



Memorandum

Florida Department of Environmental Protection

TO: Trina Vielhauer

THRU: J. F. Koerner 

FROM: M. P. Halpin 

DATE: July 28, 2005

SUBJECT: Calpine Corporation – Santa Rosa Energy Center
PSD Permit Modification, Annual Testing Requirements
DEP File No. PSD-FL-253, 1130168-006-AC

Attached is the public notice package for Calpine's Santa Rosa Energy Center. The modification allows for a change to the annual testing requirement, as a result of some anticipated periods of de minimus operation. The change waives the annual compliance test requirements in the event that the facility operation is such that natural gas is combusted for less than 400 hours per fiscal year. Natural gas is the sole fuel permitted for use at this facility, and the Department routinely waives annual compliance tests when fuel oil is burned for less than 400 hours per year.

Since there are no increases to emissions as a result of these changes, neither a Determination of Best Available Control Technology (BACT) nor an air quality analysis was required.

I recommend your approval.

mph

Attachments

Vickie

DRAFT

August xx, 2005

Mr. Benjamin M. H. Borsch, P.E.
Manager, Safety Health & Environment
Calpine Corporation
2701 N. Rocky Point, Suite 1200
Tampa, Florida 33607

Re: PSD-FL-253 Permit Modification, Annual Testing Requirements
DEP File Number 1130168-006-AC
Santa Rosa Energy Center / Santa Rosa County

The applicant, Calpine Corporation, applied on July 19, 2005, to the Department for a change to the annual testing requirements. The request was to void annual testing requirements in the event that the facility operates for less than 400 hours per year. Natural gas is the sole fuel permitted for use at this facility.

The Department has reviewed the modification request. The referenced PSD permit is hereby modified as follows:

III. Emissions Unit(s) Specific Conditions
Compliance Determination:

31. Initial (I) performance tests shall be performed by the deadlines in condition 30. Initial tests shall also be conducted after any modifications (and shake down period not to exceed 100 days after re-starting the CT) of air pollution control equipment, including installation of SCR or SNCR (if required). Annual (A) compliance tests shall be performed during every federal fiscal year (October 1 - September 30) pursuant to Rule 62-297.310(7), F.A.C., on these units as indicated. In the event that the facility does not combust natural gas for greater than 400 hours during the fiscal year, the requirement for annual compliance tests shall be waived. The following reference methods shall be used. No other test methods may be used for compliance testing unless prior DEP approval is received in writing.

- *EPA Reference Method 5 or Method 17, "Determination of Particulate Emissions From Stationary Sources" (I, at stack only).*
- *EPA Reference Method 9, "Visual Determination of the Opacity of Emissions from Stationary Sources" (I, A).*
- *EPA Reference Method 10, "Determination of Carbon Monoxide Emissions from Stationary Sources" (I, A).*
- *EPA Reference Method 20, "Determination of Oxides of Nitrogen Oxide, Sulfur Dioxide and Diluent Emissions from Stationary Gas Turbines." Initial test only for compliance with 40CFR60 Subpart GG, Da. NO_x BACT limits compliance by CEMs (24-hr average or 3-hr average if SCR/SNCR is required).*

EPA Reference Method 18, and/or 25A, "Determination of Volatile Organic Concentrations." Initial test only.

All other terms and conditions of this permit remain unchanged. A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit modification is issued pursuant to Chapter 403, Florida Statutes.

Any party to this order (permit modification) has the right to seek judicial review of it under Section 120.68, F.S., 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

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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.

Michael G. Cooke, Director
Division of Air Resource
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this PSD Permit Modification was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on _____ to the person(s) listed:

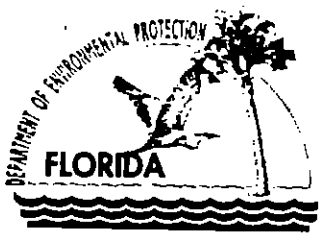
- Benjamin M. H. Borsch, P.E. *
- Heidi M. Whidden, Calpine Corporation
- Sandra Veazey, FDEP NWD
- Gregg Worley, EPA
- John Bunyak, NPS

Clerk Stamp

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

(Clerk)

(Date)



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

July 29, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Benjamin B. H. Borsch, P.E.
Manager – Safety Health & Environment
Calpine Corporation
2701 Rocky Point, Suite 1200
Tampa, Florida 33607

Re: DEP File No. PSD-FL-253, 1130168-006-AC
Santa Rosa Energy Center / Santa Rosa County

Dear Mr. Borsch:

Enclosed is one copy of the PSD permit modification, relative to the Santa Rosa Energy Center's request for a change to the annual test requirements. The above facility is located in Pace, in Santa Rosa County.

