

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD  
OF THE STATE OF ILLINOIS**

WRB REFINING, LP )  
Refinery Sector Rule Flare Project )  
 ) PCB 20-  
 ) (Tax Certification - Air)  
 )  
PROPERTY IDENTIFICATION NUMBER )  
19108350000001 or portion thereof )

**NOTICE**

TO: *[Electronic filing]*  
Don Brown, Clerk  
Illinois Pollution Control Board  
State of Illinois Center  
100 W. Randolph Street, Suite 11-500  
Chicago, Illinois 60601

*[Service by mail]*  
WRB Refining, LLP  
Attention: Bob Adair  
2331 CitiWest Boulevard  
Houston, TX 70042

*[Service by mail]*  
Steve Santarelli  
Illinois Department of Revenue  
101 West Jefferson  
P.O. Box 19033  
Springfield, Illinois 62794

PLEASE TAKE NOTICE that I have today electronically filed with the Office of the Pollution Control Board the **APPEARANCE** and **RECOMMENDATION** of the Illinois Environmental Protection Agency, a paper copy of which is herewith served upon the applicant and a representative of the Illinois Department of Revenue.

Respectfully submitted by,

/s/ Robb H. Layman  
Robb H. Layman  
Assistant Counsel

Date: May 29, 2020

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, IL 62794-9276  
Telephone: (217) 524-9137

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD  
OF THE STATE OF ILLINOIS**

WRB REFINING, LP )  
Refinery Sector Rule Flare Project )  
 ) PCB 20-  
 ) (Tax Certification - Air)  
 )  
PROPERTY IDENTIFICATION NUMBER )  
191083500000001 or portion thereof )

**APPEARANCE**

I hereby file my Appearance in this proceeding on behalf of the Illinois Environmental Protection Agency.

Respectfully submitted by,

/s/ Robb H. Layman  
Robb H. Layman  
Assistant Counsel

Date: May 29, 2020

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, Illinois 62794-9276  
Telephone: (217) 524-9137

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD  
OF THE STATE OF ILLINOIS**

WRB REFINING, LP	)	
Refinery Sector Rule Flare Project	)	
	)	PCB 20-
	)	(Tax Certification - Air)
	)	
PROPERTY IDENTIFICATION NUMBER	)	
191083500000001 or portion thereof	)	

**RECOMMENDATION**

NOW COMES the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (“Illinois EPA”), through its attorneys, and pursuant to 35 Ill. Adm. Code 125.204 of the ILLINOIS POLLUTION CONTROL BOARD’S (“Board”) procedural regulations, files the Illinois EPA’s Recommendation in the above-referenced request for tax certification of pollution control facilities. The Illinois EPA recommends **issuance** of a tax certification covering the subject matter of the request. In support thereof, the Illinois EPA states as follows:

1. On or about December 18, 2019, the Illinois EPA received an application and supporting information from WRB REFINING, LLP, (“WRB Refining”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Wood River petroleum refining facility in Roxanna, Madison County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

2. The applicant’s business address is as follows:

WRB Refining, LP  
2331 CitiWest Boulevard  
Houston, TX 70042

3. The facility address is as follows:

WRB Refining, LP  
900 South Central Avenue  
Roxanna, IL 62084

4. The subject matter of this request consists of a Refinery Sector Rule (“RSR”) Flare Project, which was implemented by WRB Refining to install upgrades to nine existing flares operating at the Wood River refinery. The project involved modifications to various components of the selected flares, which monitor for hydrocarbons, required by USEPA’s RSR promulgated in December 2015. The project included the purchase and installation of a mass spectrometer on all of the flares, which monitors the vent gas composition from a flare device, as well as new or resized control valves and additional piping meeting the specifications of USEPA’s RSR on all but the wastewater treatment plant’s two flares. The project also entailed an optional use of a flare video camera at the flare for the West Distilling operation.

