



Department of Environmental Protection

Jeb Bush
Governor

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

David B. Struhs
Secretary

December 8, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Jeffrey A. Walker
Environmental Manager
Cedar Bay Generating Company, L.P.
Cedar Bay Generating Plant
P.O. Box 26324
Jacksonville, Florida 32223

Re: DEP File No. PA 88-24, PSD-FL-137
Cedar Bay Generating Plant

Dear Mr. Walker:

Enclosed is one copy of the Draft PSD permit modification for the Cedar Bay Generating Plant located at 9640 East Port Road, Jacksonville, Duval County. The Technical Evaluation Preliminary Determination and Draft Revised BACT Determination, the Department's Intent to Issue PSD Permit Modification and the Public Notice of Intent to Issue PSD Permit Modification are also included.

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 modification.

Please submit any written comments you wish to have considered concerning the Department's proposed action to A. A. Linero, P.E., Administrator, New Source Review Section at the above letterhead address. If you have any other questions, please contact Michael P. Halpin at 850/921-9530.

Sincerely,

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

CHF/mph

Enclosures

In the Matter of an
Application for Permit by:

Cedar Bay Generating Company, L.P.
P.O. Box 26324
Jacksonville, Florida 32226

DEP File No. PA 88-24
Permit PSD-FL-137
Duval County

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 modification attached) for the proposed action, detailed in the application specified above and the enclosed Technical Evaluation Preliminary Determination and Draft Revised BACT Determination for the reasons stated below.

The applicant, Cedar Bay Generating Company, L.P., applied on March 22, 1999, to the Department for a PSD permit modification for its Cedar Bay Generating Plant located in Jacksonville, Duval County. The modification is to allow the three fluidized bed circulating boilers (A, B and C) to operate with changes to its method of compliance for startup and shutdown, SO₂ emissions, mercury testing, heat input and stack testing methodology.

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, and 62-212. The above actions are not exempt from permitting procedures. The Department has determined that a PSD permit modification is required to make changes to methods of compliance.

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, 62-297, F.A.C. and 40CFR 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 and requests for a public hearing (meeting) concerning the proposed permit issuance action for a period of thirty 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.


C. H. Fancy, P.E., 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, Technical Evaluation Preliminary Determination and Draft Revised BACT Determination, and the Draft permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 12-8-99 to the person(s) listed:

J. A. Walker, Cedar Bay Generating Company, L.P. *
Hamilton S. Oven, P.E.
James L. Manning, P.E., RESD
Chris Kirts, DEP-NED
Doug Neeley, EPA
Mr. Gregg Worley, EPA
Mr. 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) 12-8-99
(Date)

PUBLIC NOTICE OF INTENT TO ISSUE PSD PERMIT MODIFICATION

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. PA 88-24, PSD-FL-137

Cedar Bay Generating Company, L.P.
Cedar Bay Generating Plant
Duval County

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD permit modification for the Cedar Bay Generating Plant located in Duval County. The applicant's mailing address is: 9640 East Port Road, Jacksonville, Florida 32226. A Best Available Control Technology (BACT) Determination was not required pursuant to Rule 62-212.400, F.A.C. and 40 CFR 52.21, Prevention of Significant Deterioration (PSD).

This is an existing facility consisting of three circulating fluidized bed steam generators (boilers) designated as Boilers A, B, and C, a coal handling area, a limestone handling area, and an ash handling area. Crushed coal is the primary fuel for Boilers A, B and C. The fuel for Boilers B and C can also be supplemented with short fiber recycle rejects received from Stone Container Corporation. No. 2 fuel oil is used as supplemental fuel in all three boilers normally only for start-ups. These units have a Title V permit (0310337-002-AV) issued by the State of Florida.

The applicant proposes six changes to its current PSD permit. These changes are itemized briefly as follows:

- A) Startup and Shutdown Definition – allow for excess emissions of CO during specific operating modes identified as startup or shutdown
- B) Method of compliance for SO₂ – allow for an increase in the 3-hour SO₂ emission rate
- C) Heat Input – allow for operational flexibility between emissions units
- D) Mercury Testing – request to delete this requirement
- E) Test Methods – allow for Method 29 as the method of compliance with metals requirements
- F) Short Fiber rejects – request to modify condition describing the burning of short fiber rejects generated by Seminole Kraft

No annual increases of regulated pollutants (past actual to future actual basis) will occur as a result of the modification and no other emission limit increases are requested.

The Department will issue the Final permit modification 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 and requests for a public hearing (meeting) concerning the proposed permit issuance action for a period of 30 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 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.

Mediation is not available in this proceeding.

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

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

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.