The Public Notice of Intent to Issue PSD Permit Modification must be published one time only, as soon as possible, in the legal advertisement section of a newspaper of general circulation in the area affected, pursuant to the requirements Chapter 50, Florida Statutes. Proof of publication, i.e., newspaper affidavit, must be provided to the Department's Bureau of Air Regulation office within seven days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit.

Please submit any written comments you wish to have considered concerning the Department's proposed action to J. Koerner, P.E., Supervisor, North Permitting Section at the above letterhead address. If you have any other questions, please contact Michael P. Halpin, P.E. at 850/921-9519.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

TV/mph

Enclosures

"More Protection, Less Process"

Printed on recycled paper

In the Matter of an
Application for Permit by:

Benjamin M. H. Borsch, Manager – Safety Health & Environment
Calpine Corporation
2701 N. Rocky Point, Suite 1200
Tampa, Florida 33607

DEP File Number 1130168-006-AC
PSD-FL-253

INTENT TO ISSUE PSD PERMIT MODIFICATION

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification (copy of Draft permit changes attached) for the proposed project, detailed in the application specified above and for the reasons stated below.

The applicant, Benjamin M. H. Borsch, Manager – Safety Health & Environment, Calpine, applied on July 19, 2005, to the Department for a PSD Permit Modification at its Santa Rosa Energy Center, located in Pace, Santa Rosa County. The request is to allow for a change to the annual testing requirements. A new BACT Determination is not required since there are no changes to emissions.

The Department 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 40 CFR 52.21. The above actions are not exempt from permitting procedures. The Department has determined that a PSD Permit Modification is required in order to allow for the requested testing change.

The Department intends to issue this PSD Permit Modification based on the belief that reasonable assurances have been provided to indicate that operation of these emission units will not adversely impact air quality, and the emission units will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. and 40 CFR 52.21.

Pursuant to Section 403.815, F.S., and Rule 62-110.106(7)(a)1., F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue PSD Permit Modification. The notice shall be published one time only in the legal advertisement section of a newspaper of general circulation in the area affected. Rule 62-110.106(7)(b), F.A.C., requires that the applicant cause the notice to be published as soon as possible after notification by the Department of its intended action. 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 Department at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax 850/ 922-6979). You must provide proof of publication within seven days of publication, pursuant to Rule 62-110.106(5), F.A.C. No permitting action for which published notice is required shall be granted until proof of publication of notice is made by furnishing a uniform affidavit in substantially the form prescribed in section 50.051, F.S. to the office of the Department issuing the permit. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rules 62-110.106(9) & (11), F.A.C.

The Department will issue the final permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

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

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

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 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.

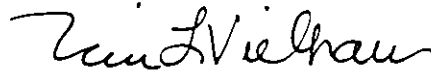
In addition to the above, a person subject to regulation has a right to apply for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542 F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal 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.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

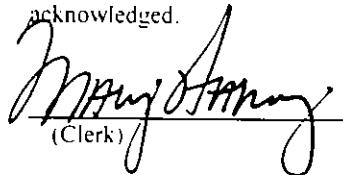
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Intent to Issue PSD Permit Modification (including the Public Notice of Intent to Issue PSD Permit Modification and the Draft PSD Permit Modification) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 8/2/05 to the person(s) listed:

Benjamin M. H. Borsch, P.E. *
Heidi M. Whidden, Calpine Corporation
Sandra Veazey, FDEP NWD
Gregg Worley, EPA
John Bunyak, NPS

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) 8/2/05
(Date)

PUBLIC NOTICE OF INTENT TO ISSUE PSD PERMIT MODIFICATION

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. 1130168-006-AC

Calpine Corporation
Santa Rosa Energy Center
Santa Rosa County

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification for Santa Rosa Energy Center, located in Pace, Santa Rosa County. The modification allows for a change to the annual testing requirements. The change allows for annual tests to be waived in the event that the facility operates less than 400 hours per year. The facility solely combusts natural gas and since there are no increases to emissions as a result of the change, neither a Determination of Best Available Control Technology (BACT) nor an air quality analysis was required. The applicant's mailing address is: 2701 N. Rocky Point, Suite 1200, Tampa FL 33607.

