



BLACK & VEATCH

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JUL 18 2001

21 West Church Street, Tower 10
Jacksonville, FL 32202-3139 USA

Tel: (904) 665-4448
Fax: (904) 665-5234

Black & Veatch Corporation
BUREAU OF AIR REGULATION

Kissimmee Utility Authority
Cane Island Unit 3

B&V Project 65270
B&V File 32.0465
B&V Letter No.: BV/DEP – L001
July 17, 2001

Florida Department of Environmental Protection
Division of Air Resources Management
2600 Blair Stone Road
Tallahassee, Florida 32399

Subject: Fuel Gas Heater Air Permitting Applicability

Attention: Teresa Heron
Air Permit Engineer

Dear Ms. Heron:

As we discussed during our telephone conversation on Thursday, July 12, 2001, the purpose of this letter is to request the DEP's review and concurrence of the regulatory and air permitting applicability of a natural gas fired, 3.5 mmBtu/hr fuel gas heater installed at KUA's Cane Island Power Park as part of the Unit 3 combined cycle combustion turbine project. The fuel gas heater unit was identified during an emission unit inventory conducted in preparation for the Title V Air Operating Permit Revision Application for Unit 3.

Based on our initial regulatory analysis of the fuel gas heater, we have concluded the fuel gas heater does not require an air construction permit, and for purposes of the Title V Air Operating Permit, meets the requirements of an insignificant air emissions source. The following information is provided for your consideration regarding the fuel gas heater and the relevant air permitting regulations.

Air Construction Permit Requirements

The fuel gas heater is an indirect, water-bath, gas fired heater, utilizing hot water as heat transfer medium to raise the temperature of the natural gas prior to it entering the combustion turbine. A review of applicable regulatory requirements indicates that an air construction permit is not required for the natural gas fired fuel gas heater. This conclusion is based on our interpretation of Rule 62-210.300 Permits Required, Part (3) Exemptions, Subpart (a)(3) Categorical Exemptions, which states:

"One or more fossil fuel steam generators and hot water generating units located within a single facility, collectively having a total rated heat input equaling 10 million BTU per hour or less, and firing exclusively by natural gas or propane, provided:

- a. *During periods of natural gas curtailment, only propane or fuel oil containing no more than 1.0 percent sulfur is fired; and*

Florida Department of Environmental Protection
Teresa Heron

B&V Project 65270
July 17, 2001

- b. None of the generators or hot water heating units is subject to the Federal Acid Rain program.”*

The natural gas fired fuel gas heater is considered a hot water generating unit with a heat input of less than 10 mmBtu/hr, and is therefore categorically exempt from having to obtain an air construction permit.

Title V Air Operating Permit Requirements

Considering Title V operating permit requirements, Rule 62-210.300 Permits Required, Part (3) Exemptions states that *“Emissions units and pollutant-emitting activities exempt from permitting under this rule shall not be exempt from the permitting requirements of Chapter 62-213 [Title V Air Operating Permits], if they are contained within a Title V source; however, such emissions units and activities shall be considered insignificant for Title V purposes provided they meet the criteria of Rule 62-213.430(6)(b). Likewise, no proposed new emissions unit or activity that would be considered insignificant for Title V purposes shall be required to obtain an air construction permit”*. Referring to Rule 62-213.430(6)(b), an emission unit or activity shall be considered insignificant for Title V purposes if all of the following criteria are met:

1. *Such unit or activity would be subject to no unit-specific applicable requirement.*
2. *Such unit or activity, in combination with other units and activities proposed as insignificant, would not cause the facility to exceed any major source threshold(s).*
3. *Such unit or activity would neither emit or have the potential to emit:*
 - a. *500 pounds per year or more of lead and lead compounds expressed as lead*
 - b. *1,000 pounds per year or more of any hazardous air pollutant*
 - c. *2,500 pounds per year or more of total hazardous air pollutants, or*
 - d. *5.0 tons per year or more of any other regulated pollutant.*

In addressing the above Item 1, a review of Chapter 62-296 Stationary Sources-Emission Standards found no specific emission standard for fuel gas heaters (or water heaters), and the unit is not subject to New Source Performance Standards (NSPS) as further discussed below. Regarding Item 2, emission calculations were performed utilizing AP-42 emission factors. The calculations indicated that lead was less than the 500-pound threshold, hazardous air pollutants were less than the thresholds, and no other regulated pollutant approached the 5.0-ton per year limit. Therefore, the fuel gas heater is considered an “insignificant source” for Title V purposes.

