

Issuance Date

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

08-xxxE CAB  
File No. 0097-05

( )

Mr. Randall Hee  
President and Chief Executive Officer  
Kauai Island Utility Cooperative  
4463 Pahee Street, Suite 1  
Lihue, Hawaii 96766-2000

Dear Mr. Hee:

**Subject: Amendment of Covered Source Permit (CSP) No. 0097-01-C  
Minor Modification Application No. 0097-05  
Kauai Island Utility Cooperative  
Port Allen Generating Station  
Located at: 4392 Waialo Road, Eleele, Kauai  
Date of Expiration: September 22, 2010**

In accordance with Hawaii Administrative Rules, Chapter 11-60.1, and pursuant to your application for a Minor Modification dated August 8, 2008, the Department of Health hereby amends Covered Source Permit (CSP) No. 0097-01-C issued to Kauai Island Utility Cooperative on September 23, 2005. The amendment revises the specification used oil requirements for steam boiler S-1 and clarifies other existing permit conditions.

The following amended permit conditions supersede the corresponding permit conditions of CSP No. 0097-05 issued on September 23, 2005:

1. Attachment II(D), Special Condition No. B.2

Specification (spec) used oil may be burned in steam boiler S-1 at a maximum rate of 1,000,000 gallons per year and shall not exceed 49% of the heat input to the boiler at any time. Transformer specification used oil with a PCB content of greater than 2 ppm may be burned in steam boiler S-1 at a maximum rate of 4.5 gallons per hour (gph). The specification used oil or transformer specification used oil shall be blended and burned with fuel oil no. 2, biodiesel, or a combination of fuel oil no. 2 and biodiesel, at all times.

(Auth.: HAR §11-60.1-3, §11-60.1-5, §11-60.1-90)

2. Attachment II(D), Special Condition No. B.4

The permittee shall only burn specification used oil that is generated by the permittee, such as crankcase oils, turbine oils and transformer oils that meets the specifications of specification (spec) used oil or spec used oil that is supplied by Unitek Solvent Services, Inc. Specification used oil from other sources may be burned, provided prior written approval is obtained from the Department of Health. The permittee shall also only burn transformer specification used oil that is generated by the permittee. An analysis must accompany the delivery of each batch of spec used oil that is received from an outside supplier.

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(Auth.: HAR §11-60.1-3, §11-60.1-5, §11-60.1-90)

3. Attachment II(D), Special Condition No. B.5

The constituents/properties of the specification used oil or transformer specification used oil burned in steam boiler S-1 shall not exceed the limits specified below:

<u>Constituent/Property</u>	<u>Allowable Limit</u>
Arsenic	5 ppm maximum
Cadmium	2 ppm maximum
Chromium	10 ppm maximum
Lead	50 ppm maximum
Sulfur	0.5% maximum by weight
Total Halogens	1000 ppm maximum
Flash point	100°F minimum
Polychlorinated Biphenyls (PCB)*	2 ppm maximum

\*applicable to spec used oil only

(Auth.: HAR §11-60.1-3, §11-60.1-5, §11-60.1-90)

4. Attachment II(D), Special Condition No. C.2

Fuel Data - Sulfur Content of the Fuel.

- a. The sulfur content of the fuel oil no. 2 fired in steam boiler S-1 shall be tested in accordance with the most current American Society of Testing and Material (ASTM) methods. ASTM method D 4294-08 is a suitable alternative to Method D 129-00 for determining the sulfur content. The fuel oil sulfur content shall be verified by both of the following methods:
  - i. A representative sample of the fuel oil fired shall be collected from the fuel pipeline by drip sampling and analyzed for its sulfur content by weight at least once per month; and
  - ii. A certificate of analysis on the sulfur content shall be obtained for each bulk shipment of fuel oil delivered by the supplier to the tank farm.
  
- b. The sulfur content of the biodiesel fired in steam boiler S-1 shall be tested in accordance with the most current American Society of Testing and Material (ASTM) methods. ASTM method D 5453-08 shall be used for determining the sulfur content. The biodiesel sulfur content shall be verified by obtaining a certificate of analysis on the sulfur content for each bulk shipment of biodiesel delivered by the supplier to the tank farm.

(Auth.: HAR §11-60.1-3, §11-60.1-11, §11-60.1-90)

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5. Attachment II(D), Special Condition No. D.5.c

A summary report of all of the specification used oil and transformer used oil analyses required under Special Condition Nos. C.3 and C.4.c of this Attachment shall be submitted to the Department **within forty-five (45) days after the end of each calendar year**. The report shall be signed and dated by a responsible official. The summary report shall include, at a minimum, sampling dates, the amount of specification used oil or transformer used oil sampled, dates the samples were analyzed, the amounts of specification used oil or transformer used oil represented by the samples, and the results of the analyses.

All other permit conditions of CSP No. 0097-01-C issued on September 23, 2005 shall not be affected and shall remain valid. A receipt for the application filing fee of \$200.00 is enclosed.

If there are any questions regarding these matters, please contact Mr. Darin Lum of the Clean Air Branch at (808) 586-4200.

Sincerely,

THOMAS E. ARIZUMI, P.E., CHIEF  
Environmental Management Division

DL:  
Enclosure  
c: CAB Monitoring Section