5. According to the application, the project fulfills the refinery’s obligation to comply with the USEPA’s RSR, which can be found at 40 CFR §63.670 and §63.671. The purpose of the RSR, among other things, was to address smoking flare emissions and upset events, including general improvements and monitoring in the operational management of flares to assure that they provide efficient destruction of flared hydrocarbons (including hazardous air pollutants). In doing so, the refinery’s implementation of these requirements reduces or prevents hydrocarbon emissions that might otherwise be emitted to the atmosphere.

6. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2002), defines “pollution control facilities” as:

“any system, method, construction, device or appliance appurtenant thereto, or any portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: (a) eliminating, preventing, or reducing air or water pollution... or (b) treating, pretreating, modifying or disposing of any potential solid, liquid, gaseous pollutant which if released without treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property.”

7. Pollution control facilities are entitled to preferential tax treatment, as provided by 35 ILCS 200/11-5 (2002).

8. Based on information in the application and the primary purpose of the RSR Flare Project to prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that such systems and/or devices may be considered as "pollution control facilities" in accordance with the statutory definition and consistent with the Board's regulations at 35 Ill. Adm. Code 125.200.

**[Exhibit B]**. In this instance, the subject system or equipment is comprised of a traditional, end-of-the-pipe control system and therefore falls within the definition of a pollution control facility. However, the Illinois EPA also notes that preferential tax treatment should only be afforded to the incremental cost of any resized control valve relative to the cost of a new valve. This approach is in keeping with prior Illinois EPA recommendations in analogous matters, such as when preferential tax treatment for a Low NOx Burner System is only extended to its incremental costs over the costs of a conventional burner system.

9. Because the information in the application demonstrates that the RSR Flare Project satisfies the aforementioned statutory and regulatory criteria, the Illinois EPA recommends that the Board **issue** the applicant's requested tax certification.

Respectfully submitted by,

/s/ Robb H. Layman

Robb H. Layman  
Assistant Counsel

DATED: May 29, 2020

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, Illinois 62794-9276  
Telephone: (217) 524-9137

**CERTIFICATE OF SERVICE**

I hereby certify that on the 29<sup>th</sup> day of May 2020, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

Don Brown, Clerk  
Illinois Pollution Control Board  
100 West Randolph Street  
Suite 11-500  
Chicago, Illinois 60601

and, further, that I did send a true and correct paper copy of the same foregoing instruments, by First Class Mail with postage thereon fully paid and deposited into the possession of the United States Postal Service, to:

Steve Santarelli  
Illinois Department of Revenue  
101 West Jefferson  
P.O. Box 19033  
Springfield, Illinois 62794

WRB Refining, LP  
Attention: Bob Adair  
2331 CitiWest Boulevard  
Houston, TX 70042

/s/ Robb H. Layman  
Robb H. Layman  
Assistant Counsel



Bob Adair  
Principal Advisor  
Real Estate Services

PHILLIPS 66  
2331 CityWest Blvd.  
Houston, TX 77042

December 17, 2019

Illinois EPA  
Attention: Ray E. Pilapil, Permit Section  
Division of Air Pollution Control  
1021 North Grand Avenue East  
P.O. Box 19276  
Springfield, IL 62794-9276

RECEIVED  
STATE OF ILLINOIS  
DEC 18 2019  
Environmental Protection Agency  
BUREAU OF AIR

Dear Mr. Pilapil:

Enclosed are two applications for certification (property tax treatment) of pollution control facilities. We appreciate you and your section processing these applications.

Respectfully,

A handwritten signature in cursive script that reads "B. G. Adair".

B. G. Adair

Enclosures

Exhibit A



# Illinois Environmental Protection Agency

1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276 • (217) 782-3397

## Application for Certification (Property Tax Treatment) Pollution Control Facility

FOR AGENCY USE ONLY	
File Number: _____	Date Rec'd: _____
Certification Number: _____	Date: _____

Facility Type (check one):  Air  Water

This form is to be used for any application for certification of property tax treatment for a pollution control facility for air or water from the Illinois EPA. Separate applications must be completed for each control facility claimed. Do not mix types (air and water). Where both air and water operations are related, file two applications.

