

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

KOPPERS, INC.)
Thermal Oxidizer)
) PCB 20-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
19-04-200-026-0000 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]
Koppers, Inc.
Att: Kathryn Tronsberg Macciocca
c/o Duff & Phelps
2000 Market Street, Suite 2700
Philadelphia, PA 19103

[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

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PROPERTY IDENTIFICATION NUMBER)	
19-04-200-026-0000 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

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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 **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 KOPPERS, INC., (“Koppers”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its coal tar distillation manufacturing facility in Stickney, Cook County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

Koppers, Inc.
Att: Kathryn Tronsberg Macciocca
c/o Duff & Phelps, LLC
2000 Market Street, Suite 2700
Philadelphia, PA 19103

3. The facility address is as follows:

Koppers, Inc.
3900 South Laramie Avenue
Cicero, IL 60804

4. The subject matter of this request consists of a Thermal Oxidizer, which was constructed and installed by Koppers on its naphthalene process at the coal distillation manufacturing facility. The Thermal Oxidizer captures and controls volatile organic material (“VOM”) gases from the naphthalene process by routing such emissions to the oxidizer’s combustion chamber for destruction. Koppers is obligated to control the VOM-laden gases from the process in accordance with 35 Ill. Adm. Code 218.520(a), which is cited as an applicable requirement in the facility’s existing CAAPP permit. *See*, Exhibit A, Attachment A thereto. As generally recognized in the field of air pollution control technology, a thermal oxidizer acts to prevent or reduce VOM emissions that would otherwise be emitted by a manufacturing activity engaged in oxidation processes subject to Part 218, Subpart V, or in the use of materials containing VOM generally.

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.”

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

7. Based on information in the application and the primary purpose of the Thermal Oxidizer 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.

8. Because the information in the application demonstrates that the Thermal Oxidizer 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 29th 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

Koppers, Inc.
Att: Kathryn Tronsberg Macciocca
c/o Duff & Phelps
2000 Market Street, Suite 2700
Philadelphia, PA 19103

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

DUFF & PHELPS

Illinois Environmental Protection Agency
ATTN: Ray Pilapal, Permit Section
Division of Air Pollution Control
P.O. Box 19276
Springfield IL 62794-9276

December 17, 2019

Re: Application for Property Tax Treatment for Water Pollution Control Property located at Koppers Inc.'s Stickney Plant in Cook County, Illinois.

Enclosed please find one application (the "Application") for property tax treatment for an Air Pollution Control Facility located at the Koppers Inc.'s Stickney Plant (the "Facility") located in Cicero, Cook County, Illinois.

The Application has been prepared pursuant to Illinois Compiled Statutes § 200/11-5, and includes any necessary information and supporting documentation. Submission of this Application is required as a process step in the Illinois Environmental Protection Agency and the Illinois Department of Revenue pollution control certification process for special value treatment of certain assets used in water pollution control capacities at the Facility.

The Application can be summarized as follows.

Description

Thermal Oxidizer Addition

Please send one copy of the completed property tax special values treatment certificate to the following address:

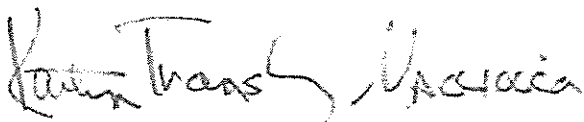
Kathryn Tronsberg Macciocca
do Duff & Phelps, LLC
2000 Market Street, Ste 2700
Philadelphia, PA 19103

Exhibit A

Koppers, Inc.
Application for Pollution Control Facility Certification
Illinois Environmental Protection Agency
December 17, 2019

If you have any questions regarding the Application or the information supplied within the Application, please contact me at (215) 430-6059 or by e-mail at kathryn.tronsberg@duffandphelps.com or Leonard Salvato at (215) 430-6192 or by e-mail at leonard.salvato@duffandphelps.com.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathryn Tronsberg Macciocca". The signature is written in a cursive, flowing style.

Kathryn Tronsberg Macciocca
Director
Property Tax

cc: Leonard Salvato (Duff & Phelps—Philadelphia)



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

Illinois EPA
Attention: Al Keller, Permit Section
Division of Water Pollution Control
1021 North Grand Avenue East, P.O. Box 19276
Springfield, IL 62794-9276

I. Applicant Information:

Company Name: <u>Koppers Inc.</u>	Person Authorized to Receive Certification: <u>Kathryn Tronsberg Macciocca c/o Duff & Phelps LLC</u>	Person to Contact for Additional Details: <u>Kathryn Tronsberg Macciocca c/o Duff & Phelps LLC</u>
Street Address: <u>2000 Market Street, Suite 2700</u>	City: <u>Philadelphia</u> State: <u>PA</u>	Street Address: <u>2000 Market Street, Suite 2700</u>
City: <u>Philadelphia</u> State: <u>PA</u>	Zip: <u>19103</u> Phone: <u>(215) 430-6059</u>	City: <u>Philadelphia</u> State: <u>PA</u>
Zip: <u>19103</u> Phone: <u>(215) 430-6059</u>	Email Address: <u>Kathryn.Tronsberg@duffandphelps.com</u>	Zip: <u>19103</u> Phone: <u>(215) 430-6059</u>
Email Address: <u>Kathryn.Tronsberg@duffandphelps.com</u>		Email Address: <u>Kathryn.Tronsberg@duffandphelps.com</u>

II. Facility Information:

Facility Location: Quarter Section: W29004 Township: 38 Range: 13
Municipality: Stickney Township: 38

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

Address: 3900 South Laramie Ave. City: Cicero

State: IL Zip Code: 60804 County: Cook Book Number: N/A

Property Index Number: 19-04-200-026-0000

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:

Koppers Inc.'s (the "Company's" or "Kopper's") Stickney Plant (the "Facility") is located in Stickney, Cook County, Illinois. The Facility was constructed in 1920-1921 by the Koppers Company on a 36-acre plot. The Stickney Plant is capable of converting various crude tars into liquid pitch and other liquid products such as creosote, refined tars, chemical oils and various grades of coal tar pitch.