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:

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

Dept. of Environmental Protection
Northeast District
Suite 200B, 7825 Baymeadows Way
Jacksonville, Florida 32256
Telephone: 904/448-4300

The complete project file includes the application, technical evaluations, Draft permit, and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Administrator, New Source Review Section, or the Department's reviewing engineer for this project, 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

TECHNICAL EVALUATION
PRELIMINARY DETERMINATION
AND
DRAFT REVISED BACT DETERMINATION

Cedar Bay Generating Company, L.P.
Cedar Bay Generating Plant
Duval County

DEP File No. PA 88-24
PSD-FL-137

Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation

December 6, 1999

TECHNICAL EVALUATION AND REVISED BACT DETERMINATION

1. GENERAL INFORMATION

1.1 APPLICANT NAME AND ADDRESS

Cedar Bay Generating Company, L.P.
Cedar Bay Generating Plant
9640 East Port Road
Jacksonville, Florida 32218

Authorized Representative: J.A. Walker, Environmental Manager

1.2 REVIEWING AND PROCESS SCHEDULE

March 22, 1999	Submitted permit application
May 24, 1999	Revised application received by Department
September 3, 1999	Department's request for additional information
November 15, 1999	Received response to request for additional information
November 15, 1999	Application complete

2. FACILITY INFORMATION

2.1 FACILITY LOCATION

The facility is located in Jacksonville, Duval County. The UTM coordinates are Zone 17; 441.08 km E; 3365.06 km N. This site is approximately 54 kilometers from the Okefenokee National Wildlife Refuge and 98 kilometers from the Wolf Island National Wildlife Refuge, Class I PSD Areas.

2.2 STANDARD INDUSTRIAL CLASSIFICATION CODES (SIC)

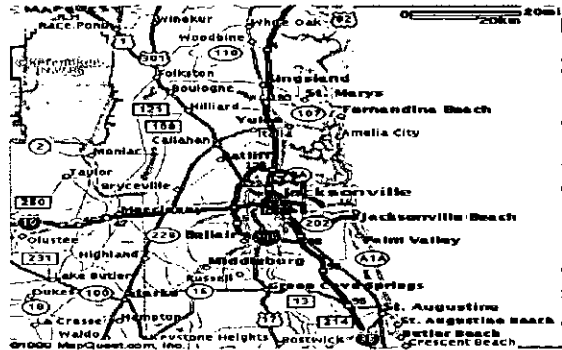
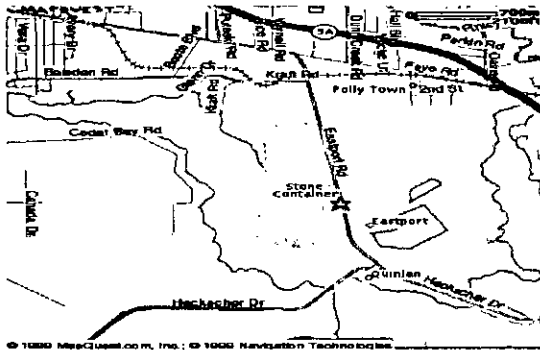
Industry Group No.	49	Electric, Gas and Sanitary Services
Industry No.	4911	Electric Services

2.3 FACILITY CATEGORY

This facility consists of three circulating fluidized bed steam generators (boilers) designated as Boilers A, B, and C, a coal handling area, a limestone handling area, and an ash handling area. Crushed coal is the primary fuel for Boilers A, B and C. The fuel for Boilers B and C can also be supplemented with short fiber recycle rejects received from Stone Container Corporation. No. 2 fuel oil is used as supplemental fuel in all three boilers normally only for start-ups.

This facility is classified as a Major or Title V Source of air pollution because emissions of at least one regulated air pollutant, such as particulate matter (PM/PM₁₀), sulfur dioxide (SO₂), nitrogen oxides (NO_x), carbon monoxide (CO), or volatile organic compounds (VOC) exceeds 100 tons per year (TPY).

This facility is within an industry included in the list of the 28 Major Facility Categories per Table 62-212.400-1, F.A.C. Because emissions are greater than 100 TPY for at least one criteria pollutant, the facility is also a Major Facility with respect to Rule 62-212.400, Prevention of Significant Deterioration (PSD). This facility is a major source of hazardous air pollutants (HAPs).



TECHNICAL EVALUATION AND REVISED BACT DETERMINATION

3. PROJECT DESCRIPTION

This project addresses the following emissions unit(s):

Emissions Unit No.	Emissions unit Description
001	Pyroflow® Circulating Fluidized Bed (CFB) dry bottom boiler designated as "CFB Boiler A"
002	Pyroflow® Circulating Fluidized Bed (CFB) dry bottom boiler designated as "CFB Boiler B"
003	Pyroflow® Circulating Fluidized Bed (CFB) dry bottom boiler designated as "CFB Boiler C"

The applicant proposes six changes to its current PSD permit. These changes are itemized briefly as follows:

- A) Startup and Shutdown Definition – allow for excess emissions of CO during specific operating modes identified as startup or shutdown
- B) Method of compliance for SO₂ – allow for an increase in the 3-hour SO₂ emission rate
- C) Heat Input – allow for operational flexibility between emissions units
- D) Mercury Testing – request to delete this requirement
- E) Test Methods – allow for Method 29 as the method of compliance with metals requirements
- F) Short Fiber rejects – request to modify condition describing the burning of short fiber rejects generated by Seminole Kraft

4. DETAILS OF APPLICANT'S REQUEST

Each requested change will be discussed within this section, including a summary of the applicant's request.

A) Startup and Shutdown Definition

Cedar Bay desires to obtain a modification regarding provisions for CO excess emissions during the various startup conditions for the circulating bed (CFB) boilers. There are two typical startup scenarios: 1) cold startup, and 2) warm startup. A third startup scenario occurs following some outages due to refractory replacement during a boiler outage. Each of these and the potential excess emissions are described below.

