



File Copy

# Department of Environmental Protection

Lawton Chiles  
Governor

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

Virginia B. Wetherell  
Secretary

July 5, 1994

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Mr. Kent L. Fickett  
Cedar Bay Cogeneration Company, L.P.  
7500 Old Georgetown Road  
Bethesda, Maryland 20814

Dear Mr. Fickett:

RE: Letter Acknowledging Second Public Notice for PSD-FL-137A

The Department has received Mr. Barrett Parker's correspondence dated June 23, 1994, and the accompanied Public Notice that was published on March 24, 1994, in the Florida Times-Union paper. Based on a research of the Department's and Duval County's files, there have been no requests/petitions filed for any administrative hearings with either Offices of General Counsel during the allotted timeframe spelled out in the Public Notice. Since there were no comments received on the Public Notice and there are no changes needed to be made to the permit that would prompt a resigning of it, then the Department acknowledges the renoticing and there is no further action planned regarding the existing revised/amended permit, No. PSD-FL-137A.

In addition, a typographical error on the cover page is acknowledged by this letter and was identified by Duval County's RESD after the revised/amended permit (PSD-FL-137A) was signed on November 23, 1993, but within the appeal timeframe spelled out on the cover letter conveying the signed permit to the permittee/company; and, this issue was immediately discussed with Mr. Barrett Parker by Mr. Bruce Mitchell. The change is as follows:

Cover Page: 1st sentence, 3rd paragraph:

From: The three CFB boilers, each rated at a maximum of 3,189 MMBtu/hr heat input, will fire fuel made up largely or exclusively of coal.

TO: The three CFB boilers, each rated at a maximum of 1,063 MMBtu/hr heat input, will fire fuel made up largely or exclusively of coal.



# Florida Department of Environmental Protection

Lawton Chiles  
Governor

Marjory Stoneman Douglas Building  
3900 Commonwealth Boulevard  
Tallahassee, Florida 32399-3000

Virginia B. Wetherell  
Secretary

RECEIVED

August 1, 1994

Mr. Barrett Parker  
U.S. Generating Company  
7500 Old Georgetown Road  
Bethesda, Maryland 20814-1616

AUG 2, 1994

Bureau of  
Air Regulation

Re: Cedar Bay Cogeneration Project, PA 88-24

Dear Mr. Parker:

The Department of Environmental Protection has reviewed the June 7, 1994, letter from Kevin Grant to Richard Robinson of the Jacksonville RESD concerning an alternative to reporting the percent reduction of SO<sub>2</sub>. The DEP Bureau of Air Regulation agrees with the RESD that the requirement to report the 30-day rolling average percent reduction in 40 CFR 60.49a is clearly applicable to Cedar Bay Generating Company.

Subsection 60.43a(a)(2) says that the owner of an affected facility shall not discharge gases which contain sulfur dioxide in excess of: "30 percent of the potential combustion concentration (70 percent reduction) when emissions are less than 260 ng/J (0.6 lb./million Btu) heat input." The fact that the requirements of the federal NSPS applies to the Cedar Bay facility is obvious from the keywords "when emissions are less than . . ."

40 CFR 60.45a [Commercial Demonstration Permits] provides evidence that the EPA intended for the reduction requirements to be applicable to circulating fluidized bed boilers. Subsection 60.45a(c) requires circulating fluidized bed units permitted as commercial demonstration units to achieve emissions of less than 1.2 lb./MMBtu and an 85% reduction in potential combustion concentrations. Under the commercial demonstration provisions, affected units must achieve at least 85% reduction regardless of the lb./MMBtu achieved.

The provisions of 40 CFR 60.47a(b)(3) allow the owner to use an "as fired" fuel monitoring system to determine sulfur dioxide concentrations prior to control. 40 CFR 60.46a(e) states, "After the initial performance test . . . compliance with the sulfur dioxide emission limitations and percentage reduction requirements . . . is based on the average emission rate for 30 boiler operating days. A separate performance test is completed at the end of each boiler operating day after the initial performance test, and a new 30 day average emission rate for sulfur dioxide . . . and a new percent

Page 2

reduction for sulfur dioxide are calculated to show compliance with the standards." Based on 40 CFR 60.46a, the sulfur content of the fuel is to be determined on a daily basis when an "as fired" fuel monitoring system is used. 40 CFR 60.46a(g) states, ". . . Compliance with the percentage reduction requirement for SO<sub>2</sub> is determined based on the average inlet and average outlet rates for the 30 successive boiler operating days."

Pursuant to 40 CFR 60.49a(b)(3), each quarterly report is required to include the percent reduction of potential sulfur concentrations.

The company's failure to provide the required information is a reportable violation of the federal NSPS. I recommend that the matter be handled through an enforcement action.

The proposal to alter the fuel sampling schedule requires both federal and state approval. It would probably require a variance at the state level pursuant to Chapter 403, F.S. The proposal to switch from the analysis of a daily fuel sample to the analysis of a weekly composite fuel sample may be inappropriate. Analysis of a weekly composite may artificially damp or flatten variations indicative of noncompliance. Considering the variability of the sulfur content in solids, it may not be appropriate to grant the request.

Please relay these comments to Mr. Grant and Mr. Stallwood as appropriate.

Sincerely,

*Hamilton S. Oven*

Hamilton S. Oven, P.E.  
Administrator, Siting  
Coordination Office

cc: Ernie Frey, DEP/NED  
Robert S. Pace, P.E., RESD  
Bruce Mitchell, DEP/BAR

**Cedar Bay Generating Company,  
Limited Partnership**

RECEIVED

RETURN RECEIPT P 011 994 774

JUN 23 1994

June 20, 1994

Bureau of  
Air Regulation

File No.: 6.3.1.2

Ms. Patty Adams  
Mail Stop 5505  
Bureau of Air Regulation  
Florida Department of Environmental Protection  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

RE: Submission of Affidavit of Publication

Dear Ms. Adams:

The Cedar Bay Generating Company, Limited Partnership ("CBGC") is pleased to submit to your office the enclosed affidavit of publication which provided public notice for amending CBGC's Permit Number PSD-FL-137A. As mentioned in the affidavit, this notice was published in the **Florida Times-Union** on March 24, 1994. CBGC trusts that your office will rapidly generate and transmit the amended permit, since, to CBGC's knowledge, no comments concerning this notice were received by your office, the Northeast Division, or the City of Jacksonville's Air Quality Division.

