



Jeb Bush  
Governor

# Department of Environmental Protection

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

Colleen M. Castille  
Secretary

August 24, 2006

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

Re: Project No. 0310337-013-AV  
Cedar Bay Generating Company, L.P. - Cedar Bay Cogeneration Facility  
Incorporation of Air Construction Permit 0310337-012-AC

Dear Mr. Grubb,

The Department received your application on July 13, 2006, requesting Air Construction Permit No. 0310337-012-AC be incorporated into the facility's Title V permit. Based on conversations with Jeff Walker and the City of Jacksonville, the facility has a proposed consent order with compliance plan with the City of Jacksonville's Environmental Resource Management Department. It is anticipated the consent order will be final on or around September 11, 2006, the date of the next Environmental Protection Board meeting. Until this order is issued, the application is deemed incomplete. The following information is needed to process your application:

1. Provide a signed final copy of the Consent Order with Compliance Plan issued by the City of Jacksonville's Environmental Resource Management Department to be incorporated into the Title V revision.

Permits applicants are advised that Rule 62-4.055(1), F.A.C. requires applicants to respond to requests for information within 90 days. If you have any questions regarding this request for additional information, please contact Bobby Bull at [Robert.Bull@dep.state.fl.us](mailto:Robert.Bull@dep.state.fl.us) or (850) 921-9585.

Sincerely,

Jeffery F. Koerner  
North Permitting Administrator

JFK/rlb

cc: Jeff Walker, Cedar Bay  
Richard Robinson, City of Jacksonville.  
Kennard Kosky, Golder  
Christopher Kirts, DEP-NED

"More Protection, Less Process"

Printed on recycled paper.

RECEIVED

SEP 28 2006

BUREAU OF AIR REGULATION

POB 26324  
Jacksonville, FL 32226

9640 Eastport Road  
Jacksonville, FL 32218

904.751.4000  
Fax: 904.751.7320

Cedar Bay  
Generating Plant  
Owner: Cedar Bay Generating Company, L.P.

September 26, 2006

Mr. Jeffery Koerner, North Permitting Engineer  
Florida Department of Environmental Protection  
Division of Air Resource Management  
Mail Station #5505  
2600 Blair Stone Road  
Tallahassee, Fl. 32399-2400

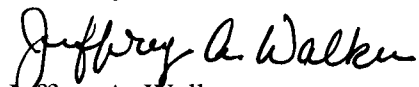
Dear Mr. Koerner:

Cedar Bay Generating Company L.P. (Cedar Bay) is in receipt of the Department's letter dated August 24, 2006 that states that the request to incorporate Air Construction Permit No. 0310337-012-AC into the facility's Title V Permit is incomplete until a final copy of the Consent Order with Compliance Plan issued by the City of Jacksonville is provided to the Department.

On September 11, 2006, the City of Jacksonville's Environmental Protection Board (JEPB) approved and the Consent Order became final. Pursuant to the Department's request, please find enclosed a copy of the fully executed Consent Order and JEPB Order with compliance plan.

Please contact me at by telephone at 904-696-1547 or by e-mail at [jeffwalker@cogentrix.com](mailto:jeffwalker@cogentrix.com) if there is any other information needed or if you have any questions.

Sincerely,



Jeffrey A. Walker  
Environmental Manager

cc: Mr. Mark Casper, Cogentrix Energy-Charlotte  
Mr. Tracy Patterson, Cedar Bay

ENVIRONMENTAL RESOURCE MANAGEMENT DEPARTMENT



September 15, 2006

Mark A. Casper, Vice President  
Environment, Health & Safety  
Cedar Bay Generating Company, L.P.  
9405 Arrowpoint Boulevard  
Charlotte, North Carolina 28273-8110

**RE: Cease and Desist Citation AP-06-03  
Cedar Bay Generating Company - DEP Permit No. 0310337-007-AV; EUs 004 and 005  
Jacksonville Environmental Protection Board (JEPB) Order Adopting Consent Order**

Dear Mr. Casper:

Enclosed is a fully executed copy of the Consent Order and JEPB Order for settlement of the above-referenced Citation enforcement case. The effective date of the Consent Order is September 11, 2006, establishing the following schedule, pursuant to Consent Order requirements:

October 12, 2006:

- Deadline for payment of \$7,200 to the **City of Jacksonville Environmental Protection Fund**

January 1, 2007:

- Deadline for completion of engineering for the new absorber dryer system

January 15, 2007:

- Deadline for completion of equipment delivery for the new absorber dryer system

April 14, 2007:

- Deadline for mechanical completion for the new absorber dryer system

May 15, 2007:

- Deadline for performance test completion for the new absorber dryer system

Quarterly Reports:

- Written status reports are due October 15, 2006, January 15, 2007 and April 15, 2007

Any questions regarding the Consent Order or the above-specified schedule should be directed to me at (904) 630-4900.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dana L. Brown".

Dana L. Brown  
Environmental Enforcement Administrator

DLB:thk

Enclosure

c: Jeff Walker, Cedar Bay Generating Company, L.P. ✓  
Rick Banks, DEP  
Steve Pace, EQD  
Tracey I. Arpen, Jr., OGC  
EQD Enforcement File

S:\AIRCedar Bay-Fuel Oil\CO to apprv.doc

Environmental Quality Division

117 W. Duval Street, Suite 225 | Jacksonville, FL 32202 | Phone: 904.630.4900 | Fax: 904.630.3638 | www.coj.net

**BEFORE THE ENVIRONMENTAL PROTECTION BOARD  
CITY OF JACKSONVILLE**



CITY OF JACKSONVILLE )  
ENVIRONMENTAL RESOURCE )  
MANAGEMENT DEPARTMENT, )  
ENVIRONMENTAL QUALITY DIVISION, )  
 )  
Petitioner, )  
 )  
vs. )  
 )  
CEDAR BAY GENERATING )  
COMPANY, L.P., )  
 )  
Respondent. )

EXCEEDANCE OF COMBINED  
TOTAL FUEL OIL FIRING RATE;  
SUBMISSION OF ANNUAL  
COMPLIANCE STATEMENT THAT  
DID NOT IDENTIFY ALL  
INSTANCES OF NONCOMPLIANCE;  
CEASE AND DESIST CITATION  
AP-06-03

**CONSENT ORDER WITH COMPLIANCE PLAN**

Pursuant to §360.410, Jacksonville Ordinance Code (JOC), and §403.121, Florida Statutes, this Consent Order with Compliance Plan is made and entered into between the City of Jacksonville, Environmental Resource Management Department (ERMD) and Cedar Bay Generating Company, L.P.

1. ERMD, through its Environmental Quality Division (EQD), administers the air quality ordinances of the City of Jacksonville and is an approved local program pursuant to Section 403.182, Florida Statutes, as authorized under Chapter 65-1474, Special Acts of 1965 and Chapter 67-1320, Laws of Florida, and pursuant to the November 20, 2001 Specific Operating Agreement with the State of Florida Department of Environmental Protection (DEP) to enforce air permitting requirements in Duval County, Florida.

2. DEP is the administrative agency of the State of Florida with powers and duties to protect Florida's air and water resources and to administer and enforce Chapter 403, Florida Statutes, and the rules promulgated thereunder, as set forth in Chapter 62, Florida Administrative Code (FAC).

3. Cedar Bay Generating Company, L.P. is a limited partnership registered to do business in the state of Florida with a plant located at 9640 Eastport Road, Jacksonville, Florida.

**Consent Order with Compliance Plan**

**Citation AP-06-03**

**Page 2**

4. On February 22, 2006, ERMD issued Citation AP-06-03 to Cedar Bay Generating Company, L.P. alleging that Cedar Bay exceeded the permitted combined total fuel oil firing rate and submitted an Annual Compliance Statement that did not identify all instances of noncompliance. in violation of Florida Department of Environmental Protection (DEP) Permit No. 0310337-007-AV, FAC62-213.440(3)(a)3 and JEPB Rule 2.501 [which adopts and incorporates by reference FAC 62-213].

