

## Memorandum

# Florida Department of Environmental Protection

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TO: Trina Vielhauer, Chief - Bureau of Air Regulation  
THROUGH: Jeff Koerner, Air Permitting North Program *JK*  
FROM: Bobby Bull, Air Permitting North Program  
DATE: August 16, 2006  
SUBJECT: Draft Air Permit No. 0310337-012-AC  
Cedar Bay Cogeneration Facility  
Fuel Oil Increase at ADS Units 4 and 5

Attached for your review are the following items:

- Intent to Issue Permit and Public Notice Package;
- Technical Evaluation and Preliminary Determination;
- Draft Construction Permit;
- PE Certification

The draft construction permit authorizes the facility to temporarily burn up to a combined total of 996,000 gallons of fuel oil at Absorber Dryer System (ADS) Units 4 and 5 until commercial operation is established for the new Absorber Dryer System train permitted by air construction permit 0310337-011-AC. The equipment is located at the Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road in Duval County, Florida.

The Technical Evaluation and Preliminary Determination provides a detailed description of the project, rule applicability, and emissions standards. The P.E. certification briefly summarizes the proposed projects. Day 90 is October 11, 2006. I recommend your approval of the attached Draft Permit.

Attachments

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

Mr. Richard Grubb  
 General Manager  
 Cedar Bay Generating Company, L.P.  
 9640 Eastport Road  
 Jacksonville, Florida 32218-2260

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
*[Handwritten Signature]*

B. Received by (Printed Name) *Shelly Arnold* C. Date of Delivery *5/28/00*

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

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

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label)

*7000 1670 0013 3110 1304*

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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

7000 1670 0013 3110 1304

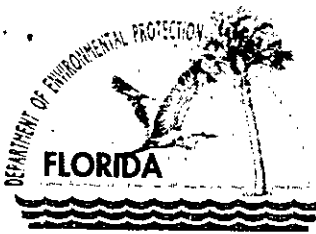
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark  
 Here

Mr. Richard Grubb  
 General Manager  
 Cedar Bay Generating Company, L.P.  
 9640 Eastport Road  
 Jacksonville, Florida 32218-2260

PS Form 3800, May 2000

See Reverse for Instructions



# Department of Environmental Protection

Jeb Bush  
Governor

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

Colleen M. Castille  
Secretary

August 16, 2006

Mr. Richard Grubb  
General Manager  
Cedar Bay Generating Company, L.P.  
9640 Eastport Road  
Jacksonville, Florida 32218-2260

Re: Project No. 0310337-012-AC  
Cedar Bay Generating Company, L.P. - Cedar Bay Cogeneration Facility  
Fuel Oil Increase for ADS Units 4 and 5

Dear Mr. Grubb:

On June 20, 2006, the Department received your application to temporarily increase the combined amount of fuel oil burned at ADS Units 4 and 5 until commercial operation is established for the new Absorber Dryer System train at the Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road, Jacksonville, Duval County, Florida. Enclosed are the following documents: "Technical Evaluation and Preliminary Determination", "Draft Permit", "Written Notice of Intent to Issue Air Permit", and "Public Notice of Intent to Issue Air Permit".

The "Technical Evaluation and Preliminary Determination" summarizes the Permitting Authority's technical review of the application and provides the rationale for making the preliminary determination to issue a Draft Permit. The proposed "Draft Permit" includes the specific conditions that regulate the emissions units covered by the proposed project. The "Written Notice of Intent to Issue Air Permit" provides important information regarding: the Permitting Authority's intent to issue an air permit for the proposed project; the requirements for publishing a Public Notice of the Permitting Authority's intent to issue an air permit; the procedures for submitting comments on the Draft Permit; the process for filing a petition for an administrative hearing; and the availability of mediation. The "Public Notice of Intent to Issue Air Permit" is the actual notice that you must have published in the legal advertisement section of a newspaper of general circulation in the area affected by this project.