Should you have questions concerning submission of this notice, please contact me at 301-718-6937.

Sincerely,



Barrett Parker  
Environmental Specialist

BP/mm

Enclosure

cc: J.G. Kelly  
J.F. Stallwood  
K. Grant

B. Mitchell

J. Harper, EPA

J. Danyah, NPS

C. Kirts, NE Dist  
R. Robinson, RESD



7500 Old Georgetown Road • Bethesda, Maryland 20814-6161 • 301-718-6800 • Fax 301-718-6900

An affiliate of U.S. Generating Company

Printed on 100% recycled paper

**FLORIDA PUBLISHING COMPANY**  
*Publisher*  
**JACKSONVILLE, DUVAL COUNTY, FLORIDA**

STATE OF FLORIDA }  
 COUNTY OF DUVAL }

Before the undersigned authority personally appeared \_\_\_\_\_

John Leist

\_\_\_\_\_ who on oath says that he is

Classified Sales Representative

\_\_\_\_\_ of The Florida Times-Union,

a daily newspaper published at Jacksonville in Duval County, Florida; that the attached copy of advertisement, being a Legal Notice

in the matter of Notice of Amendment of PSD Permit

in the \_\_\_\_\_ Court,

was published in THE FLORIDA TIMES-UNION in the issues of \_\_\_\_\_

24 March 1994

Affiant further says that the said The Florida Times-Union is a newspaper published at Jacksonville, in said Duval County, Florida, and that the said newspaper has heretofore been continuously published in said Duval County, Florida, The Florida Times-Union each day, has been entered as second class mail matter at the postoffice in Jacksonville, in said Duval County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in said newspaper.

Sworn to and subscribed before me  
 this 24 . . . . . day of

Department of Environmental Protection  
 Notice of Amendment of PSD Permit  
 DEP No. PSD-FL-137A

The Department of Environmental Protection gives notice of its amendment of a prevention of significant deterioration (PSD) permit to Cedar Bay Generating Company, L.P., 7500 Old Georgetown Road, Bethesda, MD 20814. The Department previously issued a PSD permit for the operation of the Cedar Bay Cogeneration Project to be located in Jacksonville, Florida. The amended PSD permit will establish lower emission limits for the circulating fluidized bed boilers, require compliance for certain emissions to be demonstrated using continuous emissions monitors, authorize the use of short fiber rejects as a fuel, authorize the circulating fluidized bed boilers to operate at less than seventy percent capacity, reduce the sulfur content of fuel oil used and allow increased use of fuel oil during startup, decrease limestone dryer emissions, and reduce emission from the material handling and treatment area. Overall, the emissions and ambient air quality impacts will be reduced by the changes to the PSD permit.

A person whose substantial interests are affected by the Department's permitting decision may petition for an administrative determination (hearing) in accordance with Section 120.57, F.S. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400 within 14 days of publication of this notice. The Petitioner shall mail a copy of the petition to the applicant, Mr. Mark V. Carney, Cedar Bay Generating Company, L.P., 7500 Old Georgetown Road, Bethesda, MD 20814, at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative hearing under Section 120.57, F.S.

The Petition shall contain the following information: (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Department's permit file number and the county in which the project is proposed; (b) A statement of how and when each petitioner received notice of the Department's action; (c) A statement of how each petitioner's substantial interests are affected by the Department's action; (d) A statement of the material facts disputed by petitioner, if any; (e) A statement of facts which petitioner contends warrant reversal or modification of the Department's action; (f) A statement of which rules or statutes petitioner contends require reversal or modification of the Department's action; and (g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the Department's action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, 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 decision of the Department with regard to the application, have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of the publication of this notice in the Office of General Counsel at the above address of the Department. Failure to petition within allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer pursuant to Rule 28-5.207, F.A.C.

The application for permit amendment and draft amended permit are available for public inspection during normal business hours, 8:00 AM to 5:00 PM, Monday through Friday, except legal holidays at

Department of Environmental Protection  
 Division of Air Resource  
 111 South Magnolia Avenue  
 Magnolia Park Courtyard, Suite 4  
 Tallahassee, FL 32301  
 Preston Lewis  
 (904) 488-1344

Department of Environmental Protection  
 Northeast Division, Air Section  
 7825 Baymeadows Way, Suite 200-B  
 Jacksonville, FL 32256-7577  
 Ernest E. Frey, Director

Department of Regulatory and Environmental Services  
 Air Quality Division  
 421 West Church Street, Suite 412  
 Jacksonville, FL 32202-4111  
 Steve Pace  
 (904) 630-3666

Any person may send written comments on the proposed action to Mr. Preston Lewis at 2600 Blair Stone Road, Tallahassee, FL 32399, (904) 488-1344. All comments received within 30 days of publication of this notice will be considered in the Department's final determination. Further, a public hearing can be requested by any person. Such requests must be submitted within 20 days of this notice.

Memorandum

Florida Department of  
Environmental Protection

TO: Buck Oven  
FROM: Bruce Mitchell *RM*  
DATE: April 13, 1994  
SUBJ: Cedar Bay Generating Company's Request to Install a Propane Heater System to the Pelletizing Silo as a Trial Teat to Drive Off Moisture that Is Causing Agglomeration and System Operation Problems

*PL*  
*INFO*  
*Patty file*

I have discussed this request with John Brown (BAR), Mort Benjamin (NED) and Richard Robinson (RESD), and we deem the request to be acceptable and require no further emissions review for approval. However, if the trial system does provide a solution to the existing problem(s), then a final proposal needs to be submitted for Department review prior to permanent installation(s).

