



Department of Environmental Protection

Jeb Bush
Governor

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

Colleen M. Castille
Secretary

October 20, 2005

Mr. Martin Kreft, General Manager
Cedar Bay Generating Company, L.P.
9640 Eastport Road
Jacksonville, Florida 32218

Re: DEP File No. 0310337-009-AC, 0310337-010-AV and PA 88-24
Modification of Permit No. PSD-FL-137 and 0310337-007-AV
Cedar Bay Generating Plant / Duval County

Dear Mr. Kreft:

On August 2, 2005, the Department received your application to co-fire 5% tire-derived fuel (TDF) in boilers A, B and C at the above facility, which is located in Duval County. Enclosed are the following related documents: "Technical Evaluation Preliminary Determination and Statement of Basis" and "Draft Permit Revision". The "Technical Evaluation Preliminary Determination and Statement of Basis" summarizes the Permitting Authority's technical review of the application and provides the rationale for making the preliminary determination to issue the permit. The "Draft Permit Revision" includes the specific changes to the above permit conditions that the Department intends to make.

The Department is providing its preliminary determination to issue revisions to these permits at the same time. Enclosed are the following combined documents related to these projects: "Written Notice of Intent to Issue Revised Air Construction Permit/Title V Air Operation Permit" and "Public Notice of Intent to Issue Revised Air Construction Permit/Title V Air Operation Permit". These documents revise both permits, allowing for a single Public Notice. The "Written Notice" provides important information regarding: the Permitting Authority's intent to issue the permits; the requirements for publishing the Public Notice of the Permitting Authority's intent to issue the air permits; the procedures for submitting comments on the Draft Permits; the requirements for requesting a public meeting; the process for filing a petition for an administrative hearing; and the availability of mediation. The "Public Notice" 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, Michael P. Halpin, P.E., at 850/921-9519.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

**WRITTEN NOTICE OF INTENT TO ISSUE
REVISED AIR CONSTRUCTION PERMIT/TITLE V AIR OPERATION PERMIT**

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

Mr. Martin Kreft, General Manager
Cedar Bay Generating Company, L.P.
9640 Eastport Road
Jacksonville, Florida 32218

Project No. 0310337-009-AC and 0310337-010-AV
Revision of Permit No. PSD-FL-137
Revision of Title V Air Operation Permit
Duval County, Florida

Facility Location: The Cedar Bay Cogeneration Plant is located at 9640 Eastport Road, Jacksonville, Duval County, Florida.

Revised Air Construction Permit Projects: The revision allows for the co-firing of 5% tire-derived fuel (TDF) in boilers A, B and C. Details are provided in the in the application and the enclosed "Technical Evaluation and Preliminary Determination".

Title V Air Operation Permit Project: The Draft Title V Air Operation permit revision incorporates the revised air construction permit for this facility.

Permitting Authority: Applications for these permitting actions are subject to review in accordance with the provisions of Chapter 403 of the Florida Statutes (F.S.) and Chapters 62-4, 62-210, 62-212, 62-213 and 62-214 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and air permits are required for the revised air construction permit and to operate the facility. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making permit determinations regarding these projects. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, in 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 and facsimile number is 850/922-6979.

Project Files: Complete project files are 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. For the Revised Air Construction Permit Project, 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. For the Title V Air Operation Permit Project, the complete project file includes the Draft Permit, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may view the Draft Permit and file electronic comments by visiting the following website: <http://www.dep.state.fl.us/air/eproducts/ards/>. Copies of the complete project files are also available at the Air Resources Section of the Department's Northeast District Office at 7825 Baymeadows Way, Jacksonville; Phone Number 904-807-3300; and the City of Jacksonville's Environmental Quality Division at 117 West Duval Street, Suite 225, Jacksonville; Phone Number 904-630-4900.

Notice of Intent to Issue Air Permits: The Permitting Authority gives notice of its intent to issue the revised Draft Air Construction Permit and the Draft Title V Air Operation Permit to the applicant for the projects described above. The applicant has provided reasonable assurance that operation of the facility will not adversely impact air quality and that the projects will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C. For the Draft Air Construction Permit, the Permitting Authority will issue a Final Permit in accordance with the conditions of the Draft Permit unless a response received in accordance with the following procedures results in a different decision or a significant change of terms or conditions. For the Draft Title V Air Operation Permit, the Permitting Authority will issue PROPOSED Permit conditions and subsequent FINAL Permit conditions in accordance with the conditions of the Draft Permit unless a response received in accordance with the following procedures 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 Revised Air Construction Permit/Title V Air Operation 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

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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 on the Air Construction Permit Project: The Permitting Authority will accept written comments concerning the Revised Draft Air Construction Permit for a period of fourteen (14) days from the date of publication of the Public Notice. Written comments must be post-marked, and all e-mail or facsimile comments must be received by the close of business (5:00 p.m.), on or before the end of this 14-day period by the Permitting Authority at the above address, email or facsimile. If written comments result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Comments on the Draft Title V Air Operation Permit Project: The Permitting Authority will accept written comments concerning the Draft Permit for a period of thirty (30) days from the date of publication of the Public Notice. Written comments must be post-marked, and all e-mail or facsimile comments must be received by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address, email or facsimile. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official web site for notices at <http://tlhora6.dep.state.fl.us/onw> and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a Revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decisions 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". 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", 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.

