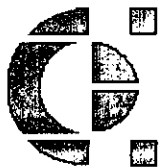
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To **Benjamin M.H. Borsch, P.E.**
 Street, Apt. No.,
 or PO **2701 N. Rocky Pt. Dr., Ste. 1200**
 City, State, ZIP+4
Tampa FL 33607

PS Form 3800, January 2001

See Reverse for Instructions



CALPINE

RECEIVED

MAR 27 2002

BUREAU OF AIR REGULATION

Santa Rosa Energy Center
5001 Sterling Way
Pace, FL 32571
850.995.2100 (Main)
850.995.1145 (FAX)

March 26, 2002

CPN-SREC-02-007

Patricia Adams
Florida Department of Environmental Protection
Bureau of Air Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

The enclosed Cashier's Check in the amount of \$250.00 is for the fee to modify the PSD permit for the Santa Rosa Energy Center Permit Number PSD-FL-253.

Please contact me at 850-995-2100 if you have any questions.

David J. Somers, P. E.
Project Manager

Cy to: Ben Borsch, Calpine Corporation, Tampa Florida

Encl.: Cashier's Check, Bank of America, No. 1526025, dated March 26, 2002



CALPINE

ISLAND CENTER
2701 N. ROCKY POINT DRIVE
SUITE 1200
TAMPA, FLORIDA 33607
813.637.7300
813.637.7399 (FAX)

RECEIVED

March 13, 2002

MAR 19 2002

BUREAU OF AIR REGULATION

Mr. A. A. Linero
Florida Department of Environmental Protection
Bureau of Air Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RE: Santa Rosa Energy Center, LLC
PSD Permit Number PSD-FL-253/1130168-001AC
Change in Inlet Cooler Design

Dear Mr. Linero:

Santa Rosa Energy Center, LLC (SREC) is nearing completion of construction of the combined cycle combustion turbine permitted under permit number PSD-FL-253/1130168-001-AC. This letter is to inform the department of certain changes being made to the installed configuration of the system in response to advice of the turbine vendor as well as changes in business conditions. There are two primary changes each explained in more detail below. The first change will be the replacement of the evaporative cooler permitted for use on the system with the General Electric Spray Inlet Temperature Suppression (SPRITS) system. The second change is the elimination of the permitted duct burners from the system. The effect of these changes will be a reduction in permitted emissions from the unit. SREC requests that the department make appropriate changes to permit number PSD-FL-253/1130168-001AC to accommodate these changes as outlined below.

SREC proposes to replace the permitted evaporative coolers with the GE supplied SPRITS system. Performance data for the combustion turbine using the SPRITS system is shown in Attachment 1. This data is shown in comparison to the evaporative cooler performance data initially submitted to the department as part of the air permit application. The vendor rates the effectiveness of each system at 85%, thus the thermal performance of the two systems is essentially equal. The SPRITS system provides the inlet cooling effect with a lower inlet pressure drop, allowing a slightly higher unit output (600 kW). Data shown in Attachment 1 for unit operation with the SPRITS has also been revised to reflect a more accurate assessment of the local fuel gas characteristics and thus shows some minor changes in exhaust analysis. The change in anticipated gas quality result in a small reduction in the number of pounds per hour of NOx emitted. This change is not related to the change in inlet cooling systems, which is estimated to have no impact on the facility emissions.

Mr. A. A. Linero
March 13, 2002
Page 2

SREC considers the change from the permitted evaporative cooler to the SPRITS system to be a non-material change, reflecting the supply of the vendor's most recent equivalent design. SREC also recognizes the department's need to review such changes to determine that they do not represent physical changes resulting in significant increases in output. Accordingly, SREC requests that the department indicate concurrence that this is a non-material change, or issue a modification to the facility PSD permit, number PSD-FL-253/1130168-001AC reflect the installation and operation of the SPRITS system. The SPRITS system will be installed following notice of approval from the department.

SREC has decided not to install the previously permitted duct burners. Output from the unit will result from the operation of the combustion turbine alone, with the SPRITS system discussed above as permitted. This change will be reflected in the deletion of unit tests with the duct burners. SREC recognizes that a decision not to test the duct burners at the time of the initial plant compliance tests will result in no permission to operate the unit with duct burning, and the likely need for a permit modification if a decision is made in the future to install duct burners. It is SREC's intention to request deletion of the duct burners from the permit during the Title V permit application process.

SREC is fully intending to prepare for initial operation in time to complete compliance testing prior to the June 30, 2002 date established in the facility's PSD permit. Appropriate notices to the department regarding test protocols, initial operation dates, and dates of compliance testing will be provided separately to the department.

We appreciate your prompt consideration of this issue. If you have questions, or would like to have additional information regarding this issue, please do not hesitate to contact me via telephone at (813) 637-7305 or via email at bborsch@calpine.com.

Sincerely,

SANTA ROSA ENERGY CENTER, LLC



Benjamin M. H. Borsch, P.E.
Environmental Manager

ATTACHMENT 1
HEAT INPUT AND EMISSIONS DATA
SPRITS OPERATION

The first of two attached pages show data provided by the combustion turbine vendor showing expected unit performance including the operation of the SPRITS system. The second page shows the performance with the permitted evaporative cooler. This second page of data is the same as provided previously in the PSD permit application dated June 1999.

Data provided for the SPRITS unit also reflects performance using the most recent estimate of expected natural gas quality local to the site. Some minor changes in performance, including a very slight reduction in lb/hr NO_x emissions results from a lower expected heat capacity of the gas compared to the 1999 data.

