

Florida Department of Environmental Protection

Bob Martinez Center 2600 Blair Stone Road Tallahassee, Florida 32399-2400 Charlie Crist Governor

Jeff Kottkamp Lt. Governor

Michael W. Sole Secretary

May 21, 2007

ELECTRONIC MAIL - READ RECEIPT REQUESTED

Mr. Dave Kellermeyer, Responsible Official Mulberry Cogeneration Facility (Northern Star Generation Services Company, LLC) 2929 Allen Parkway, Suite 2200 Houston, TX 77019

Re: Mulberry Cogeneration Facility

Combined Cycle Gas Turbine (EU-001) – DLN Tuning/Testing

Exemption from the Requirement to Obtain an Air Construction Permit

Dear Mr. Kellermeyer:

The Department is currently reviewing an application to authorize a high-temperature peaking mode in which the combustion turbine firing temperature would increase from 2055° to 2080°F. In turn, this allows additional fuel to be fired, increasing the maximum heat input rate from 912 to 970 MMBtu/hour. Although the unit will continue to comply with the permitted NO_X emissions rate of 15ppmvd, the NO_X mass emissions rate will increase. However, it is unknown what this increase may be.

On April 27, 2007, we received an email from Mr. Scott Osbourn, P.E., requesting temporary authorization to conduct limited testing/tuning at a higher firing temperature in order to determine the effect on emissions of nitrogen oxides for the gas turbine. Emissions and operational data will be gathered during tuning/testing at a higher firing temperature. This would occur for 15 - 20 hours over a 2 week period, which is currently scheduled to begin in the month of May. During this time, the plant will have qualified technicians on site to tune the gas turbine to achieve maximum efficiency and emissions control at the higher firing temperature. While conducting tuning/testing, it is possible to have excess emissions while the unit is staged through the various load conditions. This would occur for no more than 20 hours during the 2-week tuning/testing period.

The higher firing temperature is achievable due to a vendor approved change to the turbine process control software that will allow the unit to process more fuel. After the tuning session, the plant will return to the currently permitted heat input rate until the Department acts on the pending application requesting authorization for the higher heat input rate. The expected worst-case increase in NO_X emissions above current permitted emission levels would be approximately 5.3 lbs/hr.

Determination: The NO_X emissions data is needed for high temperature peaking to better assess the NO_X emissions increase if allowed on a permanent basis. Based on the available information, the Department approves your request as conditioned by the provisions attached to this letter. Pursuant to Rule 62.4.040(1)(b), F.A.C., the Department exempts this temporary project from the requirement to obtain an air construction permit. This determination may be revoked if the proposed activity is substantially modified or the basis for the exemption is determined to be materially incorrect. A copy of this letter shall be maintained at the site of the proposed activity. This permitting decision is made pursuant to Chapter 403, Florida Statutes.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a determination for this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida 32301. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the applicant or any of the parties listed below must be filed within twenty-one (21) days of receipt of this Written Notice of Exemption. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within twenty-one (21) days of publication of a Public Notice or within twenty-one (21) days of receipt of this Written Notice of Exemption, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within twenty-one (21) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention (in a proceeding initiated by another party) will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action, including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes 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 action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Written Notice of Exemption. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation: Mediation is not available in this proceeding.

Effective Date: This permitting decision is final and effective on the date filed with the clerk of the Department unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition pursuant to Rule 62-110.106, F.A.C.,

and the petition conforms to the content requirements of Rules 28-106.201 and 28-106.301, F.A.C. Upon timely filing of a petition or a request for extension of time, this action will not be effective until further order of the Department.

Appeal: Any party to this permitting decision (order) has the right to seek judicial review of it under Section 120.68, F.S., 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.

