

Florida Department of
Environmental Protection

Memorandum

TO: ~~Trina Vielhauer~~ *by [signature] 10/28*
THRU: Al Linero *AL 10/28*
FROM: Michael P. Halpin *MH*
DATE: October 28, 2002
SUBJECT: Kissimmee Utility Authority Cane Island Power Park
Modification to Emission Standard During Start-up and Shut-down Conditions
DEP File No. PSD-FL-254 (PA 98-38)

Attached is the public notice package for a modification to the PSD permit for Unit 3 at KUA's Cane Island Power Park. The applicant has requested an increase from 4 hours to 5 hours for excess emissions, during start-up to combined cycle operation. Through many discussions with EPA, I have become aware that they prefer for us to "hold firm" with the allowable 2 hours of excess emissions (State Rule), which limits excess emissions only during certain conditions. As a result of this, I prefer to establish an alternate emission standard during start-up and shutdown, and reduce allowable excess emissions to the 2 hours allowed by rule.

In this case, KUA is additionally authorized to operate in simple cycle mode with a limit of 12 ppmvd and 86 lbs/hour. I believe such an emission rate provides a good surrogate for the establishment for an alternate emission standard during start-up, since no SCR is used during simple cycle operation. Accordingly, I am reducing the allowable level of excess emissions to 2 hours and establishing an alternate emission limit 86 lbs/hr (24-hour average) for any calendar day during which a start-up or shutdown occurs. This is consistent with the rationale utilized for the recent permit revision to Lakeland's McIntosh Unit 5.

I recommend your approval of the attached Intent to Issue.

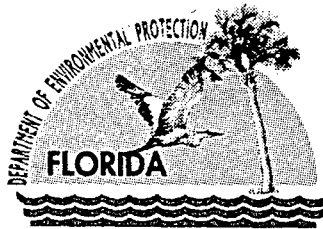
MPH

Attachments

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY			
<ul style="list-style-type: none"> 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. 	A. Received by (Please Print Clearly) H. BOLIVAR	B. Date of Delivery 11/4/02		
1. Article Addressed to: A.K. Sharma Vice President of Power Supply Kissimmee Utility Authority PO Box 423219 Kissimmee, FL 34742-3219	C. Signature X H. Bolivar			
2. 7001 0320 0001 3692 7737	D. Is delivery address different from item 1? If YES, enter delivery address below: <table border="0"> <tr> <td><input type="checkbox"/> Yes</td> <td><input type="checkbox"/> No</td> </tr> </table>		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Yes	<input type="checkbox"/> No			
PS Form 3811, July 1999	Domestic Return Receipt	102595-00-M-0952		

U.S. Postal Service CERTIFIED MAIL RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>											
OFFICIAL USE											
<table border="1"> <tr> <td>Postage</td> <td>\$</td> </tr> <tr> <td>Certified Fee</td> <td></td> </tr> <tr> <td>Return Receipt Fee (Endorsement Required)</td> <td></td> </tr> <tr> <td>Restricted Delivery Fee (Endorsement Required)</td> <td></td> </tr> <tr> <td>Total Postage & Fees</td> <td>\$</td> </tr> </table>	Postage	\$	Certified Fee		Return Receipt Fee (Endorsement Required)		Restricted Delivery Fee (Endorsement Required)		Total Postage & Fees	\$	Postmark Here
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City, State, ZIP+4	Kissimmee, FL 34742-3219										
PS Form 3800, January 2001 See Reverse for Instructions											

7001 0320 0001 3692 7737



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

October 29, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

A.K. Sharma
Vice President of Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, Fl 34742-3219
Re: DEP File No. PSD-FL-254, PA 98-38
KUA Cane Island Unit No. 3

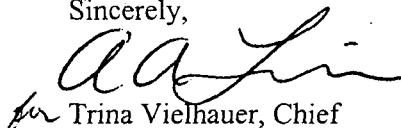
Dear Mr. Sharma:

Enclosed is one copy of the Draft PSD Permit Modification relative to the start-up emissions on KUA Cane Island Unit 3. The facility is located at 6075 Old Tampa Highway, Intercession City, Osceola County.