SANTA ROSA ENERGY CENTER - SPRITS
ESTIMATED PERFORMANCE PG7241(FA)

Load Condition		BASE
Exhaust Pressure Loss	in H2O	12.8
Ambient Temperature	deg F	68.
SPRITS Status		On
Output	kW	168,500.
Heat Rate (LHV)	Btu/kWh	9,450.
Heat Cons. (LHV)	MBtu/hr	1,592.3
Exhaust Flow x10 ³	lb/hr	3512.
Exhaust Temperature	deg F	1126.
Exhaust Energy (Heat Bal)	MBtu/hr	962.8

EMISSIONS

NOx	ppmvd @ 15% O2	9.
NOx AS NO2	lb/hr	58.
CO	ppmvd	9.
CO	lb/hr	28.
UHC	ppmvw	7.
UHC	lb/hr	14.
VOC	ppmvw	1.4
VOC	lb/hr	2.8
PM10 (Front + Back Half)	lb/hr	18.0

EXHAUST ANALYSIS % VOL.

Argon	0.89
Nitrogen	73.96
Oxygen	12.34
Carbon Dioxide	3.84
Water	8.98

SITE CONDITIONS

Elevation	ft	90.0
Site Pressure	psia	14.65
Inlet Loss	in H2O	3.0
Exhaust Loss	in H2O	13.0 @ ISO Conditions
Relative Humidity	%	60
Fuel Type		Cust Gas - Hog Bayou 022500
Fuel LHV	Btu/lb	21381 @ 77F
Fuel Temperature		160 °F
Application		Hydrogen-Cooled Generator
Combustion System		9/42 DLN Combustor

Emission information based on GE recommended measurement methods. NOx emissions are corrected to 15% O2 without heat rate correction and are not corrected to ISO reference condition per 40CFR 60.335(c)(1). NOx levels shown will be controlled by algorithms within the SPEEDTRONIC control system.

PM10 emissions assume 0.0 %w fuel sulfur content.

IPS- 92422 Version Code - 3.1.1/30A1/2.2.8/PG7241-1298

FERREIFE 12/21/2001 16:11 122101 68F HogBayouGas SPRITS.dat

Est com 27 w4 for fuel heat to 160F

General Electric Proprietary Information

POLSKY ENERGY CORPORATION
 ESTIMATED PERFORMANCE - PG7241(FA)

LOAD CONDITION		BASE	75%	65%	50%
AMBIENT TEMP.	- Deg F.	68	68	68	68
AMBIENT RELATIVE HUMID	- %	60	60	60	60
OUTPUT	- kW	168300.	126200.	109400.	84200.
HEAT RATE (LHV)	- Btu/kWh	9460.	10250.	10900.	12330.
HEAT CONS. (LHV) X10-6	- Btu/h	1592.1	1293.5	1192.5	1038.2
EXHAUST FLOW X10-3	- lb/h	3507.0	2884.0	2685.0	2385.0
EXHAUST TEMP	- Deg F.	1122.	1147.	1164.	1192.
EXHAUST HEAT X10-6	- Btu/h	971.8	824.8	783.5	719.1
NOX	- ppmvd @ 15% O2	9.	9.	9.	9.
NOX AS NO2	- lb/h	59.	47.	43.	37.
CO	- ppmvd	9.	9.	9.	9.
CO	- lb/h	28.	23.	22.	19.
UHC	- ppmvw	7.	7.	7.	7.
UHC	- lb/h	14.	11.	11.	9.
SO2	- ppmvw	0.	0.	0.	0.
SO2	- lb/h	1.	1.	1.	1.
SO3	- ppmvw	0.	0.	0.	0.
SO3	- lb/h	0.	0.	0.	0.
SULFUR MIST	- lb/h	0.	0.	0.	0.
PART	- lb/h	9.0	9.0	9.0	9.0

EXHAUST ANALYSIS % VOL.

ARGON	0.88	0.89	0.88	0.88
NITROGEN	73.94	74.20	74.24	74.31
OXYGEN	12.28	12.50	12.61	12.82
CARBON DIOXIDE	3.96	3.88	3.83	3.73
WATER	8.94	8.54	8.44	8.26

SITE CONDITIONS

ELEVATION	- ft.	60
SITE PRESSURE	- psia	14.67
INLET LOSS	- in. Water	4.5
EXHAUST LOSS	- in. Water	12
FUEL TYPE	-	CUST GAS
FUEL LHV	- Btu/lb	20431
APPLICATION	-	7FH2 HYDROGEN-COOLED GENERATOR
COMBUSTION SYSTEM	-	9/42 DLN COMBUSTOR

EMISSION INFORMATION BASED ON GE RECOMMENDED MEASUREMENT METHODS.

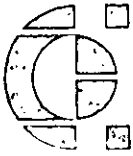
NOX EMISSIONS ARE CORRECTED TO 15% O2 WITHOUT HEAT RATE CORRECTION AND ARE

NOT CORRECTED TO ISO REFERENCE CONDITIONS PER 40CFR 60.335(a)(1)(i). NOX LEVELS SHOWN WILL BE CONTROLLED BY ALGORITHMS WITHIN THE SPEEDTRONIC CONTROL SYSTEM.

THE FUEL HAS .2GRAINS/100SCF OF SULFUR.

THIS PERFORMANCE INCLUDES THE EFFECTS OF AN 85 % EFFECTIVE EVAPORATIVE COOLER.

THE COOLER IS TURNED ON FOR BASE LOAD ONLY.



