

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

MARATHON PETROLEUM COMPANY, LP)	
Thermal Mass Flow Meters)	
)	PCB 17-
)	(Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)	
05-1-34-000-021-000 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]
 Kevin D. Bogard
 Marathon Petroleum Company, LP
 400 South Marathon Avenue
 Robinson, Illinois 62454

[Service by mail]
 Steve Santarelli
 Illinois Department of Revenue
 101 West Jefferson Avenue
 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: January 26, 2017

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

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05-1-34-000-021-000 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

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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 an **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 September 15, 2016, the Illinois EPA received an application and supporting information from Marathon Petroleum Company, LP (“Marathon”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Robinson petroleum refinery in Crawford County, Illinois. The application was provided on updated tax certification forms, thus replacing an earlier submission to the Illinois EPA from two years before. A copy of the application is attached hereto. [Exhibit A].

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

Marathon Petroleum Company, LP
400 South Marathon Avenue
Robinson, Illinois 62454

3. The subject matter of this request consists of the installation of new Thermal Mass Flow Meters at the refinery that are designed to gauge and evaluate flare performance. Marathon installed retractable flow meters as two-inch flanged connections on eleven unit sub-

headers (i.e., chambers that collect exhaust gases from the flaring systems) from the Coker unit and its other low pressure flaring systems. *Exhibit A* at Section D. The meters will provide flow data to the source for each sub-header, allowing the refinery's Distributive Control System to identify when and where additional waste gas is occurring within the flare systems. *Id.* In doing so, the source will be able to better manage the waste gas that is distributed to the flare systems. More specifically, the source will be able to evaluate when the waste gas flows exceed permitted limits and identify the relevant sub-header unit from which any additional waste gas originates from within the Coker and the refinery's other low pressure flare systems. *Id.* at Section D.

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

5. 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."

This definition is broad on its face¹, consistent with a legislative intent to promote a wide array of environmental improvements and reduce the financial expenditures by those who are making the improvements.² Here, the subject equipment is a type of process control rather than a

¹ See, *Beelman Truck Company v. Cosentino*, 624 N.E.2d 454, 456 (5th Dist. App. Ct. 1993). See also, Cite to Massachusetts's case?

² See *supra*, *Beelman Truck Company v. Cosentino* (legislature's intent when adopting pollution control facility definition in Use Tax Act was "intended to encourage diverse means for reducing pollution"), citing, *Columbia Quarry Co. v. Department of Revenue*, 506 N.E.2d 795 (1987); see also, *Illinois Cereal Mills, Inc., v. Department of Revenue*, 346 N.E.2d 69, 71 (4th Dist. App. Ct. 1976).

traditional end-of-the-pipe or active control system, but it nonetheless falls within the definition of a pollution control facility.

6. The foremost limiting factor in the definition is the primary purpose test. Some recent tax certification requests involving air pollution control facilities have highlighted the primary purpose test, which courts have held “seeks to determine the function and ultimate objective” of the subject equipment.³ In this instance, the Thermal Mass Flow Meters appear to be primarily designed to monitor and evaluate flow data from both the Coker and other low pressure flare systems. This type of process modification would seem integral to the operation of the flare systems and facilitate the reduction or prevention of volatile organic material emissions to the atmosphere.⁴

7. Based on information in the application, it is the Illinois EPA’s engineering judgment that the installation of the flow meters contemplated the reduction or prevention of air pollution as its primary purpose and therefore 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].

8. It should be noted that an analogous project was approved for tax certification by the Board in 2014, which involved the installation of an ultrasonic steam flow meter and control valves to a flare system for the purpose of improving combustion efficiency.⁵ In that case, the Illinois EPA had recommended certification on the basis that the modifications were integral to the operation of the flare system.

³ See, *Beelman Truck Company v. Cosentino*, 624 N.E.2d at 457, citing, *Shred Pax Corp. v. Department of Revenue*, 559 N.E.2d 492, 494 (Ill. App. Ct. 1st Dist.) and *Illinois Cereal Mills, Inc., v. Department of Revenue* at 71.

⁴ Compare, *Central Illinois Light Co. v. Department of Revenue*, 784 N.E.2d 442, 446-447 (3rd Dist. App. Ct. 2003)(explaining that the primary purpose of the trucks involved in the *Beelman* decision “was to reduce, control and prevent pollution by *actually removing pollution*”(emphasis added)).

⁵ See, *Equistar Chemicals, LP, v. Illinois EPA*, PCB No. 14-94 (January 23, 2014).

9. For the reasons mentioned above, the Illinois EPA recommends that the Board **grant** tax certification of the applicant's request.