Please give me a call if there are any questions. Thanks.

921-9506/488-1344

cc: C. Fancy  
J. Brown  
M. Benjamin, NED  
R. Robinson, RESD

Memorandum

Florida Department of  
Environmental Protection

TO: Buck Oven  
FROM: Bruce Mitchell *BM*  
DATE: April 13, 1994  
SUBJ: Cedar Bay Generating Company's Request to Install a Propane Heater System to the Pelletizing Silo as a Trial Teat to Drive Off Moisture that Is Causing Agglomeration and System Operation Problems

I have discussed this request with John Brown (BAR), Mort Benjamin (NED) and Richard Robinson (RESD), and we deem the request to be acceptable and require no further emissions review for approval. However, if the trial system does provide a solution to the existing problem(s), then a final proposal needs to be submitted for Department review prior to permanent installation(s).

Please give me a call if there are any questions. Thanks.

921-9506/488-1344

cc: C. Fancy  
J. Brown  
M. Benjamin, NED  
R. Robinson, RESD

**Cedar Bay Generating Company,  
Limited Partnership****RECEIVED**

April 7, 1994

APR 11 1994

Mr. Hamilton S. Oven, P.E.  
Administrator  
Siting Coordination Office  
Florida Department of Environmental Protection  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

File #: 66.37.1

Bureau of  
Air Regulation

**RE: Notification of Temporary Operation of an Air Heater and a Conveyor**

Dear Mr. Oven:

During an ash pelletization update meeting on March 29, 1994 with Mr. Dwyane Twiggs and Mr. Sam Barket of the City of Jacksonville's Regulatory and Environmental Services Department ("RESD"), representatives of the Cedar Bay Generating Company, L.P. ("CBGC") identified excess condensed moisture in the ash pelletizing curing silos as one of the remaining obstacles to as-designed operation of the ash pelletizing system and discussed two approaches to be used on a temporary basis to reduce or to reduce the effect of this excess moisture. One approach involves providing heated air in the top of the ash pelletizing silo and the other approach involves keeping the ash pellets in motion. The following paragraphs contains more information on these approaches. Mr. Twiggs suggested notifying your office of these approaches before initiating their use; these approaches have also been discussed with Mr. Richard Robinson of RESD and with Mr. Morton Benjamin of Florida's Department of Environmental Protection's Northeast District.

**Air Heater**

Pellet agglomeration is occurring in CBGC's silos. This agglomeration impedes pellet flow thus allowing moisture to condense above the static pellets. CBGC believes that the addition of heated air can entrain this excess moisture for removal in the impingement scrubber, and CBGC will conduct a four-week trial on one of the silos to determine the effectiveness of heated air addition. Specifically, propane from a rented one thousand gallon tank will be combusted in a portable heating unit to provide, on an hourly basis, approximately 1.1 million BTUs to 360,000 cubic feet of air. As shown on the first enclosed sketch, the tank will be located on the ground, while the heater will be located on top of silo 1A and connected via ductwork to an existing curb cap. Moisture laden exhaust air will continue to be routed through the ash pelletizing curing silo impingement scrubber for removal of dust and moisture with no decrease in scrubber performance. Should the trial prove successful, CBGC plans to continue operating the system until a permanent heating system is installed and operational.





April 7, 1994

Page 2

Temporary Conveyor

Until all pelletizing system modifications are in place, CBGC can expect periods of pellet agglomeration to occur. This agglomeration restricts normal pellet flow in the silo which leads to further agglomeration. The short term solution for minimizing agglomeration is to keep good quality pellets in motion, while removing agglomerated material. CBGC can cycle the pellets from the pelletizer, through the silo, and to the temporary storage pile, but CBGC needs to use a temporary conveyor to transfer good quality pellets from the temporary storage pile to the existing silo loading conveyor. Before loading the temporary conveyor, CBGC will remove any agglomerated material. In order to minimize fugitive dust during pellet transfer, both the head and tail ends of the temporary conveyor will be covered. As shown on the second enclosed sketch, the tail end of the conveyor will be surrounded by a framework of scaffolding; three sides and the top of the scaffolding will be covered by heavy canvas or plastic and the fourth side will contain an opening sized to fit the bucket of a front end loader. The transition area near the head end of the temporary conveyor will also be enclosed with heavy canvas or plastic.

Other Approaches

Other moisture-reducing techniques CBGC is performing include insulating the hoppers to reduce interior condensation and resealing the joint and penetrations of the silo tops to reduce leaking. As was mentioned in my March 7, 1994 letter to you, CBGC is also considering adding to the silos a pellet recycle system or other permanent changes which would reduce the chances for pellet agglomeration.

Upon receipt and assembly of all required equipment and supplies, CBGC will initiate use of the air heater and of the temporary conveyor. CBGC will keep your office informed of the effectiveness of these approaches in reducing pellet agglomeration. Should you or a member of your staff have questions concerning these approaches, please contact me at (301) 718-6937.