If you have any questions, please contact the Project Engineer, Bobby Bull, at 850/921-9585.

Sincerely,

Trina Vielhauer, Chief  
Bureau of Air Regulation

Enclosures

*"More Protection. Less Process"*

*Printed on recycled paper.*

## WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

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*In the Matter of an  
Application for Air Permit by:*

Cedar Bay Generating Company, L.P.  
9640 Eastport Road  
Jacksonville, Florida 32218-2260

Authorized Representative:  
Mr. Richard Grubb, General Manager

Air Permit No. 0310337-012-AC, PSD-FL-137G  
Facility ID No. 0310337  
Cedar Bay Cogeneration Facility  
Temporary Fuel Oil Increase at ADS Units 4 and 5  
Duval County, Florida

**Facility Location:** Cedar Bay Generating Company, L.P. operates Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road in Duval County, Florida.

**Project:** The draft air construction permit authorizes the facility to temporarily burn up to a combined total of 996,000 gallons of fuel oil at Absorber Dryer System (ADS) Units 4 and 5 until commercial operation is established for the new ADS system permitted by air construction permit 0310337-011-AC. Details of the project are provided in the application and the enclosed "Technical Evaluation and Preliminary Determination".

**Permitting Authority:** Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

**Project File:** A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at the address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address or phone number listed above. A copy of the complete project file is also available at the City of Jacksonville's Environmental Resource Management Department. The telephone number is 904/630-4900.

**Notice of Intent to Issue Permit:** The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

**Public Notice:** Pursuant to Section 403.815, F.S. and Rules 62-110.106 and 62-210.350, F.A.C., you (the applicant) are required to publish at your own expense the enclosed "Public Notice of Intent to Issue Air Permit" (Public Notice). The Public Notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The newspaper used must meet the requirements of Sections 50.011 and 50.031, F.S. in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Permitting Authority at above address or phone number. Pursuant to Rule 62-110.106(5), F.A.C., the applicant shall provide proof of publication to the Permitting Authority at the above address within seven (7) days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

**Comments:** The Permitting Authority will accept written comments concerning the proposed Draft Permit for a period of fourteen (14) days from the date of publication of the Public Notice. Written comments must be provided to the Permitting Authority at the above address. Any written comments filed will be made available for public inspection. If written comments received result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice.

## WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

**Petitions:** A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the applicant or any of the parties listed below must be filed within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen (14) days of publication of the attached Public Notice or within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when each petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (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 the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Written Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

**Mediation:** Mediation is not available in this proceeding.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief  
Bureau of Air Regulation

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

**CERTIFICATE OF SERVICE**

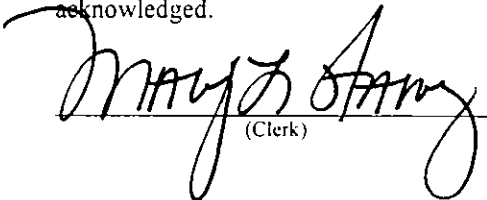
The undersigned duly designated deputy agency clerk hereby certifies that this "Written Notice of Intent to Issue Air Permit" package (including the Public Notice, the Technical Evaluation and Preliminary Determination, and the Draft Permit) was sent by certified mail (\*) and copies were mailed by U.S. Mail before the close of business on 8/18/06 to the persons listed below.

Richard Grubb, Cedar Bay\*  
Kennard Kosky, Golder Associates  
Jeff Walker, Cedar Bay  
Richard Robinson, City of Jacksonville

Christopher Kirts, DEP-NED  
Dot Mathias, Northside Civic Association  
Hamilton Owen, DEP Siting Office  
EPA Region 4

Clerk Stamp

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

  
(Clerk)

8/18/06  
(Date)

## PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection  
Draft Air Permit No. 0310337-012-AC  
Cedar Bay Generating Company, L.P. – Cedar Bay Cogeneration Facility  
Duval County, Florida

**Applicant:** The applicant for this project is Cedar Bay Generating Company, L.P. The applicant's authorized representative and mailing address is Richard Grubb, 9640 Eastport Road, Jacksonville, Florida 32218-2260.

