



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

*In the Matter of an
Application for Permit by:*

Lake Investment, Ltd.
39001 Golden Gem Drive
Umatilla, Florida 32784

Responsible Official:

Mr. James Miller, Plant Manager

Air Permit No. 0694801-011-AV
Lake Cogeneration Plant
SPRINT Project Capacity Increase
Lake County

Enclosed is Final Title V air operation permit revision No. 0694801-011-AV for the existing cogeneration plant, which is located in Lake County at 39001 Golden Gem Drive, Umatilla, Florida. This revision incorporates air construction permit revision Project No. 0694801-010-AC (PSD-FL-176C), which made the following changes for existing combined cycle Units 1 and 2: increase the maximum heat input rate when firing natural gas; authorize installation of continuous emissions monitoring systems (CEMS) for monitoring nitrogen oxides (NO_x); revise the averaging period for the NO_x standard; and identify that combustion turbines will now be subject to the applicable New Source Performance Standards (NSPS) in Part 60, Title 40 of the Code of Federal Regulations (CFR) including Subpart A (General Provisions) and Subpart KKKK (Stationary Combustion Turbines) instead of Subpart GG (Stationary Combustion Turbines). This permit is issued pursuant to Chapter 403, Florida Statutes.

Any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel (Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000) and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

Trina Vielhauer, Chief
Bureau of Air Regulation

TLV/jfk/ttm

NOTICE OF FINAL PERMIT

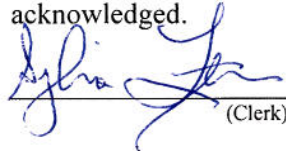
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that either this Notice of Final Air Permit (including the Final Air Permit, Appendices and Final Determination), or a link to these documents available electronically on a publicly accessible server, was sent by electronic mail with received receipt requested before the close of business on 6/23/09 to the persons listed below.

Mr. James Miller, Lake Cogeneration Plant (jmiller@caithnessenergy.com)
Mr. Thomas Grace, Caithness Energy (tgrace@caithnessenergy.com)
Mr. Scott Osbourn, Golder Associates (sosbourn@golder.com)
Ms. Kathleen Forney, EPA Region 4 (forney.kathleen@epa.gov)
Ms. Heather Abrams, EPA Region 4 (abrams.heather@epamail.epa.gov)
Mr. Alan Zahm, DEP CD Office (alan.zahm@dep.state.fl.us)
Mr. Mike Halpin, DEP Siting Office (mike.halpin@dep.state.fl.us)
Ms. Barbara Friday, DEP BAR (barbara.friday@dep.state.fl.us)
Ms. Victoria Gibson, DEP BAR (victoria.gibson@dep.state.fl.us)

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.



(Clerk)

6/23/09

(Date)

FINAL DETERMINATION

PERMITTEE

Lake Investment, Ltd.
39001 Golden Gem Drive
Umatilla, FL 32784

PERMITTING AUTHORITY

Florida Department of Environmental Protection (Department)
Division of Air Resource Management
Bureau of Air Regulation, Title V Section
2600 Blair Stone Road, MS #5505
Tallahassee, Florida 32399-2400

PROJECT

Air Permit No. 0694801-011-AV
Lake Cogeneration Plant

The purpose of this Title V air operation permit revision is to incorporate the changes established in Project No. 0694801-010-AC (PSD-FL-176C), which made the following changes to existing combined cycle Units 1 and 2: increase the maximum heat input rate when firing natural gas; authorize installation of continuous emissions monitoring systems (CEMS) for monitoring nitrogen oxides (NO_x); revise the averaging period for the NO_x standard; and identify that combustion turbines will now be subject to the applicable New Source Performance Standards (NSPS) in Part 60, Title 40 of the Code of Federal Regulations (CFR) including Subpart A (General Provisions) and Subpart KKKK (Stationary Combustion Turbines) instead of Subpart GG (Stationary Combustion Turbines).

NOTICE AND PUBLICATION

The Department distributed an Intent to Issue a (Draft/Proposed) Title V Air Operation Permit Revision package on April 23, 2009. The applicant published the Public Notice in the Orlando Sentinel (Orange County Edition) on May 1, 2009. The Department received the proof of publication on May 8, 2009.

