

Department of Environmental Protection

Lawton Chiles
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400
Notice of Permit Amendment

Virginia B. Wetherell
Secretary

In the Matter of an
Application for Permit Amendment

DEP File No. AC 50-219413
PSD-FL-196
County: Palm Beach

Mr. Dennis V. Space, General Manager
Okeelanta Power Limited Partnership
Post Office Box 8
South Bay, Florida 33493

Enclosed is a letter that amends Permit Number AC50-219413/PSD-FL-196. The amendment authorizes additional time for simultaneous operation of the existing bagasse boilers at the adjacent sugar mill and the new biomass cogeneration boilers while technical problems with the new boilers and bagasse feed systems are being corrected. This permit amendment is issued pursuant to Section 403, Florida Statutes.

Any party to this Order (permit) has the right to seek judicial review of the permit pursuant to Section 120.68, Florida Statutes, by filing of a Notice of Appeal pursuant to Rule 9.110, Florida Rules of Appellate Procedure, with the Clerk of the Department in the Office of General Counsel, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000, and by filing a copy of the Notice of Appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The Notice of Appeal must be filed within 14 days from the date this Notice is filed with the Clerk of the Department.

Executed in Tallahassee, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

C. H. Fancy, P.E., Chief
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399-2400
904-488-1344

CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that this NOTICE OF PERMIT AMENDMENT and all copies were mailed before the close of business on 6-14-96 to the listed persons.

Clerk Stamp

FILING AND ACKNOWLEDGMENT

FILED, on this date, pursuant to \$120.52(11), Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Clerk

6-14-96
Date

Copies furnished to:

David Knowles, SD
James Stormer, PBCHU
John Bunyak, NPS
David Dee, Landers & Parsons

Isidore Goldman, SED
Jewell Harper, EPA
David Buff, KBN

FINAL DETERMINATION

Osceola & Okeelanta Power L.P.
AC 50-269980/PSD-FL-197A
AC 50-219413/PSD-FL-196

The Intent to Issue construction permit amendments to Osceola & Okeelanta Power L.P. for their cogeneration facilities constructed adjacent to sugar mills in Palm Beach County was distributed on May 8, 1996. The Notice of Intent to Issue Permit was published in the Palm Beach Post on May 20, 1996. Copies of the evaluation were available for public inspection at the Department offices in West Palm Beach, Ft. Myers, and Tallahassee and at the Palm Beach County Health Unit in West Palm Beach.

Comments on the Department's Intent were submitted by the applicant. The applicant requested that the permit amendments be issued to the General Managers of each facility instead of the Vice President for both facilities. This request is acceptable to the Department.

The final action of the Department will be to issue letters amending the referenced construction permits as proposed except for the change noted above.



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

June 12, 1996

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Dennis V. Space, General Manager
Okeelanta Power Limited Partnership
Post Office Box 8
South Bay, Florida 33493

Dear Mr. Space:

Re: Amendment of Permit
AC 50-219413/PSD-FL-196

The Department has reviewed your April 17 letter requesting that the referenced permit be amended to allow additional time for the simultaneous operation of Okeelanta Corporation's existing sugar mill bagasse boilers and the new cogeneration boilers at the facilities located near South Bay, Palm Beach County, Florida. This request is acceptable and the referenced permit is amended as follows:

FROM:

17. During the first three years of commercial cogeneration facility operation, the existing Boilers Nos. 4, 5, 6, 10, 11, 12, 14, and 15 (Permit Nos. AO 50-169210, 190690, 175414, 190693, 175411, 169215, 189904, and 209094, respectively) may be retained for standby operation. During the period from initial firing to commercial operation, all three cogeneration boilers can be operated simultaneously with the existing boilers. Only biomass and No. 2 fuel oil may be used in the cogeneration boilers during this period. If more than 910,836 lb/hr steam is generated in the cogeneration boilers, steam in excess of 910,836 lb/hr must be sent to the Okeelanta sugar mill, and the existing boiler's steam production reduced by an equivalent amount. This period shall not exceed a total duration of 12 months. During this 12-month period, simultaneous operation of the existing boilers and the cogeneration boilers shall not occur on more than a total of 90 calendar days. After the first year of cogeneration facility operation, the existing boilers may be operated only when all three cogeneration

Mr. Dennis V. Space
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boilers are shutdown. During operation, the existing boilers must meet all requirements in the most recent construction and operation permits for the boilers. These existing boilers shall be shutdown and rendered incapable of operation within three (3) years of commercial startup of the cogeneration facility, but no later than January 1, 1999.

18. Boiler No. 16 (AC 50-191876) may be retained as a standby boiler for the cogeneration facility provided its permit is amended to authorize standby use. Boiler No. 16 may be operated during initial startup, debugging, and testing of the cogeneration facility for a period not to exceed 12 months following initial firing of fuel in the new boilers. After the first year of cogeneration operation, this boiler may be operated only when one or more of the three cogeneration boilers are shutdown. During operation, this boiler must meet all requirements in the current construction or operating permit for the boiler.

TO:

17. During the first three years of commercial cogeneration facility operation, the existing Boilers Nos. 4, 5, 6, 10, 11, 12, 14, and 15 (Permit Nos. AO 50-169210, 190690, 175414, 190693, 175411, 169215, 189904, and 209094, respectively) may be retained for standby operation. During the period from initial firing until **April 1, 1997**, all three cogeneration boilers can be operated simultaneously with the existing boilers. Only biomass and No. 2 fuel oil may be used in the cogeneration boilers during periods of **simultaneous operation**. If more than 910,836 lb/hr steam is generated in the cogeneration boilers, steam in excess of 910,836 lb/hr must be sent to the Okeelanta sugar mill, and the existing boiler's steam production reduced by an equivalent amount. After **April 1, 1997**, the **cogeneration** boilers may be operated only when **the existing sugar mill boilers are shutdown or in the process of immediately shutting down**. During operation, the existing boilers must meet all requirements in the most recent construction and operation permits for the boilers. These existing boilers shall be shutdown and rendered incapable of operation within three (3) years of commercial startup of the cogeneration facility, but no later than January 1, 1999.


18. Boiler No. 16 (AC 50-191876) may be retained as a standby boiler for the cogeneration facility provided its permit is amended to authorize standby use. Boiler No. 16 may be operated during startup, debugging, and testing of the cogeneration facility. After

Mr. Dennis V. Space
Page Three
June 12, 1996

April 1, 1997, this boiler may be operated only when one or more of the three cogeneration boilers are shutdown. During operation, this boiler must meet all requirements in the current construction or operating permit for the boiler.

A copy of this letter shall be attached to the referenced permit and shall become a condition of that permit.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**


Howard L. Rhodes, Director
Division of Air Resources
Management

Mr. Dennis V. Space
Page Four
June 12, 1996

CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that all copies of this INTENT TO ISSUE PERMIT AMENDMENT all copies were mailed by certified mail before the close of business on 6-14-96 to the listed persons.

Clerk Stamp

FILING AND ACKNOWLEDGMENT

FILED, on this date, pursuant to §120.52(11), Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Keri Jones 6-14-96
Clerk Date

HLR/wh/t

Attachment: Okeelanta Power L.P. April 17, 1996 letter

Copies furnished to:

David Knowles, SD
Isidore Goldman, SED
James Stormer, PBCHD
Jewell Harper, EPA
John Bunyak, NPS
David Buff, KBN
David Dee, Landers & Parsons

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

3. Consult postmaster for fee.

3. Article Addressed to:
 Dennis V. Space, A.M.
 Deelanta Power, LP
 P.O. Box 18
 South Bay, FL 33493

4a. Article Number
 P339 251 106

4b. Service Type
 Registered
 Certified
 Express Mail

Insured
 COD
 Return Receipt for Merchandise

7. Date of Delivery
 6-18-96

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)
 [Signature]

6. Signature (Agent)
 [Signature]

PS Form 3811, December 1991

*U.S. GPO: 1989-382-714

DOMESTIC RETURN RECEIPT

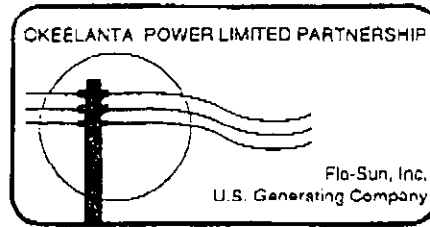
Thank you for using Return Receipt Service.