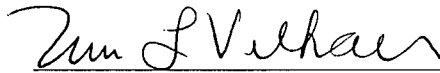
Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this "Written Notice". Persons whose substantial interests will be affected by any such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

**WRITTEN NOTICE OF INTENT TO ISSUE
REVISED AIR CONSTRUCTION PERMIT/TITLE V AIR OPERATION PERMIT**

Mediation: Mediation is not available in this proceeding.

Objections to the FINAL Title V Permit: Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within sixty (60) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to the issuance of any Title V air operation permit. Any petition shall be based only on objections to the Permit that were raised with reasonable specificity during the thirty (30) day public comment period provided in the Public Notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding EPA review and objections, visit EPA's Region 4 web site at <http://www.epa.gov/region4/air/permits/Florida.htm>.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

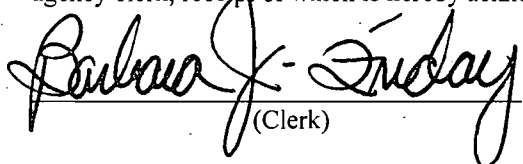
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this "Written Notice of Intent to Issue Air Permit" package (including the Written Notice of Intent, the Public Notice, the Technical Evaluation and Preliminary Determination, the Draft Air Construction and Draft Title V Air Operation Permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 10/25/05 to the persons listed below.

Martin Kreft, Cedar Bay *
Jeff Walker, Cedar Bay
Ken Kosky, P.E., Golder Associates
Hamilton Owen, P.E., PPSO
Richard Robinson, P.E., City of Jacksonville EQD
Doug Neeley, EPA
John Bunyak, NPS
Chris Kirts, DEP-NED
Dot Mathias, Northside Civic Association

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.

 10/25/05
(Clerk) (Date)

**PUBLIC NOTICE OF INTENT TO ISSUE
REVISED AIR CONSTRUCTION PERMIT/TITLE V AIR OPERATION PERMIT**

Florida Department of Environmental Protection
Draft Air Construction Permit No. 0310337-009-AC
Draft Title V Air Operation Permit No. 0310337-010-AV
Cedar Bay Generating Company, L.P.
Duval County, Florida

Applicant: The applicant for this project is Cedar Bay Generating Company, L.P. The facility responsible official is Martin Kreft, General Manager.

Facility Location: The applicant's address is 9640 Eastport Road, Jacksonville, Florida 32218.

Revised Air Construction Permit: This project allows for the co-firing of 5% tire-derived fuel in Emission Units 001, 002 and 003. The referenced Emission Units are more commonly known as Boilers A, B, and C. Each emission unit is a fluidized bed boiler, rated at 1,063 MMBtu per hour. All other permit conditions will remain the same, and calculated emission increases are less than the PSD significant thresholds of 40 tons per year (TPY) SO₂, NO_x and VOC, 100 TPY CO, 15 TPY PM₁₀ and 0.6 TPY lead.

Title V Air Operation Permit Revision: This project is to incorporate the above, applicable revisions to the Title V Air Operation permit for the facility.

Permitting Authority: Application for these permitting actions are subject to review in accordance with the provisions of Chapter 403 of the Florida Statutes (F.S.) and Chapters 62-4, 62-210, 62-212, 62-213 and 62-214 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and air permits are required for the revised air construction permit and to operate the facility. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making permit determinations regarding these projects. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, in 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 and facsimile number is 850/922-6979.

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Comments on the Draft Title V Air Operation Permit Project: The Permitting Authority will accept written comments concerning the Draft Permit for a period of thirty (30) days from the date of publication of the Public Notice. Written

(Public Notice to be Published in the Newspaper)

**PUBLIC NOTICE OF INTENT TO ISSUE
REVISED AIR CONSTRUCTION PERMIT/TITLE V AIR OPERATION PERMIT**

comments must be post-marked, and all e-mail or facsimile comments must be received by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address, email or facsimile. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official web site for notices at <http://tlhora6.dep.state.fl.us/onw> and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a Revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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Mediation: Mediation is not available in this proceeding.

Objections to the FINAL Title V Permit: Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within sixty (60) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to the issuance of any Title V air operation permit. Any petition shall be based only on objections to the Permit that were raised with reasonable specificity during the thirty (30) day public comment period provided in the Public Notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding EPA review and objections, visit EPA's Region 4 web site at <http://www.epa.gov/region4/air/permits/Florida.htm>.

DRAFT

November XX, 2005

Mr. Martin Kreft
General Manager
Cedar Bay Generating Company, L.P.
9640 Eastport Road
Jacksonville, Florida 32218

Re: DEP File No. 0310337-009-AC, 0310337-010-AV and PA 88-24;
Modification of Permit No.'s PSD-FL-137 and 0310337-007-AV
Cedar Bay Generating Plant / Duval County

The applicant, Cedar Bay Generating Company, L.P., applied on August 2, 2005, to the Department for a modification to PSD permit number PSD-FL-137 and Title V permit number 0310337-007-AC for its Cedar Bay Generating Plant located in Duval County. The modification is to allow the facility to co-fire a blend of 5% tire-derived fuel (TDF) in its three circulating fluidized bed boilers (A, B and C) as well as to make changes with respect to the measurements of fuel-bound sulfur content and short-fiber reject throughput.