If attachments are needed, record them consecutively on an index sheet.

You may complete this form online, save a copy locally, print, sign and submit it to:

Illinois EPA  
Attention: Ray E. Pilapil, Permit Section  
Division of Air Pollution Control  
1021 North Grand Avenue East, P.O. Box 19276  
Springfield, IL 62794-9276

### I. Applicant Information:

Company Name: <u>WRB Refining LP</u>		
Person Authorized to Receive Certification: <u>Bob Adair</u>	Person to Contact for Additional Details: <u>Juan Li</u>	
Street Address: <u>2331 CityWest Blvd., S1364</u>	Street Address: <u>900 S. Central Ave</u>	
City: <u>Houston</u> State: <u>TX</u>	City: <u>Roxana</u>	State: <u>IL</u>
Zip: <u>77042</u> Phone: <u>832-765-1419</u>	Zip: <u>62084</u>	Phone: <u>618-255-2981</u>
Email Address: <u>Bob.Adair@p66.com</u>	Email Address: <u>Juan.Li@p66.com</u>	

### II. Facility Information:

Facility Location: Quarter Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_  
Municipality: Roxana Township: Wood River

Note: A plat map location is requested for facilities located outside of municipal boundaries.

Address: 900 S. Central Ave City: Roxana  
State: IL Zip Code: 62084 County: Madison Book Number: \_\_\_\_\_

Property Index Number: 19108350000001

Note: The Property Index Number is the numerical reference used to identify a parcel of real property for assessment and taxation purposes.

### Manufacturing Operations Information:

Nature of Operations Conducted at the Above Location:

<u>Petroleum Refining</u>
---------------------------

### Permit Information:

WPC Construction Permit Number: not applicable Date Issued: \_\_\_\_\_  
NPDES Permit Number: not applicable Date Issued: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
APC Construction Permit Number: no permit (federal regulation) Date Issued: \_\_\_\_\_  
APC Operating Permit Number: 95120306 Date Issued: Nov. 7, 2003 Exp. Date: \_\_\_\_\_

Note: Submit copies of all relevant permits issued by local pollution control agencies. (e.g. MSD Construction Permit)

*This Agency is authorized to request this information under 415 ILCS 5/4(b)(2012). Disclosure of this information is voluntary and no penalties will result from the failure to provide the information. However, the absence of the information could prevent your application from being processed or could result in denial of your application.*



**Manufacturing Process Information:**

Please provide information on the manufacturing process and materials on which pollution control facility is used, including each major piece of equipment associated with the pollution control facility (or low sulfur dioxide emission coal fueled device).  
Description of the Process:

See attachment for Refinery Sector Rule (RSR) Flare Project.

**Materials Used in the Process:**

See attachment for Refinery Sector Rule (RSR) Flare Project.

**Pollution Control Facility Information:**

Please provide a narrative description of the pollution control facility (or low sulfur dioxide emission coal fueled device), and an explanation of why its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility, as well as a narrative description and a process flow diagram describing the pollution control facility. Include an average analysis of the influent and effluent of the control facility stating the collection efficiency, if applicable.

Describe the Pollution Control Facility (or Low Sulfur Dioxide Emission Coal Fueled Device):

See attachment for Refinery Sector Rule (RSR) Flare Project.

Describe the Primary Purpose of the Pollution Control Facility (or Low Sulfur Dioxide Emission Coal Fueled Device):

See attachment for Refinery Sector Rule (RSR) Flare Project.

Identify the statute or regulation (federal or state), or local ordinance, if any, requiring the installation of the subject pollution control facility (or low sulfur dioxide emission coal fueled device).

See attachment for Refinery Sector Rule (RSR) Flare Project.

**Nature of Contaminants or Pollutants:**

List air contaminants or water pollution substances released as effluents to the manufacturing processes. Also list the final disposal of any contaminants removed from the manufacturing processes.