Sincerely,



Barrett Parker  
Environmental Specialist

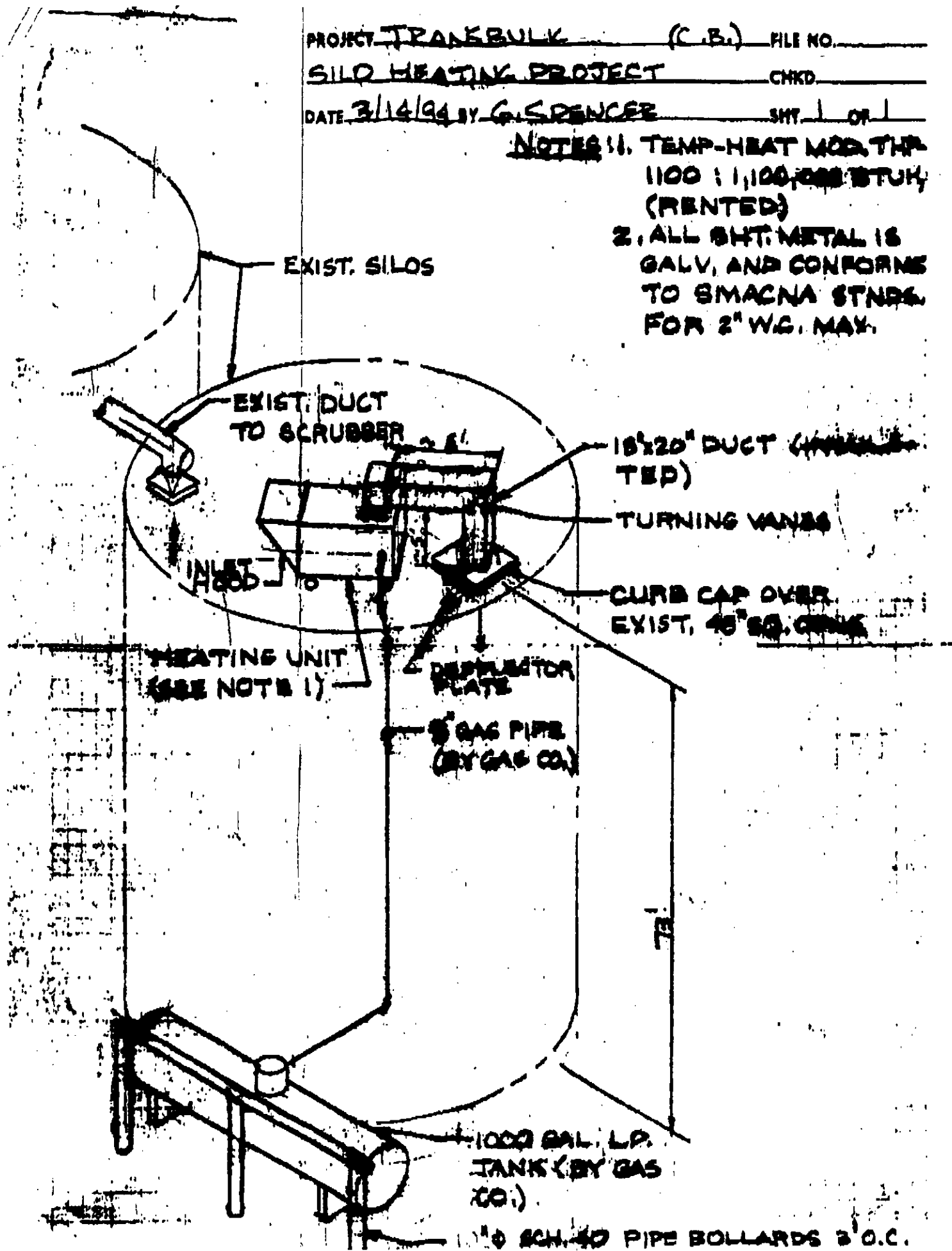
Enclosures

April 7, 1994  
Page 3

cc: R.S. Pace, RESD  
C. Kirts, NED DEP  
J.F. Stallwood, CBGC  
C.M. Staley, USGC  
J. Roberson, USOSC  
J.G. Kelly, USGC  
M.A. Perry, B&V

PROJECT TRANE BULK (C.B.) FILE NO. \_\_\_\_\_  
 SILO HEATING PROJECT CHKD. \_\_\_\_\_  
 DATE 3/14/94 BY G. SPENCE SHY. 1 OF 1

NOTES 1. TEMP-HEAT MOD. THP  
 1100 : 1,100,000 BTUH  
 (RENTED)  
 2. ALL SHY. METAL IS  
 GALV. AND CONFORMS  
 TO SMACNA STDS.  
 FOR 2" WC. MAX.

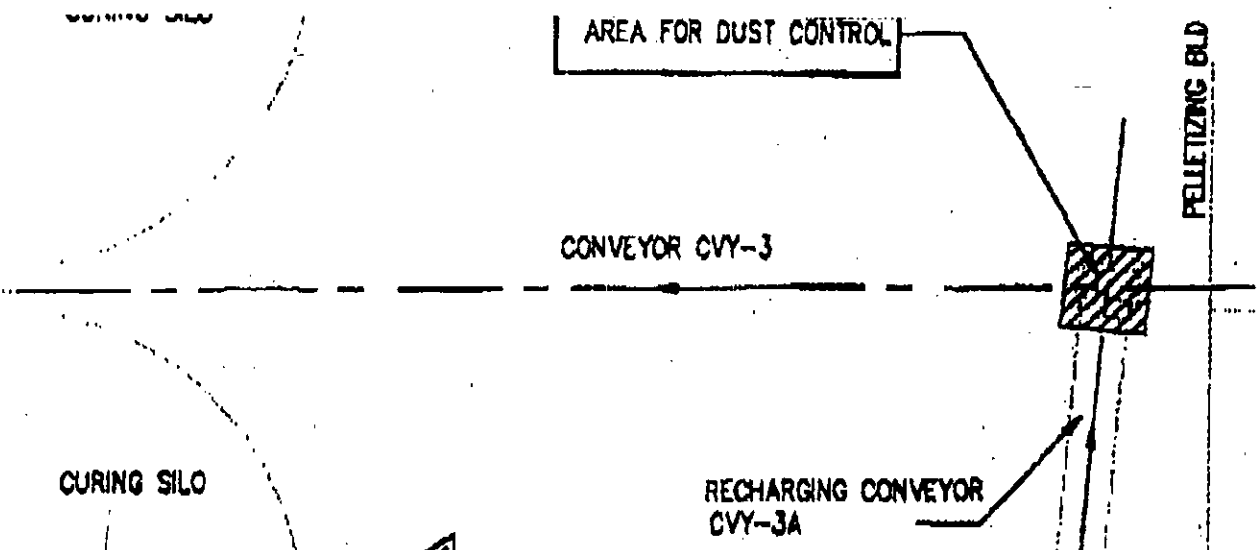


HEATING UNIT  
 (SEE NOTE 1)

DEFLECTOR  
 PLATE  
 6" GAS PIPE  
 (BY GAS CO.)