5. Cedar Bay Generating Company, L.P. requested and was issued DEP Permit No. 0310337-011-AC on April 7, 2006 to install a new absorber dryer system train.

6. Representatives of Cedar Bay Generating Company, L.P. and ERMD have met to resolve their disputes about air pollution compliance issues and any alleged violations of the above-referenced permit, FAC Chapter 62, Chapter 403, Florida Statutes, and Jacksonville ordinances and rules. The parties have agreed to enter into this Consent Order with Compliance Plan to expeditiously address compliance issues without litigation and its attendant costs, delays and risks.

Having reached a resolution of this matter without any admission of liability or wrongdoing by the Respondent, the parties agree, and it is

**ORDERED:**

7. Cedar Bay Generating Company, L.P. shall operate the plant at 9640 Eastport Road, Jacksonville, Florida, in accordance with all local, state, and federal rules and regulations.

8. Cedar Bay Generating Company, L.P. shall construct the new absorber dryer system at the plant in accordance with the following schedule:

Event	Deadline
Engineering Completion	January 1, 2007
Equipment Delivery	January 15, 2007
Mechanical Completion	April 14, 2007
Performance Test Completion	May 15, 2007

9. Cedar Bay Generating Company, L.P. shall submit a written, quarterly status report to EQD outlining the project status. The quarterly report shall be submitted no later than 15 days following the end of the calendar quarter. The first quarterly report shall be due no later than October 15, 2006.

**Consent Order with Compliance Plan**

**Citation AP-06-03**

**Page 3**

10. Pursuant to Section 360.306, Ordinance Code, if Cedar Bay Generating Company, L.P., fails to meet any of the deadlines specified in paragraphs 8 and 9 above, then the Director of ERMD may impose a civil fine of up to \$500 for each occurrence of noncompliance with this Consent Order with Compliance Plan. Each day of non-compliance shall constitute a separate offense. The civil fine shall be due within seven days of written notification to Cedar Bay Generating Company, L.P. The check shall be made payable to the City of Jacksonville Environmental Protection Trust Fund and mailed to ERMD, 117 West Duval Street, Suite 225, Jacksonville, Florida 32202 to the attention of Dana L. Brown.

11. Cedar Bay Generating Company, L.P. shall pay a civil penalty of \$7,200 within 30 days after execution of this Consent Order and approval of this agreement by the City of Jacksonville Environmental Protection Board. The check shall be made payable to the City of Jacksonville Environmental Protection Trust Fund and mailed to ERMD.

12. This Consent Order with Compliance Plan fully resolves all issues raised in ERMD's Cease and Desist Citation AP-06-03 regarding the matters addressed herein. ERMD reserves the right to take appropriate enforcement action against Cedar Bay Generating Company, L.P. for any future violation of the Ordinance Code or rules. Cedar Bay Generating Company, L.P. reserves its right to contest any such enforcement action in accordance with applicable law.

13. Notwithstanding paragraph 10 above, a violation of the terms of this Consent Order may subject Cedar Bay Generating Company, L.P. to judicial imposition of civil penalties of up to \$10,000 per violation per day.

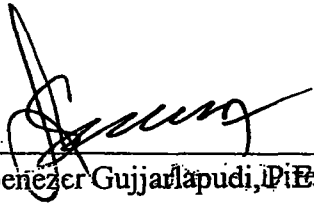

14. In consideration of the complete and timely performance by Cedar Bay Generating Company, L.P. of the obligations agreed to in this Consent Order with Compliance Plan, ERMD waives any right to seek judicial imposition of additional penalties. Cedar Bay Generating Company, L.P. waives its right to an administrative hearing pursuant to Section 120.57(1), Florida Statutes, regarding the terms of this Consent Order with Compliance Plan.

15. The provisions of this Consent Order with Compliance Plan shall apply to and be binding upon the parties, their officers, directors, agents, servants, employees, successors, and assigns and all persons, firms and corporations acting under, through or for them and upon those persons, firms, and corporations in active concert or participation with them.

16. Entry of this Consent Order with Compliance Plan does not relieve Cedar Bay Generating Company, L.P. of the need to comply with applicable federal, state or local laws, regulations or ordinances.