Contaminant or Pollutant	Material Retained, Captured or Recovered	
	Description	Disposal or Use
Hazardous Air Pollutants as defined in 40 CFR Part 63, Subpart CC, Table 1.	Flares combust excess gases and liquids that contain hazardous air pollutants before they are released to the air.	None

Note: Contaminant or pollutant means that which is removed from the process by the pollution control facility.

**Point(s) of Waste Water Discharge:**

Identify the location of the discharge to the receiving stream. This will typically refer to a source of water pollution but can include water-carried wastes from air pollution control facilities.

Plans and Specifications Attached  Yes  No

Submit Drawings, which clearly show:

- (a) Point(s) of discharge to receiving stream; and
- (b) Sewers and process piping to and from the control facility.

Are contaminants (or residues) collected by the control facility?  Yes  No

Note: If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value dollars reclaimed by the sale or reuse of the collected substances. State the cost of reclamation and related expense.

**Project Status:**

Date Installation Completed: Jan 30, 2019

Provide the date the pollution control facility was first placed into service and operated. If not, explain.

This equipment installation and upgrade was completed by January 30, 2019.

Status of installation on date of application:

All project aspects are in service.

**III. Verification and Signature:**

The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge is true and correct.

*Any person who knowingly makes a false, fictitious, or fraudulent material statement, orally or in writing, to the Illinois EPA commits a Class 4 felony. A second or subsequent offense after conviction is a Class 3 felony. (415 ILCS 5/44(h))*

B. G. Adair  
Printed Name:

Principal Advisor, Real Estate  
Title:

For incorporated entities, signature should be from an authorized corporate representative.

  
Signature:

12/17/2019  
Date:

**Application for Certification (Property Tax Treatment)  
Pollution Control Facility  
WRB Refining LP  
Wood River Refinery, Madison County, IL**

**Refinery Sector Rule (RSR) Flare Project**

**II. Facility Information:**

**Manufacturing Process Information:**

**Description of the Process:**

Refinery flares are safety devices that combust excess gases and liquids in controlled manners. The Wood River Refinery (WRR) operates eleven (11) flares. These flares comply with applicable environmental regulations and permit conditions. In December 2015, the U.S. EPA's Refinery Sector Rule (RSR) adopted new control and monitoring requirements for refinery flares as pertained in 40 CFR §63.670 and §63.671. Applicable flares are required to comply with the requirements on or before January 30, 2019. The Wood River Refinery implemented an RSR project to install and upgrade some equipment in the flare systems to ensure compliance with the new RSR standards.

This application for Pollution Control Facility (PCF) includes some equipment installation and upgrade, within the RSR project, that was necessary to meet the RSR standards. Any RSR project scope which was associated with the Alkylation and North Property Flares is not included in this application. These two flares were required to meet the RSR requirements, yet to be finalized at that time, before the Date of Lodging (August 10, 2018) of the Consent Decree (Case 3:18-cf-01484-SMY-GCS).

**Materials Used in the Process:**

Process gases and liquids that may contain hazardous air pollutants as listed in Table 1 of 40 CFR Part 63, Subpart CC.

**Pollution Control Facility Information:**

**Pollution Control Facility Description**

Refinery flares, which combust excess process gases and liquids that contain hazardous air pollutants, reduce the emissions of these pollutants to the air. A flare system contains multiple equipment and processes. This PCF application only includes the equipment installation and upgrade that is necessary to meet the RSR standards, explained as follows.

1. Purchase and installation of Mass Spectrometer  
 A Mass Spectrometer is installed at each flare for monitoring flare vent gas composition. Monitoring of vent gas composition is required by the RSR and other environmental regulations. The monitored data provide direct input for automated flare combustion control logic in order to meet the RSR standards such as the Net Heating Value on a flare's combustion zone (NHVcz).
  
2. Control valve installation  
 New control valves or resized existing control valves were installed to allow steam (except for the Distilling West Flare), natural gas, and flare vent gas to be aligned with the RSR requirements such as limited visible emissions and minimum NHVcz.
  