1000 GAL. LP.  
 TANK (BY GAS  
 CO.)

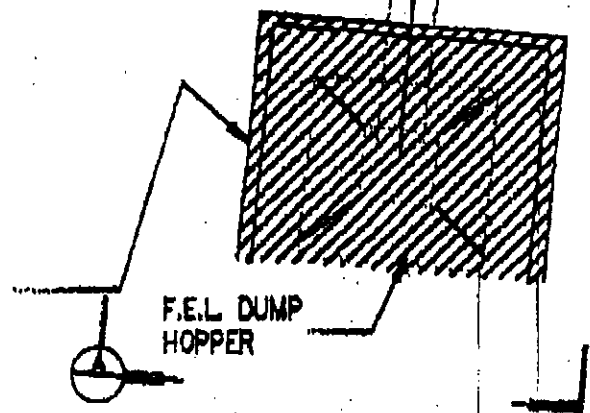
4" SCH. 40 PIPE BOLLARDS 3' O.C.



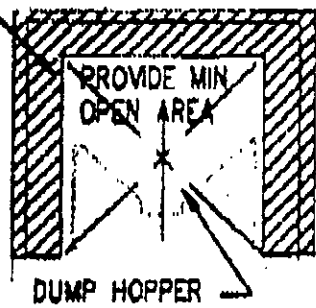
CURING SILO



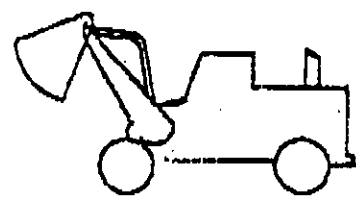
INSTALL SCAFFOLDING 2' CLEAR OF HOPPER AND ON 3 SIDES.  
COVER 3 SIDES AND TOP WITH HEAVY CANVAS OR PLASTIC SHEETING FOR DUST CONTROL.



COVER ON WEST SIDE TO ALLOW ENTRY OF F.E.L. BUCKET ONLY



SECTION "A"



**TRANSBULK** CLEVELAND, OHIO  
CEDAR BAY COGEN FACILITY  
ASH PELLETTIZING SYSTEM

SKETCH NO DA-100

## U.S. Generating Company

## Fax Message

DATE:

4/13/94

TO:

Mr. Bruce Mitchell

FACSIMILE NO.:

COMPANY:

FDEP

NO. OF PAGES:

6

(including this one)

CITY/STATE:

Tallahassee, FL

FROM:

Barbara Patta

PHONE NO.:

301/718-6977

SPECIAL INSTRUCTIONS:

please deliver ASAP

If transmittal is incomplete or illegible, please call at 301-718-

Messages: A copy of our notification follows. Please call me should you have questions.

Barbara Patta

## CONFIDENTIALITY NOTICE

The information contained in this telefacsimile message is privileged and confidential, and intended only for the use of the individual(s) and/or entity(ies) named above. If you are not the intended recipient, you are hereby notified that any unauthorized disclosure, copying, distribution or taking of any action in reliance on the contents of the telecopy materials is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of the attorney/client privilege. If you have received this transmission in error, please immediately notify us by telephone (collect) to arrange for the return of the materials. Thank you.

**Cedar Bay Generating Company,  
Limited Partnership**

April 7, 1994

**VIA FACSIMILE**

Mr. Hamilton S. Oven, P.E.  
Administrator  
Siting Coordination Office  
Florida Department of Environmental Protection  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

File #: 66.37.1

RE: Notification of Temporary Operation of an Air Heater and a Conveyor

Dear Mr. Oven:

During an ash pelletization update meeting with Mr. Dwyane Twiggs and Mr. Sam Barker of the City of Jacksonville's Regulatory and Environmental Services Department ("RESD"), representatives of the Cedar Bay Generating Company, L.P. ("CBGC") identified excess condensed moisture in the ash pelletizing curing silos as one of the remaining obstacles to as-designed operation of the ash pelletizing system and discussed two approaches to be used on a temporary basis to reduce or to reduce the effect of this excess moisture. One approach involves injecting heated air in the top of the ash pelletizing silo and the other approach involves keeping the ash pellets in motion. The following paragraphs contains more information on these approaches. Mr. Twiggs suggested notifying your office of these approaches before initiating their use; these approaches have also been discussed with Mr. Richard Robinson of RESD and with Mr. Morton Benjamin of Florida's Department of Environmental Protection's Northeast District.

**Heated Air**

Pellet agglomeration is occurring in CBGC's silos. This agglomeration impedes pellet flow thus allowing moisture to condense above the static pellets. CBGC believes that the addition of heated air can entrain this excess moisture for removal in the impingement scrubber, and CBGC will conduct a four-week trial on one of the silos to determine the effectiveness of heated air addition. Specifically, propane from a rented one thousand gallon tank will be combusted in a portable heating unit to provide, on an hourly basis, approximately 1.1 million BTUs to 360,000 cubic feet of air. As shown on the first enclosed sketch, the tank will be located on the ground, while the heater will be located on top of silo 1A and connected via ductwork to an existing curb cap. Moisture laden exhaust air will continue to be routed through the ash pelletizing curing silo impingement scrubber for removal of dust and moisture with no decrease in scrubber performance. Should the trial prove successful, CBGC plans to continue operating the system until a permanent heating system is installed and operational.