**Facility Location:** Cedar Bay Generating Company operates Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road, in Duval County Florida.

**Project:** The facility currently has two absorber dryer system (ADS) trains (Units 4 and 5) which together are permitted to burn 700,800 gallons of No. 2 fuel oil per year. The two ADS Units process limestone as a reactant, which is used to control sulfur dioxide emissions from the existing circulating fluidized bed boilers. The ADS trains are experiencing operational problems including a loss of fuel efficiency. The applicant proposes to temporarily increase the combined amount of fuel oil burned at ADS Units 4 and 5 at the Cedar Bay Cogeneration Facility to 996,000 gallons per year. The Department has already issued air construction permit no. 0310337-011-AC for the construction of a new ADS system which was required by the City of Jacksonville's Environmental Resource Management Department (ERMD) consent order AP-06-3. Once commercial operation is established for the new ADS system, Cedar Bay will only operate ADS Units 4 and 5 as backup to the new system. The proposed project will not change any of the emissions standards. ADS Units 4 and 5 would be subject to all standards currently in the facility's Title V permit. Once commercial operation is established for the new ADS unit, the maximum fuel oil firing limit will revert back to the current limit of 700,800 gallons per year for ADS Units 4 and 5.

**Permitting Authority:** Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

**Project File:** A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address or phone number listed above. A copy of the complete project file is also available at the City of Jacksonville's Environmental Resource Management Department. The telephone number is 904/630-4900.

**Notice of Intent to Issue Air Permit:** The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

**Comments:** The Permitting Authority will accept written comments concerning the proposed Draft Permit for a period of fourteen (14) days from the date of publication of this Public Notice. Written comments must be provided to the Permitting Authority at the above address. Any written comments filed will be made available for public inspection. If written comments received result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice.

**Petitions:** A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by any persons other than those entitled to written notice

(Public Notice to be Published in the Newspaper)

## PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

under Section 120.60(3), F.S. must be filed within fourteen (14) days of publication of this Public Notice or receipt of a written notice, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address and telephone number of the petitioner; the name address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial rights will be affected by the agency determination; (c) A statement of how and when the petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, 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 the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Public Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

**Mediation:** Mediation is not available for this proceeding.

(Public Notice to be Published in the Newspaper)



**TECHNICAL EVALUATION  
&  
PRELIMINARY DETERMINATION**

**PROJECT**

Draft Air Construction Permit No. 0310337-012-AC  
Modification to PSD-FL-137  
Temporary Fuel Oil Increase at ADS Units 4 and 5

**COUNTY**

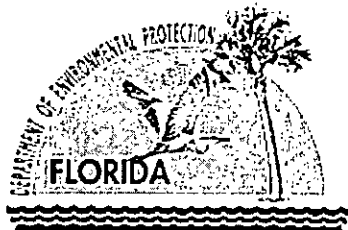
Duval

**APPLICANT**

Cedar Bay Generating Company, L.P.  
Cedar Bay Cogeneration Facility  
ARMS Facility ID No. 0310337

**PERMITTING  
AUTHORITY**

Florida Department of Environmental Protection  
Division of Air Resource Management  
Bureau of Air Regulation  
Air Permitting North Program



August 16, 2006

*{Filename: TEPD}*

# TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

## 1. GENERAL PROJECT INFORMATION

### Applicant Name and Address

Cedar Bay Generating Company, L.P.  
9640 Eastport Road  
Jacksonville, Florida 32218-2260

### Authorized Representative:

Mr. Richard Grubb, General Manager

### Processing Schedule

6/20/06 Received the application for a minor source air pollution construction permit.

7/13/06 Additional information received.