707

Trina Vielhauer, Chief Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this order was sent by electronic mail with read receipt requested before the close of business on to the persons listed:

Mr. David Kellermeyer, Northern Star Generation Services Company, LLC (dave.kellermeyer@northernstargen.com)

Ms. Gwynne Johnson, Mulberry Cogeneration Facility (gwynne.johnson@northernstargen.com)

Mr. Scott Osbourn, Golder Associates Inc. (sosbourn@golder.com)

Ms. Mara Nasca, SWD Office (mara.nasca@dep.state.fl.us)

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.

Subject to the following provisions, the Mulberry Cogeneration Facility is temporarily authorized to conduct a tuning/testing session while firing natural gas for the existing combined cycle gas turbine.

- 1. At least 3 days prior to conducting the tuning/testing session, the plant shall notify the Department's Southwest District Office with a preliminary schedule. This schedule shall be updated as necessary.
- 2. The tuning/testing session may be conducted at a combustion turbine firing temperature of 2080° F.
- 3. The tuning/testing session at 2080° F shall be limited to a 2-week period, during which, up to 20 hours of tuning/testing at the higher rate is allowed.
- 4. Except for the following, the gas turbine shall comply with all existing requirements of the current Title V air operation permit:
 - a. During the authorized tuning session, the maximum heat input rate will be 970 MMBtu/hr at ISO conditions based on full load operation and the lower heating value of natural gas.
 - b. No more than 20 hours of NO_X CEMS data collected during the tuning/testing session shall be excluded from the NO_X compliance demonstration due to tuning/testing.

These temporary provisions expire once the tuning/testing session is complete.

- 5. NO_X emissions shall be continuously monitored with the existing NO_X CEMS throughout the tuning/testing program.
- 6. The plant shall notify the Department's Southwest District Office within 1 day of completing the tuning/testing.
- 7. Within 30 days of completing the tuning/testing, the plant shall provide a written report summarizing the tuning procedure and the results including the affects on operations and emissions. The report shall be submitted to the Southwest District Office and the Bureau of Air Regulation.
- 8. This authorization expires on June 30, 2007.

From:

Nasca, Mara

To:

Friday, Barbara

Sent:

Tuesday, May 22, 2007 12:57 PM

Subject:

Read: Exemption from the Requirement to Obtain an Air Construction Permit

Your message

To:

'dave.kellermeyer@northernstargen.com'; 'gwynne.johnson@northernstargen.com'; 'sosbourn@golder.com'; Nasca, Mara

Cc:

Subject:

Koerner, Jeff; Adams, Patty Exemption from the Requirement to Obtain an Air Construction Permit

Sent:

5/22/2007 10:32 AM

was read on 5/22/2007 12:57 PM.

To:

dave.kellermeyer@northernstargen.com; gwynne.johnson@northernstargen.com;

sosbourn@golder.com; Nasca, Mara

Cc:

Koerner, Jeff; Adams, Patty

Subject:

Exemption from the Requirement to Obtain an Air Construction Permit

Attachments: MulberryCogeneration(NorthernStar)DaveKellermeyerExemptionLetter.pdf

Dear Sir/Madam:

Please send a "reply" message verifying receipt of the attached document(s); this may be done by selecting "Reply" on the menu bar of your e-mail software and then selecting "Send". We must receive verification of receipt and your reply will preclude subsequent e-mail transmissions to verify receipt of the document(s).

The document(s) may require immediate action within a specified time frame. Please open and review the document(s) as soon as possible.

The document is in Adobe Portable Document Format (pdf). Adobe Acrobat Reader can be downloaded for free at the following internet site: http://www.adobe.com/products/acrobat/readstep.html.

The Bureau of Air Regulation is issuing electronic documents for permits, notices and other correspondence in lieu of hard copies through the United States Postal System, to provide greater service to the applicant and the engineering community. Please advise this office of any changes to your e-mail address or that of the Engineer-of-Record.