Cold Startup

A cold startup occurs when the boiler has been shutdown long enough for the boiler internal components to cool down. With three CFB boilers, approximately 15 to 20 cold startups may occur per year. The cold startup involves firing distillate fuel oil up to 10 hours, and excess emissions may occur during this period. This length of time may be required in order to raise the bed temperature to the minimum temperature necessary to support coal combustion. During the cold startup period, the hourly emission rates of carbon monoxide (CO) in lb/MMBtu can range from 10 to 20 times the permitted 8-hour rolling average limit of 0.175 lb/MMBtu. Because the heat input during these conditions is relatively low, the CO emissions in lb/hr are approximately 1 to 3 times the 8-hour rolling average permit limit of 186 lb/hr. During these cold startups, emissions of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) are well within permit limits.

Warm Startup

A warm startup occurs when the boiler has been shutdown, but not long enough for the boiler internal components to completely cool down. With three CFB boilers, approximately 20 to 30 warm startups may occur per year. The warm startup involves firing distillate fuel oil. The length of time required in order to raise the bed temperature to the minimum temperature necessary to support coal combustion is dependent upon the duration of boiler shutdown prior to startup. During the warm startup period, the hourly emission rates of CO in lb/MMBtu can range from 5 to 10 times the permitted 8-hour rolling average limit of 0.175 lb/MMBtu, and up to 3 occurrences of excess emissions above the 8-hour rolling average CO limit are possible. Because the heat input during these conditions is relatively low, the CO emissions in lb/hr are normally within the permit limit of 186 lb/hr. During these warm startup periods, emissions of SO₂ and NO_x are well within permit limits.

TECHNICAL EVALUATION AND REVISED BACT DETERMINATION

Refractory Replacement

Refractory curing occurs when portions of the refractory on a boiler are replaced during a boiler outage and is a required portion of the startup process following these outages. The new refractory must be cured at controlled temperatures by firing distillate oil for up to 24 hours. There may be up to a total of 4 to 6 refractory cures per year for the three CFB boilers. During this period, there is low heat input to the boiler and only No. 2 fuel oil is fired. As a result, the curing contributes to periods of excess CO emissions as high as 10-20 times the permit limit in lb/MMBtu and 2-3 times the lb/hr rate limit. It is normal operating procedure to transition from refractory cure to warm start-up to bring the boiler online. During the refractory cure, as in other startup modes, emissions of SO₂ and NO_x are well within permit limits.

B) Method of compliance for SO₂

Cedar Bay proposes a change to the 3-hour rolling average with no modification to the existing 12-month rolling average. All other SO₂ emission limitations would remain the same. The chief reason for this request is that the units are not capable of routinely meeting the 3-hour limit, but over a longer period the units are capable of meeting the current limit.

C) Heat Input

Cedar Bay requests that the total heat input limitation remain in effect for all three boilers but the individual limits be removed from the permit to allow this flexibility. No increases in emissions are otherwise requested as a part of this change.

D) Mercury Testing

The applicant requests that this requirement be removed from its PSD permit. The only ability that the facility has to control mercury is through the fuel quality and any baghouse removal, i.e. no specific mercury removal equipment is employed and no standard is used to evaluate such tests.

E) Test Methods

The applicant requests the ability to demonstrate compliance with the particulate (PM10) and metals requirements by method 29. Current permit requirements are individual methods currently itemized as Method 5 (or 17) for PM, Method 12 (Pb), Method 101A (Hg) and Method 104 (Be). Cost and time are stated as the chief reasons.

F) Short Fiber Rejects

The applicant requests that the PSD permit condition, which requires it to burn short fiber rejects (generated by Seminole Kraft, which is now Smurfit Stone Container), be modified. The applicant indicates that "after consultation with Smurfit Stone Container Corporation" it proposes specific language that is consistent with a SETTLEMENT AND RELEASE AGREEMENT made on July 24, 1998 between the two parties. The result of such a change would tend to reduce the applicant's permitted *requirement* to burn the rejects, but still allow for its use as a supplemental fuel, provided that certain requirements were met.

TECHNICAL EVALUATION AND REVISED BACT DETERMINATION

5. RULE APPLICABILITY

The proposed project is subject to preconstruction review requirements under the provisions of Chapter 403, Florida Statutes, and Chapters 62-4, 62-204, 62-210, 62-212, 62-214, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.).

This facility is located in an area designated, in accordance with Rule 62-204.340, F.A.C., as attainment for all pollutants.

Rule 62-4.030, F.A.C., prohibits modification of any existing emissions unit without first receiving a permit. It further specifies that a permitted installation may only be modified in a manner that is consistent with the terms of such a permit. Rule 62-210.200, F.A.C., defines "modification" to mean generally a change that results in an increase in actual emissions of regulated air pollutants. Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C., also reiterate the requirement for construction permits. Not all of the items within the applicant's request have the potential to increase emissions and the Department believes that only items 4A), B) and C) have this ability. The emission units affected by this permit shall comply with all applicable provisions of the Florida Administrative Code (including applicable portions of the Code of Federal Regulations incorporated therein) and, specifically, the following Chapters and Rules.

5.1 STATE REGULATIONS

Chapter 62-4	Permits
Rule 62-204.220	Ambient Air Quality Protection
Rule 62-204.240	Ambient Air Quality Standards
Rule 62-204.800	Federal Regulations Adopted by Reference
Rule 62-210.200	Definitions
Rule 62-210.300	Permits Required
Rule 62-210.350	Public Notice and Comments
Rule 62-210.370	Reports
Rule 62-210.550	Stack Height Policy
Rule 62-210.650	Circumvention
Rule 62-210.700	Excess Emissions
Rule 62-210.900	Forms and Instructions
Rule 62-212.300	General Preconstruction Review Requirements
Rule 62-212.400	Prevention of Significant Deterioration
Rule 62-213	Operation Permits for Major Sources of Air Pollution
Rule 62-214	Requirements For Sources Subject To The Federal Acid Rain Program
Rule 62-296.320	General Pollutant Emission Limiting Standards

5.2 FEDERAL RULES

40 CFR 52.21	Prevention of Significant Deterioration of Air Quality
40 CFR 60	Applicable sections of Subpart A, General Requirements
40 CFR 72	Acid Rain Permits (applicable sections)
40 CFR 73	Allowances (applicable sections)
40 CFR 75	Monitoring (applicable sections including applicable appendices)
40 CFR 77	Acid Rain Program-Excess Emissions (future applicable requirements)

TECHNICAL EVALUATION AND REVISED BACT DETERMINATION

6. DISCUSSION OF RELEVANT ISSUES

As noted in Section 5, the Department has no reason to believe that those items requested above (noted as items 4D, E and F) have the ability to cause any change in regulated emissions at the facility. Accordingly, this discussion is limited to those items that have that ability (specifically items 4A, B and C) which are denoted individually below.

6.1 STARTUP AND SHUTDOWN DEFINITION

The applicant describes 3 cases where excess emissions of CO are requested. The applicant points out that no change in operation (from past history) is occurring or being requested; that the purpose of this action is to clarify those situations where excess emissions of CO do occur, as well as the magnitude and duration of each. For simplicity, these cases are summarized in tabular form along with their maximum potential CO emissions. Current permit limits for CO are 0.175 lb/MMBtu and 186 lb/hr.

CASE	CO EMISSION (LBS/HR)	CO EMISSION (LB/MMBTU)	MAX. NO./YR.	LENGTH (HOURS)	MAXIMUM PTE (TPY)
Cold Startup	558	3.5	20	10	55.8
Warm Startup	186	1.75	30	10	27.9
Refractory Replacement	558	3.5	6	24	40.2

As can be seen from the table above, the maximum cumulative CO emissions that the facility has the potential to emit during these operating modes can be as high as 123.9 TPY. However, on an incremental basis the annual emission increase may be compared to the permitted full load rate of 186 lb/hr. On this basis, the request results in an emission increase of 64 TPY over the original BACT.

The Department notes that for each of these operating modes to be incurred, that a corresponding period of shutdown (i.e. no emissions) must have occurred, suggesting that the net annual PTE increase of CO is certainly closer to zero. This will form the basis of the Department's action.

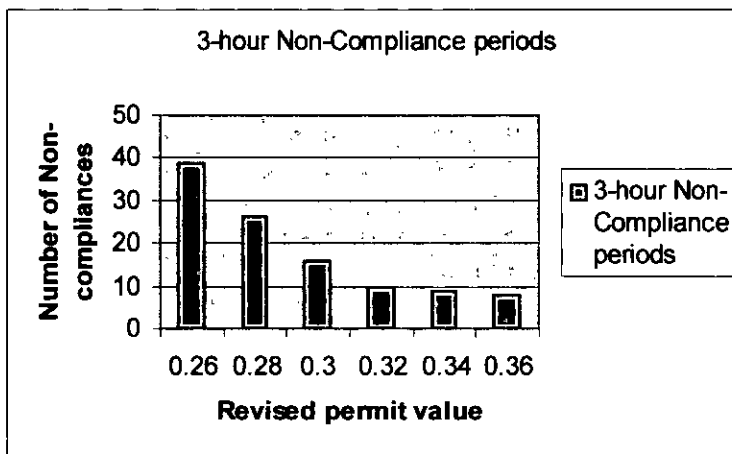
6.2 METHOD OF COMPLIANCE FOR SO₂

The applicant has provided data, which shows that due to the normal variability of boiler operations, the current 3-hour SO₂ limit of 0.24 lb/MMBtu cannot be routinely achieved. Daily emission data was provided for the first 10 months of 1997 as well as the entire calendar year 1998 on all 3 boilers. These emission levels demonstrate a daily range of SO₂ emissions from 0.10 lb/MMBtu to 0.20 lb/MMBtu, with a mean of approximately 0.16 lb/MMBtu. The 12-month rolling average permitted rate is 0.20 lb/MMBtu. During this window, 72 exceedances of the 3-hour limit were observed with no exceedance of the 12-month rolling average. These exceedances are reported as required to the regulating agencies. The purpose of this action is to eliminate the potential for non-compliance within the current operating practices. Given that the applicant is not seeking an increase in the 12-month rolling average emission rate, no annual increase of SO₂ emissions can occur. However, some likelihood exists that the 3-hour SO₂ standard (NAAQS) could be adversely impacted and the Department requested that the applicant model the request.