3. Piping installation  
 Additional piping was installed to accommodate delivery of natural gas and steam for meeting the RSR requirements.
  
4. Purchase and installation of flare video camera  
 A new flare video camera was installed at the Distilling West Flare. The RSR provides the option to use video surveillance camera to continuously record images of flare flames. A flare video camera must meet the quality as required by the RSR.

The following table lists the equipment installed at each of the flares that are included in this PCF application.

<b>Flare</b>	<b>Equipment Installation and Replacement</b>
Aromatics South	Purchase and installation of Mass Spectrometer Control valve replacement Piping Installation
Aromatics North	Purchase and installation of Mass Spectrometer Control valve installation Piping installation
Coker North	Purchase and installation of Mass Spectrometer Control valve installation Piping installation
Distilling East	Purchase and installation of Mass Spectrometer Control valve replacement Piping Installation
Distilling West	Purchase and installation of flare video camera Purchase and installation of Mass Spectrometer Control valve installation Piping installation
Hydrogen Plant (HP) No. 2	Purchase and installation of Mass Spectrometer Control valve installation Piping installation

Low Sulfur Gasoline (LSG)	Purchase and installation of Mass Spectrometer Control valve installation Piping installation
Wastewater Treatment Plant Volatile Organic Compounds (VOC) Flares (two flares)	Purchase and installation of Mass Spectrometer

Primary Purpose of the Pollution Control Facility

This equipment installation and upgrade is necessary to ensure compliance with flare control and monitoring requirements per the RSR.

Statute or Regulation Requiring Installation of the Pollution Control Facility

40 CFR Part 63, Subpart CC §63.670 and §63.671.



## ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

### Memorandum

#### Technical Recommendation for Tax Certification Partial

Date: April 17, 2020  
To: Robb Layman  
From: Raymond E. Pilapil *REP/RLB*  
Subject: WRB Refining, LLC. TC-19-12-18D

This Agency received a request on December 18, 2019 from WRB Refining, LP. for an Illinois EPA recommendation regarding tax certification of air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204. I offer the following recommendation.

The air pollution control facilities in this request include the following:

Refinery Sector Rule (RSR) Flare Project required by U.S. EPA's Refinery Sector Rule (RSR) whose primary purpose is to ensure compliance with flare control and monitoring which reduces hazardous air pollutant by combusting excess gases and liquids before they are released to the air.

Only the increment cost increase of the resized existing control valves over the cost of new control valves should be considered for Tax Certification.

These facilities are further described in the enclosed applications and supporting documents.

This facility is located at 900 S. Central Avenue, Roxana, Madison County  
The property identification number is 19-1-08-35-00-000-001

Based on the information included in this submittal, and in submittals from the applicant on December 18, 2019, the Illinois EPA "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in this section. This determination is based on the following factors(s):

Only the increment cost increase of the resized existing control valves over the cost of new control valves should be considered for Tax Certification.

FEM:tan

*Exhibit B*

**ATTACHMENT  
WRB Refining, LP  
Equipment Installation for each Flare**

<b>Flare</b>	<b>Equipment Installation and Replacement</b>
Aromatics South	Purchase and Installation of Mass Spectrometer Control Valve Replacement Piping Installation
Aromatics North	Purchase and Installation of Mass Spectrometer Control Valve Installation Piping Installation
Coker North	Purchase and Installation of Mass Spectrometer Control Valve Installation Piping Installation
Distilling East	Purchase and Installation of Mass Spectrometer Control Valve Replacement Piping Installation
Distilling West	Purchase and Installation of Flare Video Camera Purchase and Installation of Mass Spectrometer Control Valve Installation Piping Installation
Hydrogen Plant (HP) No. 2	Purchase and Installation of Mass Spectrometer Control Valve Installation Piping Installation
Low Sulfur Gasoline (LSG)	Purchase and Installation of Mass Spectrometer Control Valve Installation Piping Installation
Wastewater Treatment Plant Volatile Organic Compounds (VOC) Flares (Two Flares)	Purchase and Installation of Mass Spectrometer