Permit Information:

WPC Construction Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u>
NPDES Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u> Exp. Date: <u>N/A</u>
APC Construction Permit Number: <u>Title V- Clean Air Act Permit</u>	Date Issued: <u>7/20/2000</u>
APC Operating Permit Number: <u>N/A</u>	Date Issued: <u>N/A</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)

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:

Koppers' Stickney Facility is a coal tar distillation plant that converts coal tar into finished products including: chemical oil, coal tar pitch, creosote and refined tars; and a phthalic anhydride plant, which converts orthoxylyene or naphthalene into phthalic anhydride.

Materials Used in the Process:

Liquid pitch and other liquid products such as creosote, refined tars, chemical oils and various grades of coal tar pitch are produced for other Koppers' manufacturing operations.

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):

The Thermal Oxidizer addition installed at the Facility is a pollution control facility installed for the purpose of preventing and/or reducing Volatile Organic Material ("VOM") emissions from the naphthalene process.

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

The Thermal Oxidizer installed at the Facility is a pollution control facility installed for the purpose of preventing and/or reducing Volatile Organic Material ("VOM") emissions resulting from the naphthalene process at the Facility. VOM-laden air streams are routed to the Thermal Oxidizer's combustion chamber for destruction. A Process Flow Diagram is not applicable. Influent/Effluent analysis is not applicable.

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).

Per Title V- Clean Air Act Permit Program ID 031300AAJ that states: "Pursuant to 35 IAC 218.520(a), no person shall cause or allow the emission of VOM from any process vent stream unless the process vent stream is vented to a combustion device which is designed and operated either: (A) To reduce the volatile organic emissions vented to it with an efficiency of at least ninety eight percent (98%) by weight [35 IAC 218.520(a)(1)]; or (B) To emit VOM at a concentration less than twenty parts per million by volume, dry basis [35 IAC 218.520(a)(2)]." See Attachment A for the relevant section of the Facility's Clean Air Act Permit Program ID 031300AAJ.

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 Material ("VOM")	N/A	N/A

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: 09/01/2019

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

The pollution control facility was first placed into service and operated in 09/01/2019

Status of installation on date of application:

Completed.

III. Verification and Signature:

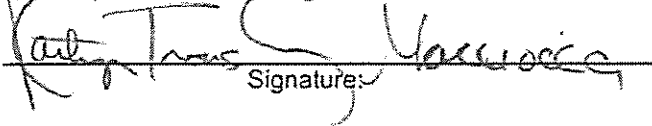
The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge is true and correct.

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))

Kathryn Tronsberg Macciocca
Printed Name:

Director - Property Tax
Title:

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


Signature:

12-17-2017
Date:

Attachment A: Title V - Clean Air Act Permit

85 percent of the hydrocarbons to carbon dioxide and water [35 IAC 218.302(a)].

- g. The affected reactor trains are subject to 35 IAC 218 Subpart V, Air Oxidation Processes, which provides that:
- i. Pursuant to 35 IAC 218.520(a), no person shall cause or allow the emission of VOM from any process vent stream unless the process vent stream is vented to a combustion device which is designed and operated either:
 - A. To reduce the volatile organic emissions vented to it with an efficiency of at least ninety eight percent (98%) by weight [35 IAC 218.520(a)(1)]; or
 - B. To emit VOM at a concentration less than twenty parts per million by volume, dry basis [35 IAC 218.520(a)(2)].
 - ii. Combustion Device at a Phthalic Anhydride Air Oxidation Process
 - A. Pursuant to 35 IAC 218.520(b)(1), notwithstanding Condition 7.7.3(g)(i) (see also 35 IAC 218.520(a)), and subject to Condition 7.7.3(g)(ii)(B) (see also 35 IAC 218.520(b)(2)), no person shall cause or allow the emissions of VOM through an existing combustion device at a phthalic anhydride air oxidation process, unless the combustion device is operated to achieve:
 - I. 90% control of the volatile organic emissions vented to it [35 IAC 218.520(b)(1)(A)]; or
 - II. VOM emissions concentration of less than 50 parts per million by volume, dry basis [35 IAC 218.520(b)(1)(B)].
 - B. Pursuant to 35 IAC 218.520(b)(2), any existing combustion device subject to Condition 7.7.3(g)(ii)(A) (see also 35 IAC 218.520(b)(1)) is required to meet the 98 percent emissions limit set forth in Condition 7.7.3(g)(i) (see also 35 IAC 218.520(a)) either upon replacing the combustion device for any reasons, including, but not be limited to, normal maintenance, malfunction, accident, and obsolescence, or the date of December 31, 1999, whichever comes first. A combustion device is considered to be replaced when:



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

Technical Recommendation for Tax Certification Approval

Date: April 13, 2020
To: Robb Layman
From: Raymond E. Pilapil REP/wom
Subject: Koppers, Inc. LP TC-19-12-18A

This Agency received a request on December 18, 2019 from Koppers, Inc. 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:

Thermal Oxidizer Addition which reduces VOM emissions resulting from the naphthalene process by routing air streams to the Thermal Oxidizer's combustion chamber. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 3900 S. Laramie Avenue, Cicero, Cook County
The property identification number is 19-04-200-026-0000

Based on the information included in this submittal, it is my engineering judgement that the proposed facility may be considered "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, and therefore eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is my recommendation that the Board issue the requested tax Certification for this facility.

FEM:tan

Exhibit B