The Department has reviewed the modification request. The referenced permits are hereby modified as follows **PSD-FL-137**:

II.A. Emission Limitations for CBCP Boilers

1. Fluidized Bed Coal Fired Boilers (CFB)

- a. The maximum coal charging rate of each CFB shall neither exceed 104,000 lbs/hr., 39,000 tons per month (30 consecutive days), nor 390,000 tons per year (TPY). This reflects a combined total of 312,000 lbs/hr., 117,000 tons per month, and 1,170,000 TPY for all three CFBs. Tire-derived fuel (TDF) may be utilized as a co-firing fuel, and shall not exceed 5% fuel input by weight on a daily basis. Petroleum coke (petcoke) may be utilized as a co-firing fuel, and shall not exceed 35% fuel input by weight on a daily basis. {Permitting Note: The limitations on the coal charging rate include both coal, TDF and petcoke.}
- b. The maximum charging rate to each of the two CFBs of short fiber recycle rejects from the SK recycling process shall not exceed ~~210 yd³/day wet, and 69,588 yd³/year wet~~ 420,000 lb/day and 69,600 tons/yr. This reflects a combined total of ~~420 yd³/day wet and 139,176 yd³/year wet~~ 840,000 lb/day and 139,200 tons/yr for the two CFBs that fire recycle rejects. The third CFB will not utilize recycle rejects, nor will it be equipped with handling and firing equipment for recycle rejects.
- d. ~~The sulfur content of the coal shall not exceed 1.2%, by weight, on an annual basis. The sulfur content shall not exceed 1.7%, by weight, on a shipment (train load) basis. When co-firing coal and petcoke, the blended~~ The fuel input to the CFBs shall not exceed 3.2 lb/MMBtu equivalent SO₂ content. Compliance shall be determined on a monthly basis via a composite of daily fuel samples.

18. The permittee shall submit annual reports to EQD and DEP/BAR summarizing emissions for each calendar year. The reports will commence during the first year in which TDF is fired and continue for a total of five calendar years. Such reports are required in order to confirm Cedar Bay's projections of future actual emissions and to demonstrate to the Department's satisfaction that TDF co-firing did not result in a significant emissions increase. Reporting shall be as follows:

DRAFT

Pollutant	Compliance Procedures
<u>NO_x</u>	<u>Five years of annual reporting by CEMS proving annual facility emissions do not exceed 1791.91 TPY</u>
<u>CO</u>	<u>Five years of annual reporting by CEMS proving annual facility emissions do not exceed 541.17 TPY</u>
<u>VOC</u>	<u>Five years of annual reporting by stack test proving annual facility emissions do not exceed 100.73 TPY</u>
<u>SO₂</u>	<u>Five years of annual reporting by CEMS proving annual facility emissions do not exceed 2112.41 TPY</u>
<u>SAM</u>	<u>Five years of annual reporting by stack test proving annual facility emissions do not exceed 7.4 TPY</u>
<u>PM₁₀</u>	<u>Five years of annual reporting by stack test proving annual facility emissions do not exceed 108.86 TPY</u>

II. B. CBCP - Material Handling and Treatment

14. Solid Waste Conditions. The permittee shall comply with the following solid waste conditions for TDF:

1. The tire derived fuel (i.e. the processed tires) shall conform to nominal one-inch processed tire chip standards in which less than 10% by weight are retained on a 2-inch square sieve and less than 5% total by weight will pass through a #4 sieve as determined by testing method ASTM D 422-63.
2. The tire derived fuel (TDF) shall conform to nominal one-inch processed tire chip standards in which they shall be less than 1% free wire by weight and less than 3% of the particles contain bead wire.
3. Documentation of the conformance of the TDF with the nominal one-inch processed tire chip standards shall be maintained onsite and be readily available for inspection at all times.
4. The operator shall maintain records of the quantity of TDF received at the site, stored at the site, and shipped from the site.
5. No operations involving the use of open flames shall be conducted within 25 feet of the TDF.
6. TDF piles shall not be constructed, maintained or operated in or within 200 feet of any natural or artificial body of water, including wetlands within the jurisdiction of the Department, except for bodies of water contained completely within the property boundaries of the facility and which do not ordinarily discharge from the site to surface waters.
7. Stormwater control methods for the TDF piles site shall meet the requirements of Chapters 62-25 and 62-330, F.A.C. and shall be managed in such a way as to divert stormwater or flood waters around and away from the storage piles.
8. TDF piles shall be no larger than 50 feet in width, 10,000 square feet in area and 10 feet in height.
9. A 50-foot wide fire lane shall be placed around the perimeter of each TDF pile.
10. The TDF piles site shall be bermed or given other Department approved protection if necessary to keep liquid runoff from a potential TDF fire from entering water bodies.
11. The TDF piles shall be kept free of grass, underbrush, and other potentially flammable vegetation at all times.
12. The TDF inventory shall be no more than one month's projected usage, based on the design capacity for the first six months, and no more than two times the average actual monthly usage during the preceding six months at all times thereafter.
13. Only a registered waste tire collector shall transport the TDF to or from the facility.

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.

Also attached is a revision to the Draft Title V Air Operation Permit. For the Draft Title V Air Operation Permit Revision, the Permitting Authority will issue PROPOSED Permit conditions and subsequent FINAL Permit conditions in accordance with the conditions of the Draft Permit unless a response received in accordance with the following procedures results in a different decision or a significant change of terms or conditions.

DRAFT

Executed in Tallahassee, Florida.