Cedar Bay contracted with Golder Associates to perform the air modeling analyses in order to be certain that the requested increase causes no adverse impacts to the three-hour ambient air quality standard of 1300 µg/m³ (State of Florida standard as well as National Standard). The results of the modeling indicate that Cedar Bay may operate with a 3-hour SO₂ limit of 0.40 lb/MMBtu (1277 lb/hr) and still demonstrate compliance with the applicable 3-hour average Ambient Air Quality Standards (AAQS). Although the modeling analysis does not show compliance with the 3-hour PSD Class I and II increments by all increment consuming and expanding sources in the vicinity of the facility, Cedar Bay does not contribute significantly to any predicted exceedances. Therefore, this request is permissible by Florida air permitting rules. As such, Cedar Bay proposes a 3-hour rolling average of 0.36 lb/MMBtu and 382 lb/hr for each boiler. No changes are proposed to the existing 12-month rolling average.

TECHNICAL EVALUATION AND REVISED BACT DETERMINATION

The chart below represents the basis for the Department's determination, incorporating an analysis of the data referred to above. One of the purposes of this chart is to demonstrate that some number of (past) non-compliance periods would have occurred even if the applicant's requested limit of 0.36 lb/MMBtu had existed. The purpose of



the request as well as the Department's action should be to provide for a limit, which satisfactorily allows common cause process variability to occur. The limit should not be so high as to incorporate special causes of process failure to occur and be "covered up". Accordingly, the Department concludes that a 3-hour limit of 0.30 lb/MMBtu should be adequate to allow these common causes to occur. Periods of non-compliance beyond this carry a more unusual connotation and should be reported and adequately addressed by the applicant. It is noted that the Department recently issued a construction permit for a fluidized bed boiler (PSD-FL-265). In that permit, the SO₂ limits were set at 0.20 lb/MMBtu on a 24-hour block average (with no 3-hour limit). Therefore, although the Department will allow for an increase in the applicant's request to increase the 3-hour limit, it will additionally require that the 12-month rolling average be reduced to a 30-day rolling average with the same (0.20 lb/MMBtu) value.

6.3 HEAT INPUT

Cedar Bay desires some operational flexibility with each individual boiler due to the parallel boiler configuration and concurrent steam demands. Additionally, each boiler (although built to the same specifications) has its own idiosyncrasies. Cedar Bay requests that the total heat input limitation remain in effect for all three boilers but the individual limits be removed from the permit to allow this flexibility. In addition, Cedar Bay is requesting that the same permit note that is present in the Title V permit be added to the PSD permit. The applicant once again notes that no change in operation is requested, nor will emission changes result. Given that the combined (three boiler) heat input will not change from permitted values, the Department has no reason to expect any emission increases to result. The Department will provide permit language, which allows for the requested flexibility within prescribed limits. However, the Department intends to provide a limit on this flexibility by imposing the requirement that no individual boiler may exceed its rated heat input of 1063 MMBtu/hr by 10%.

6.4 DEPARTMENT DETERMINATION

The Department has determined that each of the applicant's requested items can be accommodated in some fashion. A summary of the Department's determination is as follows:

TECHNICAL EVALUATION AND REVISED BACT DETERMINATION

REQUEST	DEPARTMENT DETERMINATION
Startup and Shutdown Definition (CO)	<p><u>Warm startup</u> – emissions up to 186 lb/hr without lb/MMBtu limit</p> <p><u>Cold startup</u> – up to 10 hours (per cold startup) of CO data may be eliminated from the data used to determine compliance with the 8-hour rolling average limit with sufficient documentation</p> <p><u>Refractory Curing</u> – Must notify agency at least 24 hours prior to commencing; CO data may be eliminated from the data used to determine compliance with the 8-hour rolling average limit with sufficient documentation</p> <p>Annual CO cap – CO emissions shall be limited to 758 TPY per boiler</p>
Method of compliance for SO ₂	<p>Increase the 3-hour limit to 0.30 lb/MMBtu.</p> <p>Decrease the 0.20 lb/MMBtu 12-month rolling average to a 30-day rolling average.</p>
Heat Input	<p>The heat input limit shall be based upon the number of operating boilers at the facility. Specifically, the combined maximum heat input shall not exceed:</p> <p>1063 MMBtu/hr if only one boiler is operating</p> <p>2126 MMBtu/hr if only two boilers are operating and</p> <p>3189 MMBtu/hr if all three boilers are operating</p> <p>No individual boiler shall operate at a heat input greater than 110% of 1063 MMBtu/hr (1169 MMBtu/hr).</p>
Mercury Testing	<p>The pertinent permit condition may be removed with no PSD implications. Should a change in fuel quality or particulate removal system/subsystem occur, the Department may require mercury testing to be reimplemented.</p>
Test Methods	<p>The pertinent permit condition may be modified with no PSD implications.</p>
Short Fiber Rejects	<p>The pertinent permit condition may be modified with no PSD implications.</p>

6.5 ADDITIONAL COMPLIANCE PROCEDURE

Pollutant	Compliance Procedure
CO (12-month rolling average)	CO CEMS data used for compliance with 758 TPY boiler cap

7. SOURCE IMPACT ANALYSIS

An ambient air quality impact assessment was done in support of the original PSD application dated 01/19/90. As mentioned in section 6.2, additional modeling to determine compliance with the 3-hour SO₂ AAQS and the 3-hour SO₂ PSD increments was done for this request. This additional modeling demonstrates compliance with the 3-hour SO₂ AAQS, but does not show by compliance by all increment consuming sources in the vicinity with the 3-hour SO₂ PSD Class I and Class II increments. However Cedar Bay's contribution to any predicted exceedances is less than significant; therefore, this request is permissible by Florida air permitting rules.