CALPINE

650 DUNDEE ROAD
SUITE 350
NORTHBROOK, ILLINOIS 60062
847.559.9800
847.559.1805 (FAX)

January 7, 2002

Florida Department of Environmental Protection
Division of Air Resource Management, MS5500
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RECEIVED
JAN - 7 2002
Bureau of Air Monitoring
- Media Source -

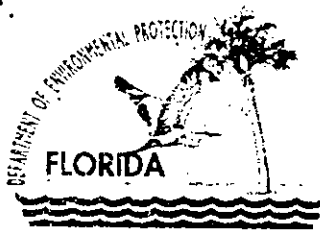
**RE: Change of Authorized Representative
Santa Rosa Energy Center
Facility ID Number-1130168
PSD Permit Number-PSD-FL-253
Fed Ex Number-831882221280**

On behalf of Santa Rose Energy Mr. Benjamin M. H. Borsch, Environmental Manager for Calpine Corporation, is the new authorized representative for the Santa Rosa Energy Center's Prevention of Significant Determination Permit (PSD-FL-253). If you have any questions or concerns, please feel free to call myself at (617) 723-7200 or Benjamin Borsch at (813) 637-7300.

Sincerely,

James Shield
Vice President—Project Management

CC: Benjamin M.H. Borsch, Calpine—Tampa
Dave Somers, Santa Rosa—Construction
Dane Hill, Santa Rosa—Operations



Jeb Bush
Governor

Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

David B. Struhs
Secretary

February 19, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. David Plauck
SkyGen/Santa Rosa Energy LLC
650 Dundee Road, Suite 350
Northbrook, Illinois 60062

Re: Santa Rosa Energy LLC
DEP File No. PSD-FL-253

Dear Mr. Plauck:

The Department acknowledges receipt of your letter dated January 26, 2001, notifying the Department that SkyGen/Santa Rosa determined that the UTM coordinates provided with the permit application for the location of the stack were in error. The letter states that the new stack location based on the corrected UTM coordinates is approximately 580 feet south of the location presented in the permit application, which is further away from the Sterling Fiber plant proper. The letter further states that the stack parameters and emission rates have not changed, and that no additional air dispersion modeling is required. The department concurs that no additional modeling is required and that no additional preconstruction review requirements are necessary to correct the UTM coordinates for the stack location. The modeling analysis conducted for the original stack location indicated ambient impacts well below the PSD significance levels. Since there has been no change in the relationship between the modeled receptor grid and the facility layout of the new and old stack location, the department concurs that the modeling results would continue to show impacts well below the PSD significance levels.

In accordance with your request the corrected UTM coordinates will be made a part of the file.

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permitting decision is issued pursuant to Chapter 403, Florida Statutes.

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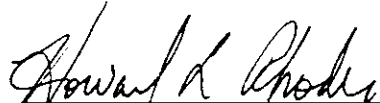
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Executed in Tallahassee, Florida.


Howard L. Rhodes, Director
Division of Air Resources
Management

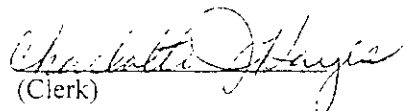
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this PERMIT MODIFICATION was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 2/21/01 to the person(s) listed:

David Plauk, SkyGen/Santa Rosa*
James Shield, SkyGen/Santa Rosa*
Silvia Alderman, Esq.
Ed Middleswart, DEP NWD
Gregg Worley, EPA

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.

 2/21/01
(Clerk) (Date)

Memorandum

Florida Department of Environmental Protection

TO: Howard L. Rhodes

THRU: ~~A.A. Linero~~ C.H. Fancy *CH*

FROM: ~~C.H. A.~~
Cleve Holladay

DATE: February 19, 2001

SUBJECT: Santa Rosa Energy Center 241 MW Cogeneration Project
DEP File No. PSD-FL-253

BAR

Attached is a letter addressing Santa Rosa Energy Center (SREC) concerns regarding previously submitted information.

Santa Rosa notified the Department that the UTM coordinates provided with the permit application for the location of the stack were in error. The letter states that the new stack location based on the corrected UTM coordinates is approximately 580 feet south of the location presented in the permit application, which is further away from the Sterling Fiber plant proper. The letter further states that the stack parameters and emission rates have not changed, and that no additional air dispersion modeling is required.

The Department concurs that no additional modeling is required and that no additional preconstruction review requirements are necessary to correct the UTM coordinates for the stack location. The modeling analysis conducted for the original stack location indicated ambient impacts well below the PSD significance levels. Since there has been no change in the relationship between the modeled receptor grid and the facility layout of the new and old stack location, the Department concurs that the modeling results would continue to show impacts well below the PSD significance levels.

We recommend your approval.

AAL/ch

Attachments

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. James Shield
 SkyGen/Santa Rosa Energy LLC
 650 Dundee Rd., Ste 350
 Northbrook, IL 60062

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

2-26-01

C. Signature

X *[Handwritten Signature]*

- Agent
 Addressee

D. Is delivery address different from item 1? Yes
 if YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
 7099 3400 0000 1449 3676

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

7099 3400 0000 1449 3676

U.S. Postal Service		
CERTIFIED MAIL RECEIPT		
(Domestic Mail Only; No Insurance Coverage Provided)		
Article Sent To:		
Mr. James Shield		
Postage	\$	Santa Rosa Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Name (Please Print Clearly) (to be completed by mailer)		
Mr. James Shield		
Street, Apt. No., or P.O. Box No.		
650 Dundee Rd., Ste 350		
City, State, ZIP+4		
Northbrook IL 60062		
PS Form 3800, July 1999		See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. David Plauck
 SkyGen/Santa Rosa Energy LLC
 650 Dundee Road, Suite 350
 Northbrook, IL 60062

2. Article Number (Copy from service label)

7099 3400 0000 1449 3706

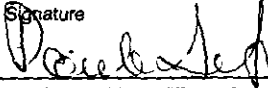
COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

7-26-9

C. Signature

X


 Agent AddresseeD. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

U.S. Postal Service**CERTIFIED MAIL RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Mr. David Plauck

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Santa Rosa
EnergyPostmark
Here

Name (Please Print Clearly) (to be completed by mailer)

David Plauck

Street, Apt. No., or PO Box No.