Michael G. Cooke, Director
Division of Air Resource
Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this 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:

- Martin Kreft, Cedar Bay *
- Jeff Walker, Cedar Bay
- Ken Kosky, P.E., Golder Associates
- Hamilton Oven, P.E., PPSO
- Richard Robinson, P.E., City of Jacksonville EQD
- Doug Neeley, EPA
- John Bunyak, NPS
- Chris Kirts, DEP-NED
- 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)

DRAFT

0310337-010-AV (Proposed Title V Action Pending EPA Review):

For the Draft Title V Air Operation Permit, the Permitting Authority will issue PROPOSED Permit conditions and subsequent FINAL Permit conditions in accordance with the conditions of the Draft Permit unless a response received in accordance with the following procedures results in a different decision or a significant change of terms or conditions.

A.3. Methods of Operation.

(b) Fuels.

1. Coal. The maximum coal charging rate of each CFB shall neither exceed 104,000 lbs/hr, 39,000 tons per month (30 consecutive days), nor 390,000 tons per year (TPY). This reflects a combined total of 312,000 lbs/hr, 117,000 tons per month, and 1,170,000 TPY for all three CFBs. Tire-derived fuel (TDF) may be utilized as a co-firing fuel, and shall not exceed 5% fuel input by weight on a daily basis. Petroleum coke (pet coke) may be utilized as a co-firing fuel, and shall not exceed 35 % fuel input by weight on a daily basis. {Permitting Note: The limitations on the coal charging rate include both coal, TDF and pet coke.}
 2. No. 2 Fuel Oil. Auxiliary fuel burners shall be fueled with only No. 2 fuel oil and shall normally only be used for start-ups. The maximum oil usage shall not exceed 8000 gals/hr and 1,900,000 gals/year.
 3. Other. Other fuels or wastes shall not be burned in the CFB boilers without prior specific written approval of the Secretary of the Department of Environmental Protection.
- (c) Short Fiber Rejects. The maximum charging rate to CFB Boilers B & C of short fiber recycle rejects from the SCC recycling process shall not exceed ~~210 yd³/day (wet) and 69,588 yd³/yr (wet)~~ 420,000 lb/day and 69,600 tons/yr. This reflects a combined total of ~~420 yd³/day (wet) and 139,176 yd³/yr (wet)~~ 840,000 lb/day and 139,200 tons/yr for the two CFB boilers that fire recycle rejects. CFB Boiler A will not utilize recycle rejects, nor will it be equipped with handling and firing equipment for recycle rejects.

[PSD-FL-137(A), Title V permit application, and 0310337-005-AC and 0310337-009-AC]

A.7. Sulfur Dioxide - Sulfur Content.

1. Coal Fuel. ~~In order to ensure continuous compliance with the SO₂ limit stated in Specific Condition A.5., the coal sulfur content shall not exceed 1.7 percent, by weight, on a shipment (train load) basis and 1.2 percent, by weight, on an annual basis, as measured by applicable test methods (see Specific Condition A.36.). When co-firing coal and petcoke, the blended~~ The fuel input to the CFBs shall not exceed 3.2 lb/MMBtu equivalent SO₂ content. Compliance shall be determined on a monthly basis via a composite of daily fuel samples.
- A.66. The permittee shall submit annual reports to EQD and DEP/BAR summarizing emissions for each calendar year. The reports will commence during the first year in which TDF is fired and continue for a total of five calendar years. Such reports are required in order to confirm Cedar Bay's projection of future actual emissions and to demonstrate to the Department's satisfaction that TDF co-firing did not result in a significant emissions increase. Reporting shall be as follows:

Pollutant	Compliance Procedures
<u>NO_x</u>	<u>Five years of annual reporting by CEMS proving annual facility emissions do not exceed 1791.91 TPY</u>
<u>CO</u>	<u>Five years of annual reporting by CEMS proving annual facility emissions do not exceed 541.17 TPY</u>
<u>VOC</u>	<u>Five years of annual reporting by stack test proving annual facility emissions do not exceed 100.73 TPY</u>
<u>SO₂</u>	<u>Five years of annual reporting by CEMS proving annual facility emissions do not exceed 2112.41 TPY</u>
<u>SAM</u>	<u>Five years of annual reporting by stack test proving annual facility emissions do not exceed 7.4 TPY</u>
<u>PM₁₀</u>	<u>Five years of annual reporting by stack test proving annual facility emissions do not exceed 108.86 TPY</u>

DRAFT

A.67. Solid Waste Conditions. The permittee shall comply with the following solid waste conditions for TDF:

1. The tire derived fuel (i.e. the processed tires) shall conform to nominal one-inch processed tire chip standards in which less than 10% by weight are retained on a 2-inch square sieve and less than 5% total by weight will pass through a #4 sieve as determined by testing method ASTM D 422-63.
2. The tire derived fuel (TDF) shall conform to nominal one-inch processed tire chip standards in which they shall be less than 1% free wire by weight and less than 3% of the particles contain bead wire.
3. Documentation of the conformance of the TDF with the nominal one-inch processed tire chip standards shall be maintained onsite and be readily available for inspection at all times.
4. The operator shall maintain records of the quantity of TDF received at the site, stored at the site, and shipped from the site.
5. No operations involving the use of open flames shall be conducted within 25 feet of the TDF.
6. TDF piles shall not be constructed, maintained or operated in or within 200 feet of any natural or artificial body of water, including wetlands within the jurisdiction of the Department, except for bodies of water contained completely within the property boundaries of the facility and which do not ordinarily discharge from the site to surface waters.
7. Stormwater control methods for the TDF piles site shall meet the requirements of Chapters 62-25 and 62-330, F.A.C. and shall be managed in such a way as to divert stormwater or flood waters around and away from the storage piles.
8. TDF piles shall be no larger than 50 feet in width, 10,000 square feet in area and 10 feet in height.
9. A 50-foot wide fire lane shall be placed around the perimeter of each TDF pile.
10. The TDF piles site shall be bermed or given other Department approved protection if necessary to keep liquid runoff from a potential TDF fire from entering water bodies.
11. The TDF piles shall be kept free of grass, underbrush, and other potentially flammable vegetation at all times.
12. The TDF inventory shall be no more than one month's projected usage, based on the design capacity for the first six months, and no more than two times the average actual monthly usage during the preceding six months at all times thereafter.
13. Only a registered waste tire collector shall transport the TDF to or from the facility.