The Public Notice of Intent to Issue PSD Permit Modification must be published one time only, as soon as possible, in the legal advertisement section of a newspaper of general circulation in the area affected, pursuant to the requirements Chapter 50, Florida Statutes. Proof of publication, i.e., newspaper affidavit, must be provided to the Department's Bureau of Air Regulation office within seven days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit.

Please submit any written comments you wish to have considered concerning the Department's proposed action to A. A. Linero, P.E., Administrator, New Source Review Section at the above letterhead address. If you have any other questions, please contact Michael P. Halpin, P.E. at 850/921-9519.

Sincerely,


for Trina Vielhauer, Chief
Bureau of Air Regulation

mph

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permit by:

A. K. Sharma, Vice President
Kissimmee Utility Authority
P. O. Box 423219
Intercession City, Florida 34742-3219

DEP File No. PSD-FL-254 (PA 98-38)

INTENT TO ISSUE PSD PERMIT MODIFICATION

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification (copy of Draft permit attached) for the proposed project, detailed in the application specified above and for the reasons stated below.

The applicant, A.K. Sharma, Vice President, Kissimmee Utility Authority, applied on October 10, 2002, to the Department for a PSD Permit Modification for its Cane Island Combined Cycle Electric Generating Unit No. 3, located at 6075 Old Tampa Highway, Intercession City, Osceola County. The request is to revise the permit to accommodate those emissions, which have been determined during actual start-up conditions.

The Department has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, and 62-212. The above actions are not exempt from permitting procedures. The Department has determined that a PSD Permit Modification is required to revise the permit with respect to start-up emissions.

The Department intends to issue this PSD Permit Modification based on the belief that reasonable assurances have been provided to indicate that operation of these emission units will not adversely impact air quality, and the emission units will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C.

Pursuant to Section 403.815, F.S., and Rule 62-110.106(7)(a)1., F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue PSD Permit Modification. The notice shall be published one time only in the legal advertisement section of a newspaper of general circulation in the area affected. Rule 62-110.106(7)(b), F.A.C., requires that the applicant cause the notice to be published as soon as possible after notification by the Department of its intended action. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of Sections 50.011 and 50.031, F.S., in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Department at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax 850/922-6979). You must provide proof of publication within seven days of publication, pursuant to Rule 62-110.106(5), F.A.C. No permitting action for which published notice is required shall be granted until proof of publication of notice is made by furnishing a uniform affidavit in substantially the form prescribed in section 50.051, F.S. to the office of the Department issuing the permit. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rules 62-110.106(9) & (11), F.A.C.

The Department will issue the final permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed permit issuance action for a period of 14 (fourteen) days from the date of publication of Public Notice of Intent to Issue PSD Permit Modification. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

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

A petition that disputes the material facts on which the Department's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner, the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301.

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

Mediation is not available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542 F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.


The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information: (a) The name, address, and telephone number of the petitioner; (b) The

name, address, and telephone number of the attorney or qualified representative of the petitioner, if any; (c) Each rule or portion of a rule from which a variance or waiver is requested; (d) The citation to the statute underlying (implemented by) the rule identified in (c) above; (e) The type of action requested; (f) The specific facts that would justify a variance or waiver for the petitioner; (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2) F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the EPA and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

Executed in Tallahassee, Florida.


for Trina Vielhauer, Chief
Bureau of Air Regulation

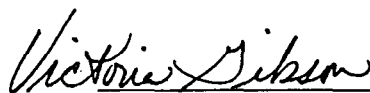
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Intent to Issue PSD Permit Modification (including the Public Notice of Intent to Issue PSD Permit Modification and the Draft permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 10/29/02 to the person(s) listed:

Mr. A. K. Sharma, KUA *
Mr. Jerome J. Guidry, P.E., Perigee Technical Services, Inc.
Mr. Gregg Worley, EPA
Mr. John Bunyak, NPS
Mr. Len Kozlov, CD
Mr. Buck Oven, DEP

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.