COMMENTS

No comments on the Draft/Proposed Permit were received from the public or the EPA Region 4 Office. The Final Permit was renumbered in accordance with the proposed changes. The applicant had minor comments on the draft permit package. The following summarizes these comments and the Department's response.

Draft/Proposed Title V Air Operation Permit

1. Comment (Section IIIA. Renumbered Specific Condition 24): Regarding Draft/Proposed Permit Condition A.31, annual stack tests must be conducted within 60 days of July 15th. Due to the practice of removing and replacing the engines periodically for repair, the Central District has allowed this test window to move as necessary, provided that the facility conducts the required test at least once each federal fiscal year.

Response: The Central District confirmed that the 60-day testing window is no longer necessary and that the testing frequency should default to the state requirement of once during each federal fiscal year in accordance with Rule 62-297.310(7), F.A.C. The 60-day testing window was removed from the permit.

2. Comment (Section IIIA. Renumbered Specific Condition 30): Please correct the permit application renewal date in Draft/Proposed Permit Condition A.41 to reflect 225 days instead of 180 days.

Response: In March of 2008, the Department revised the requirement to submit a renewal application from 180 days prior to expiration to 225 days prior to expiration. The Department corrected the final permit.

3. Comment (Section IIIA. No Renumbered Condition): With the installation of the NO_x CEMS and the

FINAL DETERMINATION

proposed deletion of Draft/Proposed Permit Condition A.43 from the existing permit, the applicant requests confirmation that annual NO_x testing and that subsequent NO_x testing of leased engines during maintenance periods will no longer be necessary. The continuous emissions monitoring system (CEMS) will undergo an annual relative accuracy test audit. The applicant will continue to conduct annual CO stack testing and when required by the Central District for temporary leased engines, which operate while the original unit is being repaired at a central maintenance site.

Response: The Department confirms that the required CEMS shall be used to demonstrate compliance with the NO_x standards. No additional stack testing for NO_x emissions is required. However, the Central District may require “special compliance tests” for CO emissions when they have good reason to believe the unit is may not in compliance with a CO standard pursuant to Rule 62-297.310(7)(b), F.A.C. No changes were made.

4. Comment (Section IV. CAIR Part): The applicant states that the Lake Cogeneration Plant is not an Acid Rain Phase II facility because it is considered a “cogeneration facility” and a “qualified facility”. However, the plant is required to participate in the Clean Air Interstate Rule (CAIR) program in accordance with the state requirements of Rule 62-204.800(27), F.A.C. Therefore, the applicant checked the SO₂ box on the CAIR program application. Please confirm that this was correct.

Response: These units are subject to the CAIR program. The permittee may want to consider opting into the Acid Rain program, which may be able to provide allowances. Please check with EPA’s Clean Air Markets Division.

5. Section II, Condition 13: The Department notes that Rule 62-210.370, F.A.C. was revised in July of 2008 to change the submittal deadline of the Annual Operating Report from March 1st to April 1st. The Department corrected this deadline in Condition 13 of Section II in the final permit.

CONCLUSION

As noted above, only minor revisions were made to the draft permit. The final action of the Department is to issue the permit with the minor changes described above.



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Secretary

PERMITTEE:

Lake Cogeneration L.P.
39001 Golden Gem Drive
Umatilla, Florida 32784

Final Permit No. 0694801-011-AV
Facility ID No. 0694801
SIC Nos. 49; 4931
Title V Air Operation Permit Revision

The purpose of this permit is to revise the Title V Air Operation Permit. The existing Lake Cogeneration Facility is located at 39001 Golden Gem Drive, Umatilla, Lake County. The map coordinates are: Zone 17, 434.0 km East and 3198.8 km North; and, Latitude: 28° 55' 02" North and Longitude: 81° 40' 37" West.

This Title V Air Operation Permit Revision is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210 and 62-213. The above named permittee is hereby authorized to operate the facility shown on the application and approved drawings, plans, and other documents, attached hereto or on file with the permitting authority, in accordance with the terms and conditions of this permit.

Effective Date: 06/23/2009
Renewal Application Due Date: 05/20/2012
Expiration Date: 12/30/2012



Joseph Kahn, Director
Division of Air Resource Management

JK/tlv/ttm