

RECEIVED
Cedar Bay Generating Company
Limited Partnership

SEP 14 1995

September 8, 1995

Bureau of
Air Regulation

File No.: 6.3.1.6

Clair Fancy, Chief
Bureau of Environmental Regulation
Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Hamilton S. Oven
Office of Siting Coordination
Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: Cedar Bay Generating Company, LP
Cedar Bay Cogeneration Project
PSD-FL137B - Duval County

Dear Mr. Fancy:

On behalf of the Cedar Bay Generating Company (CBGC), I write to request that the Department of Environmental Protection (DEP) confirm its interpretation of the conditions of site certification and the separate PSD permit for the Cedar Bay Cogeneration Project (CBCP) to clarify the intent of those two documents regarding one issue. The Site Certificate was originally issued on February 11, 1991, and modified on May 11, 1993. The PSD Permit was originally issued on March 29, 1991, and subsequently amended on November 23, 1993 (PSD-FL-137A.) and on August 8, 1995 (PSD-FL-137B) This letter addresses the allowed operation of the Absorber Dryer System.

Based on the design and modeling and the intended construction and operation of the limestone pulverizer/conveyers system (generally referred to as the absorber dryer system (ADS)) at the CBCP, the ADS has two parallel trains of absorber crushers and dryers. Both trains draw aragonite (a calcium rich material similar in composition to limestone) from a common storage pile and discharge into hoppers. To ensure compliance with applicable requirements, the operation of the two trains in the ADS were limited to running at maximum capacity for a total of [8 hours times 2 trains] per day on annual average and of [11 hours times 2 trains] per day at peak operation. Thus, a total of 16 and 22 train-hours daily of maximum capacity operation in the ADS on average and peak, respectively, was authorized under the certification and the PSD permit. Moreover, the permitting of the ADS did not distinguish as to whether one ADS train ran for 100% of the allowable train-hours in a day or that the two trains ran in any combination totaling together 100% of the allowable train-hours in a year or day. Accordingly, the Material Handling and Treatment section of the certification (specific condition II.B.1) and the PSD permit (specific condition II.B.1) provided that:



“The material handling and treatment operations including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone dryer, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continually, i.e. 8760 hrs/yr except that the limestone crushers/dryers may be operated for a maximum of 11 hours per day (maximum of 2920 hrs/yr) at maximum capacity.”

In addition, the condition II.B.7 provided that the emissions of SO₂, for example, from one train in the ADS was to be 1.15 TPY for SO₂ and 2.3 TPY for both trains.

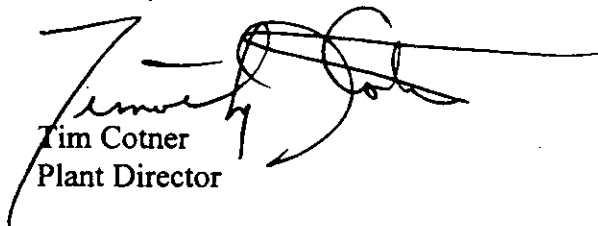
The purpose of this letter is to confirm the Department’s interpretation of this provision of the site certification and the PSD permit to remove any ambiguity that might be read into this language. Specifically, we understood that the Department interprets this provision as follows:

“The material handling and treatment operations including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, ~~limestone dryer~~ the Absorber Dryer System including two absorber crusher/dryer trains, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continuously, i.e. 7860 hrs/yr ~~except that the limestone crushers/dryers may be operated for a maximum of 11 hours per day (maximum of 2920~~, except that the two absorber crusher dryer trains may be operated in any combination for maximum of 22 train-hours per day (maximum of 5840 train-hrs/yr) at maximum capacity.”

This interpretation does not refer to or allow any change in the operation of the ADS. It better describes allowable operations. As a result, there is no change in emissions or ambient impacts.

CBGC believes that this accurately reflects the discussions we have had with you and your staff on this interpretation of the approvals. If you disagree with this interpretation, please advise me promptly. CBGC will proceed to act in reliance on this interpretation until otherwise advised. Your attention to this matter is appreciated. Should you or your staff have any questions on this matter, please do not hesitate to contact me or Kevin Grant at (904) 751-4000.

