

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

WRB REFINING, LP)
Tier 3 Gasoline Project)
) PCB 20-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
191083500000001 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

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Tier 3 Gasoline Project)	
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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 27, 2018, 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 the Tier 3 Gasoline Project, which was constructed and installed by WRB Refining to provide additional treatment to refinery gasoline streams. The project consisted of a new caustic extraction unit (“CEUI”) and related equipment that employs a caustic (i.e., sodium hydroxide) to remove mercaptan sulfur from certain product streams (i.e., butane and light naphtha) manufactured by the refinery. The mercaptan-rich caustic from the process is regenerated, while the spent caustic is routed to the refinery’s wastewater treatment operations. The gasoline product treated by the CEUI is further processed by refinery operations to meet USEPA’s maximum 10 parts per million sulfur content. According to the application, the project was implemented to comply with USEPA’s Tier 3 gasoline fuel standards that were promulgated in 2014. *See*, Control of Air Pollution from Motor Vehicles: Tier 3 Motor Vehicle Emission and Fuel Standards, 79 Fed. Reg. 23414-23886 (April 28, 2014). Such systems act to prevent or reduce sulfur-related emissions from mobile emission sources that rely upon the gasoline supply pool.

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 Tier 3 Gasoline 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 contemporary, source reduction approach to preventing emissions and therefore falls within the definition of a pollution control facility.

8. Because the information in the application demonstrates that the Tier 3 Gasoline 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 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

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.
Headquarters S1362-01
Houston, TX 77042
Phone 832-765-1419
Email bob.adair@p66.com

December 21, 2018

RECEIVED
STATE OF ILLINOIS

DEC 27 2018

Environmental Protection Agency
BUREAU OF AIR

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

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

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:

RECEIVED
STATE OF ILLINOIS

DEC 27 2018

Environmental Protection Agency
BUREAU OF AIR

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 to Contact _____
Person Authorized to Receive Certification: <u>Bob Adair</u>	for Additional Details: <u>Juan Li</u>
Street Address: <u>2331 CityWest Blvd.</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: 191083500000001

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: _____ Date Issued: _____
NPDES Permit Number: IL0000205 Date Issued: Dec.22, 2011 Exp. Date: Dec 31, 2016
APC Construction Permit Number: 14050001 Date Issued: Dec 8, 2016
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 Tier 3 Gasoline Project Attachment

Materials Used in the Process:

See Tier 3 Gasoline Project Attachment

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 Tier 3 Gasoline Project Attachment

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

See Tier 3 Gasoline Project Attachment

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 Tier 3 Gasoline Project Attachment

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
Sulfur compounds	Removal and reduction of sulfur compounds in feed will reduce sulfur oxides emissions from devices and transport vehicles which use the gasoline	Sulfur compounds are converted to elemental sulfur and sold as a low value product.

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: _____

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 on May 26, 2016.

Status of installation on date of application:

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
Title:

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


Signature:

12/21/2018
Date:

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

Tier 3 Gasoline Project Attachment

II. Facility Information:

Manufacturing Process Information:

Description of the Process:

The Tier 3 Gasoline Project includes building a new caustic extraction unit (CEU1) and accessory equipment. The CEU1 uses caustic (sodium hydroxide) to extract mercaptan sulfur species from refinery gasoline streams (butane and Light Cat Naphtha). The treated streams are to be further processed and blended to form finished gasoline which meets the US EPA's Tier 3 gasoline standards (maximum 10 ppm sulfur content in gasoline).

Materials Used in the Process:

Gasoline streams (butane and Light Cat Naphtha), caustic, water.

Pollution Control Facility Information:

Pollution Control Facility Description

The unit includes prewash caustic treating, extraction, and caustic regeneration sections. Gasoline feed streams enter prewash vessels where hydrogen sulfide is removed. The prewashed feed enters extraction columns where mercaptan sulfur species are extracted. The mercaptan rich caustic is regenerated and returned to the prewash and extraction columns. Spent caustic is routed to the refinery's wastewater treatment plant (WWTP). Treated gasoline leaves the unit and is further processed and blended. A process flow diagram is shown on the next page. The project includes the following equipment:

- A caustic extraction system
- A caustic sump
- A process sump
- A thermal oxidizer
- A carbon absorption system
- Piping connecting the new and existing process units and equipment
- Piping for potentially routing vent gases to existing flares during emergency
- Increase of existing equipment throughput and production
 - Tank
 - Steam production
 - Heating, cooling, hydrogen production, and sulfur removal

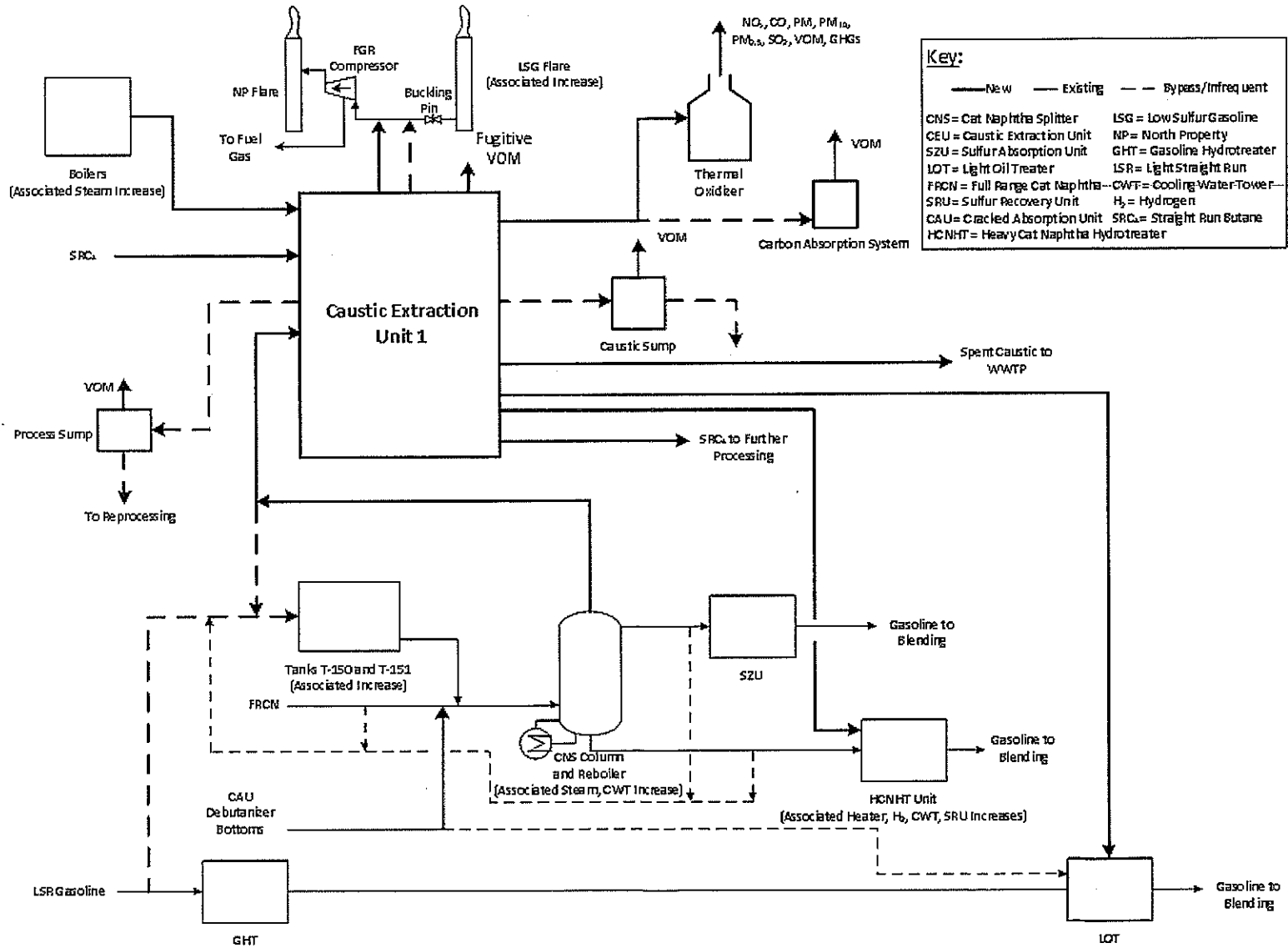
Primary Purpose of the Pollution Control Facility

The primary purpose of the project was to remove hydrogen sulfide and mercaptan sulfur species from refinery gasoline steams to produce low sulfur gasoline meeting the US EPA's Tier 3 gasoline standards (maximum 10 ppm sulfur).

Statute or Regulation Requiring Installation of the Pollution Control Facility

The project is to produce gasoline which meets the US EPA Tier 3 gasoline standards.

Fig. 3 Project Process Flow Diagram
Wood River Refinery, Madison County, IL





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, ACTING DIRECTOR

Technical Recommendation for Tax Certification Approval

Date: May 02, 2019
To: Robb Layman *REP/END*
From: Raymond E. Pilapil
Subject: WRB Refining, LP. TC-18-12-27B

This Agency received a request on December 27, 2018 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:

Tier 3 Gasoline Project Attachment which includes caustic treating, extraction, and caustic regeneration sections which removes hydrogen sulfide and mercaptan sulfur from refinery gasoline to meet US EPA's Tier 3 gasoline standards.. Because the primary purpose of this project is to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 900 S. Central Avenue, Roxana, Madison County
The property identification number is 19108350000001

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:

Exhibit B