New Source Performance Standards (NSPS) Subpart Dc

The requirements of NSPS Subpart Dc are applicable to steam generating units with a maximum design heat input greater than 10 mmBtu/hr and less than 100 mmBtu/hr. The fuel gas heater maximum design heat input is 3.5 mmBtu/hr, and therefore is not subject to NSPS Subpart Dc requirements.

Florida Department of Environmental Protection
Teresa Heron

B&V Project 65270
July 17, 2001

On behalf of KUA, Black & Veatch respectfully requests, at your earliest convenience, a written reply of concurrence and/or determination of air permitting applicability regarding the fuel gas heater as discussed above. If you have any questions regarding this matter, or need additional information, please do not hesitate to contact me at 904-665-5227.

Very truly yours,

BLACK & VEATCH



Timothy M. Hillman
Air Permitting Manager

TMH:dsy

cc: Ben Sharma, KUA
Larry Mattern, KUA
Ron Utter, B&V
Don Schultz, B&V
Mike Soltys, B&V



Technical Services, Inc.

October 9, 2002

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OCT 10 2002

BUREAU OF AIR REGULATION

Mr. Michael P. Halpin, P. E.
DEP/DARM
New Source Review Section
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, FL 32399-2400

Re: Response to Request for Additional Information
Kissimmee Utility Authority - Cane Island Power Park - Facility ID: 0970043
Unit 3 Excess Emissions During Startup

Dear Mr. Halpin:

In response to your Request for Additional Information dated July 31, 2002, I have attached four (4) copies of the relevant pages of the Application for Air Permit - Title V Source. The responses to your information request are included as Attachment A to the application.

Please call me at (407) 333-7374 if you have any questions regarding this submittal.

Very truly yours,

PERIGEE TECHNICAL SERVICES, INC.

A handwritten signature in black ink, appearing to read "Jerome J. Guidry".

Jerome J. Guidry, P.E., Q.E.P.
President

JJG:emc

cc: A. K. Sharma
Jeff Ling
Larry Mattern
Richard Stephens
Alan Zahn, CD

Enclosures

via Federal Express Airbill Number 8132 1390 6581



Department of Environmental Protection

Division of Air Resources Management

APPLICATION FOR AIR PERMIT - TITLE V SOURCE

See Instructions for Form No. 62-210.900(1)

I. APPLICATION INFORMATION

RECEIVED

OCT 10 2002

BUREAU OF AIR REGULATION

Identification of Facility

1. Facility Owner/Company Name: Kissimmee Utility Authority	
2. Site Name: Cane Island Power Park – Unit 3	
3. Facility Identification Number: 0970043 [] Unknown	
4. Facility Location: Street Address or Other Locator: 6075 Old Tampa Highway City: Intercession City County: Osceola Zip Code: 33848	
5. Relocatable Facility? [] Yes [X] No	6. Existing Permitted Facility? [X] Yes [] No

Application Contact

1. Name and Title of Application Contact: A. K. Sharma, Vice President of Power Supply	
2. Application Contact Mailing Address: Organization/Firm: Kissimmee Utility Authority Street Address: P. O. Box 423219 City: Kissimmee State: Florida Zip Code: 34742-3219	
3. Application Contact Telephone Numbers: Telephone: (407) 933 - 7777 Fax: (407) 847 - 0787	

Application Processing Information (DEP Use)

1. Date of Receipt of Application:	
2. Permit Number:	
3. PSD Number (if applicable):	
4. Siting Number (if applicable):	

Purpose of Application

Air Operation Permit Application

This Application for Air Permit is submitted to obtain: (Check one)

- Initial Title V air operation permit for an existing facility which is classified as a Title V source.
- Initial Title V air operation permit for a facility which, upon start up of one or more newly constructed or modified emissions units addressed in this application, would become classified as a Title V source.
Current construction permit number: _____
- Title V air operation permit revision to address one or more newly constructed or modified emissions units addressed in this application.
Current construction permit number: _____
Operation permit number to be revised: _____
- Title V air operation permit revision or administrative correction to address one or more proposed new or modified emissions units and to be processed concurrently with the air construction permit application. (Also check Air Construction Permit Application below.)
Operation permit number to be revised/corrected: _____
- Title V air operation permit revision for reasons other than construction or modification of an emissions unit. Give reason for the revision; e.g., to comply with a new applicable requirement or to request approval of an "Early Reductions" proposal.
Operation permit number to be revised: PSD Permit PSD-FL-254
Reason for revision: Change in excess emissions parameters

Air Construction Permit Application

This Application for Air Permit is submitted to obtain: (Check one)

- Air construction permit to construct or modify one or more emissions units.
- Air construction permit to make federally enforceable an assumed restriction on the potential emissions of one or more existing, permitted emissions units.
- Air construction permit for one or more existing, but unpermitted, emissions units.

Owner/Authorized Representative or Responsible Official

1. Name and Title of Owner/Authorized Representative or Responsible Official: A. K. Sharma, Vice President of Power Supply
2. Owner/Authorized Representative or Responsible Official Mailing Address: Organization/Firm: Kissimmee Utility Authority Street Address: P. O. Box 423219 City: Kissimmee State: Florida Zip Code: 34742-3219
3. Owner/Authorized Representative or Responsible Official Telephone Numbers: Telephone: (407) 933 - 7777 Fax: (407) 847 - 0787
4. Owner/Authorized Representative or Responsible Official Statement: <i>I, the undersigned, am the owner or authorized representative*(check here [X], if so) or the responsible official (check here [], if so) of the Title V source addressed in this application, whichever is applicable. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof. I understand that a permit, if granted by the Department, cannot be transferred without authorization from the Department, and I will promptly notify the Department upon sale or legal transfer of any permitted emissions unit.</i> Signature: <u>Ak Sharma</u> Date: <u>10/7/2002</u>

* Attach letter of authorization if not currently on file.

Professional Engineer Certification

1. Professional Engineer Name: Jerome J. Guidry, P.E., Q.E.P. Registration Number: 32589
2. Professional Engineer Mailing Address: Organization/Firm: Perigee Technical Services, Inc. Street Address: 3214 Deer Chase Run City: Longwood State: Florida Zip Code: 32779-3173
3. Professional Engineer Telephone Numbers: Telephone: (407) 333 - 7374 Fax: (407) 333 - 9396

4. Professional Engineer Statement:

I, the undersigned, hereby certify, except as particularly noted herein, that:*

(1) To the best of my knowledge, there is reasonable assurance that the air pollutant emissions unit(s) and the air pollution control equipment described in this Application for Air Permit, when properly operated and maintained, will comply with all applicable standards for control of air pollutant emissions found in the Florida Statutes and rules of the Department of Environmental Protection; and

(2) To the best of my knowledge, any emission estimates reported or relied on in this application are true, accurate, and complete and are either based upon reasonable techniques available for calculating emissions or, for emission estimates of hazardous air pollutants not regulated for an emissions unit addressed in this application, based solely upon the materials, information and calculations submitted with this application.

If the purpose of this application is to obtain a Title V source air operation permit (check here [X], if so), I further certify that each emissions unit described in this Application for Air Permit, when properly operated and maintained, will comply with the applicable requirements identified in this application to which the unit is subject, except those emissions units for which a compliance schedule is submitted with this application.

If the purpose of this application is to obtain an air construction permit for one or more proposed new or modified emissions units (check here [], if so), I further certify that the engineering features of each such emissions unit described in this application have been designed or examined by me or individuals under my direct supervision and found to be in conformity with sound engineering principles applicable to the control of emissions of the air pollutants characterized in this application.

If the purpose of this application is to obtain an initial air operation permit or operation permit revision for one or more newly constructed or modified emissions units (check here [], if so), I further certify that, with the exception of any changes detailed as part of this application, each such emissions unit has been constructed or modified in substantial accordance with the information given in the corresponding application for air construction permit and with all provisions contained in such permit.



[Handwritten Signature]

10-9-02
Date

* Attach any exception to certification statement.

Construction/Modification Information

1. Description of Proposed Project or Alterations:

The purpose of this application is to respond to the request for additional information from Michael P. Halpin, P. E. to Mr. A. K. Sharma dated July 31, 2002 regarding the request for changes to excess emissions parameters contained in PSD permit PSD-FL-254 (see Attachment B). The request was made in a letter from Mr. Sharma dated July 10, 2002 (see Attachment C). Attachment A contains responses to the requests.