 October 29, 2002
(Clerk) (Date)

PUBLIC NOTICE OF INTENT TO ISSUE PSD PERMIT MODIFICATION

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. PSD-FL-254 (PA 98-38)

Kissimmee Utility Authority
Cane Island Power Plant - Unit No. 3
Osceola County

The Department of Environmental Protection (Department) gives notice of its intent to issue a PSD Permit Modification to Kissimmee Utility Authority, for the Cane Island Unit 3 Combined Cycle Unit located at 6075 Old Tampa Highway, Intercession City, Osceola County. The permit is to revise the conditions relative to start-up emissions. This is a new generating unit, which has commenced initial operation. The applicant's mailing address is: A. K. Sharma, Kissimmee Utility Authority, P.O. Box 423219, Kissimmee FL 34742-3219.

This modification specifies an alternate emission limit for NO_x during any calendar day in which a start-up or shutdown occurs. There are no other changes to the authorized emissions as a result of this modification.

An air quality impact analysis was not conducted. The Department will issue the Final Permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed permit issuance action for a period of 14 (fourteen) days from the date of publication of this Public Notice of Intent to Issue PSD Permit Modification. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below. Mediation is not available in this proceeding.

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

A petition that disputes the material facts on which the Department's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner, the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when petitioner received notice of the agency action or proposed action;

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

(d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by rule 28-106.301

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

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Florida Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: (850) 488-1344
Fax: (850) 922-6979

Florida Department of Environmental Protection
Central District Office
3319 Maguire Boulevard, Suite 23
Orlando, Florida 32803-3767
Telephone: (407) 894-7555
Fax: (407) 897-2966

The complete project file includes the application, Draft permit, and the information submitted by the Responsible Official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Administrator, New Source Review Section, at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850/488-0114, for additional information.

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

November XX, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

A.K. Sharma, Vice President Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, Fl 34742-3219
Re: DEP File No. PSD-FL-254, PA 98-38
KUA Cane Island Unit No. 3

Dear Mr. Sharma:

The Department reviewed your request to modify the PSD Permit relative to start-up emissions. As a result of this review, the Department has concluded that a permit modification may be granted. Accordingly, this request is acceptable as indicated herein.

Permit PSD-FL-254 is hereby modified as follows:

29. Excess emissions resulting from startup, shutdown, or malfunction shall be permitted provided that best operational practices are adhered to and the duration of excess emissions shall be minimized. Excess emissions occurrences shall in no case exceed two hours in any 24-hour period ~~except during both "cold start up" to or shutdowns from combined cycle plant operation. During start up to simple cycle operation, up to one hour of excess emissions are allowed. During cold start up to combined cycle operation, up to four hours of excess emissions are allowed. During shutdowns from combined cycle operation, up to three hours of excess emissions are allowed. Cold start up is defined as a startup to combined cycle operation following a complete shutdown lasting at least 48 hours. During any calendar day in which a start-up or shutdown occurs, an alternative limit of 86 lb/hr on the basis of a 24-hour average shall apply.~~ [Applicant Request, G.E. Combined Cycle Startup Curves Data and Rule 62-210.700, F.A.C.].
44. Continuous Monitoring System: The permittee shall install, calibrate, maintain, and operate a continuous emission monitor in the stack to measure and record the nitrogen from these units. Periods when NO_x emissions (ppmvd @ 15% oxygen) are above the permitted limits, listed in Specific Condition No. 24 (other than those allowed for in Specific Condition No. 29), shall be reported to the DEP Central District Office within one working day (verbally) followed up by a written explanation not later than three (3) working days (alternatively by facsimile within one working day). [Rules 62-204.800, 62-210.700, 62-4.130, 62-4.160(8), F.A.C and 40 CFR 60.7 (1998 version)].

Mr. A. K. Sharma
November XX, 2002

No other changes to the permit are authorized by this action.

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 the filing of 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 of Appeal must be filed within (thirty) days after this Notice is filed with the Clerk of the Department.

Executed in Tallahassee, Florida.

Sincerely,

Howard L. Rhodes, Director
Division of Air Resources
Management

HLR/mph

DRAFT