### Facility Description and Location

Cedar Bay Generating Company operates the existing Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road in Jacksonville, Duval County, Florida. The UTM coordinates are Zone 17; 441.610 km East, and 3365.552 km North. This facility, permitted under Title V permit 0310337-007-AV, consists of: three circulating fluidized bed steam generators (CFB 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 and the facility may use petroleum coke. 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 a supplemental start up fuel in all three boilers. Two absorber dryer system trains process limestone as a reactant for the CFB boilers to control SO<sub>2</sub> emissions. Also included in the Title V permit are miscellaneous insignificant emissions units and/or activities. This site is in an area that is in attainment (or designated as unclassifiable) for all air pollutants subject to a National Ambient Air Quality Standard (NAAQS).

### Standard Industrial Classification Code (SIC)

SIC No. 4911 – Electric Services

### Regulatory Categories

Title III: The facility is identified as a major source of hazardous air pollutants (HAP).

Title V: The facility is a Title V major source of air pollution in accordance with Chapter 213, F.A.C.

PSD: The facility is a PSD-major facility in accordance with Rule 62-212.400, F.A.C.

NSPS: Some units are subject to a New Source Performance Standard (NSPS) in 40 CFR 60.

### Project Description

The facility currently has two absorber dryer system (ADS) trains (Units 4 and 5) which together are permitted to burn 700,800 gallons of No. 2 fuel oil per year. The two ADS Units process limestone as a reactant, which is used to control sulfur dioxide emissions from the existing circulating fluidized bed boilers. The ADS trains are experiencing operational problems including a loss of fuel efficiency. The applicant proposes to temporarily increase the combined amount of fuel oil burned at ADS Units 4 and 5 at the Cedar Bay Cogeneration Facility to 996,000 gallons per year. The Department has already issued air construction permit no. 0310337-011-AC for the construction of a new ADS system which was required by the City of Jacksonville's Environmental Resource Management Department (ERMD) consent order AP-06-3. Once commercial operation is established for the new ADS system, Cedar Bay will only operate ADS Units 4 and 5 as backup to the new system. The proposed project will not change any of the emissions standards. ADS Units 4 and 5 will remain subject to all standards currently in the facility's Title V permit, and any exceedances would be a violation of the current permit limits. Once commercial operation is established for the new ADS unit, the maximum fuel oil firing limit will revert back to the current limit of 700,800 gallons per year for ADS Units 4 and 5.

## 2. APPLICABLE REGULATIONS

### State Regulations

This project is subject to the applicable environmental laws specified in Section 403 of the Florida Statutes (F.S.). The

## TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

Florida Statutes authorize the Department of Environmental Protection to establish rules and regulations regarding air quality as part of the Florida Administrative Code (F.A.C.). This project is subject to the applicable rules and regulations defined in the following Chapters of the Florida Administrative Code: 62-4 (Permitting Requirements); 62-204 (Ambient Air Quality Requirements, PSD Increments, and Federal Regulations Adopted by Reference); 62-210 (Permits Required, Public Notice, Reports, Stack Height Policy, Circumvention, Excess Emissions, and Forms); 62-212 (Preconstruction Review, PSD Review and BACT, and Non-attainment Area Review and LAER); 62-213 (Title V Air Operation Permits for Major Sources of Air Pollution); 62-296 (Emission Limiting Standards); 62-297 (Test Methods and Procedures, Continuous Monitoring Specifications, and Alternate Sampling Procedures).

### General PSD Applicability

The Department regulates major air pollution sources in accordance with Florida's Prevention of Significant Deterioration (PSD) program, as approved by the EPA in Florida's State Implementation Plan and defined in Rule 62-212.400, F.A.C. A PSD review is required in areas currently in attainment with the state and federal Ambient Air Quality Standards (AAQS) or areas designated as "unclassifiable" for a given pollutant. A facility is considered "major" with respect to PSD if it emits or has the potential to emit: 250 tons per year or more of any regulated air pollutant; or 100 tons per year or more of any regulated air pollutant and the facility belongs to one of the 28 PSD Major Facility Categories defined in Rule 62-210.200, F.A.C.; or 5 tons per year of lead.