2. Projected or Actual Date of Commencement of Construction: **N/A**

3. Projected Date of Completion of Construction: **N/A**

Application Comment

Attachment A

Responses to Request for Additional Information

a) How much time is required for each of the startup modes requested (to at least 1 hour of precision)?

The only startup mode change which is requested is for cold startup to combined cycle operation. The startup requires a minimum of 4 hours under optimum conditions. However, startup may not always occur under optimum conditions. At several points during the startup process, the operator must evaluate the condition of the unit and determine if additional hold times are required to assure proper startup. The duration of these situations cannot be accurately estimated since they are discretionary. During the previous two startups, these situations did not occur, but it was evident that additional discretionary hold times or slower ramping to full power could easily exceed the currently permitted 4 hours for startup. KUA believes that one additional hour should accommodate these unforeseen circumstances. These observations have prompted this request for up to 5 hours of excess emissions during startup.

b) Which pollutant(s) exceed the permitted limits during the above startup mode(s)?

Nitrogen oxides exceed the permitted limits during startup.

c) What actual emission level(s) are observed during each of the startup modes?

During a recent startup, nitrogen oxide emissions averaged 60 ppm.

d) What emission level(s) are reasonably attainable during each of the startup modes?

Since this unit has been started up in this mode only a few times, an average emission level of 60 ppm could probably be considered reasonable. However, startup procedures, by their nature, can vary considerably along with actual emissions.

Attachment B
Request for Additional Information



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

July 31, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. A. K. Sharma, P.E.
Director of Power Supply
Kissimmee Utility Authority
Post Office Box 423219
Kissimmee, Florida 34742-3219

Re: Request for Additional Information
DEP File Nos. PSD-FL-254, PA98-38
Cane Island Unit No. 3 - Excess Emissions During Start-Up

Dear Mr. Sharma:

The Department is in receipt of your letter dated July 10, 2002 related to PSD-FL-254. In order to continue processing your application, the Department will need the additional information below. Should your response to any of the below items require calculations, please submit the calculations, assumptions, reference material and any appropriate revised pages of the application.

Your letter makes requests, which cover two areas of the existing PSD permit:

- 1) Revise the definition a cold start-up, as a start-up to combined cycle operation following a complete shutdown lasting at least 8 hours rather than 48 hours which is currently specified
- 2) Increase the allowable period of excess emissions during cold start-ups to 5 hours rather than 4 hours which is currently authorized

The Department notes that the pertinent language contained in PSD-FL-254 is quite common for nearly every PSD permit issued over the past few years, where combined cycle units are involved. As you are likely aware, 62-210.700(1) allows excess emissions resulting from start-up and shutdown, "... but in no case exceed two hours in any 24 hour period unless specifically authorized by the Department for longer duration". In the past, we have been told by EPA that they expect us to be very judicious in our application of the rule, and EPA continues to comment adversely on draft permits where we have authorized up to 3 or 4 hours in a 24-hour period rather than the two hours written in the rule. We have had several discussions with Region IV on this precise topic, and have come to understand that their dissatisfaction stems from the underlying presumption that by allowing excess emissions to occur (with no defined limits) all pollutant levels are authorized to be unlimited for that entire period of time. Since we have not required applicants to do modeling during startup, some possibility exists that a permit could be issued which allows ambient air quality standards to be violated during those times. We believe that these are valid concerns.

Mr. A.K. Sharma
Page 2 of 2
July 31, 2002

In the event that you wish to continue to process the request dealing with extensions of time for excess start-up emissions, we must have further information. The purpose of the additional information is to define with some precision:

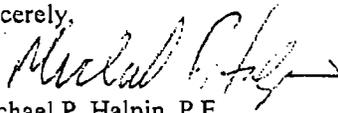
- a) How much time is required for each of the startup modes requested (to at least 1 hour of precision)
- b) Which pollutant(s) exceed the permitted limits during the above startup mode(s)
- c) What actual emission level(s) are observed during each of the startup modes and
- d) What emission level(s) are reasonably attainable during each of the startup modes

The above information will form the basis for a permit revision defining alternate (but not unlimited) emission levels during the affected startup mode. As indicated above, we believe that this approach is workable and is similar to the approach being utilized for Lakeland Electric's McIntosh facility.

Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. Please note that per Rule 62-4.055(1): *"The applicant shall have ninety days after the Department mails a timely request for additional information to submit that information to the Department..... Failure of an applicant to provide the timely requested information by the applicable date shall result in denial of the application."* We suggest that when you provide the above requested information, you provide at least two of the portions from our standard application, those being the signature of the facility's authorized representative, and a PE signature.