Sincerely,



Tim Cotner
Plant Director

DB/mm

cc: **Hamilton S, Oven, DEP Office of Siting Coordination**
Steve Pace, City of Jacksonville RESD
Bruce Mitchell, DEP BAR
Charles T. Collette, DEP Office of General Counsel



**Cedar Bay Generating Company
Limited Partnership**

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Based on the design and modeling and the intended construction and operation of the limestone pulverizer/conveyers system (generally referred to as the absorber dryer system (ADS)) at the CBCP, the ADS has two parallel trains of absorber crushers and dryers. Both trains draw aragonite (a calcium rich material similar in composition to limestone) from a common storage pile and discharge into hoppers. To ensure compliance with applicable requirements, the operation of the two trains in the ADS were limited to running at maximum capacity for a total of [8 hours times 2 trains] per day on annual average and of [11 hours times 2 trains] per day at peak operation. Thus, a total of 16 and 22 train-hours daily of maximum capacity operation in the ADS on average and peak, respectively, was authorized under the certification and the PSD permit. Moreover, the permitting of the ADS did not distinguish as to whether one ADS train ran for 100% of the allowable train-hours in a day or that the two trains ran in any combination totaling together 100% of the allowable train-hours in a year or day. Accordingly, the Material Handling and Treatment section of the certification (specific condition II.B.1) and the PSD permit (specific condition II.B.1) provided that:



"The material handling and treatment operations including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, limestone dryer, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continually, i.e. 8760 hrs/yr except that the limestone crushers/dryers may be operated for a maximum of 11 hours per day (maximum of 2920 hrs/yr) at maximum capacity."

In addition, the condition II.B.7 provided that the emissions of SO₂, for example, from one train in the ADS was to be 1.15 TPY for SO₂ and 2.3 TPY for both trains.

The purpose of this letter is to confirm the Department's interpretation of this provision of the site certification and the PSD permit to remove any ambiguity that might be read into this language. Specifically, we understood that the Department interprets this provision as follows:

"The material handling and treatment operations including coal and limestone unloading buildings, coal and limestone reclaim hoppers, coal crusher house, ~~limestone dryer~~ Absorber Dryer System including two absorber crusher/dryer trains, fly and bed ash silos, ash pelletizer, pellet curing silo, coal and limestone day silos, conveyors, storage areas and related equipment, may be operated continuously, i.e. ~~8760 hrs/yr~~ 7860 hrs/yr ~~except that the limestone crushers/dryers may be operated for a maximum of 11 hours per day (maximum of 2920~~ except that the two absorber crusher dryer trains may be operated in any combination for maximum of 22 train-hours per day (maximum of 5840 train-hrs/yr) at maximum capacity."

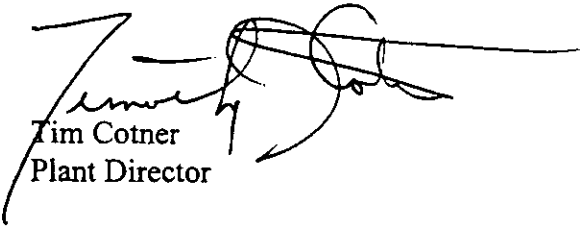
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CBGC believes that this accurately reflects the discussions we have had with you and your staff on this interpretation of the approvals. If you disagree with this interpretation, please advise me promptly. CBGC will proceed to act in reliance on this interpretation until otherwise advised.

Your attention to this matter is appreciated. Should you or your staff have any questions on this matter, please do not hesitate to contact me or Kevin Grant at (904) 751-4000.