The Department will issue the Final Permit with the attached modified conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

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

The Department will issue the permit with the condition modified as indicated unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

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 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

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

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.

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:

Florida Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: (850) 488-1344
Fax: (850) 922-6979

Florida Department of Environmental Protection
Northwest District
160 Governmental Center
Pensacola, Florida 32502
Telephone: (850) 595-8300

The complete project file includes the application, draft permit and additional information submitted by the applicant, exclusive of confidential records under Section 403 111, F.S. Interested persons may review specific details of this project by contacting the Administrator, North Permitting Section, at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850/488-0114, for additional information.

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

DRAFT

August xx, 2005

Mr. Benjamin M. H. Borsch, P.E.
Manager, Safety Health & Environment
Calpine Corporation
2701 N. Rocky Point, Suite 1200
Tampa, Florida 33607

Re: PSD-FL-253 Permit Modification, Annual Testing Requirements
DEP File Number 1130168-006-AC
Santa Rosa Energy Center / Santa Rosa County

The applicant, Calpine Corporation, applied on July 19, 2005, to the Department for a change to the annual testing requirements. The request was to void annual testing requirements in the event that the facility operates for less than 400 hours per year. Natural gas is the sole fuel permitted for use at this facility.

The Department has reviewed the modification request. The referenced PSD permit is hereby modified as follows:

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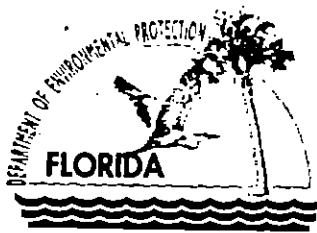
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(Clerk)

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Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

July 29, 2005

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Mr. Benjamin B. H. Borsch, P.E.
Manager – Safety Health & Environment
Calpine Corporation
2701 Rocky Point, Suite 1200
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Re: DEP File No. PSD-FL-253, 1130168-006-AC
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Dear Mr. Borsch:

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Sincerely,

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Bureau of Air Regulation

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In the Matter of an
Application for Permit by:

Benjamin M. H. Borsch, Manager – Safety Health & Environment
Calpine Corporation
2701 N. Rocky Point, Suite 1200
Tampa, Florida 33607

DEP File Number 1130168-006-AC
PSD-FL-253

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The applicant, Benjamin M. H. Borsch, Manager – Safety Health & Environment, Calpine, applied on July 19, 2005, to the Department for a PSD Permit Modification at its Santa Rosa Energy Center, located in Pace, Santa Rosa County. The request is to allow for a change to the annual testing requirements. A new BACT Determination is not required since there are no changes to emissions.

The Department 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 40 CFR 52.21. The above actions are not exempt from permitting procedures. The Department has determined that a PSD Permit Modification is required in order to allow for the requested testing change.

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The Department will issue the final permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

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The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

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 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.

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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.

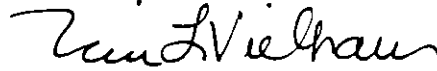
In addition to the above, a person subject to regulation has a right to apply for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542 F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal 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.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

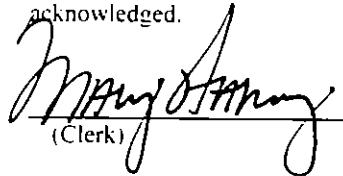
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Intent to Issue PSD Permit Modification (including the Public Notice of Intent to Issue PSD Permit Modification and the Draft PSD Permit Modification) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 8/2/05 to the person(s) listed:

Benjamin M. H. Borsch, P.E. *
Heidi M. Whidden, Calpine Corporation
Sandra Veazey, FDEP NWD
Gregg Worley, EPA
John Bunyak, NPS

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) 8/2/05
(Date)

PUBLIC NOTICE OF INTENT TO ISSUE PSD PERMIT MODIFICATION

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. 1130168-006-AC

Calpine Corporation
Santa Rosa Energy Center
Santa Rosa County

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification for Santa Rosa Energy Center, located in Pace, Santa Rosa County. The modification allows for a change to the annual testing requirements. The change allows for annual tests to be waived in the event that the facility operates less than 400 hours per year. The facility solely combusts natural gas and since there are no increases to emissions as a result of the change, neither a Determination of Best Available Control Technology (BACT) nor an air quality analysis was required. The applicant's mailing address is: 2701 N. Rocky Point, Suite 1200, Tampa FL 33607.