8. CONCLUSION

Based on the foregoing technical evaluation of the application and additional information submitted by the applicant and other available information, the Department has made a preliminary determination that the proposed project as outlined by the Department's BACT Determination will comply with all applicable state and federal air pollution regulations.

January xx, 2000

Mr. Jeffrey Walker
Environmental Manager
Cedar Bay Generating Company, L.P.
P.O. Box 26324
Jacksonville, Florida 32226

Re: DEP File No. PA 88-24; Modification of Permit No. PSD-FL-137
Cedar Bay Generating Plant / Duval County

The applicant, Cedar Bay Generating Company, L.P., applied on March 22, 1999, to the Department for a modification to PSD permit number PSD-FL-137 for its Cedar Bay Generating Plant located in Duval County. The modification is to allow the three fluidized bed circulating boilers (A, B and C) to operate with changes to its method of compliance for startup and shutdown, SO₂ emissions, mercury testing, heat input and stack testing methodology. The Department has reviewed the modification request. The referenced permit is hereby modified as follows:

Specific Condition No. II.A.3:

3. Flue gas emissions from each CFB shall not exceed the following:

Pollutant	Emission Limitations		TPY	TPY for 3 CFBs
	lbs/MMBtu	lbs/hr.		
CO ₂	0.175 ¹	186 ¹	758 758 ⁴	2273
NOx	0.17 ²	180.7 ²	736.1	2208
SO ₂	0.24 ³ 0.30 ³ 0.20 ⁴ 0.20 ²	255.4 ³ 318.9 ³ --	-- 866	-- 2598
VOC	0.015	16.0	65	195
PM	0.018	19.1	78	234
PM ₁₀	0.018	19.1	78	234
H ₂ SO ₄ mist	4.66 x 10 ⁻⁴	0.50	2.0	6.1
Fluorides	7.44 x 10 ⁻⁴	0.79	3.2	9.7
Lead	6.03 x 10 ⁻⁵	0.06	0.26	0.78
Mercury	2.89 x 10 ⁻⁵	0.03	0.13	0.38
Beryllium	8.70 x 10 ⁻⁶	0.01	0.04	0.11

[Note: TPY represents a 93% capacity factor.]

- 1 Eight-hour rolling average, except for initial and annual compliance tests and the CEM certification, when the 1-hour applies.
- 2 Thirty-day rolling average.
- 3 Three-hour rolling average.
- 4 Twelve-Month rolling average.
- 5 See Specific Condition II.A.9.e. for alternative CO emission limits during specific operating modes.

Specific Condition No. II.A.1.c.:

- c. The maximum heat input to each CFB shall not exceed 110% of 1063 MMBtu/hr (1169 MMBtu/hr). Additionally, the facility shall not exceed ~~This reflects~~ a combined total of 3189 MMBtu/hr. for all three units. The facility heat input limit shall be based upon the number of operating boilers at the facility. Specifically, the combined maximum heat input shall not exceed:

1063 MMBtu/hr if only one boiler is operating.
2126 MMBtu/hr if only two boilers are operating and
3189 MMBtu/hr if all three boilers are operating.

{Permitting note: The heat input limitations have been placed in the permit to identify the capacity of each emissions unit for purposes of confirming that emissions testing is conducted within 90-100 percent of the emissions unit's rated capacity (or to limit future operation to 110 percent of the test load), to establish appropriate limits and to aid in determining future rule applicability.}

Specific Condition No. II.A.1.h.:

- h. To the extent that it is consistent with Specific Condition No. II.A.1.b., the SETTLEMENT AND RELEASE AGREEMENT made on July 24, 1998, by and between Smurfit Stone Container Corporation and Cedar Bay Generating Company, L.P., and the following, CBCP shall may burn all or a portion of the short fiber rejects generated by SKC in processing recycled paper. Prior to burning the rejects as a supplemental fuel however, CBCP shall conduct a test burn to determine the effects of burning the rejects. No less than At least ninety (90) days prior to completion of construction any proposed test burn, CBCP shall submit a plan to the Department for conducting a 30-day test burn within one year after initial compliance testing. That test burn shall be designed to ascertain whether the CFBs can burn the rejects as supplemental fuel without exceeding any of the limitations on emissions and fuel usage contained in Specific Condition No. II.A. and without causing any operational problems which would affect the reliable operation (with customary maintenance) of the CFBs and without violating any other environmental requirements. CBCP shall notify the Department and the Regulatory and Environmental Services Department (RESD) at least thirty (30) days prior to initiation of the test burn. The results of the test burn and CBCP's analysis shall be reported to the Department and to the RESD within forty-five (45) days of completion of the test burn. The Department shall notify CBCP within thirty (30) days thereafter of its approval or disapproval of any conclusion by CBCP that the test burn demonstrated that the rejects can be burned in compliance with this condition.