If you have any questions, please call me at 850/921-9519.

Sincerely,



Michael P. Halpin, P.E.
DEP/DARM
New Source Review Section

cc: Buck Oven, DEP PPSO
Len Kozlov, DEP CD

Attachment C
Original Request for Permit Revision

A.K. (BEN) SHARMA, P.E.
Vice President of Power Supply
E-mail: BSHARMA@KUA.COM



P.O. BOX 423219, KISSIMMEE, FLORIDA 34742-3219
(407) 933-7777 FAX: 407-847-0787

July 10, 2002

Mr. A. A. Linero, P. E.
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Ref: Kissimmee Utility Authority – Cane
Island Power Park
PSD Permit PSD-FL-254 (Unit 3)
Request for Permit Modification

Dear Mr. Linero:

This is to request a change to specific condition 29 of permit PSD-FL-254 to allow 5 hours of excess emissions during cold startup to combined cycle operation and to change the definition of "cold start-up." Condition 29 of the current PSD permit for Unit 3 permits up to 4 hours of excess emissions during cold startup to combined cycle operation. The startup procedure for Unit 3 requires a minimum of 3.5 hours of built-in "hold" times during the actual startup procedure; that is, if the actual startup procedures (opening/closing of vents, valves, breakers, etc.) were instantaneous, the required hold times alone would require a minimum of 3.5 hours. The procedures themselves require almost 30 minutes under optimum conditions; however, startup will not always occur under optimum conditions. In addition, many of the hold points during the startup procedure do not specify a minimum time, but require the operator to assure certain conditions before continuing, such as absence of vibrations. If these conditions are not met, then these hold times can easily reach 10 or 20 minutes each.

For these reasons, KUA requests that up to five hours of excess emissions be permitted during cold startup to combined cycle operation and that cold startup be defined as a start-up to combined cycle operation following a complete shut down lasting at least eight hours. Specifically, KUA requests that specific condition 29 of permit PSD-LF-254 be changed as follows:

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

July 10, 2002
Page 2

simple cycle operation, up to one hour of excess emissions are allowed. During cold start-up to combined cycle operation, up to ~~four~~ five 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.

I would also request that this change be implemented in the Title V permit application for Unit 3 which is currently being processed by your office (Facility ID 0970043). If you have any questions regarding this request, please call Mr. Jeff Ling at 407/933-7777 or Mr. Jerome Guidry at 407/333-7374.

Sincerely,



A.K. (Ben) Sharma, P.E.
Vice President of Power Supply

cc: Alan Zahm, P. E.
Mark A. Wiitanen, P. E.
Jeff Ling
Larry Mattern
Richard Stephens
Jerome J. Guidry, P. E.



Department of Environmental Protection

Division of Air Resources Management

APPLICATION FOR AIR PERMIT - TITLE V SOURCE

See Instructions for Form No. 62-210.900(1)

I. APPLICATION INFORMATION

RECEIVED

OCT 10 2002

BUREAU OF AIR REGULATION

Identification of Facility

1. Facility Owner/Company Name: Kissimmee Utility Authority	
2. Site Name: Cane Island Power Park – Unit 3	
3. Facility Identification Number: 0970043 [] Unknown	
4. Facility Location: Street Address or Other Locator: 6075 Old Tampa Highway City: Intercession City County: Osceola Zip Code: 33848	
5. Relocatable Facility? [] Yes [X] No	6. Existing Permitted Facility? [X] Yes [] No

Application Contact

1. Name and Title of Application Contact: A. K. Sharma, Vice President of Power Supply	
2. Application Contact Mailing Address: Organization/Firm: Kissimmee Utility Authority Street Address: P. O. Box 423219 City: Kissimmee State: Florida Zip Code: 34742-3219	
3. Application Contact Telephone Numbers: Telephone: (407) 933 - 7777 Fax: (407) 847 - 0787	

Application Processing Information (DEP Use)

1. Date of Receipt of Application:	
2. Permit Number:	
3. PSD Number (if applicable):	
4. Siting Number (if applicable):	

Purpose of Application

Air Operation Permit Application

This Application for Air Permit is submitted to obtain: (Check one)