TECHNICAL EVALUATION
PRELIMINARY DETERMINATION

and Title V Statement of Basis

Cedar Bay Generating Company, LP

5% Co-Firing of Tire-Derived Fuel

Cogentrix / Cedar Bay Cogeneration Facility

Duval County

0310337-009-AC

0310337-010-AV



Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation
North Permitting Section

October 20, 2005

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

1. GENERAL INFORMATION

1.1 APPLICANT NAME AND ADDRESS

Cedar Bay Generating Company, L.P.
Cedar Bay Cogeneration Facility
9640 Eastport Road
Jacksonville, Florida 32218

Authorized Representative: Martin Kreft, General Manager

1.2 REVIEWING AND PROCESS SCHEDULE

August 2, 2005 Received permit application
August 19, 2005 Request For Additional Information
September 20, 2005 Application complete

2. FACILITY INFORMATION

2.1 FACILITY LOCATION

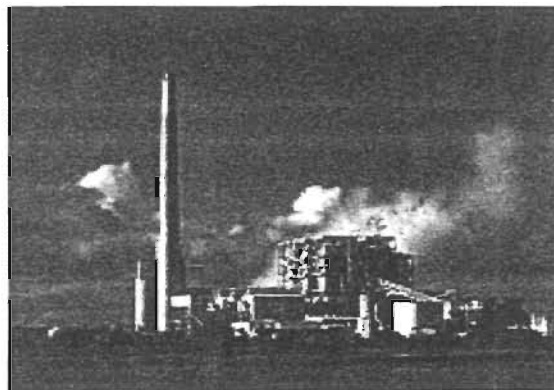
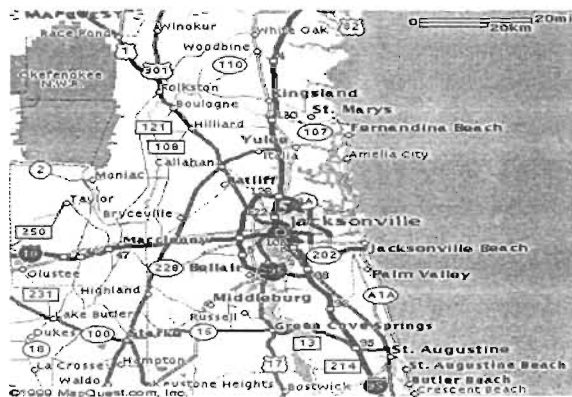
The facility is located in Jacksonville, Duval County. The UTM coordinates are Zone 17; 441.61 km E; 3365.552 km N. This site is approximately 54 kilometers from the Okefenokee National Wildlife Refuge and 98 kilometers from the Wolf Island National Wildlife Refuge, both Class I PSD Areas.

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 (CFB) 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 with petcoke authorized up to 35%. 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. See figures below.



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). Based upon the Title V permit, this facility is a major source of hazardous air pollutants (HAPs).

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

3. PROJECT DESCRIPTION

This project primarily 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 to combust up to 5% of its fuel (on a weight basis) as tire-derived fuel (TDF) "chips". The facility currently combusts coal as its primary fuel. The applicant indicates that this permit modification can be made in such a way that air emissions will not increase beyond historical levels, thus a PSD Review will not be triggered. The applicant further proposes to maintain and submit to the Department (FDEP) and the Air Quality Branch of the Environmental Quality Department of Jacksonville (EQD) on an annual basis for a period of 5-years from the date each emission unit begins firing 5% TDF, data demonstrating in accordance with 40 CFR 52.21(b)(21)(v) and 40 CFR 52.21(b)(33) that the operational change associated with the use of TDF did not result in significant emission increases for CO, NO_x, PM, SO₂, SAM and VOC (i.e., the WEPSCO Rule). A general review of tire-derived fuel and a review of the future actual emissions and related emission analyses follow.

3.1 TDF DISCUSSION

Scrap tires are used as fuel because of their high heating value. Using scrap tires is not recycling, but is considered a beneficial use - it is better to recover the energy from a tire rather than landfill it. In 2003, 130 million scrap tires were used as fuel (about 45% of all generated) - up from 25.9 million (10.7% of all generated) in 1991.

There are several advantages to using tires as fuel:

- Tires produce the same amount of energy as oil and 25% more energy than coal.
- The ash residues from TDF may contain lower metals content than some coals.
- TDF results in lower NO_x emissions when compared to many U.S. coals, particularly the high-sulfur coals.

Tires are usually provided in one of three forms when utilized as a fuel:

Crumb: There are a number of advantages to utilizing this form. 1) The steel in the bead and radial bands can be removed via air classification; 2) The crumb can then be blown in with powdered coal fuel directly substituting for the powdered coal; and 3) The transportation storage and management of the crumb is very similar to managing coal fines, both the good and the bad aspects of such management.