2 339 251 106

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for international Mail (See reverse)

Sent to	Dennis Space
Street & Number	Deelanta Power
Post Office, State, & Zip Code	South Bay, FL
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	6-14-96
	AC50-219413 P50-FL-196 Palm Beach

PS Form 3800, April 1995



April 17, 1996

Mr. Clair Fancy, P.E.
Chief, Bureau of Air Regulation
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Okeelanta Power Limited Partnership Cogeneration Facility

Dear Mr. Fancy:

Okeelanta Power Limited Partnership was permitted to construct a 74.9 megawatt cogeneration facility in 1993 under air construction permit AC50-219413; PSD-FL-196. Construction of the facility began in 1994, and the facility began start-up testing in 1995. Okeelanta Power requests an amendment to the construction permit, as described below.

Requirements in Construction Permit

Specific Conditions 17 and 18 of the PSD permit address simultaneous operation of the cogeneration facility boilers and the existing Okeelanta sugar mill boilers. These conditions allow the existing sugar mill boilers (Boiler Nos. 4, 5, 6, 10, 11, 12, 14, and 15) to be retained for standby operation during the first three years of commercial operation of the cogeneration facility. During this three year period, the following conditions apply:

I. Simultaneous Operation of Cogen and Sugar Mill Boilers

- A. This period is limited to the time from initial firing to commercial operation of the cogeneration boilers, but shall not exceed a total duration of 12 months.
- B. All three cogeneration boilers can be operated simultaneously with the existing mill boilers.
- C. Only biomass or No. 2 fuel oil can be fired in the cogeneration boilers during such periods.
- D. Simultaneous operation is limited to 90 calendar days.

2. Standby Operation of the Existing Sugar Mill Boilers

- A. After the first year of cogen facility operation the existing sugar mill boilers may only be operated when all three cogeneration boilers are shutdown.
- B. The existing mill boilers must be permanently shutdown within three years of commercial startup of the cogeneration facility, but no later than January 1, 1999.

In addition, Boiler No. 16 at Okeelanta sugar mill, which primarily serves the sugar refinery, can be retained as a standby boiler after the cogeneration facility begins operating. Boiler No. 16 may be operated simultaneously with the cogeneration facility boilers during initial startup, debugging and testing of the cogeneration facility, for a period not to exceed 12 months following initial firing of fuel in the cogen boilers. After the first year of cogen operation, Boiler No. 16 may only be operated when one or more of the cogen boilers are shutdown.

Conditions During Initial Testing

The Okeelanta Power cogeneration facility first fired fuel oil for a few days in October 1995. Biomass was first fired in the boilers in November 1995. From this time through early February 1996, the cogen facility was isolated from the sugar mill while debugging and testing of the cogen facility was being conducted. Beginning in early February 1996 and continuing through March, connections were attempted between the cogen facility and the sugar mill. However, these connection attempts were not successful. The sugar mill ended its crop season on March 3, 1996, and no further connections can be attempted until the next crop season, which is scheduled to begin on approximately October 16, 1996.

Due to the technical problems in the startup of the cogen facility, and the unsuccessful attempts at connecting to the sugar mill during the 1995-1996 crop season, Okeelanta Power needs an extension in the length of time allowed in the construction permit for simultaneous operation of the cogen boilers and existing sugar mill boilers.

During the 1995-1996 crop season, technical problems in the cogeneration plant, unrelated to connections with the sugar mill, hindered the performance of the cogeneration plant. Because of these problems, there was not enough time for connections with the sugar mill to be debugged. The design of the cogeneration plant was based on experience at other facilities using coal and wood chip fuel. The impact and difficulty of using many fuel combinations in the cogeneration facility (i.e., wood chips, clean wood from C&D debris, bagasse, etc.) were underestimated. Okeelanta Power currently is trying to determine whether improvements or changes are needed in certain plant components. The use of bagasse fuel also has presented unanticipated problems with the fuel feed system and boilers.