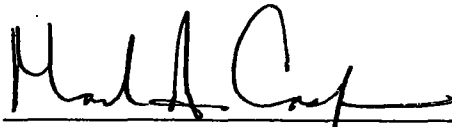

**CITY OF JACKSONVILLE  
ENVIRONMENTAL RESOURCE MANAGEMENT DEPARTMENT**

8.25.06  
Date

  
Ebenezer Gujjarlapudi, D.P.E., Interim Director 

**Cedar Bay Generating Company, L.P.**


August 16, 2006  
Date

  
Mark A. Casper, Vice President  
Environment, Health & Safety 

---

**ORDER**

I hereby certify that the foregoing document was adopted by order of the Environmental Protection Board of the City of Jacksonville this 11<sup>th</sup> day of September, 2006.

  
Todd L. Sack, M.D., Chairman  
Environmental Protection Board

Cedar Bay Generating Company, L.P  
P. O. Box 26324  
Jacksonville, FL 32226-6324

9640 Eastport Road  
Jacksonville, FL  
32218

904.751.4000  
Fax: 904.751.7320

December 27, 2006

RECEIVED

DEC 28 2006

BUREAU OF AIR REGULATION

Mr. Jeffery Koerner, P.E.  
Florida Department of Environmental Protection  
Division of Air Resource Management  
Bureau of Air Regulation  
Mail Station #5505  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

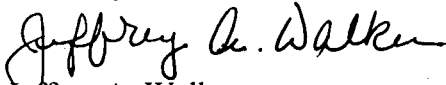
Re: Title V Air Operation Permit Revision  
Draft Permit No.: 0310337-013-AV  
Cedar Bay Cogeneration Facility

Dear Mr. Koerner:

Pursuant to the instructions in the Department's letter dated December 11, 2006, Cedar Bay submits the Affidavit of Publication for the "PUBLIC NOTICE OF INTENT TO ISSUE TITLE V AIR OPERATION PERMIT REVISION". The notice was published in the legal ad section of the Florida Times Union on December 18, 2006.

If there are any questions or if any additional information is needed, please do not hesitate to contact me by phone at 904-696-1547 or e-mail: [jeffwalker@cogentrix.com](mailto:jeffwalker@cogentrix.com).

Sincerely,



Jeffrey A. Walker  
Environmental Manager  
Cedar Bay Generating Plant

cc: Tracy Patterson, Cedar Bay  
Mark Casper, Charlotte



THE FLORIDA TIMES-UNION  
Jacksonville, FL  
Affidavit of Publication

Florida Times-U

CEDAR BAY CONGENERATION PLANT  
PO BOX 26324  
JACKSONVILLE FL 32236

REFERENCE: 0181153  
R122051 Public Notice

State of Florida  
County of Duval

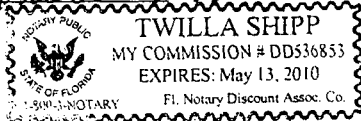
Before the undersigned authority personally appeared Sharon Walker who on oath says she Legal Advertising Representative of The Florida Times-Union, a daily newspaper published in Jacksonville in Duval County, Florida; that attached copy of advertisement is a legal ad published in The Florida Times-Union. Affiant further says that The Florida Times-Union is newspaper published in Jacksonville, in Duval County, Florida, and that the newspaper has heretofore been continuously published in Duval County, Florida each day, has been entered as second class mail matter at the post office Jacksonville, in Duval County, Florida for a period of one year preceeding the first publication of the attached copy of advertisement and affiant further says that he/she has not paid nor promised any person, firm or corporation any discount, rebate, commission, or refund the purpose of securing this advertisement for publication in said newspaper.

PUBLISHED ON: 12/18

FILED ON: 12/18/06

Name: Sharon Walker Title: Legal Advertising Representative  
In testimony whereof, I have hereunto set my hand and affixed my official seal, the day and year aforesaid.