Sincerely,



Tim Cotner
Plant Director

DB/mm

cc: Hamilton S, Oven, DEP Office of Siting Coordination
Steve Pace, City of Jacksonville RESD
Bruce Mitchell, DEP BAR
Charles T. Collette, DEP Office of General Counsel

cc: NED
EPA
NPS
D. Roberts, HGS+S
S. Arif, BAR
A. Linero, BAR



Kent L. Fickett

Vice President Environmental, Health, Safety & Regulatory Affairs

U.S. Generating Company

September 1, 1995

Mr. Bruce Mitchell
Air Regulations
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399

RECEIVED

SEP 15 1995

Bureau of
Air Regulation

Dear Mr. Mitchell:

We would like to notify you of a change in the contact person and address for communications from your office regarding Cedar Bay Generating Company, and our environmental permitting and regulatory responsibilities for the Cedar Bay Generating Project. Beginning immediately, please address correspondence pertaining to permitting, regulatory or enforcement issues to:

Mr. Timothy J. Cotner
Plant Director
Cedar Bay Generating Plant
P.O. Box 26324
Jacksonville, Florida 32226
(904) 751-4000

If possible, please send a copy of all correspondence to Mr. Kevin Grant, Manager, Environmental Health and Safety, at the same address above, and a copy to:

Mr. Don Beckham
Manager, Environmental Compliance
7500 Old Georgetown Road
13th Floor
Bethesda, Maryland 20814-6161
(301) 718-6757

If you have any questions, please feel free to contact Mr. Beckham.

Sincerely,



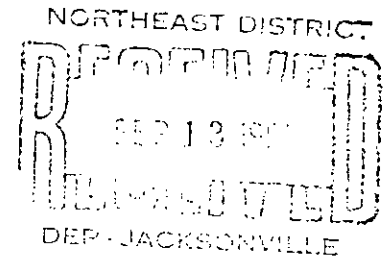
Kent Fickett



~~John Brown~~
BRUCE INFO
AL LINDS FILE

Kent L. Fickett
Vice President Environmental, Health, Safety & Regulatory Affairs

U.S. Generating Company



September 1, 1995

Mr. Morton Benjamin
Northeast District
Florida Department of Environmental Protection
7825 Baymeadows Way
Suite B200
Jacksonville, Florida 32256

Dear Mr. Benjamin:

We would like to notify you of a change in the contact person and address for communications from your office regarding Cedar Bay Generating Company, and our environmental permitting and regulatory responsibilities for the Cedar Bay Generating Project. Beginning immediately, please address correspondence pertaining to permitting, regulatory or enforcement issues to:

Mr. Timothy J. Cotner
Plant Director
Cedar Bay Generating Plant
P.O. Box 26324
Jacksonville, Florida 32226
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Mr. Don Beckham
Manager, Environmental Compliance
7500 Old Georgetown Road
13th Floor
Bethesda, Maryland 20814-6161
(301) 718-6757

If you have any questions, please feel free to contact Mr. Beckham.

Sincerely,

Kent Fickett





Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

June 30, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Kent L. Fickett
Cedar Bay Generating Company, L.P.
7500 Old Georgetown Road
Bethesda, Maryland 20814

Dear Mr. Fickett:

Enclosed is a proposed amendment letter and Public Notice for the Cedar Bay Cogeneration Project located in Duval County, Florida. You are required to do a public notice for this amendment. All comments during the public notice period should be addressed to Mr. A.A. Linero at the Department's Tallahassee address.

If there are additional questions on the above, please call Mr. Syed Arif at (904) 488-1344.

Sincerely,

C.H. Fancy, P.E.
Chief
Bureau of Air Regulation

CHF/sa/t

cc: C. Kirts, NED
S. Pace, RESD
H. Oven, PPS
J. Harper, EPA
J. Bunyak, NPS
D. Roberts, HGS&S

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

CERTIFIED MAIL

In the Matter of an
Application for Permit by:

DEP File No. PSD-FL-137(B)
Duval County

Mr. Kent L. Fickett
Cedar Bay Generating Company, L.P.
7500 Old Georgetown Road
Bethesda, Maryland 20814

INTENT TO ISSUE PERMIT AMENDMENT

The Department of Environmental Protection (Department) gives notice of its intent to issue a permit amendment (copy attached) to the applicant as detailed in the application/request specified above for the reasons stated in the attached Technical Evaluation and Preliminary Determination.

The applicant, Cedar Bay Generating Company, L.P., submitted an application on May 12, 1995, to the Department for a permit amendment to Cedar Bay Cogeneration Project's permit. The facility is located in Duval County.

The Department has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Chapters 62-212 and 62-4, Florida Administrative Code (F.A.C.). The project is not exempt from permitting procedures. The Department has determined that a permit amendment is required for the proposed work.