650 Dundee Rd., Ste 350

City, State, ZIP+4

Northbrook, IL 60062

PS Form 3800, July 1999

See Reverse for Instructions

7099 3400 0000 1449 3706

Santa Rosa Energy LLC

650 Dundee Road tel 847 559 9800 www.skygen.com
Suite 350 fax 847 559 1805
Northbrook, Illinois 60062



January 26, 2001

Mr. A.A. Linero
Administrator, New Source Review Section
Division of Air Resources Management
State of Florida Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road, MS #5505
Tallahassee, FL 32399-2400

RECEIVED

JAN 29 2001

BUREAU OF AIR REGULATION

**Re: Santa Rosa Energy Center
 Permit No. PSD-FL-253
 Stack Location Correction**

Dear Mr. Linero:

Santa Rosa LLC is preparing to begin construction of its combined cycle cogeneration facility to function in conjunction with the Sterling Fibers, Inc. facility located in Pace, Florida. The Florida Department of Environmental Protection (FDEP) has issued Permit No. PSD-FL-253 authorizing construction of the cogeneration facility.

During the detail design phase of the project, Santa Rosa LLC determined that the UTM coordinates provided with the application were in error. As you know the cogeneration facility is to be constructed immediately attached to the Sterling plant, as shown on the permit drawings. The UTM coordinates listed in the application do not coincide with this location. The permit drawings are correct; the UTM coordinates are not. All air dispersion modeling was conducted using the stack location presented in the permit application.

Santa Rosa LLC requested that Roy F. Weston, Inc. (WESTON®), who prepared the original permit application, review the stack location change and the impact on the original air dispersion modeling. The orientation of the equipment is the same as presented in the application and no structure dimensions have changed that would influence downwash in addition to the cogeneration facility itself. The original stack location was at the following Zone 16 UTM coordinates:

488.970 km E
3,381.350 km N

The new UTM coordinates, still in Zone 16, are:

488.974 km E
3,381.526 km N

The new stack location is, therefore, approximately 580 feet south of the location presented in the permit application, which is further away from the Sterling Fiber plant proper coinciding with the location shown on the permit drawings. The stack parameters and emission rates have not changed.

Santa Rosa Energy LLC
Mr. A. A. Linero
January 26, 2000
Page 2



The modeling analysis conducted for the original stack location indicated that ambient air impacts were substantially less than the PSD significance levels. Since the relationship between the modeled receptor grid and the facility layout for the new and old stack location would be the same, the modeling results should remain the same and continue to show insignificant impacts. Santa Rosa LLC therefore believes that no additional modeling is necessary for the stack relocation because the conclusions reached using the modeling analysis in the permit application will not be changed. Santa Rosa LLC requests that FDEP review the stack relocation and provide a written concurrence that the change in the UTM coordinates does not subject the facility to further preconstruction review requirements. We also request that the corrected UTM coordinates be made a part of the file.

Your prompt concurrence on this matter would be appreciated, since Santa Rosa LLC is ready to begin construction. If you have any questions, please call me at 847-559-7800, extension 311.

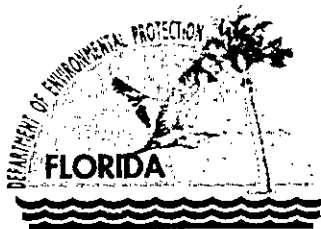
Sincerely,

Santa Rosa Energy LLC
by its Managing Member
SkyGen Energy LLC

A handwritten signature in black ink, appearing to read "David Plauck", is written over a faint, larger version of the same signature.

David Plauck
Project Manager

cc: Theresa Heron, FDEP
Silvia Alderman
Dave Somers
Ben Borsch



Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400
May 25, 2000

David B. Struhs
Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. David Plauck
SkyGen/Santa Rosa Energy LLC
650 Dundee Road, Suite 350
Northbrook, Illinois 60062

Re: Santa Rosa Energy LLC
DEP File No. 1130168-002-AC (PSD-FL-253)

Dear Mr. Plauck:

The Department acknowledges receipt of your letter (and revised construction schedule) dated May 22, 2000 notifying the Department that SkyGen/Santa Rosa has commenced construction in accordance with Section II, Condition 6 of the referenced permit. The letter also requests an extension of six months to complete the project.

During the permitting of the unit, EPA advised that several projects in the region using the same model of turbine as proposed for Santa Rosa planned to install selective catalytic reduction (SCR) and to meet lower nitrogen oxides limits than your project. Among these is SkyGen's Mobile Energy LLC project which received a permit from the State of Alabama at about the same time as SkyGen/Santa Rosa received its permit from Florida. Some of the affected projects will also be completed prior to the expiration date in your existing permit.

Based on your notification that construction has commenced and the construction status of key components being purchased from General Electric, it should be easily possible to complete construction in another two years. In accordance with your request and the revised construction schedule, the Department hereby extends the expiration date of the permit from December 31, 2001 to June 30, 2002. Any further extensions will include a requirement to install SCR and comply with an appropriately lower limit to be set at that time by the Department.

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permitting decision is issued pursuant to Chapter 403, Florida Statutes.

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

"More Protection, Less Process"

Printed on recycled paper.

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.

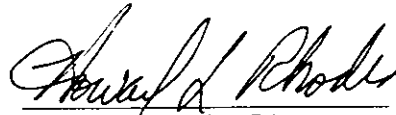
The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2) F.S., and that the purpose of the underlying statute will 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.