The Department will issue the Final Permit with the attached modified conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

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

The Department will issue the permit with the condition modified as indicated unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

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 presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

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NOTICE TO BE PUBLISHED IN THE NEWSPAPER

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.

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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.

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:

Florida Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: (850) 488-1344
Fax: (850) 922-6979

Florida Department of Environmental Protection
Northwest District
160 Governmental Center
Pensacola, Florida 32502
Telephone: (850) 595-8300

The complete project file includes the application, draft permit and additional information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may review specific details of this project by contacting the Administrator, North Permitting Section, at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850/488-0114, for additional information.

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

DRAFT

August xx, 2005

Mr. Benjamin M. H. Borsch, P.E.
Manager, Safety Health & Environment
Calpine Corporation
2701 N. Rocky Point, Suite 1200
Tampa, Florida 33607

Re: PSD-FL-253 Permit Modification, Annual Testing Requirements
DEP File Number 1130168-006-AC
Santa Rosa Energy Center / Santa Rosa County

The applicant, Calpine Corporation, applied on July 19, 2005, to the Department for a change to the annual testing requirements. The request was to void annual testing requirements in the event that the facility operates for less than 400 hours per year. Natural gas is the sole fuel permitted for use at this facility.

The Department has reviewed the modification request. The referenced PSD permit is hereby modified as follows:

III. Emissions Unit(s) Specific Conditions
Compliance Determination:

31 Initial (I) performance tests shall be performed by the deadlines in condition 30. Initial tests shall also be conducted after any modifications (and shake down period not to exceed 100 days after re-starting the CT) of air pollution control equipment, including installation of SCR or SNCR (if required). Annual (A) compliance tests shall be performed during every federal fiscal year (October 1 - September 30) pursuant to Rule 62-297 310(7), F.A.C., on these units as indicated. In the event that the facility does not combust natural gas for greater than 400 hours during the fiscal year, the requirement for annual compliance tests shall be waived. The following reference methods shall be used. No other test methods may be used for compliance testing unless prior DEP approval is received in writing.

- *EPA Reference Method 5 or Method 17, "Determination of Particulate Emissions From Stationary Sources" (I, at stack only)*
- *EPA Reference Method 9, "Visual Determination of the Opacity of Emissions from Stationary Sources" (I, A).*
- *EPA Reference Method 10, "Determination of Carbon Monoxide Emissions from Stationary Sources" (I, A).*
- *EPA Reference Method 20, "Determination of Oxides of Nitrogen Oxide, Sulfur Dioxide and Diluent Emissions from Stationary Gas Turbines." Initial test only for compliance with 40CFR60 Subpart GG, Da. NO_x BACT limits compliance by CEMs (24-hr average or 3-hr average if SCR/SNCR is required)*

EPA Reference Method 18, and/or 25A, "Determination of Volatile Organic Concentrations." Initial test only.

All other terms and conditions of this permit remain unchanged. A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit modification is issued pursuant to Chapter 403, Florida Statutes.

Any party to this order (permit modification) has the right to seek judicial review of it under Section 120.68, F.S., 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

DRAFT

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.

Michael G. Cooke, Director
Division of Air Resource
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this PSD Permit Modification was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on _____ to the person(s) listed:

- Benjamin M. H. Borsch, P.E. *
- Heidi M. Whidden, Calpine Corporation
- Sandra Veazey, FDEP NWD
- Gregg Worley, EPA
- John Bunyak, NPS

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)

(Date)



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

July 29, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Benjamin B. H. Borsch, P.E.
Manager – Safety Health & Environment
Calpine Corporation
2701 Rocky Point, Suite 1200
Tampa, Florida 33607

Re: DEP File No. PSD-FL-253, 1130168-006-AC
Santa Rosa Energy Center / Santa Rosa County

Dear Mr. Borsch:

Enclosed is one copy of the PSD permit modification, relative to the Santa Rosa Energy Center's request for a change to the annual test requirements. The above facility is located in Pace, in Santa Rosa County.

The Public Notice of Intent to Issue PSD Permit Modification must be published one time only, as soon as possible, in the legal advertisement section of a newspaper of general circulation in the area affected, pursuant to the requirements Chapter 50, Florida Statutes. Proof of publication, i.e., newspaper affidavit, must be provided to the Department's Bureau of Air Regulation office within seven days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit.