April 7, 1994

Page 2

### Recycle Conveyor

Until all pelletizing system modifications are in place, CBGC can expect periods of pellet agglomeration to occur. This agglomeration restricts normal pellet flow in the silo which leads to further agglomeration. The short term solution for minimizing agglomeration is to keep good quality pellets in motion, while removing agglomerated material. CBGC can cycle the pellets from the pelletizer, through the silo, and to the temporary storage pile, but CBGC needs to use a temporary conveyor to transfer good quality pellets from the temporary storage pile to the existing silo loading conveyor. Before loading the temporary conveyor, CBGC will remove any agglomerated material. In order to minimize fugitive dust during the transfer processes, both the head and tail ends of the temporary conveyor will be covered. As shown on the second enclosed sketch, the tail end of the conveyor will be surrounded by a framework of scaffolding; three sides and the top of the scaffolding will be covered by heavy canvas or plastic and the fourth side will contain an opening sized to fit the bucket of a front end loader. The transition area near the head end of the temporary conveyor will also be enclosed with heavy canvas or plastic.

### Other Approaches

Other moisture-reducing techniques CBGC is performing include insulating the hoppers to reduce interior condensation and resealing the joint and penetrations of the silo tops to reduce leaking. As was mentioned in my March 7, 1994 letter to you, CBGC is also considering adding to the silos a pellet recycle system or other permanent changes which would reduce the chances for pellet agglomeration.

Upon receipt and assembly of all required equipment and supplies, CBGC will initiate use of the air heater and of the temporary conveyor. CBGC will keep your office informed of the effectiveness of these approaches in reducing pellet agglomeration. Should you or a member of your staff have questions concerning these approaches, please contact me at (301) 718-6937.

Sincerely,



Barrett Parker  
Environmental Specialist

Enclosures

April 7, 1994

Page 3

cc: R.S. Pace, RESD  
C. Kirts, NED DEP  
J.F. Stallwood, CBGC  
C.M. Staley, USGC  
J. Roberson, USOSC  
J.G. Kelly, USGC  
M.A. Perry, B&V



03-22-1994 17:01

9047511008

CEDAR BAY

P.02

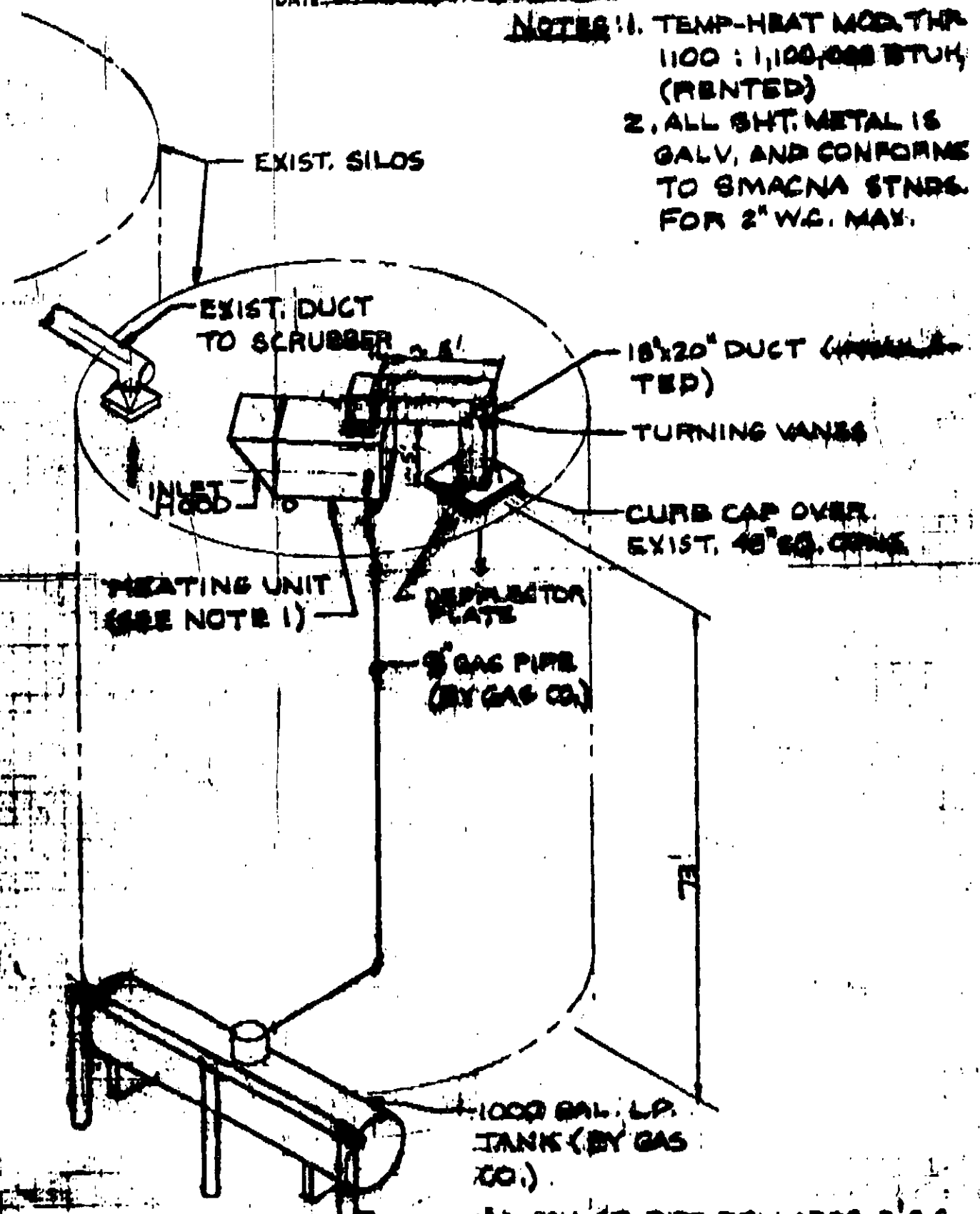
PROJECT TRANKBULK (C.B.) FILE NO. \_\_\_\_\_

SILO HEATING PROJECT CHKD \_\_\_\_\_

DATE 3/14/94 BY G. SPENCER SHY. 1 OF 1

**NOTES:**

1. TEMP-HEAT MOD. THP 1100 : 1,100,000 BTUH (RENTED)
2. ALL SHY. METAL IS GALV. AND CONFORMS TO SMACNA STNDS. FOR 2" WC. MAX.



EXIST. SILOS

EXIST. DUCT TO SCRUBBER

18x20" DUCT (UNINSULATED)

TURNING VANES

INLET HOOD

CURB CAP OVER EXIST. 48" SQ. CONE

HEATING UNIT (SEE NOTE 1)

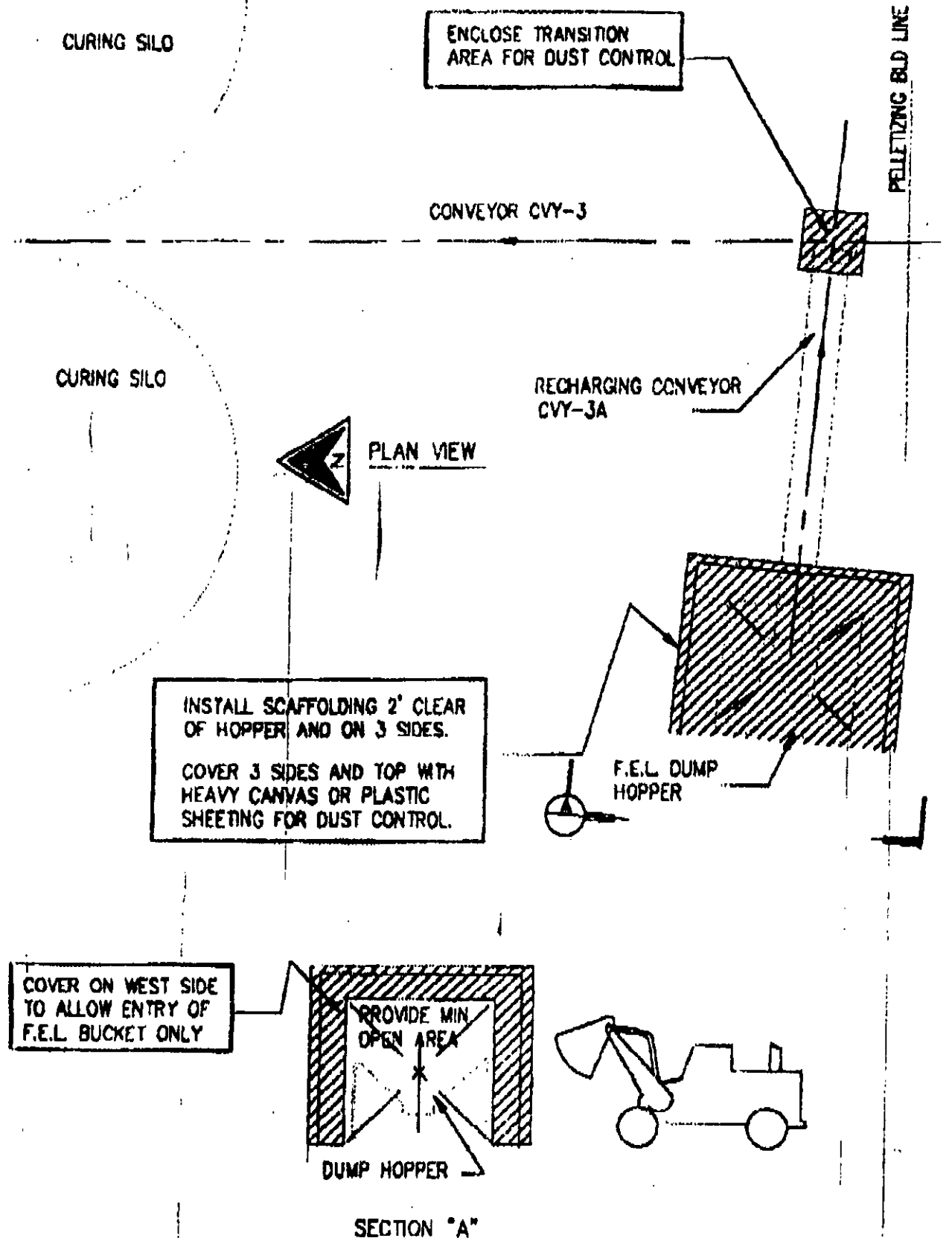
DEFLLECTOR PLATE

2" GAS PIPE (BY GAS CO.)

7' 6"

1000 GAL. L.P. TANK (BY GAS CO.)

2\"/>



RECEIVED

MAR 28 1994

Bureau of  
Air Regulation

March 4, 1994

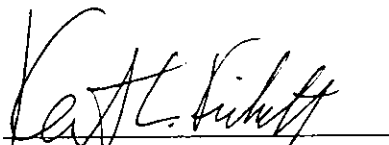
Hon. Virginia Wetherall  
Secretary  
Environmental Protection Department  
3900 Commonwealth Blvd.  
Tallahassee, FL 32399-3000

Dear Secretary Wetherall:

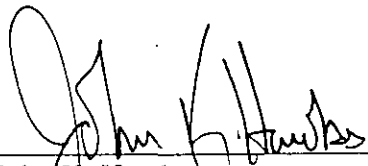
Enclosed is U.S. Generating Company's news release announcing commercial operation of our Cedar Bay Generating Plant. On behalf of USGen, we would like to thank you for your support in making this project a success. We are grateful to have had the opportunity to turn the project around and achieve everyone's goal, a net environmental benefit for the Jacksonville community. Of major importance is that the plant was completed on time and within budget and is now supplying FP&L and its customers with a clean, reliable source of electricity.

If you are interested in receiving a tour of the plant, we would be happy to arrange this at your convenience.