This permitting decision is final and effective on the date filed with the clerk of the Department unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition pursuant to Rule 62-110.106, F.A.C., and the petition conforms to the content requirements of Rules 28-106.201 and 28-106.301, F.A.C. Upon timely filing of a petition or a request for extension of time, this order will not be effective until further order of the Department.

Any party to this permitting decision (order) has the right to seek judicial review of it under section 120.68 of the Florida Statutes, by filing 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 must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.



Howard L. Rhodes, Director
Division of Air Resources
Management


CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this PERMIT MODIFICATION was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 5-30-00 to the person(s) listed:

David Plauk, SkyGen/Santa Rosa*
James Shield, SkyGen/Santa Rosa*
Silvia Alderman, Esq.
Ed Middleswart, DEP NWD
Gregg Worley, EPA

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.


(Clerk)

5-30-00
(Date)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Mr. David Plauck
 Sky Gen / Santa Rosa Energy
 650 Dundee Rd
 Suite 350
 Northbrook, IL 60062

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature *D Bellandi* Agent Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. /

PS Form 3800

102595-99-M-1789

7 341 355 301

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	David Plauck
Street Number	Sky Gen / SANTA
Post Office, State, & ZIP Code	ROSA EN.
Postage	Northbrook, IL
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	5-30-00
	1130168-002-AC
	PSD-FI-253

PS Form 3800 April 1995

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. James Shield
 Santa Rosa Energy
 650 Dundee Rd, Suite 150
 Northbrook, IL
 60062

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

6/2/00

C. Signature

[Handwritten Signature]

- Agent
- Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)

2 341 355 300

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

Z 341 355 300

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to	James Shield
Street & Number	Sky Center Santa
Post Office, State, & ZIP Code	Rosa En.
Postage	Northbrook, IL
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	5-30-00
	1130168-002-AC
	PSD-FI-253

PS Form 3800, April 1995

Santa Rosa Energy LLC

650 Dundee Road tel 847 559 9800 www.skygen.com
Suite 350 fax 847 559 1805
Northbrook, Illinois
60062



May 22 2000
Letter No. 88

RECEIVED

MAY 23 2000

Alvaro A. Linero, P.E.
Bureau of Air Quality Management
State of Florida
Department of Environmental Protection
2600 Blair Stone Road
Mail Station 5505
Tallahassee, Florida 32399-2400

BUREAU OF AIR REGULATION

Re: Santa Rosa Energy LLC
Permit No. PSD-FL-253

1130168-002-AC
PSD-FL-253a

Dear Mr. Linero:

Thank you and Teresa Heron for meeting with us on Tuesday, May 2, 2000 to discuss the Santa Rosa Energy Center (the "Project"). As you are aware, the Project is being developed by Santa Rosa Energy LLC, an affiliate of SkyGen Energy LLC. SkyGen Energy LLC and Santa Rosa Energy LLC have both been closely involved in this project. Since the facility received an air permit on December 4, 1998, the following activities have taken place:

1. An Electrical Interconnection Agreement with Gulf Power was executed on July 12, 1999, to allow the interconnection to the Gulf Power Transmission & Distribution System. This requires construction of a 7.5 mile 230 kV power line and a substation to tie into Gulf Power's existing 230 kV system, at the expense of Santa Rosa Energy LLC. Gulf Power has proceeded with land and easement acquisition along with engineering for this and has currently invoiced Santa Rosa Energy LLC approximately \$240,000.
2. A construction contract was negotiated and executed on August 20, 1999, between Gilbert Industrial Corporation and Santa Rosa Energy LLC. Gilbert Industrial will design, procure all equipment (except, as set forth below, the combustion turbine and steam turbine), construct and start-up the facility upon notice to proceed from Santa Rosa Energy LLC. Under the terms of the contract, the construction notice to proceed is contingent upon approval of construction financing. However, to date, Gilbert Industrial has performed activities in excess of \$400,000.

3. An Energy Services Agreement, and Lease Agreement were executed on September 20, 1999, between Sterling Fibers and Santa Rosa Energy LLC. This Agreement allows Santa Rosa Energy LLC to construct the cogeneration project at the Sterling Fibers manufacturing facility in Pace, Florida. These Agreements spell out responsibilities of each party and, to that measure, the following items have occurred:
 - The Project area has been re-zoned to proper classification for construction of the project.
 - The deep well injection permit was modified to allow the discharge from the project.
 - The consumptive use permit was modified to allow Sterling Fibers to supply sufficient water to the project. This required an extensive modeling analysis at significant costs Sterling Fibers and Santa Rosa Energy LLC.
 - Mechanical interfaces or tie-ins have been designed and completed at the site for the 600 psig and steam system, the 60 psig steam system, the condensate (return) system and the demineralized water system. These tie-ins allow the cogeneration project to tie into the existing manufacturing facility.
4. A contract was executed between SkyGen Energy LLC and GE for the purchase of a steam turbine. Due to the pressure and quality of the steam Sterling requires for its manufacturing process, this steam turbine is designed specifically for this project. At this time, the steam turbine has been partially constructed by GE for a price of almost \$10,000,000, of which SkyGen Energy LLC has paid over \$3,000,000.
5. A contract between GE and SkyGen Energy LLC for the combustion turbine has been executed with substantial deposit (approximately \$3,200,000) with a delivery date to be determined based completion of financing the project. Financing is expected to occur during the second or third quarter of 2000.

In addition to the items listed above, significant work has been performed on the overall project development necessary to proceed with financing the project. Santa Rosa Energy LLC and SkyGen Energy LLC have spent approximately \$8 million since the air permit was issued. The majority of this has been on the equipment described above. The final agreement necessary to complete project financing is being negotiated at this time and, once complete, full mobilization

Santa Rosa Energy LLC



Alvaro A. Linero, P.E.
May 22, 2000
Page 3

will occur along with project financing. The project is currently scheduled to start-up late in the second quarter of 2002. Please see attached project milestone schedule for additional information.

Based on the above information, Santa Rosa Energy LLC believes it has complied with permit condition #6 Section II, Administrative Requirement and hereby notifies Florida Department of Environmental Protection that it has commenced construction. Should the Department not concur in that determination, please consider this letter to be a request for extension of the 18 month "commence construction" requirement specified in the permit for a period of six months (June 7, 2000 to December 7, 2000). Additionally, please consider this letter a request for extension of the construction permit expiration date for a period of approximately six months (January 1, 2002 to July 1, 2002) to accommodate the start-up described above. Enclosed is a check in the sum of \$250 made out to the Florida Department of Environmental Protection, to constitute a permit modification fee. Please confirm in writing that this is acceptable to the Department and if you have any questions or need additional information, please feel free to contact me at 847-559-9800 x311.

In addition, Santa Rosa Energy understands that should the operation date be delayed significantly beyond the projected operation date described above, Santa Rosa Energy will notify FDEP and provide the documentation and Best Available Control Technology analysis necessary to install Selective Catalytic Reduction at the Santa Rosa Energy Center.

I certainly appreciate your cooperation and timely response.

Sincerely,

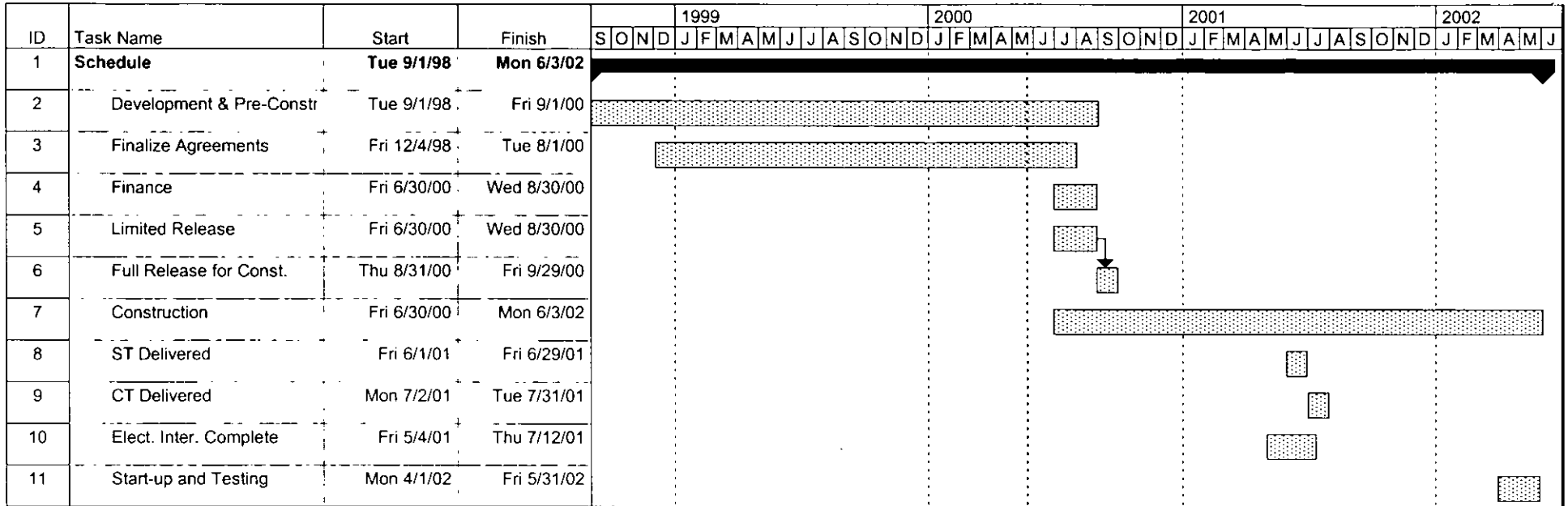
**Santa Rosa Energy LLC
by its Managing Member
SkyGen Energy LLC**

David Plauck
Project Manager

Enclosure

cc: Teresa Heron
Silvia Alderman

cc: NWD
EPA
NPS



Santa Rosa Construction Schedule-DEP Date: Mon 5/22/00	Task		Rolled Up Task		External Tasks	
	Progress		Rolled Up Milestone		Project Summary	
	Milestone		Rolled Up Progress			
	Summary		Split			

THIS CHECK IS VOID WITHOUT A BLUE & RED BACKGROUND AND A TRUE WATERMARK - HOLD UP TO THE LIGHT TO VERIFY

SKYGEN ENERGY LLC
650 DUNDEE ROAD, SUITE 350
NORTHBROOK, IL 60062
PH: 847-559-9800

AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO
CHICAGO, IL 60690
2-77-710

31440

DATE	5/22/2000
AMOUNT	***250.00

PAY TO THE ORDER OF Two Hundred Fifty and 00/100*****

TO THE ORDER OF Florida Dept. Of Environ. Protect
2600 Blair Stone Road
Mail Station 5505
Tallahassee, FL 32399-2400



CHECK IS PRINTED ON SECURITY PAPER WHICH INCLUDES FLUORESCENT & VISIBLE FIBERS. BORDER CONTAINS MICROPRINTING





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

DEC 23 1998

RECEIVED

DEC 26 1998

4APT-ARB

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

BUREAU OF
AIR REGULATION

SUBJECT: Request for approval of a Custom Fuel Monitoring
Schedule for the Santa Rosa Energy Center

Dear Mr. Linero:

Thank you for your letter of October 9, 1998, regarding the use of a custom fuel monitoring schedule for Santa Rosa Energy Center. The Santa Rosa Energy Center will be a natural gas fired congeneration facility which will have units subject to 40 C.F.R. Part 60, Subpart GG - Standards of Performance for Stationary Gas Turbines. As requested, Specific Conditions 32 and 45 have been reviewed. Region 4 has concluded that the use of acid rain NO_x continuous emission monitoring system (CEMS) for demonstrating compliance, as described in Specific Condition 32, is acceptable if certain conditions are included in the permit condition. Region 4 has also concluded that the custom fuel monitoring schedule proposed in Specific Condition 45 is acceptable.

