



Indiantown Cogeneration, L.P.
An Affiliate of Cogentrix Energy, Inc.

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July 5, 2007

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Ms. Trina Vielhauer
Division of Air Resource Management
Florida Department of Environmental Protection
MS 5505
2600 Blairstone Road
Tallahassee, FL 32399

BUREAU OF AIR REGULATION

Re: Indiantown Cogeneration Facility;
PSD-FL-168; Title V Permit No. 0850102-007-AV

Dear Ms. Vielhauer:

On behalf of Indiantown Cogeneration, L.P. ("ICLP"), I am submitting this letter to formally request the Florida Department of Environmental Protection ("Department" or "DEP") to modify certain conditions contained in the PSD and Title V permits for the Indiantown Cogeneration Facility ("Facility").¹ These permit conditions require ICLP to place a cover over an inactive coal storage pile at the Facility. ICLP wishes to modify the permit conditions because it is no longer feasible or appropriate to maintain a cover over the coal pile.

Background Information

The Facility has two storage piles for coal. One pile is used as the primary source of fuel for the Facility; the other pile is used when the primary pile is depleted. The primary or "active" coal pile is located inside an enclosed building and it holds enough coal to satisfy the Facility's fuel needs for approximately ten (10) days of operations. The second coal pile (i.e., the "inactive" coal pile) is located outside.

¹ More specifically, ICLP wishes to modify: (1) Specific Condition No. 10 in PSD-FL-168; and (2) Facility-wide Condition No. II.8 (page 7 of 68) and Specific Condition III.C.6 (page 46 of 68) in Title V Permit No. 0850102-007-AV. Further, ICLP wishes to replace the term "inactive coal storage piles" with "outdoor coal storage piles" throughout both permits.

ICLP's use of its coal piles largely depends upon the timing of the fuel shipments to the Facility. For many years after the start of operations, ICLP received shipments of coal on a regular basis (e.g., once every seven to ten days) and the active coal pile was replenished before it was necessary to utilize the inactive coal pile. This method of operation was disrupted approximately four years ago, after ICLP's original fuel supplier declared bankruptcy and rejected its coal supply agreement with ICLP. Now it is more difficult for ICLP to obtain timely deliveries of coal. The timing of the fuel shipments has become more critical to ICLP's operations because ICLP's fuel use has increased over the past few years as the demand for ICLP's electricity increased.

ICLP was compelled to change its operations as a result of these developments. The "active" coal pile is being depleted on a routine basis because fuel deliveries are not as frequent and reliable now as they were in the past. ICLP has been forced to remove coal from its "inactive" pile on a recurring basis. ICLP also must replenish the fuel supply in the inactive pile whenever ICLP receives its next delivery of coal. The increased removal and replacement of coal from the "inactive" storage pile makes the description of the outdoor pile as "inactive" inconsistent with actual use and renders infeasible ICLP's obligation to maintain a cover over the outdoor pile.

The Permit Modifications

Given the changed operations at the Facility, ICLP respectfully requests the Department to modify the permit conditions applicable to ICLP's Facility as follows:

The term "inactive coal storage piles" should be replaced with "outdoor coal storage piles" wherever it appears in the Facility's PSD permit and the Facility's Title V permit.

Specific Condition No. 10 in the Facility's PSD permit should be modified as follows:

Outdoor coal storage piles shall be shaped, compacted, and oriented to minimize wind erosion, ~~and covered~~ and watered as needed.

Similarly, Specific Condition II.8 in the Facility's Title V permit should be modified as follows:

8. Outdoor coal storage piles shall be shaped, compacted, and oriented to minimize wind erosion, ~~and covered~~ and watered as needed . . . The coal pile is accessed as needed; ~~disturbance of the covering is minimized and the coal pile is re-covered periodically.~~

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Specific Condition III.C.6 in the Facility's Title V permit should be modified as follows:

C.6. Fugitive Emissions. Outdoor coal storage piles shall be shaped, compacted, and oriented to minimize wind erosion, ~~and covered~~ and watered as needed

Please note that ICLP is not requesting a modification to any PSD or Title V emission limit or permit condition, except the ones specifically identified above. ICLP also is not requesting a modification to the Facility's maximum throughput rate for coal handling.

Conclusion

Thank you for your assistance with this issue. Please call me at (704) 672-2818 if you have any questions or need any additional information.

Sincerely,



C. Richard Neff, P.E.
Manager, Environmental Affairs; Cogentrix Energy, Inc.
Florida P.E. Registration No. 33712

c: Gary Willer, ICLP
Rick Laryea, ICLP
David Dee, Young van Assenderp, P.A.

Indiantown Cogeneration, L.P.

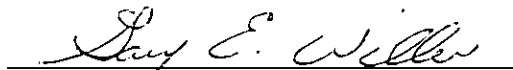
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CERTIFICATION

In accordance to Chapter 62-213-440(1)(b)3-c, F.A.C., I certify that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete.

Signed:



Gary E. Willer

Title:

General Manager

Date:

7/10/07