- Initial Title V air operation permit for an existing facility which is classified as a Title V source.
- Initial Title V air operation permit for a facility which, upon start up of one or more newly constructed or modified emissions units addressed in this application, would become classified as a Title V source.
Current construction permit number: _____
- Title V air operation permit revision to address one or more newly constructed or modified emissions units addressed in this application.
Current construction permit number: _____
Operation permit number to be revised: _____
- Title V air operation permit revision or administrative correction to address one or more proposed new or modified emissions units and to be processed concurrently with the air construction permit application. (Also check Air Construction Permit Application below.)
Operation permit number to be revised/corrected: _____
- Title V air operation permit revision for reasons other than construction or modification of an emissions unit. Give reason for the revision; e.g., to comply with a new applicable requirement or to request approval of an "Early Reductions" proposal.
Operation permit number to be revised: PSD Permit PSD-FL-254 .
Reason for revision: Change in excess emissions parameters .

Air Construction Permit Application

This Application for Air Permit is submitted to obtain: (Check one)

- Air construction permit to construct or modify one or more emissions units.
- Air construction permit to make federally enforceable an assumed restriction on the potential emissions of one or more existing, permitted emissions units.
- Air construction permit for one or more existing, but unpermitted, emissions units.

Owner/Authorized Representative or Responsible Official

1. Name and Title of Owner/Authorized Representative or Responsible Official: A. K. Sharma, Vice President of Power Supply
2. Owner/Authorized Representative or Responsible Official Mailing Address: Organization/Firm: Kissimmee Utility Authority Street Address: P. O. Box 423219 City: Kissimmee State: Florida Zip Code: 34742-3219
3. Owner/Authorized Representative or Responsible Official Telephone Numbers: Telephone: (407) 933 - 7777 Fax: (407) 847 - 0787
4. Owner/Authorized Representative or Responsible Official Statement: <i>I, the undersigned, am the owner or authorized representative*(check here [X], if so) or the responsible official (check here [], if so) of the Title V source addressed in this application, whichever is applicable. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof. I understand that a permit, if granted by the Department, cannot be transferred without authorization from the Department, and I will promptly notify the Department upon sale or legal transfer of any permitted emissions unit.</i> Signature: <u>Ak Sharma</u> Date: <u>10/7/2002</u>

* Attach letter of authorization if not currently on file.

Professional Engineer Certification

1. Professional Engineer Name: Jerome J. Guidry, P.E., Q.E.P. Registration Number: 32589
2. Professional Engineer Mailing Address: Organization/Firm: Perigee Technical Services, Inc. Street Address: 3214 Deer Chase Run City: Longwood State: Florida Zip Code: 32779-3173
3. Professional Engineer Telephone Numbers: Telephone: (407) 333 - 7374 Fax: (407) 333 - 9396

4. Professional Engineer Statement:

I, the undersigned, hereby certify, except as particularly noted herein, that:*

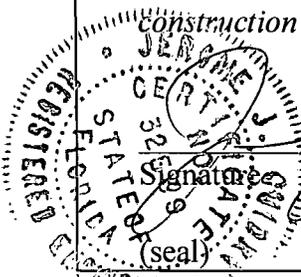
(1) To the best of my knowledge, there is reasonable assurance that the air pollutant emissions unit(s) and the air pollution control equipment described in this Application for Air Permit, when properly operated and maintained, will comply with all applicable standards for control of air pollutant emissions found in the Florida Statutes and rules of the Department of Environmental Protection; and

(2) To the best of my knowledge, any emission estimates reported or relied on in this application are true, accurate, and complete and are either based upon reasonable techniques available for calculating emissions or, for emission estimates of hazardous air pollutants not regulated for an emissions unit addressed in this application, based solely upon the materials, information and calculations submitted with this application.

If the purpose of this application is to obtain a Title V source air operation permit (check here [X], if so), I further certify that each emissions unit described in this Application for Air Permit, when properly operated and maintained, will comply with the applicable requirements identified in this application to which the unit is subject, except those emissions units for which a compliance schedule is submitted with this application.

If the purpose of this application is to obtain an air construction permit for one or more proposed new or modified emissions units (check here [], if so), I further certify that the engineering features of each such emissions unit described in this application have been designed or examined by me or individuals under my direct supervision and found to be in conformity with sound engineering principles applicable to the control of emissions of the air pollutants characterized in this application.