According to 40 C.F.R. 60.334(b)(2), owners and operators of stationary gas turbines subject to Subpart GG are required to monitor fuel nitrogen and sulfur content on a daily basis if a company does not have intermediate bulk storage for its fuel. 40 C.F.R. 60.334(b)(2) also contains provisions allowing owners and operators of turbines that do not have intermediate bulk storage for their fuel to request approval of custom fuel monitoring schedules that require less frequent monitoring of fuel nitrogen and sulfur content.

Region 4 reviewed Specific Condition 45 which allows SO₂ emissions to be quantified using procedures in 40 CFR 75 Appendix D in lieu of daily sampling as required by 40 CFR

60.334(b). The specific limitations listed in the permit condition are consistent with previous determinations, therefore, we conclude that the use of this custom fuel monitoring schedule is acceptable.

Specific Condition 32 involves the method used to monitor nitrogen oxides (NO_x) excess emissions. Under the provisions for 40 C.F.R. §60.334(c)(1), the operating parameters used to identify NO_x excess emissions for Subpart GG turbines are water-to-fuel injection rates and fuel nitrogen content. As an alternative to monitoring NO_x excess emissions using these parameters, Santa Rosa is proposing to use a NO_x CEMS that is certified for measuring NO_x emissions under 40 C.F.R. Part 75. Based upon the enclosed determination issued by the Environmental Protection Agency (EPA) on March 12, 1993, NO_x CEMS can be used to monitor excess emissions from Subpart GG turbines if a number of conditions specified in the determination are met and included in the permit conditions.

Finally, a NO_x CEMS used to conduct excess emission monitoring for Subpart GG must be capable of correcting results to ISO standard day conditions (i.e., 288 degrees Kelvin, 60 percent relative humidity, and 101.3 kilopascals pressure). The basis for this requirement is that, under the provisions of 40 C.F.R. §60.335(c), NO_x results from performance tests must be converted to ISO standard day conditions. As an alternative to continuously correcting results to ISO standard day conditions, Santa Rosa could keep records of the data needed to make this conversion, so that NO_x results could be calculated on an ISO standard day condition basis anytime at the request of EPA or the Florida DEP. This approach will be acceptable, since the construction permit contains NO_x limits that are more stringent than those in Subpart GG, and compliance with Subpart GG for these units would be a concern only in cases when a turbine is in violation of the NO_x limits in its permit. Therefore, converting NO_x results to ISO standard day conditions when the CEMS indicates an exceedance of the applicable permit limits, rather than converting results continuously, will provide adequate assurance of compliance with the NO_x limit in Subpart GG. For clarification, these recordkeeping and monitoring conditions must be written specifically into the permit conditions.

If you have any questions regarding the determination provided in this letter, please call David McNeal of my staff at 404/562-9102.

Sincerely,



R. Douglas Neeley
Chief
Air and Radiation Technology
Branch
Air, Pesticides and Toxics
Management Division

Enclosure

- (1) March 12, 1993, Headquarter's guidance regarding the use of CEMS to monitor NO_x excess emissions under Subpart GG

CC: J. Neron, BAR
NWD
NPS
C. Carson, SRE
M. Craven, RF Weston

Determination Detail

Control Number: 9400024

Category: NSPS
EPA Office: SSCD
Date: 03/12/1993
Title: NSPS Subpart GG, Alternative Method
Recipient: Karl Mangels
Author: Rasnic, John B.
Comments:

.....
.....
.....
Abstract:

Can a gas turbine subject to NSPS subpart GG, and using both water injection and selective catalytic reduction to control NOx emissions use a CEMS.

Yes, the alternative of using a CEMS was approved.

.....

Letter:

MEMORANDUM

SUBJECT: Approval of the Use of NOx CEMS as an Alternative Method to the Water-fuel Ratio Monitoring under NSPS Subpart GG

FROM: John B. Rasnic, Director
Stationary Source Compliance Division
Office of Air Quality Planning and Standards

To: Karl Mangels, Chief
New York Compliance Section
Air Compliance Branch, Region II

In response to your January 12, 1993, memorandum to Linda Lay, SSCD investigated the feasibility of our approval of your request. You asked SSCD to approve a request from East Syracuse Generating Company to allow the use of the NOx continuous emission monitoring system (CEMS) as an alternative monitoring method to the continuous water-fuel ratio monitoring method.

East Syracuse Generating Company is to commence development of a 100 MW natural gas-fired cogeneration combustion turbine facility in the village of East Syracuse, New York. The facility is allowed to use a limited amount of low sulfur distillate oil as a backup fuel. To control the emissions of NOx this turbine will use both water injection and selective catalytic reduction as required by the New York State

Department of Environmental Conservation (NYSDEC). Since the NYSDEC permit conditions are more restrictive than the requirements of NSPS Subpart GG, East Syracuse is asking for a waiver from the following monitoring requirements:

1. Fuel sulfur monitoring
2. Fuel nitrogen monitoring
3. Continuous water-fuel ratio monitoring for Nox compliance.

You have already made determinations on the first two issues and asked SSCD to address only the third issue, use of NO_x CEMS, that is required by the State permit, instead of the water-fuel ratio monitoring method.