For new projects at existing PSD-major facilities, each regulated pollutant is reviewed for PSD applicability based on emissions thresholds known as the Significant Emission Rates defined in Rule 62-210.200, F.A.C. Pollutant emissions from the project exceeding these rates are considered "significant" and the applicant must employ the Best Available Control Technology (BACT) to minimize emissions of each such pollutant and evaluate the air quality impacts. Although a facility may be "major" with respect to PSD for only one regulated pollutant, it may be required to install BACT controls for several "significant" regulated pollutants.

### PSD Applicability for Project

The Cedar Bay Cogeneration Plant is an existing PSD-major facility located in Duval County, which is an area that is currently in attainment with, or designated as "unclassifiable" for, each pollutant with a state or federal Ambient Air Quality Standard (AAQS). The applicant proposes to temporarily increase the combined amount of fuel oil burned at ADS Units 4 and 5 at the Cedar Bay Cogeneration Facility to 996,000 gallons per year until commercial operation begins at the new ADS system. Based on current data submitted for ADS Units 4 and 5 and potential emissions for the units, it is estimated there will be no significant increases from PM/PM<sub>10</sub>, SO<sub>2</sub>, NO<sub>x</sub>, CO, and VOC from the additional 295,200 gallons per year of fuel oil: The current emissions are 8.69, 2.45, 7.04, 1.76, and 0.14 tons per year of PM/PM<sub>10</sub>, SO<sub>2</sub>, NO<sub>x</sub>, CO, and VOC, respectively. The estimated increases are <1, 1.03, 2.97, 0.74, and 0.06 tons per year which are below the significant levels of 25/10, 40, 40, 100, and 40 tons per year for PM/PM<sub>10</sub>, SO<sub>2</sub>, NO<sub>x</sub>, CO, and VOC, respectively. Therefore, the project is not subject to PSD preconstruction review.

### 3. DRAFT PERMIT MODIFICATION

There will be no changes to the current emission limits for ADS Units 4 and 5 with the increased use of fuel oil. At no time are the units permitted to exceed the permit limits in the current Title V permit. Any exceedance is a violation of the current Title V permit and will be subject to compliance and enforcement. As described above, the additional emissions will be small. The existing permit condition will be revised to allow up to 996,000 gallons of oil firing during any consecutive 12 months for ADS Units 4 and 5. The oil limit will revert back to 700,800 gallons per year upon commercial operation of the new ADS unit as originally permitted by the PSD-FL-137A.

### 4. PRELIMINARY DETERMINATION

The Department makes a preliminary determination that the proposed project will comply with all applicable state and federal air pollution regulations as conditioned by the draft permit. This determination is based on a technical review of the complete application, reasonable assurances provided by the applicant, and the conditions specified in the draft permit. No air quality modeling analysis is required because the project does not result in a significant increase in emissions. Bobby Bull is the project engineer responsible for reviewing the application and drafting the permit. Additional details of this analysis may be obtained by contacting the project engineer at the Department's Bureau of Air Regulation at Mail Station #5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.

STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOTICE OF FINAL PERMIT MODIFICATION

In the Matter of an  
Application for Permit by:

Mr. Richard Grubb, General Manager  
Cedar Bay Generating Company, L.P.  
9640 Eastport Road  
Jacksonville, Florida 32218-2260

Cedar Bay Cogeneration Facility  
Permit No. 0310337-012-AC  
Modification to PSD-FL-137  
Temporary Fuel Oil Increase at ADS Units 4 and 5

Cedar Bay Generating Company submitted an application to request a temporary fuel oil increase of 295,200 gallons per year at Absorber Dyer System (ADS) Units 4 and 5 until commercial operation is established for the new Absorber Dyer System train permitted by air construction permit 0310337-011-AC. These existing Emissions Units operate at the Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road, Jacksonville, Duval County, Florida. Enclosed is Final Permit Modification, which modifies the original air construction permit: PSD-FL-137 for ADS Units 4 and 5. 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 has the right to seek judicial review of it under Section 120.68 of the Florida Statutes by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel (Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000) and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within thirty (30) days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