NOTARY:



The Florida Department of Environmental Protection's Bureau of Air Regulation (per notice of its intent to issue a Title V Air Operation Permit Revision to Cedar Bay Generating V Air Operation Permit Revision for the Cedar Bay Cogeneration Facility, which is located Jacksonville, Duval County, Florida. The applicant's name and address are: Mr. Martin Cedar Bay Generating Company, L.P., 9640 Eastport Road, Jacksonville, Florida 32218.

The Cedar Bay Cogeneration Facility is an existing electrical generating facility application is to incorporate the conditions of Permit No. 0310337-011-AC for new Absorber the conditions of Permit No. 0310337-012-AC, which revised fuel firing conditions for Absorb and 2. This is a revision to Title V Air Operation Permit No. 0310337-010-AV.

The permitting authority will issue the PROPOSED Permit, and subsequent FINAL with the conditions of the DRAFT Permit unless a response received in accordance with results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed DRAFT of 30 (thirty) days from the date of publication of this Public Notice. Written comments must be received by the close of business (5:00 p.m.), on or before the date by the Permitting Authority at: Bureau of Air Regulation, Florida Department of Environmental Protection, Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400 (Telephone: 850-488-0114). As part of this Permitting Authority determines there is sufficient interest for a public meeting, it will post the date, and location in the Florida Administrative Weekly (<http://faw.dos.state.fl.us/>) and its circulation in the area affected by the permitting action. For additional information, contact the permitting authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the DRAFT Permit, the Permitting Authority shall issue a Revised DRAFT Permit, if applicable, another Public Notice. All comments filed will be made available for public inspection.

A person whose substantial interests are affected by the proposed permitting decision administrative hearing in accordance with Sections 120.569 and 120.57 of the Florida Statutes contain the information set forth below and must be filed (received) in the Office of Environmental Protection at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3900. Persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed publication of the public notice or within fourteen days of receipt of the notice of intent, which Section 120.60(3), F.S., however, any person who asked the permitting authority for notice of a petition within fourteen days of receipt of that notice, regardless of the date of publication of a copy of the petition to the applicant at the address indicated above, at the time of filing.

to file a petition within the applicable time period shall constitute a waiver of that person's administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene as a party to it. Any subsequent intervention will be only at the approval of the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code (F.A.C.).

A petition that disputes the material facts on which the permitting authority's act is based shall contain the following information: (a) The name and address of each agency affected and each agency's name, if known; (b) The name, address and telephone number of the petitioner; name and address of the petitioner's representative, if any, which shall be the address for service of process; and an explanation of how petitioner's substantial rights will be affected by the proposed action; (c) A statement of how and when the petitioner received notice of the proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petitioner shall state the ultimate facts alleged, as well as the rules and statutes which entitle the petitioner to the relief sought; and (e) A statement of the relief sought by the petitioner, stating or explaining why the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the permitting authority's act is based shall contain the same information as set forth above.

Because the administrative hearing process is designed to formulate final agency action, the permitting authority's final action may be different from the position of intent. Persons whose substantial interests will be affected by any such final decision on the application have the right to petition to become a party to the proceeding, in accordance with the provisions set forth above.

Mediation is not available for this proceeding. In addition to the above, pursuant to 42 United States Code (U.S.C.) Section 7604, the Administrator of the EPA within 60 (sixty) days of the expiration of the 30 (thirty) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of a permit shall be based only on objections to the Title V permit that were raised with reason during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates that it was impracticable to raise such objections within the comment period. Such objection arose after the comment period. Filing of a petition with the Administrator of the EPA must meet the requirements of 42 U.S.C. Section 7604 and the Administrator of the EPA must meet the requirements of 42 U.S.C. Section 7604.

A complete project file is available for public inspection during normal business hours Monday through Friday, except legal holidays, at:

Permitting Authority:  
Bureau of Air Regulation  
Florida Department of Environmental Protection  
2600 Blair Stone Rd., MS 5505  
Tallahassee, FL 32399-2400  
Telephone: 850/488-0114

The complete project file includes the DRAFT Permit, the application, and the responsible official, exclusive of confidential records under Section 403.111, F.S. Interest in the project engineer, at the above address, or call 850/488-0114, for additional information.