Respectfully submitted by,

/s/ Robb H. Layman

Robb H. Layman
Assistant Counsel

Date: January 26, 2017

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 26th day of January, 2017, 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 on the same date 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 Avenue
P.O. Box 19033
Springfield, Illinois 62794

Kevin D. Bogard
Marathon Petroleum Company, LP
400 South Marathon Avenue
Robinson, Illinois 62454

Robb H. Layman

Robb H. Layman
Assistant Counsel



Marathon Petroleum Company LP

539 South Main Street
Findlay, OH 45840-3295

September 15, 2016

Ray E. Pilapil, Permit Section
Division of Air Pollution Control
1021 North Grand Avenue East
PO BOX 19276
Springfield, IL 62794-9276

Re: Marathon Petroleum Company Pollution Control 2014 Applications
Project Descriptions: Subpart Ja Flare Instrumentation, WWTP Reliability and Capacity Increase,
Flare Header Flowmeters

To Whom It May Concern:

Enclosed for your consideration are three resubmissions of the Illinois Application for Certification of a Pollution Control facility. The original submissions mailed via certified mail on November 20, 2014 were originally filed on the old form dated 08/2000. It has come to our attention that a resubmission on the new form would be the most efficient way to expedite the applications through the process. All the original attachments are applicable with no changes.

Please contact me if you have questions or need any additional information. My email is cagillum@marathonpetroleum.com and my phone number is 419-421-2128.

Sincerely,

A handwritten signature in cursive script that reads 'Cheri Gillum'.

Cheri Gillum
Tax Specialist/ Pollution Control Coordinator

cc: Cindy Stechschulte



Exhibit A



Illinois Environmental Protection Agency

1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276

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>Marathon Petroleum Company LP</u>	
Person Authorized to Receive Certification: <u>Kevin D. Bogard</u>	Person to Contact for Additional Details: <u>Susan J. Hawkins</u>
Street Address: <u>400 S. Marathon Avenue</u>	Street Address: <u>400 S. Marathon Avenue</u>
City: <u>Robinson</u> State: <u>IL</u>	City: <u>Robinson</u> State: <u>IL</u>
Zip: <u>62454</u> Phone: <u>618-544-2121</u>	Zip: <u>62454</u> Phone: <u>618-544-2121</u>
Email Address: <u>KDBogard@MarathonPetroleum.com</u>	Email Address: <u>SJHawkins@MarathonPetroleum.com</u>

II. Facility Information:

Facility Location: Quarter Section: _____ Township: Robins Range: _____
Municipality: Robinson Township: Robins

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

Address: Inside Municipal Boundaries- Parcel 1202100001 City: Crawford
State: IL Zip Code: 62454 County: Crawford Book Number: _____

Property Index Number: 05134000021000

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:

Petroleum Refining

Permit Information:

WPC Construction Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u>
NPDES Permit Number: <u>IL0004073- Renewal Filed</u>	Date Issued: <u>09/30/2009</u> Exp. Date: <u>9/30/2014</u>
APC Construction Permit Number: <u>10020043</u>	Date Issued: <u>Feb 22, 2010</u>
APC Operating Permit Number: <u>96010007 (Title V Permit)</u>	Date Issued: <u>11/23/2003</u> Exp. Date: <u>N/A</u>

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

IL 532-0222
APC 151 9/2014

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:

All refinery flares serve as safety devices as well as control devices for the combustion of waste streams from normal refinery operations. Flare systems are subject to the EPA's NSPS and MACT standards which require 98% combustion efficiency.

Materials Used in the Process:

Retractable thermal mas flow meters, 2" flanged connections on each subheader

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):

Thermal mass flow meters were ins talled on 11 unit sub-headers that connect to the coker flare and the low pressure flare systems.

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

This installation helps determine when waste gas flows exceed limits. Thermal mass flow meters were ins talled on 11 unit sub-headers that connect to the coker flare and the low pressure flare systems. The meters were connected to the DCS and provide historical data for flows for each subheader. This data will be used to identify which unit(s) additiaonl waste gas is coming from.

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).

NPDES Permit

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
Volatile organic Compounds	Pollutant	Incinerated- captured in flare
Nitrogen Oxide	Pollutant	Incinerated-captured in flare
Hydrogen Sulfide	Pollutant	Incinerated-captured in flare
Carbon Monoxide	Pollutant	Incinerated-captured in flare

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: January 1, 2013

Date Installation Completed: _____

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

January 1, 2013

Status of installation on date of application:

Complete

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))

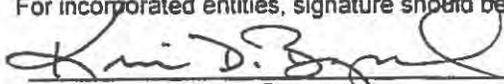
Kevin D. Bogard

Printed Name:

Refining General Manager, Robinson

Title:

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



Signature:

9-14-16

Date:

