



**MEMORANDUM**

TO: Joseph Kahn, Director of DARM

THROUGH: Trina Vielhauer, Chief of BAR 

FROM: Jeff Koerner, Permitting North 

DATE: September 20, 2006

SUBJECT: Final Permit No. 0310337-012-AC  
Cedar Bay Cogeneration Facility  
ADS Units 1 and 2 – Distillate Oil Firing Increase

Attached for approval and signature is a final air construction permit modification for the above referenced project. In April of 2006, Permit No. 0310337-011-AC was issued to install Absorber Dryer System (ADS) Unit 3, which is currently under construction. ADS Unit 3 will become the primary system for processing limestone as a reactant for the existing circulating fluidized bed boilers to control SO<sub>2</sub> emissions. Existing ADS Units 1 and 2 will become reserve units for this purpose. This permit authorizes a temporary increase in the annual distillate oil firing rate until new ADS Unit 3 is operational. There will be no PSD-significant emissions increases from this project.

The applicant published the "Public Notice of Intent to Issue" in the Florida Times-Union on September 4, 2006. The Department received the proof of publication on September 20, 2006. No petitions for administrative hearings or extensions of time to petition for an administrative hearing were filed. As discussed in the attached Final Determination, the applicant provided comments that resulted in a minor change.

I recommend your approval and signature.

## FINAL DETERMINATION

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### PERMITTEE

Cedar Bay Generating Company, L.P.  
9640 Eastport Road  
Jacksonville, Florida 32218-2260

### PERMITTING AUTHORITY

Florida Department of Environmental Protection  
Division of Air Resource Management  
Bureau of Air Regulation, Air Permitting North Program  
2600 Blair Stone Road, MS #5505  
Tallahassee, Florida, 32399-2400

### PROJECT

Air Permit No. 0310337-012-AC  
Cedar Bay Cogeneration Facility – ADS Units 1 and 2 (Emissions Units 004 and 005)

The permit authorizes a temporary distillate oil firing increase for existing Absorber Dyer System (ADS) Units 1 and 2 until commercial operation is established for the new ADS Unit 3, which is under construction in accordance with Permit No. 0310337-011-AC. The existing units operate at the Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road, Jacksonville, Duval County, Florida.

### NOTICE AND PUBLICATION

The Department distributed an "Intent to Issue Permit" package on August 18, 2006. The applicant published the "Public Notice of Intent to Issue" in the Florida Times-Union on September 4, 2006. The Department received the proof of publication on September 20, 2006. No petitions for administrative hearings or extensions of time to petition for an administrative hearing were filed.

### COMMENTS/CHANGES

No comments on the Draft Permit were received from the public, the Department's NED Office, or the City of Jacksonville. The applicant provided comments on the draft permit, which are listed below with the Department's response.

*Comment:* The proposed permit authorizes an increase in the distillate oil limit for each ADS unit during any 12 consecutive months. It was Cedar Bay's intent that the distillate oil limit be specified as an aggregate limit for ADS Units 1 and 2. This will provide more operational flexibility for the units and prevent possible shortages of processed limestone needed for SO<sub>2</sub> control on the existing circulating fluidized bed boilers. In place of the limit on each unit, the applicant requests the equivalent aggregate limit.

*Response:* The request is minor and results in no additional impacts. The final condition is changed as follows:

"Each limestone dryer (ADS Units 1 and 2) shall fire only No. 2 fuel oil with a maximum sulfur content of 0.05% sulfur by weight. ~~For each unit, oil firing shall not exceed 120 gal/hr, or and or 498,000 gallons during any 12 consecutive months. Once~~ The maximum oil firing rate is 120 gal/hour/unit. The two units combined shall not fire more than 996,000 gallons during any consecutive 12 months. Upon establishing commercial operation of the new dryer system train (ADS Unit 3) permitted by air construction permit 0310337-011-AC, combined oil firing from ADS Units 1 and 2 shall not exceed ~~120 gallons/hour nor 350,400~~ 700,800 gallons during any consecutive 12 months ~~for each unit~~. The first month of the consecutive 12-month period for this limit shall begin the first month after commercial operation is established for the new dryer system train."

*Note:* In the final documents, it was also clarified throughout that ADS Units 1 and 2 are Emissions Units 004 and 005.

### CONCLUSION

The final action of the Department is to issue the permit with the changes described above.

STATE OF FLORIDA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOTICE OF FINAL PERMIT MODIFICATION

In the Matter of an  
Application for Permit by:

Mr. Richard Grubb, General Manager  
Cedar Bay Generating Company, L.P.  
9640 Eastport Road  
Jacksonville, Florida 32218-2260

Cedar Bay Cogeneration Facility  
Permit No. 0310337-012-AC  
Modification to PSD-FL-137  
Oil Firing Increase - ADS Units 1 and 2

Cedar Bay Generating Company submitted an application requesting a temporary fuel oil increase of 295,200 gallons per year at Absorber Dyer System (ADS) Units 1 and 2 (Emissions Units 004 and 005) until commercial operation is established for the new ADS Unit 3 train permitted by air construction permit 0310337-011-AC. The existing units operate at the Cedar Bay Cogeneration Facility, which is located at 9640 Eastport Road, Jacksonville, Duval County, Florida. The final permit modification is enclosed, which approves this request. This permit modification is issued pursuant to Chapter 403, Florida Statutes. A copy of this letter shall be filed with the referenced permit and shall become part of the permit.

Any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes 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 (30) days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

  
Joseph Kahn, P.E., Director  
Division of Air Resource Management

**CERTIFICATE OF SERVICE**

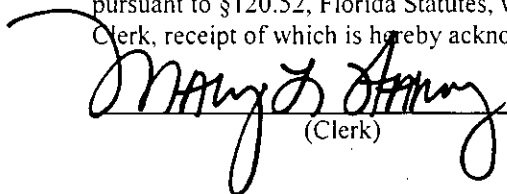
The undersigned duly designated deputy agency clerk hereby certifies that this Notice of Final Permit (including the Final permit) was sent by certified mail (\*) and copies were mailed by U.S. Mail before the close of business on 9/25/06 to the persons listed:

Richard Grubb, Cedar Bay\*  
Jeff Walker, Cedar Bay  
Ken Kosky, P.E., Golder and Associates  
Richard Robinson, P.E., City of Jacksonville EQD

Chris Kirts, NED Office  
Hamilton Owen, DEP Siting Office  
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)

9/25/06  
\_\_\_\_\_  
(Date)

**FINAL PERMIT REVISION**

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**Permit No. 0310337-012-AC**  
**Modification of Permit No. PSD-FL-137**

No further construction is authorized by this action. The following permit condition is revised as follows. All other conditions remain in effect.

Specific Condition No. 8 as related to ADS Units 1 and 2 (Emissions Units 004 and 005) is hereby changed:

**From:** The maximum No. 2 fuel oil with maximum sulfur content of 0.05% sulfur by weight firing for each limestone dryer shall not exceed 120 gal/hr, or 350,400 gal/year. This reflects a combined total fuel oil firing rate of 240 gal/hr, and 700,800 gals/year for the two dryers.

**To:** Each limestone dryer (ADS Units 1 and 2) shall fire only No. 2 fuel oil with a maximum sulfur content of 0.05% sulfur by weight. The maximum oil firing rate is 120 gal/hour/unit. The two units combined shall not fire more than 996,000 gallons during any consecutive 12 months. Upon establishing commercial operation of the new dryer system train (ADS Unit 3) permitted by air construction permit 0310337-011-AC, combined oil firing from ADS Units 1 and 2 shall not exceed 700,800 gallons during any consecutive 12 months. The first month of the consecutive 12-month period for this limit shall begin the first month after commercial operation is established for the new dryer system train.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
1. Article Addressed to:  Mr. Richard Grubb General Manager Cedar Bay Generating Company, L.P. 9640 Eastport Road Jacksonville, Florida 32218-2260	B. Received by (Printed Name) C. Date of Delivery Shelly Arnold 2/28/00  D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label)	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
PS Form 3811, February 2004	7005 1160 0004 3034 4912
Domestic Return Receipt	102595-02-M-1540

<b>U.S. Postal Service</b> <b>CERTIFIED MAIL RECEIPT</b> <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>									
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<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> </table>	Postage	\$	Certified Fee		Return Receipt Fee (Endorsement Required)		Restricted Delivery Fee (Endorsement Required)		Postmark Here
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St: _____ St: _____ Ci: _____	Mr. Richard Grubb General Manager Cedar Bay Generating Company, L.P. 9640 Eastport Road Jacksonville, Florida 32218-2260								
PS Form 3800, May 2000	See Reverse for Instructions								

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