Pursuant to Section 403.815, F.S., and Rule 62-103.150, F.A.C., you (the applicant) are required to publish at your own expense the enclosed Notice of Intent to Issue Permit Amendment. The notice shall be published one time only within 30 days in the legal ad section of a newspaper of general circulation in the area affected. For the purpose of this rule, "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. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, within seven days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit amendment.

The Department will issue the permit amendment with the attached conditions unless a petition for an administrative proceeding (hearing) is filed pursuant to the provisions of Section 120.57, F.S.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 120.57, F.S. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400. Petitions filed by the permit applicant and the parties listed below must be filed within 14 days of receipt of this intent. Petitions filed by other persons must be filed within 14 days of publication of the public notice or within 14 days of their receipt of this intent, whichever first occurs. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, F.S.

The Petition shall contain the following information;

(a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Department Permit File Number and the county in which the project is proposed;

(b) A statement of how and when each petitioner received notice of the Department's action or proposed action;

(c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action;

(d) A statement of the material facts disputed by Petitioner, if any;

(e) A statement of facts which petitioner contends warrant reversal or modification of the Department's action or proposed action;

(f) A statement of which rules or statutes petitioner contends require reversal or modification of the Department's action or proposed action; and,

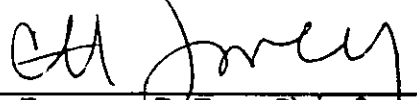
(g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the Department's action or proposed action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, the Department's final action may be different from the position taken by it in this intent. Persons whose substantial interests will be affected by any decision of the Department with regard to the application/request have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of receipt of this intent in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to

request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, F.A.C.

Executed in Tallahassee, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



C. H. Fancy, P.E., Chief
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399
904-488-1344


CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that this INTENT TO ISSUE PERMIT AMENDMENT all copies were mailed by certified mail before the close of business on 7-5-95 to the listed persons.

Clerk Stamp

FILING AND ACKNOWLEDGMENT

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


Clerk

7-5-95
Date

Copies furnished to:

- C. Kirts, NED
- H. Oven, PPS
- S. Pace, RESD
- J. Harper, EPA
- J. Bunyak, NPS
- D. Roberts, HGS&S

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOTICE OF INTENT TO ISSUE PERMIT AMENDMENT

PSD-FL-137(B)

The Department of Environmental Protection (Department) gives notice of its intent to issue a permit amendment to Cedar Bay Generating Company, L.P., 7500 Old Georgetown Road, Bethesda, Maryland 20814. This facility consists of three circulating fluidized bed coal-fired boilers, associated coal, ash, and other material handling equipment, a cooling tower, and two limestone dryers. The facility is located in Jacksonville, Duval County, Florida. The amendments include the changes to the specific conditions for particulate matter and fugitive emissions associated with the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverization/conveyance from the site. The increase in emission due to the amendment is less than 3 tons per year of particulate matter.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 120.57, Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, within 14 days of publication of this notice. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, F.S.

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

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, 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 decision of the Department with regard to the application/request have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of publication of this notice in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, Florida Administrative Code.

The application/request is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida 32301

Department of Environmental Protection
Northeast District
Suite 200B
7825 Baymeadows Way
Jacksonville, Florida 32256-7577

Any person may send written comments on the proposed action to Administrator, New Source Review Section at the Department of Environmental Protection, Bureau of Air Regulation, Mail Station 5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400. All comments received within 14 days of the publication of this notice will be considered in the Department's final determination.



Department of
Environmental Protection

DRAFT

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

July XX, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Kent L. Fickett
Cedar Bay Generating Company, L.P.
7500 Old Georgetown Road
Bethesda, Maryland 20814

Dear Mr. Fickett:

RE: Request for Permit Amendment
Cedar Bay Cogeneration Project
PSD-FL-137(B); Duval County

The Department received your request of May 12, 1995, to make minor amendments to the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverizer/conveyor for the above referenced PSD permit. The permit's specific conditions are amended as shown:

II. B. 4. Material handling sources shall be regulated as follows:

- a. The material handling and treatment area sources with either fabric filter or baghouse controls are as follows:

Coal Crusher Building
Coal Silo Conveyor
Limestone Pulverizer/Conveyors
Limestone Storage Bins (2)
Bed Ash Hopper
Bed Ash Separator
Bed Ash Silo Vent
Fly Ash Silo Vent
Fly Ash Separators (2)
Bed Ash Receiver Bin
Pellet Vibratory Screen System
Pelletizing-Ash Recycle Tank
Pelletizing-Recycle-Hopper
Cured Pellet Screening Recycle Conveyor System
Pellet Recycle Conveyor
Pelletizing Rail Loadout

DRAFT

Mr. Kent Fickett
July XX, 1995
Page Two

The emissions from the above listed sources are subject to the particulate emission limitation requirement of 0.003 gr/dscf (applicant-requested limitation which is more stringent than what is allowed by Rule 62 17-296.711, F.A.C.). Since these sources are RACT standard type then a one-time verification test on each source shall be required for PM mass emissions to demonstrate that the baghouse control systems can achieve the 0.003 gr/dscf. The performance tests shall be conducted using EPA Method 5 pursuant to Rule 62 17-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

- b. The PM emissions from the following process equipment, and/or facility equipment, in the material handling and treatment area sources shall be controlled using-wet suppression/removal-techniques as follows:

<u>Coal-Car-Unloading</u>	
Ash Pellet Hydrator:	<u>Scrubber</u>
Ash Pellet Curing Silos:	<u>Scrubber</u>
Ash Pelletizing Pan:	<u>Scrubber</u>

The above listed sources are subject to a visible emissions (VE) and a particulate matter (PM) emissions limitation requirement of 5 percent % opacity and 0.01 gr/dscf (applicant requested limitation, which is more stringent than what is allowed by rule), respectively, in accordance with Rule 62 17-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE and PM emissions using EPA Methods 9 and 5, respectively, in accordance with Rule 62 17-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

- c. Fugitive emissions from the following material handling and transport sources shall be controlled as follows:

<u>Coal Car Unloading:</u>	<u>Wet Suppression using continuous water sprays during unloading.</u>
<u>Dry Ash Rail Car Loadout:</u>	<u>Using closed or covered containers under negative air pressures during ash loadout; and using water sprays prior to removal of rail car loadout cap when loading open rail cars.</u>

DRAFT

Mr. Kent Fickett
July XX, 1995
Page Three

The above listed sources are subject to a visible emission (VE) limitation requirement of five percent (5%) opacity in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE using EPA Method 9 or other FDEP approved methods in accordance with Rule 62-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version). Initial visible emission testing shall be conducted within 90 days after final DEP approval of these facilities or within 90 days after completion of construction of the source, whichever occurs last. Ash shipped in open rail cars will either be pelletized or be sprayed with water to create a crust on the top layer of non-pelletized ash. Removal of bottom and fly ash from the Project site by any means other than by rail shall require the prior approval of DEP and RESD of the method(s) of fugitive emissions control.

7. The maximum emissions from each of the Limestone Pulverizer/Conveyors (including limestone dryer) limestone-dryers shall not exceed the following: while-using-oil-shall-not-exceed the-following-(based-on-AP-42-factor, Table 1, 3-1, Industrial Distillate, 10/86)

Estimated Limitations

<u>Pollutant</u>	<u>lbs/hr</u>	<u>TPY</u>	<u>TPY for 2 Pulverizer/Conveyors Dryers</u>
PM/PM ₁₀	<u>1.26*</u> 0-24	<u>1.68</u> 0-32	<u>3.36</u> 0-64
SO ₂	0.85	1.15	2.3
CO	0.60	0.81	1.62
NO _x	2.40	3.25	6.5
VOC	0.05	0.06	0.12

The emissions for SO₂, CO, NO_x, and VOC are based on AP-42 factor, Table 1, 3-1, Industrial Distillate, 10/86.

* This reflects the emission limitation for the limestone pulverizer/conveyor in Condition II.B.4.a. and limits the emission for the Limestone Pulverizer/Conveyor and the dryer.

Visible emissions from the limestone pulverizer/conveyors dryers shall not exceed 5% opacity.

DRAFT

Mr. Kent Fickett
July XX, 1995
Page Four

A copy of this letter shall be attached to the above mentioned permit, No. PSD-FL-137(B), and shall become a part of the permit.

Sincerely,

Howard L. Rhodes, Director
Division of Air Resources
Management

HLR/sa/t

cc: C. Kirts, NED
S. Pace, RESD
H. Oven, PPS
J. Harper, EPA
J. Bunyak, NPS
D. Roberts, HGS&S

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

POST OFFICE BOX 6526

TALLAHASSEE, FLORIDA 32314

(904) 222-7500

FAX (904) 224-8551

FAX (904) 425-3415

July 19, 1995

JAMES S. ALVES
BRIAN H. BIBEAU
KATHLEEN BLIZZARD
ELIZABETH C. BOWMAN
RICHARD S. BRIGHTMAN
PETER C. CUNNINGHAM
RALPH A. DEMEO
THOMAS M. DEROSE
WILLIAM H. GREEN
WADE L. HOPPING
FRANK E. MATTHEWS
RICHARD D. MELSON
DAVID L. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPEL
GARY P. SAMS
ROBERT P. SMITH
CHERYL G. STUART

KRISTIN M. CONROY
CONNIE C. DURRENCE
JONATHAN S. FOX
JAMES C. GOODLETT
GARY K. HUNTER, JR.
JONATHAN T. JOHNSON
ROBERT A. MANNING
ANGELA R. MORRISON
GARY V. PERKO
KAREN M. PETERSON
MICHAEL P. PETROVICH
DOUGLAS S. ROBERTS
LISA K. RUSHTON
R. SCOTT RUTH
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OF COUNSEL
CARLOS ALVAREZ
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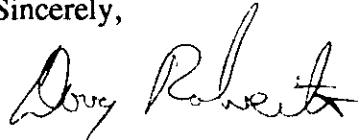
Mr. Syed Arif
Bureau of Air Regulation
Department of Environmental Protection
Magnolia Plaza
Tallahassee, FL 32399

Re: Cedar Bay Cogeneration Project,
Notice of PSD Permit Amendment,
Permit No. PSD-FL-137(B)

Dear Syed:

Attached for your records is the original Proof of Publication for the Notice of Intent to Issue Permit Amendment which was published in the Monday, July 17, 1995 edition of the Jacksonville Times Union.

Sincerely,



Douglas S. Roberts

DSR/gs

cc: Mark Carney, U.S. Generating Co.
Sanford Hartman, U.S. Generating Co.

cc: NED
EPA
NPS
Cleve Holladay, BAR

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

POST OFFICE BOX 6526

TALLAHASSEE, FLORIDA 32314

(904) 222-7500

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July 18, 1995

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OF COUNSEL
CARLOS ALVAREZ
W. ROBERT FOKES

Mr. Syed Arif
Bureau of Air Regulation
Department of Environmental Protection
Magnolia Plaza
Tallahassee, FL 32399

RECEIVED

JUL 19 1995

Bureau of
Air Regulation

Re: Cedar Bay Cogeneration Project,
Notice of PSD Permit Amendment,
Permit No. PSD-FL-137(B)

Dear Syed:

Attached for your reference is the Notice of Intent to Issue Permit Amendment which is to be published in the Monday, July 17, 1995 edition of the Jacksonville Times Union. We will provide a proof of publication as quickly as it is received, as required by your notice.

As we discussed, the notice has been revised to strike the last sentence of the original notice prepared by you, to delete the reference to an increase in emissions of less than 3 tons per year of particulate matter. This permit amendment will result in no increase in particulate matter. The permit changes combined two previously established emissions limits into one single emission limit, and thereby, did not increase overall PM emissions. You agreed that, based on this understanding, the last sentence could be omitted from the notice.

We appreciate your continuing cooperation in this matter. Should you have any questions, please contact either Mark Carney at U.S. Generating Co. (301-718-6899) or me.

Sincerely,



Douglas S. Roberts

DSR/gs

cc: Hamilton S. Oven, DEP
Steve Pace, RESD
Mark Carney, U.S. Generating Co.
Sandy Hartman, U.S. Generating Co.

CC NED
EPA
NPS
Cleve H. BAR

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NOTICE OF INTENT TO ISSUE PERMIT AMENDMENT

PSD-FL-137(B)

The Department of Environmental Protection (Department) gives notice of its intent to issue a permit amendment to Cedar Bay Generating Company, L.P., 7500 Old Georgetown Road, Bethesda, Maryland 20814. This facility consists of three circulating fluidized bed coal-fired boilers, associated coal, ash, and other material handling equipment, a cooling tower, and two limestone dryers. The facility is located in Jacksonville, Duval County, Florida. The amendments include the changes to the specific conditions for particulate matter and fugitive emissions associated with the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverization/conveyance from the site.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 120.57, Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, within 14 days of publication of this notice. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, F.S.

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

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, 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 decision of the Department with regard to the application/request have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of publication of this notice in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes

a waiver of any right such person has to request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, Florida Administrative Code.

The application/request is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida 32301

Department of Environmental Protection
Northeast District
Suite 200B
7825 Baymeadows Way
Jacksonville, Florida 32256-7577

Any person may send written comments on the proposed action to Administrator, New Source Review Section at the Department of Environmental Protection, Bureau of Air Regulation, Mail Station 5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400. All comments received within 14 days of the publication of this notice will be considered in the Department's final determination.



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

August 8, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Kent L. Fickett
Cedar Bay Generating Company, L.P.
7500 Old Georgetown Road - 13th Floor
Bethesda, Maryland 20814

Dear Mr. Fickett:

RE: Request for Permit Amendment
Cedar Bay Cogeneration Project
PSD-FL-137(B); Duval County

The Department received your request of May 12, 1995, to make minor amendments to the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverizer/conveyor for the above referenced PSD permit. The permit's specific conditions are amended as shown:

II. B. 4. Material handling sources shall be regulated as follows:

- a. The material handling and treatment area sources with either fabric filter or baghouse controls are as follows:

Coal Crusher Building
Coal Silo Conveyor
Limestone Pulverizers (2) /Conveyors
Limestone Storage Bins (2)
Bed Ash Hopper
Bed Ash Separator
Bed Ash Silo Vent
Fly Ash Silo Vent
Fly Ash Separators (2)
Bed Ash Receiver Bin
Fly Ash Receiver Bin
Pellet Vibratory Screen System
Pelletizing-Ash Recycle Tank
Pelletizing-Recycle-Hopper
Cured Pellet Screening Recycle Conveyor System
Pellet Recycle Conveyor
Pelletizing Rail Loadout

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Printed on recycled paper.

Mr. Kent Fickett
August 8, 1995
Page Two

The emissions from the above listed sources are subject to the particulate emission limitation requirement of 0.003 gr/dscf (applicant-requested limitation which is more stringent than what is allowed by Rule 62 17-296.711, F.A.C.). Since these sources are RACT standard type then a one-time verification test on each source shall be required for PM mass emissions to demonstrate that the baghouse control systems can achieve the 0.003 gr/dscf. The performance tests shall be conducted using EPA Method 5 pursuant to Rule 62 17-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

- b. The PM emissions from the following process equipment, and/or facility equipment, in the material handling and treatment area sources shall be controlled using-wet suppression/removal-techniques as follows:

Coal-Car-Unloading
Ash Pellet Hydrator: Scrubber
Ash Pellet Curing Silos: Scrubber
Ash Pelletizing Pan: Scrubber

The above listed sources are subject to a visible emissions (VE) and a particulate matter (PM) emissions limitation requirement of 5 percent % opacity and 0.01 gr/dscf (applicant requested limitation, which is more stringent than what is allowed by rule), respectively, in accordance with Rule 62 17-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE and PM emissions using EPA Methods 9 and 5, respectively, in accordance with Rule 62 17-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version).

- c. Fugitive emissions from the following material handling and transport sources shall be controlled as follows:

Coal Car Unloading: Wet Suppression using continuous water sprays during unloading.
Dry Ash Rail Car Loadout: Using closed or covered containers under negative air pressures during ash loadout; and using water sprays prior to removal of rail car loadout cap when loading open rail cars.