SSCD determined that the use of a NO_x CEMS can be allowed as an alternative monitoring method if the facility meets the following conditions:

- * Each turbine meets the emission limitation (STD) determined according to 40 CFR Part 60.332. The "Y" value for the applicable equation and supporting documentation should be provided by the applicant and the limitation for NO_x emissions from pipeline quality natural gas should be fixed by EPA assuming the "F" value equals 0. The emission limitation shall be expressed in ppmv, dry, corrected to 15 percent O₂.
- * Each NO_x CEMS meets the applicable requirements of 40 CFR 560.13, Appendix B, and Appendix F for certifying, maintaining, operating and assuring quality of the system.
- * Each NO_x CEMS must be capable of calculating NO_x emissions concentrations corrected to 15% O₂ an ISO conditions.
- * Monitor data availability shall be no less than 95 percent on the quarterly basis.
- * NO_x CEMs should provide 4 data points for each hour and calculate a 1-hour average.
- * Each owner or operator of a NO_x CEMS shall submit an excess emissions (calculated according to the requirements of paragraph 60.13(h)) and monitoring systems performance report and/or a summary report form to the Administrator on a quarterly basis, if excess emissions are determined, or semiannually. The report shall be postmarked by the 30th day following the end of each reporting period. Written reports shall include information required in paragraphs 60.7 (c) and 60.7 (d). This report shall also contain the content of nitrogen in fuel oil for each reporting period when oil is fired and a clearly calculated corresponding emission limitation (STD).
- * Recordkeeping requirements shall follow the requirements specified in 40 CFR 560.7.

In addition, to upgrade the EPA data, we recommend that the NO_x CEMS be used to demonstrate compliance with the emission limitation on a continuous basis and that the quarterly report include the NO_x mass emissions for the reported period as reported to the State.

If you have any questions, please call Zofia Kosim at 703-308-8733.

cc: Air, Pesticides, and Toxics Management Division Directors Regions I and IV

Air and Waste Management Division Director

Region II

Air, Radiation, and Toxics Division Director
Region III

Air and Radiation Division Director
Region V

Air, Pesticides, and Toxics Division Director
Region VI

Air and Toxics Division Directors
Regions VII, VIII, IX, and X



SANTA ROSA ENERGY LLC

650 Dundee Road, Suite 150
Northbrook, Illinois 60062
Telephone (847)559-9800
Facsimile (847)559-1805

November 20, 1998
Letter No. 21

RECEIVED

NOV 23 1998

BUREAU OF
AIR REGULATION

FEDERAL EXPRESS

Mr. A.A. Linero
Administrator, New Source Review Section
Division of Air Resources Management
State of Florida Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road., MS# 5505
Tallahassee, FL 32399-2400

Subject: DEP File No. 1130003-005AC (PSD-FL-253)
Santa Rosa Energy Center

Dear Mr. Linero:

Santa Rosa Energy LLC is pleased to provide the following comments to the Draft Construction Air Permit PSD-FL-253 issued by Florida Department of Environmental Protection:

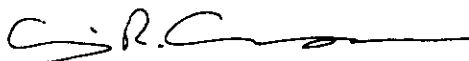
1. Facility Description: The description indicates that the new facility will be located on the site of the steam host, Sterling Fibers, and further describes Sterling Fiber's nature of business. We request that this reference be removed in its entirety since such a reference may be viewed as a condition of the permit. Should the steam host be acquired or change the nature of its business, this should not effect the permit in any way.
2. Administrative Requirements, Condition 9. Application for Title V Permit: The permit does not indicate a time frame under which the application for Title V Permit must be made. We request that this condition be clarified to indicate that application for Title V permit is not required to be submitted until within twelve (12) months of start-up.
3. General Operating Requirements, Condition 9. Turbine Capacity: The condition indicates that the maximum fuel consumption of the turbine is 1,600 MMBtu per hour (LHV) corrected to ISO conditions. While this is the heat input of a new combustion turbine operating at 100% load at ISO conditions, the restriction does not allow for performance degradation of the combustion turbine. It is not uncommon for fuel usage to increase more than 10% at various stages of the combustion turbine's maintenance cycle. We request that this restriction be increased to a maximum heat input of 1,780 MMBtu per hour (LHV) corrected to ISO conditions.

4. General Operating Requirements, Condition 10. Heat Recovery Steam Generator Equipped with Duct Burner: The condition indicates that the natural gas usage in the Duct burner not exceed $3,280 \times 10^6$ scf on an annual basis. We request that this condition be changed such that the gas usage be limited to $3,280 \times 10^6$ scf on a twelve (12) month rolling average basis.
5. General Operating Requirements, Condition 15. Maximum Allowable Hours: Please clarify that the maximum allowable hours of operation is 8,760 *per year*.
6. Emission Limits and Standards, Condition 20: Please clarify that the emission limits provided for in this condition are based on ISO conditions.
7. Excess Emissions, Condition 27: Please clarify that any excess emissions that result from start up or shut down of the unit are not used in calculating the 24 hour block average emissions.

Should you have any questions or require further information, please contact me at (847)559-9800 extension 325.

Sincerely,

SANTA ROSA ENERGY LLC



Craig Carson

CRC:ag

Enclosure

cc: J. Shield
J. Lay (Sterling Fibers)
S. Alderman (Katz, Kutter)
M. Carey (Weston)

ent
325

File: SRO - ENV

cc: J. Newton, BAR
NWD
EPA
NPS