Thank you,

DEP, Bureau of Air Regulation

From:

System Administrator

To:

Nasca, Mara

Sent:

Tuesday, May 22, 2007 10:32 AM

Subject:

Delivered: Exemption from the Requirement to Obtain an Air Construction Permit

Your message

To:

'dave.kellermeyer@northernstargen.com'; 'gwynne.johnson@northernstargen.com'; 'sosbourn@golder.com'; Nasca, Mara

Cc:

Koerner, Jeff; Adams, Patty

Subject:

Exemption from the Requirement to Obtain an Air Construction Permit

Sent:

5/22/2007 10:32 AM

was delivered to the following recipient(s):

Nasca, Mara on 5/22/2007 10:32 AM

From:

Mail Delivery System [MAILER-DAEMON@sophos.golder.com]

Sent:

Tuesday, May 22, 2007 10:32 AM

To:

Friday, Barbara

Subject:

Successful Mail Delivery Report

Attachments:

Delivery report; Message Headers





Delivery report.txt (459 B)

Message

Headers.txt (2 KB)

This is the mail system at host sophos.golder.com.

Your message was successfully delivered to the destination(s) listed below. If the message was delivered to mailbox you will receive no further notifications. Otherwise you may still receive notifications of mail delivery errors from other systems.

The mail system

<sosbourn@golder.com>: delivery via 127.0.0.1[127.0.0.1]:10025: 250 OK, sent 4652FEF0 7044 37 1

From:

Osbourn, Scott [Scott_Osbourn@golder.com]

To:

Sent:

Subject:

undisclosed-recipients
Tuesday, May 22, 2007 10:36 AM
Read: Exemption from the Requirement to Obtain an Air Construction Permit

Your message

To:

Scott_Osbourn@golder.com

Subject:

was read on 5/22/2007 10:36 AM.

From:

Johnson, Gwynne [gwynne.johnson@northernstargen.com]

To:

undisclosed-recipients

Sent:

Tuesday, May 22, 2007 10:40 AM

Subject:

Read: Exemption from the Requirement to Obtain an Air Construction Permit

Your message

To:

gwynne.johnson@northernstargen.com

Subject:

was read on 5/22/2007 10:40 AM.

From:

Johnson, Gwynne [gwynne.johnson@northernstargen.com]

Sent:

Tuesday, May 22, 2007 10:54 AM

To:

Friday, Barbara

Subject: RE: Exemption from the Requirement to Obtain an Air Construction Permit

Acknowledging receipt.

Gwynne Johnson

From: Friday, Barbara [mailto:Barbara.Friday@dep.state.fl.us]

Sent: Tuesday, May 22, 2007 10:32 AM

To: Kellermeyer, Dave; Johnson, Gwynne; sosbourn@golder.com; Nasca, Mara

Cc: Koerner, Jeff; Adams, Patty

Subject: Exemption from the Requirement to Obtain an Air Construction Permit

Dear Sir/Madam:

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The document(s) may require immediate action within a specified time frame. Please open and review the document(s) as soon as possible.

The document is in Adobe Portable Document Format (pdf). Adobe Acrobat Reader can be downloaded for free at the following internet site: http://www.adobe.com/products/acrobat/readstep.html.

The Bureau of Air Regulation is issuing electronic documents for permits, notices and other correspondence in lieu of hard copies through the United States Postal System, to provide greater service to the applicant and the engineering community. Please advise this office of any changes to your e-mail address or that of the Engineer-of-Record.

Thank you,

DEP, Bureau of Air Regulation

The information contained in this email message may be privileged, confidential and protected from disclosure. If you think that you have received this email message in error, please notify the sender by reply email and delete the message and any attachments.

From:

Kellermeyer, Dave [dave.kellermeyer@northernstargen.com]

To:

undisclosed-recipients

Sent:

Subject:

Tuesday, May 22, 2007 10:39 AM Read: Exemption from the Requirement to Obtain an Air Construction Permit

Your message

To:

dave.kellermeyer@northernstargen.com

Subject:

was read on 5/22/2007 10:39 AM.