Mr. Kent Fickett
August 8, 1995
Page Three

The above listed sources are subject to a visible emission (VE) limitation requirement of five percent (5%) opacity in accordance with Rule 62-296.711, F.A.C. Initial and subsequent compliance tests shall be conducted for VE using EPA Method 9 or other FDEP approved methods in accordance with Rule 62-297, F.A.C., and 40 CFR 60, Appendix A (July, 1992 version). Initial visible emission testing shall be conducted within 90 days after final DEP approval of these facilities or within 90 days after completion of construction of the source, whichever occurs last. Ash shipped in open rail cars will either be pelletized or be sprayed with water to create a crust on the top layer of non-pelletized ash. Removal of bottom and fly ash from the Project site by any means other than by rail shall require the prior approval of DEP and RESD of the method(s) of fugitive emissions control.

7. The maximum emissions from each of the Limestone Pulverizers/Conveyors (including limestone dryer) limestone dryers shall not exceed the following: ~~while-using-oil-shall-not exceed-the-following-(based-on-AP-42-factor,-Table-1,-3-1, Industrial-Distillate,-10/86)~~

Estimated Limitations

<u>Pollutant</u>	<u>lbs/hr</u> <u>Dryers</u>	<u>TPY</u>	<u>TPY for 2 Pulverizers/Conveyors</u>
PM/PM ₁₀	1.26* 0-24	1.68 0-32	3.36 0-64
SO ₂	0.85	1.15	2.3
CO	0.60	0.81	1.62
NO _x	2.40	3.25	6.5
VOC	0.05	0.06	0.12

The emissions for SO₂, CO, NO_x, and VOC are based on AP-42 factor, Table 1, 3-1, Industrial Distillate, 10/86.

* This reflects the emission limitation for the limestone pulverizers/conveyor in Condition II.B.4.a. and limits the emission for the Limestone Pulverizers/Conveyors and the dryer.

Visible emissions from the limestone pulverizers/conveyors dryers shall not exceed 5% opacity.

Mr. Kent Fickett
August 8, 1995
Page Four

A copy of this letter shall be attached to the above mentioned permit, No. PSD-FL-137(B), and shall become a part of the permit.

Sincerely,



Howard L. Rhodes, Director
Division of Air Resources
Management

HLR/sa/t

cc: C. Kirts, NED
S. Pace, RESD
H. Oven, PPS
J. Harper, EPA
J. Bunyak, NPS
D. Roberts, HGS&S

Final Determination

The permit amendment to the material handling systems for ash pelletization, coal unloading, dry ash loading and removal, and limestone pulverizers/conveyors for Cedar Bay Cogeneration, located in Duval County, Florida, was distributed on July 5, 1995. The Notice of Intent to Issue was published in the Florida Times Union on July 17, 1995. Copies of the amendment were available for public inspection at the Department Offices in Jacksonville and Tallahassee.

No comments were submitted by the National Park Service and the U.S. Environmental Protection Agency. Comments were submitted by the applicant relating to typographical errors in the draft permit amendment. The Department agrees with those findings by the applicant, and appropriate changes were made.

The final action of the Department will be to issue the PSD permit (PSD-FL-137B) with the changes noted above.



Lawton Chiles
Governor

Florida Department of Environmental Protection

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

Virginia B. Wetherell
Secretary

April 22, 1994

Mr. Barrett Parker
U.S. Generating Company
7500 Old Georgetown Road
Bethesda, Maryland 20814-1616

Re: Cedar Bay Cogeneration Project, PA 88-24

Dear Mr. Parker:

The Department of Environmental Protection has reviewed the request for extension of the alternative flyash disposal procedure for the Cedar Bay Cogeneration facility as outlined in your letter of April 15, 1994. The alternate flyash disposal procedure may be used for a period not to exceed 160 days from April 24, 1994, otherwise until October 1, 1994. Please have Mr. Stallwood or other plant person to inform the Jacksonville Regulatory and Environmental Services Division when flyash loading and shipment is to take place.

Sincerely,

Hamilton S. Oven

Hamilton S. Oven, P.E.
Administrator, Siting
Coordination Office

cc: Ernie Frey, DEP/NED
Alton W. Yates, RESD
Clair Fancy, DEP/BAR