If the purpose of this application is to obtain an initial air operation permit or operation permit revision for one or more newly constructed or modified emissions units (check here [], if so), I further certify that, with the exception of any changes detailed as part of this application, each such emissions unit has been constructed or modified in substantial accordance with the information given in the corresponding application for air construction permit and with all provisions contained in such permit.

A circular professional engineer seal for the State of Florida. The seal contains the text "REGISTERED PROFESSIONAL ENGINEER", "STATE OF FLORIDA", and "SEAL". The seal is partially obscured by a handwritten signature.

Signature: _____

Date: 10-9-02

Attach any exception to certification statement.

Construction/Modification Information

1. Description of Proposed Project or Alterations:

The purpose of this application is to respond to the request for additional information from Michael P. Halpin, P. E. to Mr. A. K. Sharma dated July 31, 2002 regarding the request for changes to excess emissions parameters contained in PSD permit PSD-FL-254 (see Attachment B). The request was made in a letter from Mr. Sharma dated July 10, 2002 (see Attachment C). Attachment A contains responses to the requests.

2. Projected or Actual Date of Commencement of Construction: **N/A**

3. Projected Date of Completion of Construction: **N/A**

Application Comment

Attachment A

Responses to Request for Additional Information

a) How much time is required for each of the startup modes requested (to at least 1 hour of precision)?

The only startup mode change which is requested is for cold startup to combined cycle operation. The startup requires a minimum of 4 hours under optimum conditions. However, startup may not always occur under optimum conditions. At several points during the startup process, the operator must evaluate the condition of the unit and determine if additional hold times are required to assure proper startup. The duration of these situations cannot be accurately estimated since they are discretionary. During the previous two startups, these situations did not occur, but it was evident that additional discretionary hold times or slower ramping to full power could easily exceed the currently permitted 4 hours for startup. KUA believes that one additional hour should accommodate these unforeseen circumstances. These observations have prompted this request for up to 5 hours of excess emissions during startup.

b) Which pollutant(s) exceed the permitted limits during the above startup mode(s)?

Nitrogen oxides exceed the permitted limits during startup.

c) What actual emission level(s) are observed during each of the startup modes?

During a recent startup, nitrogen oxide emissions averaged 60 ppm.

d) What emission level(s) are reasonably attainable during each of the startup modes?

Since this unit has been started up in this mode only a few times, an average emission level of 60 ppm could probably be considered reasonable. However, startup procedures, by their nature, can vary considerably along with actual emissions.

Attachment B
Request for Additional Information



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

July 31, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. A. K. Sharma, P.E.
Director of Power Supply
Kissimmee Utility Authority
Post Office Box 423219
Kissimmee, Florida 34742-3219

Re: Request for Additional Information
DEP File Nos. PSD-FL-254, PA98-38
Cane Island Unit No. 3 - Excess Emissions During Start-Up

Dear Mr. Sharma:

The Department is in receipt of your letter dated July 10, 2002 related to PSD-FL-254. In order to continue processing your application, the Department will need the additional information below. Should your response to any of the below items require calculations, please submit the calculations, assumptions, reference material and any appropriate revised pages of the application.

Your letter makes requests, which cover two areas of the existing PSD permit:

- 1) Revise the definition a cold start-up, as a start-up to combined cycle operation following a complete shutdown lasting at least 8 hours rather than 48 hours which is currently specified
- 2) Increase the allowable period of excess emissions during cold start-ups to 5 hours rather than 4 hours which is currently authorized

The Department notes that the pertinent language contained in PSD-FL-254 is quite common for nearly every PSD permit issued over the past few years, where combined cycle units are involved. As you are likely aware, 62-210.700(1) allows excess emissions resulting from start-up and shutdown, "... but in no case exceed two hours in any 24 hour period unless specifically authorized by the Department for longer duration". In the past, we have been told by EPA that they expect us to be very judicious in our application of the rule, and EPA continues to comment adversely on draft permits where we have authorized up to 3 or 4 hours in a 24-hour period rather than the two hours written in the rule. We have had several discussions with Region IV on this precise topic, and have come to understand that their dissatisfaction stems from the underlying presumption that by allowing excess emissions to occur (with no defined limits) all pollutant levels are authorized to be unlimited for that entire period of time. Since we have not required applicants to do modeling during startup, some possibility exists that a permit could be issued which allows ambient air quality standards to be violated during those times. We believe that these are valid concerns.