Specific Condition No. II.A.2.c.:

- c. CBCP shall conduct a test to determine whether substantial additional removal of mercury can be obtained through a carbon injection system for mercury removal, as described in Exhibit 74 of the administrative record for the Lee County Resource Recovery Facility, which feeds carbon reagent into the CFB exhaust stream prior to the baghouse. Within one hundred eighty (180) days after initial compliance testing, CBCP shall conduct a test on one CFB to compare mercury emissions to the atmosphere with and without carbon injection. The test program will include the testing of carbon injection between the boiler and the fabric filter. Carbon forms to be tested may include activated carbon with or without additives and pulverized coal with or without additives. After consultation with the Department, RESD and EPRI, CBCP shall submit a mercury control test protocol to the Department for approval by December 1, 1993. Results of the test shall be submitted to the Department within 90 days of completion. Mercury testing shall not be routinely required. However, should the Department have reason to believe that a change in mercury emissions has occurred (e.g. via a change in fuel quality, particulate removal equipment, etc.) mercury testing shall be required.

Specific Condition No. II.A.8.e.:

- e. The following test methods and procedures pursuant to Chapter 17-297, F.A.C., and 40 CFR 60 and 61, or by equivalent methods after obtaining prior written Department approval, shall be used for compliance testing:
- (5) Method 29, Method 5 or Method 17 for particulate matter.
 - (11) Method 29, Method 12 for lead.
 - (15) Method 29, Method 101A for mercury.
 - (16) Method 29, Method 104 for beryllium.

Specific Condition No. II.A.9.e.:

- e. For purposes of reports required under this permit, excess emissions are defined as any calculated average emission concentration, as determined pursuant to Specific Condition No. II.A.11., herein, which exceeds the applicable emission limit in Specific Condition No. II.A.3 with the following exceptions. For the specific periods defined below, the emission limits of Carbon Monoxide (CO) shall be as follows:

Warm startup – emissions up to 186 lb/hr (no lb/MMBtu limit) with sufficient documentation

Cold startup – up to 10 hours (per cold startup) of CO data may be eliminated from the data used to determine compliance with the 8-hour rolling average limit with sufficient documentation

Refractory Curing – Must notify agency at least 24 hours prior to commencing; CO data may be eliminated from the data used to determine compliance with the 8-hour rolling average limit with sufficient documentation

The CO emissions limit of 758 TPY per boiler via 12-month rolling average is inclusive of all periods of operation including those noted above.

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 applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

Howard L. Rhodes, Director
Division of Air Resources
Management

CERTIFICATE OF SERVICE

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

- J. A. Walker, Cedar Bay Cogenerating Company, L.P. *
- Hamilton S. Oven, P.E.
- James L. Manning, P.E., RESD
- Doug Neeley, EPA
- John Bunyak, NPS
- Chris Kirts, DEP-NED

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)

APPENDIX GC
GENERAL PERMIT CONDITIONS [F.A.C. 62-4.160]

- G.1 The terms, conditions, requirements, limitations, and restrictions set forth in this permit are "Permit Conditions" and are binding and enforceable pursuant to Sections 403.161, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.
- G.2 This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings or exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
- G.3 As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations. This permit is not a waiver or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.
- G.4 This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
- G.5 This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
- G.6 The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit, as required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.
- G.7 The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law and at a reasonable time, access to the premises, where the permitted activity is located or conducted to:
- a) Have access to and copy and records that must be kept under the conditions of the permit;
 - b) Inspect the facility, equipment, practices, or operations regulated or required under this permit, and,
 - c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Department rules.

Reasonable time may depend on the nature of the concern being investigated.

- G.8 If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:
- a) A description of and cause of non-compliance; and
 - b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the non-compliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the non-compliance.

The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by the Department for penalties or for revocation of this permit.

APPENDIX GC
GENERAL PERMIT CONDITIONS [F.A.C. 62-4.160]

- G.9 In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is prescribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.
- G.10 The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance, provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules.
- G.11 This permit is transferable only upon Department approval in accordance with Florida Administrative Code Rules 62-4.120 and 62-730.300, F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Department.
- G.12 This permit or a copy thereof shall be kept at the work site of the permitted activity.
- G.13 This permit also constitutes:
- a) Determination of Best Available Control Technology (X)
 - b) Determination of Prevention of Significant Deterioration (X); and
 - c) Compliance with New Source Performance Standards (X).
- G.14 The permittee shall comply with the following:
- a) Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.
 - b) The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application or this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Department rule.
 - c) Records of monitoring information shall include:
 - 1. The date, exact place, and time of sampling or measurements;
 - 2. The person responsible for performing the sampling or measurements;
 - 3. The dates analyses were performed;
 - 4. The person responsible for performing the analyses;
 - 5. The analytical techniques or methods used; and
 - 6. The results of such analyses.
- G.15 When requested by the Department, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.

