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AIR REGULATION

(305) 295-1000
1001 James Street
PO Box 6100
Key West, FL 33041-6100
www.KeysEnergy.com



UTILITY BOARD OF THE CITY OF KEY WEST

March 18, 2010

Mr. Al Linero
Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
M.S. 5505
Tallahassee, FL 32399

Re: Suspension of the Biodiesel Permit# 0870003-010-AC

Dear Mr. Linero:

Dear Mr. Linero:

Keys Energy Services would like to provide notification that we do not intend to test-fire biodiesel in Stock Island Power Plant Combustion Turbines 1, 2, and 3 as authorized by Construction Permit No. 0870003-010-AC.

Our decision not to pursue the use of biodiesel for power generation is based in part on unsatisfactory maintenance and reliability experiences while using biodiesel in our fleet vehicles and reports of similar unsatisfactory experiences from other power generators using biodiesel. Furthermore, in light of the recent retirement of two units at our site and the classification of a third unit for emergency use only, the availability of the remaining units has become even more critical. It would not be feasible at this time to risk the increased outages and maintenance requirements that would likely result from firing biodiesel in the combustion turbines.

We appreciate the Department issuing Permit No. 0870003-010-AC so that we had the opportunity to test-fire biodiesel. Although biodiesel usage would not be right for us at this time, we may reconsider it in the future if the technological and availability issues should change.

If you have any questions, please do not hesitate to contact me at 305-295-1134.

Sincerely,



Edward Garcia
Director of Generation
Edward.Garcia@keysenergy.com

c:

L. Tejada, General Manager & CEO
J. Wetzler, Asst. Gen Manager & CFO
B. Nevins, FDEP
S. Schumann, FMFA
D. Schumann, FMFA
A. Deese, FMFA
File: SOF-110

Enclosures