Chips: Tire "chips" of varying size are routinely utilized as fuel. These chips range in size from ¾" up to 6" squares. A variation on this is a "quartering" of the tires. In all cases, the transportation, storage and management are essentially the same. Storage is generally in an open air pile similar to storage of coal or limestone. The feeding of the chips into a boiler is typically via a conveyor fed from a hopper. The use of tire chips has a couple of advantages. The feed rate can be continuous and carefully regulated. The wire in the bead and radial belts do not shear smoothly when the tires are chipped; consequently, the chips are ragged in appearance.

Whole Tires: The use of whole tires as a fuel is fairly common in the cement kiln industry. In this case, truck loads of whole tires, usually enclosed vans, are delivered to the end of a conveyor and the tires are manually unloaded from the truck onto the conveyor. The conveyor feeds the tires to a mechanism that inserts one tire at a time into the kiln at specified time intervals. The advantage of utilizing whole tires is that there are no processing costs in addition to the acquisition costs. However, transportation, storage and management of whole tires can require more logistical care and more manual labor than the management of the other TDF forms.

EPA supports the highest and best practical use of scrap tires in accordance with the waste management hierarchy, in order of preference: reduce, reuse, recycle, waste-to-energy, and disposal in an appropriate facility. Disposal of

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

scrap tires in tire piles is not an acceptable management practice because of the risks posed by tire fires, and because tire piles can provide habitats for disease vectors, such as mosquitoes.

In 2003, more than 290 million scrap tires were generated in the U.S. Nearly 100 million of these tires were recycled into new products and 130 million were reused as tire-derived fuel (TDF) in various industrial facilities. TDF is one of several viable alternatives to prevent newly generated scrap tires from inappropriate disposal in tire piles, and for reducing or eliminating existing tire stockpiles.

Based on over 15 years of experience with more than 80 individual facilities, EPA recognizes that the use of tire-derived fuels is a viable alternative to the use of fossil fuels. EPA testing shows that TDF has a higher BTU value than coal. That Agency supports the responsible use of tires in Portland cement kilns and other industrial facilities, so long as the candidate facilities: (1) have a tire storage and handling plan; (2) have secured a permit for all applicable state and federal environmental programs; and (3) are in compliance with all the requirements of that permit.

The following information was compiled from FDEP's "ARMS" database. It represents a summary of the facilities within Florida where the use of tires as a fuel is currently permitted. Where facilities have multiple emission units, each emission unit is listed on a separate line:

<u>OWNER/COMPANY NAME</u>	<u>SITE NAME</u>
FLORIDA ROCK INDUSTRIES, INC.	THOMPSON S. BAKER CEMENT PLANT
BAY COUNTY BOARD OF COUNTY COMMISSIONERS	MONTENAY BAY, LLC
BAY COUNTY BOARD OF COUNTY COMMISSIONERS	MONTENAY BAY, LLC
RINKER MATERIALS CORPORATION.	MIAMI CEMENT PLANT
MIAMI DADE RRF	MIAMI DADE RRF/MONTENAY
MIAMI DADE RRF	MIAMI DADE RRF/MONTENAY
MIAMI DADE RRF	MIAMI DADE RRF/MONTENAY
MIAMI DADE RRF	MIAMI DADE RRF/MONTENAY
CEMEX	CEMEX
FLORIDA CRUSHED STONE CO., INC.	BROOKSVILLE CEMENT AND POWER PLANTS
CITY OF TAMPA	MCKAY BAY REFUSE-TO-ENERGY FACILITY
CITY OF TAMPA	MCKAY BAY REFUSE-TO-ENERGY FACILITY
CITY OF TAMPA	MCKAY BAY REFUSE-TO-ENERGY FACILITY
CITY OF TAMPA	MCKAY BAY REFUSE-TO-ENERGY FACILITY
HILLSBOROUGH CTY. RESOURCE RECOVERY FAC.	HILLSBOROUGH CTY. RESOURCE RECOVERY FAC.
HILLSBOROUGH CTY. RESOURCE RECOVERY FAC.	HILLSBOROUGH CTY. RESOURCE RECOVERY FAC.
HILLSBOROUGH CTY. RESOURCE RECOVERY FAC.	HILLSBOROUGH CTY. RESOURCE RECOVERY FAC.
BLACKLIDGE EMULSIONS INCORPORATED	BLACKLIDGE EMULSIONS INCORPORATED
COVANTA LAKE, INC.	COVANTA LAKE INC
COVANTA LAKE, INC.	COVANTA LAKE INC
PINELLAS CO. BOARD OF CO. COMMISSIONERS	PINELLAS CO. RESOURCE RECOVERY FACILITY
PINELLAS CO. BOARD OF CO. COMMISSIONERS	PINELLAS CO. RESOURCE RECOVERY FACILITY
PINELLAS CO. BOARD OF CO. COMMISSIONERS	PINELLAS CO. RESOURCE RECOVERY FACILITY
RIDGE GENERATING STATION, L.P.	RIDGE GENERATING STATION, L.P.
SUWANNEE AMERICAN CEMENT CO.	SUWANNEE AMERICAN CEMENT

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

4. PROJECT EMISSIONS

4.1 COMPARATIVE STATISTICS

The following table was provided within the applicant's submittal in order to provide a comparison of coal and TDF characteristics. Where applicable, a weight-based input of 5% TDF is assumed.