Florida Department of Environmental Protection

Memorandum

TO: Clair Fancy

THRU: Al Linero *AL* 12/17

FROM: Michael P. Halpin *MH*

DATE: December 6, 1999

SUBJECT: Cedar Bay Generating Company, L.P.
Cedar Bay Generating Plant PSD Permit modifications
DEP File No. PP 88-24 (PSD-FL-137)

Attached is the public notice package for Cedar Bay Generating Plant permit modifications, which are being requested through the Power Plant Siting Office. This is an existing facility consisting of three circulating fluidized bed steam generators (boilers) designated as Boilers A, B, and C, a coal handling area, a limestone handling area, and an ash handling area. Crushed coal is the primary fuel for Boilers A, B and C. The fuel for Boilers B and C can also be supplemented with short fiber recycle rejects received from Stone Container Corporation. No. 2 fuel oil is used as supplemental fuel in all three boilers normally only for start-ups. These units have a Title V permit (0310337-002-AV) issued by the State of Florida.

The applicant proposes six changes to its current PSD permit. These changes are itemized briefly as follows:

- A) Startup and Shutdown Definition – allow for excess emissions of CO during specific operating modes identified as startup or shutdown
- B) Method of compliance for SO₂ – allow for an increase in the 3-hour SO₂ emission rate
- C) Heat Input – allow for operational flexibility between emissions units
- D) Mercury Testing – request to delete this requirement
- E) Test Methods – allow for Method 29 as the method of compliance with metals requirements
- F) Short Fiber rejects – request to modify condition describing the burning of short fiber rejects generated by Seminole Kraft

Items A) through C) above would have the potential to increase the annual emissions of regulated pollutants, however as a result of our recommendations, no annual increases of regulated pollutants will occur. These recommendations include:

- 1) Placement of an annual (12-month rolling average) CO limit based upon the original BACT while granting specific excess emissions during startup and shutdown (the excess emissions are included in the limit)
- 2) A change from the 12-month rolling average SO₂ limit of 0.20 lb/MMBtu to a 30-day rolling average, along with an increase in the 3-hour rate from 0.24 to 0.30 lb/MMBtu and
- 3) A limit on the combined heat input of the three boilers (based upon the original BACT) while granting an individual boiler limit of 110% of the currently permitted rate.

Accordingly, I recommend your approval of the attached Intent to Issue.

AAL/mph

Attachments

P.E. Certification Statement

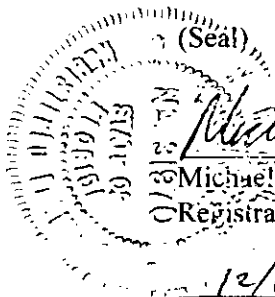
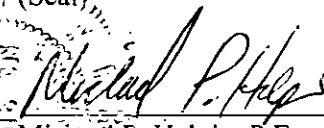
Cedar Bay Generating Company, L.P.
Cedar Bay Generating Plant
Duval County

DEP File No.: PA 88-24 (PSD-FL-137)
Facility ID No.: 0310337

Project: PSD Permit Modification

I HEREBY CERTIFY that the engineering features described in the above referenced application and related additional information submittals, if any, and subject to the proposed permit conditions, provide reasonable assurance of compliance with applicable provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Chapters 62-4 and 62-204 through 62-297. However, I have not evaluated and I do not certify aspects of the proposal outside of my area of expertise (including but not limited to the electrical, mechanical, structural, hydrological, and geological features).

Cleve Holladay and I conducted this review.

 (Seal)


Michael F. Halpin, P.E.
Registration Number: 31970
12/6/99
Date

Permitting Authority:

Florida Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation
New Source Review Section
Mail Station #5505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Telephone: 850/488-0114
Fax: 850/922-6979



PG&E Generating™

Cedar Bay Generating Plant

Owner: Cedar Bay Generating Company Limited Partnership

P.O. Box 26324
Jacksonville, FL 32226

904.751.4000
Fax: 904.751.7320
Internet: www.gen.pge.com

December 28, 1999

Mr. Michael Halpin, P.E.
Dept. of Environmental Protection
Division of Air Resource Management
Mail Station #5505
2600 Blair Stone Road
Tallahassee, Fl 32399-2400

BUREAU OF AIR REGULATION
DEC 29 1999
RECEIVED

Re: Cedar Bay Generating Plant, PSD-FI-137

Dear Mr. Halpin:

Pursuant to the Department's letter dated December 8, 1999, please find the Affidavit of Publication from the Florida Times Union for Public Notice Of Intent To Issue PSD Permit Modification for the Cedar Bay Generating Plant. The notice was published on December 23, 1999. If there is any questions or additional documentation needed, please do not hesitate to contact me at (904) 751-4000 ext.22.

Sincerely,

Jeffrey A. Walker
Cedar Bay Environmental Manager

Cc: Randy Cole, Cedar Bay
PSD file

Enclosures

CC: NED

RECEIVED

DEC 29 1999

BUREAU OF AIR REGULATION

PG&E Generating (PG&E Gen) and any other company referenced herein that uses the PG&E name or logo are not the same company as Pacific Gas and Electric Company, the regulated California utility. Neither PG&E Gen nor these other referenced companies are regulated by the California Public Utilities Commission. Customers of Pacific Gas and Electric Company do not have to buy products from these companies in order to continue to receive quality regulated services from the utility.