The bagasse conveying and feeder system, and boiler performance when burning bagasse, can only be debugged during the crop season when bagasse is available and the mill is consuming steam under actual operating conditions.

Request for Extension of Time

Okeelanta Power has a significant incentive to successfully connect to the sugar mill in the shortest possible time. Operation of the existing sugar mill boilers, with associated manpower and operating costs, results in a significant economic penalty to the sugar mill. Continued technical difficulties in connecting with the sugar mill also results in economic penalties to the cogeneration facility. Therefore, Okeelanta Power will make every effort to limit the time needed for simultaneous operation of the cogen and sugar mill boilers.

However, Okeelanta Power cannot predict how quickly all of these technical problems can be resolved. It is estimated that, during the next crop season, 25 to 30 connection trials may be needed to test and increase the reliability of the complete cogen-sugar mill system that will replace the existing sugar mill boiler operation. Okeelanta Power hopes to start and conclude these tests as expeditiously as possible, but cannot predict when those tests will be conducted during the Okeelanta crop season or how long they will take.

In light of the problems experienced this crop year, and to maintain flexibility for testing next crop year, Okeelanta Power is requesting that the time for simultaneous operation of Boiler Nos. 4, 5, 6, 10, 11, 12, 14 and 15 be extended through the next crop season (October 16, 1996 through April 1, 1997). During simultaneous operation, Okeelanta Power will continue to fire only biomass or No. 2 fuel oil. The Okeelanta Power facility will continue to comply with all other provisions of the current construction permit. The sugar mill will comply with all of the applicable permit limits for its boilers.

In the case of Boiler No. 16, the sugar refinery is expected to operate through September of this year, and then shutdown until the crop season starts again. In order to allow sufficient time to completely debug and test the cogen and refinery connection, it is requested that the period of simultaneous operation of the cogen boilers and Boiler No. 16 also be extended to the end of the next crop season (i.e., through April 1, 1997).

Ambient and Other Impacts

The air quality impacts associated with simultaneous operation of the Okeelanta Power cogeneration facility boilers and the Okeelanta sugar mill boilers were addressed in the previous air construction permit application and permitting process. The impacts associated with simultaneous operation remain the same as previously presented. As previously noted, the simultaneous operation of the cogen facility and sugar mill will not cause or contribute to a violation of any ambient air quality standards or PSD increments. The current request only extends the period during which such impacts may occur.

Your prompt consideration of this request for a permit amendment is greatly appreciated. Enclosed is a check (no. 1409) in the amount of \$250.00 for the Department's processing fee for this permit amendment. Please call if you have any questions concerning this request.

Sincerely,



Dennis V. Space
General Manager

cc: David Knowles - FDEP/Ft. Myers
James Stormer - HRS/PBCo
Ricardo Lima - OC
Roger King - OC
James Meriwether - OPLP
Matt Capone - OC
Bill Tarr - Flo-Sun, Inc.
David Dee - Landers and Parsons
Mark Carney - USGen

used as object



To: Howard L. Rhodes
Thru: Clair Fancy *cc for LITF*
A. A. Linero *A. A. Linero*
From: Willard Hanks
Date: June 12, 1996
Subject: Amendment of Permit
Osceola & Okeelanta Power L.P.

Attached for your approval and signature are letters that will amend the construction permits for Osceola and Okeelanta Power L.P. cogeneration facilities which are located at sugar mills in Palm Beach County. The amendment will allow additional time, until April 1, 1997, for operation of the existing sugar mill boilers while the technical problems with the new boilers and bagasse feed systems are corrected. The facilities shall comply with all other provisions of the construction permits.

The only comments submitted in response to the Notice of Intent were from the applicants. They requested that the permit amendment letters be issued to the General Manager of each facility instead of the Vice President of the facilities. The Department accepts this request.

I recommend your approval and signature for the attached two letters amending the construction permits for these facilities.

WH/t

Attachment