Characteristic	Cedar Bay Coal	TDF	Combination
Proximate Analysis (% as received)			
	2003 annual average		
Moisture	6.49	0.62	6.20
Ash	10.89	4.78	10.59
Volatile	33.21	66.64	34.87
Fixed Carbon	49.35	27.96	48.29
Ultimate Analysis (% as received)			
Carbon	68.85	83.27	69.56
Hydrogen	4.35	7.09	4.49
Nitrogen	1.32	0.24	1.27
Sulfur	0.96	1.83	1.00
Ash	11.14	4.78	10.83
Moisture	7.05	0.62	6.73
Oxygen	6.41	2.17	6.20
CFB Performance			
Heat Content (Btu/lb)	12,000	14,700	12,135
Mass Percentage	95.0%	5.0%	100.0%
Heat Input by Fuel (tons/hr)	41.6	2.2	43.8
Percentage by Heat Input	94%	6%	100%
Heat Input by Fuel (MMBtu/hr)	999.2	63.8	1,063.0
Unit heat Input (MMBtu/hr) - permitted	1,063		

4.2 FUTURE ACTUAL EMISSION PROJECTIONS

The following table summarizes the historical, consecutive 2-year emissions of criteria pollutants, based upon the applicant's submittals:

	Boilers A, B, and C (TPY)			
	2000-2001	2001-2002	2002-2003	2003-2004
Particulate Matter	195.06	136.91	82.21	101.88
PM ₁₀	128.79	78.13	69.36	93.96
Sulfur Dioxide	1,933.32	1,910.15	1,956.34	1,972.51
Nitrogen Oxides	1,717.99	1,649.57	1,675.08	1,752.01
Carbon Monoxide	500.26	470.56	447.90	441.27
Volatile Organic Compounds	32.96	53.10	59.49	60.83
Sulfuric Acid Mist	0.34	0.41	0.49	0.50

As a result, years 2003 – 2004 are presumed to be representative of normal operations and will form the baseline for ensuring conformance with 62-210.200(11)(d) of the Florida Administrative Code. In order to avoid a PSD review (as proposed by the applicant), the annual emissions of each of the criteria pollutants must remain less than the PSD Significant Emission Rate (SER). The below table summarizes this requirement quantitatively, based upon the baseline emissions above.

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

Criteria Pollutant	2003-2004 Average (TPY)	Maximum Allowable Non-PSD Emission Increase (TPY)	Maximum Allowable Threshold (TPY)
NO _x	1752.01	39.9	1791.91
CO	441.27	99.9	541.17
VOC	60.83	39.9	100.73
SO ₂	1972.51	39.9	2112.41
SAM	0.50	6.9	7.4
PM ₁₀	93.96	14.9	108.86

4.3 UNRELATED PERMIT REVISIONS

In addition to permission to combust 5% TDF, two unrelated permit modifications have been requested:

- 1) A change to the method by which the combustion of short fiber recycle rejects is measured (by weight rather than volume), and
- 2) Elimination of the percent sulfur limitation on coal fuel.

With regard to the above changes, the applicant has provided respectively:

- 1) A weight-basis for the measurement of short fiber recycle rejects which is equivalent to the volumetric basis, and
- 2) Rationale for demonstrating that current SO₂ emission levels and related limits are more a function of the SO₂ removal efficiency of the CFBs (limestone throughput) than the percent sulfur content of the coal. The applicant is seeking flexibility (for procurement reasons) in the coal's percent sulfur content and has adequately demonstrated through the co-firing of high-sulfur petcoke that the equivalent SO₂ content of the fuel input may be as high as 3.2 lb/MMBtu while meeting all existing emission constraints.

Accordingly, neither of the above revisions should prompt a change to the emissions of PSD pollutants and are otherwise considered as minor for the purpose of this evaluation.

5. RULE APPLICABILITY

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 physical change or change in the method of operation 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. Additionally, Rule 62-210.300 requires an Air Construction permit for all new sources of air pollution unless specifically exempt.

FDEP deems that burning of TDF is a change in the method of operation. Given that the source is major with regard to PSD, a review will be performed to verify that the burning of 5% TDF is not likely to result in a significant net emissions increase and that, consequently, use of TDF is not a major modification subject to PSD review. 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).

6. PSD POLLUTANT ANALYSIS

Prior to this review and earlier this year, Cedar Bay was given permission for and indeed conducted a test burn of 5% TDF on one of the 3 boilers (boiler C). The subject test burn report concluded that there were no changes in the emissions of the six criteria pollutants, based upon a statistical analysis of the actual test results. Additional emission testing was conducted to determine whether any increases could be detected for VOC's, Metals and Sulfuric Acid Mist. The report concluded that only the emissions of zinc had increased with an estimated emission rate of 1.2×10^{-6} lb/MMBtu. Based upon the average zinc content measured in the TDF samples, and a 5% by weight burn rate, an uncontrolled emission rate of 1.74×10^{-2} lb/MMBtu was estimated; suggesting that the removal efficiency of the scrubber was greater than 99.99%.