Please submit any written comments you wish to have considered concerning the Department's proposed action to J. Koerner, P.E., Supervisor, North Permitting Section at the above letterhead address. If you have any other questions, please contact Michael P. Halpin, P.E. at 850/921-9519.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

TV/mph

Enclosures

In the Matter of an
Application for Permit by:

Benjamin M. H. Borsch, Manager – Safety Health & Environment
Calpine Corporation
2701 N. Rocky Point, Suite 1200
Tampa, Florida 33607

DEP File Number 1130168-006-AC
PSD-FL-253

INTENT TO ISSUE PSD PERMIT MODIFICATION

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification (copy of Draft permit changes attached) for the proposed project, detailed in the application specified above and for the reasons stated below.

The applicant, Benjamin M. H. Borsch, Manager – Safety Health & Environment, Calpine, applied on July 19, 2005, to the Department for a PSD Permit Modification at its Santa Rosa Energy Center, located in Pace, Santa Rosa County. The request is to allow for a change to the annual testing requirements. A new BACT Determination is not required since there are no changes to emissions.

The Department 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 40 CFR 52.21. The above actions are not exempt from permitting procedures. The Department has determined that a PSD Permit Modification is required in order to allow for the requested testing change.

The Department intends to issue this PSD Permit Modification based on the belief that reasonable assurances have been provided to indicate that operation of these emission units will not adversely impact air quality, and the emission units will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. and 40 CFR 52.21.

Pursuant to Section 403.815, F.S., and Rule 62-110.106(7)(a)1., F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue PSD Permit Modification. The notice shall be published one time only in the legal advertisement section of a newspaper of general circulation in the area affected. Rule 62-110.106(7)(b), F.A.C., requires that the applicant cause the notice to be published as soon as possible after notification by the Department of its intended action. 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 Department at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax 850/922-6979). You must provide proof of publication within seven days of publication, pursuant to Rule 62-110.106(5), F.A.C. No permitting action for which published notice is required shall be granted until proof of publication of notice is made by furnishing a uniform affidavit in substantially the form prescribed in section 50.051, F.S. to the office of the Department issuing the permit. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rules 62-110.106(9) & (11), F.A.C.

The Department will issue the final permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

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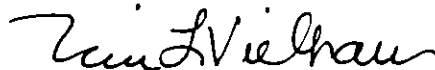
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Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

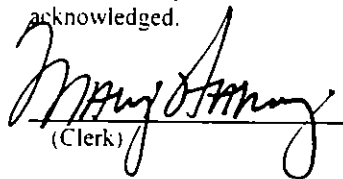
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Sandra Veazey, FDEP NWD
Gregg Worley, EPA
John Bunyak, NPS

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)

8/2/05
(Date)

PUBLIC NOTICE OF INTENT TO ISSUE PSD PERMIT MODIFICATION

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. 1130168-006-AC

Calpine Corporation
Santa Rosa Energy Center
Santa Rosa County

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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 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

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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.

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:

Florida Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: (850) 488-1344
Fax: (850) 922-6979

Florida Department of Environmental Protection
Northwest District
160 Governmental Center
Pensacola, Florida 32502
Telephone: (850) 595-8300

The complete project file includes the application, draft permit and additional information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may review specific details of this project by contacting the Administrator, North Permitting Section, at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850/488-0114, for additional information

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| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|--|
| <ul style="list-style-type: none"> ■ 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. | <p>A. Signature <i>[Handwritten Signature]</i></p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery AUG - 4 2001</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> |
| <p>1. Article Addressed to:</p> <p>Mr. Benjamin B. H. Borsch, P.E., Manager Safety Health & Environment Calpine Corporation 2701 Rocky Point, Suite 1200 Tampa, Florida 33607</p> | <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |
| <p>2. Article Number (Transfer from service label)</p> | <p>7001 0320 0001 3692 2466</p> |

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

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

7001 0320 0001 3692 2466

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|---|---|---------------|
| Postage | 5 | Postmark Here |
| Certified Fee | | |
| Return Receipt Fee (Endorsement Required) | | |
| Restricted Delivery Fee (Endorsement Required) | | |

S: Mr. Benjamin B. H. Borsch, P.E., Manager
 S: Safety Health & Environment
 S: Calpine Corporation
 S: 2701 Rocky Point, Suite 1200
 S: Tampa, Florida 33607

PS Form 3800, January 2001

See reverse for instructions