Mr. A.K. Sharma
Page 2 of 2
July 31, 2002

In the event that you wish to continue to process the request dealing with extensions of time for excess start-up emissions, we must have further information. The purpose of the additional information is to define with some precision:

- a) How much time is required for each of the startup modes requested (to at least 1 hour of precision)
- b) Which pollutant(s) exceed the permitted limits during the above startup mode(s)
- c) What actual emission level(s) are observed during each of the startup modes and
- d) What emission level(s) are reasonably attainable during each of the startup modes

The above information will form the basis for a permit revision defining alternate (but not unlimited) emission levels during the affected startup mode. As indicated above, we believe that this approach is workable and is similar to the approach being utilized for Lakeland Electric's McIntosh facility.

Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. Please note that per Rule 62-4.055(1): *"The applicant shall have ninety days after the Department mails a timely request for additional information to submit that information to the Department..... Failure of an applicant to provide the timely requested information by the applicable date shall result in denial of the application."* We suggest that when you provide the above requested information, you provide at least two of the portions from our standard application, those being the signature of the facility's authorized representative, and a PE signature.

If you have any questions, please call me at 850/921-9519.

Sincerely,



Michael P. Halpin, P.E.
DEP/DARM
New Source Review Section

cc: Buck Oven, DEP PPSO
Len Kozlov, DEP CD

Attachment C
Original Request for Permit Revision

A.K. (BEN) SHARMA, P.E.
Vice President of Power Supply
E-mail: BSHARMA@KUA.COM



P.O. BOX 423219, KISSIMMEE, FLORIDA 34742-3219
(407) 933-7777 FAX: 407-847-0787

July 10, 2002

Mr. A. A. Linero, P. E.
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Ref: Kissimmee Utility Authority – Cane
Island Power Park
PSD Permit PSD-FL-254 (Unit 3)
Request for Permit Modification

Dear Mr. Linero:

This is to request a change to specific condition 29 of permit PSD-FL-254 to allow 5 hours of excess emissions during cold startup to combined cycle operation and to change the definition of "cold start-up." Condition 29 of the current PSD permit for Unit 3 permits up to 4 hours of excess emissions during cold startup to combined cycle operation. The startup procedure for Unit 3 requires a minimum of 3.5 hours of built-in "hold" times during the actual startup procedure; that is, if the actual startup procedures (opening/closing of vents, valves, breakers, etc.) were instantaneous, the required hold times alone would require a minimum of 3.5 hours. The procedures themselves require almost 30 minutes under optimum conditions; however, startup will not always occur under optimum conditions. In addition, many of the hold points during the startup procedure do not specify a minimum time, but require the operator to assure certain conditions before continuing, such as absence of vibrations. If these conditions are not met, then these hold times can easily reach 10 or 20 minutes each.

For these reasons, KUA requests that up to five hours of excess emissions be permitted during cold startup to combined cycle operation and that cold startup be defined as a start-up to combined cycle operation following a complete shut down lasting at least eight hours. Specifically, KUA requests that specific condition 29 of permit PSD-LF-254 be changed as follows:

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

July 10, 2002
Page 2

simple cycle operation, up to one hour of excess emissions are allowed. During cold start-up to combined cycle operation, up to ~~four~~ five 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 8 hours.

I would also request that this change be implemented in the Title V permit application for Unit 3 which is currently being processed by your office (Facility ID 0970043). If you have any questions regarding this request, please call Mr. Jeff Ling at 407/933-7777 or Mr. Jerome Guidry at 407/333-7374.

Sincerely,



A.K. (Ben) Sharma, P.E.
Vice President of Power Supply

cc: Alan Zahm, P. E.
Mark A. Wiitanen, P. E.
Jeff Ling
Larry Mattern
Richard Stephens
Jerome J. Guidry, P. E.

A.K. (BEN) SHARMA, P.E.
Vice President of Power Supply
E-mail: BSHARMA@KUA.COM



P.O. BOX 423219, KISSIMMEE, FLORIDA 34742-3219
(407) 933-7777 FAX: 407-847-0787

RECEIVED

JUL 15 2002

July 10, 2002

BUREAU OF AIR REGULATION

Mr. A. A. Linero, P. E.
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Ref: Kissimmee Utility Authority – Cane
Island Power Park
PSD Permit PSD-FL-254 (Unit 3)
Request for Permit Modification

0970043-011-AC
0970043-012-AV

Dear Mr. Linero:

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July 10, 2002
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