(DRAFT)

Joseph Kahn, P.E., Acting Director  
Division of Air Resource Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Notice of Final Permit (including the Final permit) was sent by certified mail (\*) and copies were mailed by U.S. Mail before the close of business on \_\_\_\_\_ to the persons listed:

Richard Grubb, Cedar Bay\*  
Jeff Walker, Cedar Bay  
Ken Kosky, P.E., Golder and Associates  
Richard Robinson, P.E., City of Jacksonville EQD

Chris Kirts, DEP- NED  
Hamilton Oven, DEP Siting Office  
Dot Mathias, Northside Civic Association

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)

**Permit No. 0310337-012-AC; Modification to PSD-FL-137**

No further construction is authorized by this action. The following permit conditions are revised as follows. All other conditions remain in effect.

Specific Condition No. 8 as related to ADS Units 4 and 5 is hereby changed:

**From:** The maximum No. 2 fuel oil with maximum sulfur content of 0.05% sulfur by weight firing for each limestone dryer shall not exceed 120 gal/hr, or 350,400 gal/year. This reflects a combined total fuel oil firing rate of 240 gal/hr, and 700,800 gals/year for the two dryers.

**To:** ~~The maximum~~ Each limestone dryer (ADS Units 4 and 5) shall fire only No. 2 fuel oil with a maximum sulfur content of 0.05% sulfur by weight. For each unit, oil firing for each limestone dryer shall not exceed 120 gal/hr, or 350,400 gal/year 498,000 gallons during any 12 consecutive months. This reflects a combined total fuel oil firing rate of 240 gal/hr, and 700,800 gals/year during any 12 consecutive months for the two dryers. Once establishing commercial operation of the new dryer system train permitted by air construction permit 0310337-011-AC, oil firing from ADS Units 4 and 5 shall not exceed 120 gallons/hour nor 350,400 gallons during any consecutive 12 months for each unit. The first month of the consecutive 12-month period for this limit shall begin the first month after commercial operation is established for the new dryer system train.

## P.E. CERTIFICATION STATEMENT

### PERMITTEE

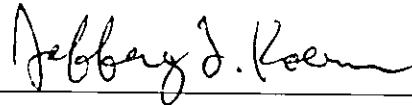
Cedar Bay Generating Company, L.P.  
9640 Eastport Road  
Jacksonville, FL 32218-2260

Draft Air Permit No. 0310337-012-AC  
Cedar Bay Cogeneration Facility  
ADS Units 4 and 5, Oil Firing Increase  
Duval County, Florida

### PROJECT DESCRIPTION

The Cedar Bay Generating Company operates an electric generating plant in Duval County. Currently, there are two existing absorber dryer systems (ADS Units 4 and 5) at this plant. The ADS units process limestone as a reactant, which is used to control SO<sub>2</sub> emissions from the existing circulating fluidized bed boilers. For ADS Units 4 and 5, the proposed project will temporarily increase the total distillate oil ( $\leq 0.05\%$  sulfur by weight) firing limit from 700,800 to 996,000 gallons per year. This will allow the units to continue to meet the plant's needs and provide sufficient time to establish commercial operation for the new Unit 3 absorber dryer system that is currently under construction. Thereafter, the distillate oil firing limit will revert back to the original limits and ADS Units 4 and 5 will be relegated to backup units. ADS Units 4 and 5 will remain subject to all existing permit conditions and emissions standards. These are small emissions units ( $< 20$  MMBtu/hour, each) and the change will result in only a slight increase in emissions from firing additional distillate oil. The project is not subject to PSD preconstruction review.

*I HEREBY CERTIFY that the air pollution control engineering features described in the above referenced application 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, geological, and meteorological features).*



Jeffery F. Koerner, P.E.  
Registration Number: 49441

08-15-06

(Date)