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

As a means of corroborating the Cedar Bay test report and related conclusions, the Department reviewed EPA Report 600/R-97-115 entitled "Air Emissions From Scrap Tire Combustion". The following excerpt is quoted from the abstract:

"Based on the results of the RKIS test program, it can be concluded that, with the exception of zinc emissions, potential emissions from TDF are not expected to be very much different than from other conventional fossil fuels, as long as combustion occurs in a well-designed, well-operated and well-maintained combustion device. However, as with most solid fuel combustors, an appropriate particulate control device would likely be needed in order to obtain an operating permit in most jurisdictions in the United States. Test data, from 22 industrial facilities that have used TDF are presented: 3 kilns (2 cement and 1 lime) and 19 boilers (utility, pulp and paper, and general industrial applications). All sources had some type of particulate control. In general, the results indicate that properly designed existing solid fuel combustors can supplement their normal fuels, which typically consist of coal, wood, coke and various combinations thereof, with 10 to 20% TDF and still satisfy environmental compliance emissions limits."

Given the lack of any discrepancy between the EPA report and the Cedar Bay Report, FDEP finds no reason to reject the premise of Cedar Bay's application; specifically, it is unlikely that any increases in the emissions of criteria pollutants will be observed and a PSD Review is not required (i.e., WEPCO).

With regard to ancillary (or fugitive) emissions resulting from the increased lime throughput, the Department finds it unlikely that the transportation or storage of rubberized tire chips will cause increases in fugitive emissions. In fact, given the reductions in coal throughput which will occur from burning TDF, *reductions* in fugitive emissions are just as likely to occur.

6.1 SUMMARY – PSD REVISIONS

A preliminary review supports the applicant's contention that a preconstruction review is not triggered for the project. PSD regulations (under the provisions commonly known as the "WEPCO rule") allow a source undertaking a non-routine change that could affect emissions at an electric utility steam generating unit to lawfully avoid the major source permitting process by using the unit's representative actual annual emissions to calculate emissions following the change, if the source submits information for 5 years following the change to confirm its pre-change projection. Under the WEPCO rule, Cedar Bay must compute baseline actual emissions and must project the future actual emissions from the modified units for a period after the physical change. In addition, Cedar Bay must maintain and submit to the Department on an annual basis for a period of at least 5 years from the date the units resume regular operation, information demonstrating that the change did not result in a significant emissions increase. If Cedar Bay fails to comply with the reporting requirements of the WEPCO rule or if the submitted information indicates that emissions have increased above PSD thresholds as a consequence of the change, it will be required to obtain a PSD permit for TDF co-firing (meaning that a Best Available Control Technology Review would then be applicable). Finally, even though a PSD review is not triggered due to the co-firing project, Cedar Bay must meet all other applicable federal, state, and local air pollution requirements.

6.2 SUMMARY – TITLE V REVISIONS

As a result of the proposed changes, Title V conditions A.3., A.7., A.66. and A.67. will be revised according to the Draft Permit.

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

7. ADDITIONAL COMPLIANCE PROCEDURES

The applicant shall be responsible for record-keeping and reporting as follows:

Pollutant	Compliance Procedures
NO _x emission limit	Five years of annual reporting by CEMS proving annual emissions do not exceed 1791.91 TPY
CO emission limit	Five years of annual reporting by CEMS proving annual emissions do not exceed 541.17 TPY
VOC emission limit	Five years of annual reporting by stack test proving annual emissions do not exceed 100.73 TPY
SO ₂ emission limit	Five years of annual reporting by CEMS proving annual emissions do not exceed 2112.41 TPY
SAM emission limit	Five years of annual reporting by stack test proving annual emissions do not exceed 7.4 TPY
PM ₁₀ emission limit	Five years of annual reporting by stack test proving annual facility emissions do not exceed 108.86 TPY

Specific permit conditions shall further describe these limitations. The reporting procedures are to begin during the first calendar year in which TDF is fired.

8. CONCLUSION

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

Michael P. Halpin, P.E. Review Engineer
Department of Environmental Protection, Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Fax Message**Cedar Bay Generating Plant**

Owner: Cedar Bay Generating Company, L.P.

Date:	<u>Nov 15, 05</u>		
To:	<u>Mike Halpin, P.E.</u>	Facsimile No.:	<u>(850) 922-6979</u>
		Phone No.:	<u>(850) 921-9519</u>
Company:	<u>FDEP</u>	No. of Pages:	<u>3</u> (including this one)
City/State:	<u>Tallahassee, FL</u>		
From:	<u>Jeff Walker</u>	Phone No.:	<u>904-696-1547</u>
Special Instructions:	<u></u>		
If transmittal is incomplete or illegible, please call at (904) 696-1535.			

Message:

Mike,

Please find a copy of Public Notice as published in the Florida Times Union on Nov. 10.

Thanks

Jeff Walker

CONFIDENTIALITY NOTICE

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7005 1160 0004 3034 3489

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

For delivery information visit our website at www.usps.com

Mr. Martin Kreft, General Manager

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

Postmark
Here

Sent To
Mr. Martin Kreft, General Manager
Street, Apt. No.:
or PO Box No. 9640 Eastport Road
City, State, ZIP+4
Jacksonville, Florida 32218

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
Mr. Martin Kreft, General Manager
Cedar Bay Generating Company, L.P.
9640 Eastport Road
Jacksonville, Florida 32218

2. Article Number
(Transfer from service label)

7005 1160 0004 3034 3489

COMPLETE THIS SECTION ON DELIVERY

A. Signature
[Signature] Agent Addressee

B. Received by (Printed Name) *Shelly Arnold* C. Date of Delivery *10/28/05*

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

OCT 28 2005

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

4. Restricted Delivery? (Extra Fee) Yes