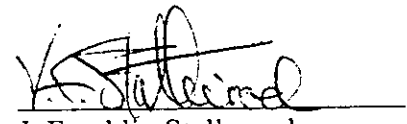
Sincerely,



Kent L. Fickett  
Vice President, Environmental  
& Regulatory Affairs



John K. Hawks  
Director,  
Corporate Communications &  
Public Affairs



J. Franklin Stallwood  
General Manager,  
Cedar Bay Generating Plant

KLF:cmb

Encl.

*Brue  
for sending  
i file*

~~Howard Hoke~~  
→ Dan

U.S. Generating Company FYI

*Clair*

RECEIVED

MAR 25 1994

Division of Air & Noise  
Resources Management

*Howard  
3/28*



# NEWS

FOR IMMEDIATE RELEASE

Contact: **Jack Hawks**  
301-718-6805

**U.S. Generating Company**  
*Corporate Communications &  
Public Affairs Department*  
7500 Old Georgetown Road  
Bethesda, Maryland 20814-6161  
301-718-6803  
Fax 301-718-6908

## ***USGen Announces Commercial Operation of Cedar Bay Plant***

Bethesda, Md., February 14, 1994 -- U.S. Generating Co. (USGen) announced today that the Cedar Bay Generating Plant, a \$535 million, coal-fueled cogeneration facility in Jacksonville, Fla., has entered commercial operation. The 250-megawatt, circulating fluidized bed (CFB) plant is now selling its full electric output to Florida Power & Light Co. (FPL) under a 31-year power purchase agreement.

The plant was constructed by Multipower Associates (a consortium of Pyropower Corp., National Power Development, Inc., and The Pritchard Corp.), and led by Black & Veatch as construction manager, under a 33-month turnkey contract. The plant began operating ahead of schedule, despite substantial revisions to the plant's original site certification that resulted in a 1992 interruption to construction, and a change in management and ownership to USGen and its affiliate, Cedar Bay Generating Co., L.P.

"There have been few, if any, instances in my experience where a project of this magnitude has been able to bounce back from the uncertainty of changing ownership and possible loss of its certification, particularly in the middle of construction," said J. Franklin Stallwood, Cedar Bay's general manager.

In addition to its electricity sales to FPL, the plant will also sell a maximum of 380,000 pounds of process steam per hour to the adjacent Seminole-Kraft Corp. (SKC) recycling linerboard mill. The cogeneration process, in which two useful forms of energy -- electricity and process steam -- are produced from a single source of fuel, allows SKC to satisfy much of its steam requirements and thereby retire five existing boilers that had been the mill's original steam source.

Construction slowed in the summer of 1992 when the Florida Cabinet threatened to revoke the plant's certification as a result of questions regarding the project's environmental commitments. The senior debt holders, a group of 10 commercial banks and institutional lenders, subsequently decided to search for a new owner and manager.

-more-



USGen entered into a management agreement with the senior lenders in October 1992, and affiliates of USGen assumed ownership in March 1993. The plant's revised certification was reissued by the Florida Department of Environmental Protection in April 1993 and approved by the Cabinet in May 1993.

To augment the steam from the cogeneration plant, SKC is installing three new natural gas-fueled packaged boilers that will go on line later this month. According to USGen, the annual air emissions from the three CFB boilers in the cogeneration plant and the three new SKC boilers will be 13 percent less than the five original boilers at the paper mill.

Another major environmental improvement in the revised design of the cogeneration plant has been the installation of a zero-discharge water treatment system, which has resulted in an estimated 27 percent savings in water requirements and eliminated any process water discharge into the nearby St. Johns River. "USGen's original objective of operating a generating facility that results in a net benefit to the local environment has been realized," Stallwood said.

A USGen affiliate, U.S. Operating Services Co., is operating the facility under a long-term operations and maintenance agreement with Cedar Bay Generating. USGen will continue its involvement by providing management services during plant operation.

The Cedar Bay plant will use approximately 950,000 tons of coal per year in its CFB combustion process. Costain Coal, Inc., of Lexington, Ky., will supply the coal and dispose of the ash in an ash disposal facility adjacent to the mine sites. CSX Transportation, which is based in Jacksonville, is providing all of the associated rail transportation services between the plant and the mines in eastern Kentucky.

Bethesda, Md.-based U.S. Generating is engaged in the development and acquisition of electric power projects that sell electricity on a wholesale basis to utilities nationwide. USGen is the developer/manager of eight plants in construction and operation, and manages investments in three other operating facilities. Together, these plants total 1,708 megawatts and represent an investment of \$5 billion.

USGen is a partnership of PG&E Enterprises, the non-utility subsidiary of Pacific Gas and Electric Co., and Bechtel Enterprises, the development/financing unit of Bechtel Group, Inc.

-- USGen --



Lawton Chiles  
Governor

# Florida Department of Environmental Protection

Marjory Stoneman Douglas Building  
3900 Commonwealth Boulevard  
Tallahassee, Florida 32399-3000

Virginia B. Wetherell  
Secretary

March 10, 1994

Mr. Barrett Parker  
U.S. Generating Company  
7500 Old Georgetown Road  
Bethesda, Maryland 20814-1616

Re: Cedar Bay Cogeneration Project, PA 88-24

Dear Mr. Parker:

The Department of Environmental Protection has reviewed the request for extension of the alternative flyash disposal procedure for the Cedar Bay Cogeneration facility as outlined in your letter of March 7, 1994. The alternate flyash disposal procedure may be used for a period not to exceed 45 days from March 10, 1994, otherwise until April 24, 1994. Please have Mr. Stallwood or other plant person to inform the Jacksonville Regulatory and Environmental Services Division when flyash loading and shipment is to take place.

Sincerely,

*Hamilton S. Oven*  
Hamilton S. Oven, P.E.  
Administrator, Siting  
Coordination Office

cc: Ernie Frey, DEP/NED  
Alton W. Yates, RESD  
Clair Fancy, DEP/BAR