

segregation of product and related analyses. Notwithstanding the limited information contained within the application for tax certification, it does not appear that the overall project, or even portions thereof, is primarily meant to reduce or eliminate air pollution. Indeed, it is not apparent that any contaminants are removed or reduced from the refinery's operations. The description of the project instead suggests that it was intended solely as a process-related improvement.

4. 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."

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

6. Based on information in the application, it is the Illinois EPA's engineering judgment that the described project and/or equipment may not 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]**.

7. Because the Blending Process does not satisfy the aforementioned criteria, the Illinois EPA recommends that the Board **deny** the applicant's requested tax certification.

* * * * * PCB 2006-111 * * * * *

Respectfully submitted by,

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

_____/s/_____
Robb H. Layman
Assistant Counsel

DATED: December 22, 2004

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

* * * * * PCB 2006-111 * * * * *

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of December, 2005, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

Dorothy Gunn, 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 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

John S. Swearingen
Marathon Ashland Petroleum
Refinery Office Building
Robinson, Illinois 62454

_____/s/_____
Robb H. Layman
Assistant Counsel

***** PCB 2006-111 *****

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter. 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE				
File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name Marathon Ashland Petroleum LLC			
	Person Authorized to Receive Certification John Swearingen		Person to Contact for Additional Details Dennis Baker	
	Street Address Refinery Office Building		Street Address 539 South Main Street	
	Municipality, State & Zip Code Robinson, IL 62454		Municipality, State & Zip Code Findlay, OH 45840	
	Telephone Number 618-544-2121		Telephone Number 419-421-3759	
	Location of Facility Quarter Section	Township	Range	Municipality Robinson
	Street Address Route 33		Township Robinson	Book Number
	Property Identification Number		County Crawford	Parcel Number Part of 51-34-1-21
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
Reformulated Gasoline - Blending				
Water Pollution Control Construction Permit No.		Date Issued		
NPDES PERMIT No.		Date Issued	Expiration Date	
Air Pollution Control Construction Permit No.		Date Issued		
Sec. C MANUFACTURING PROCESS	Describe Unit Process See Attached			
	Materials Used in Process See Attached			
	<p style="text-align: right;">RECEIVED DEC 30 2004 IEPA - DAPC - SPFLD</p>			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See Attached			

— Exhibit A

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Section C**Describe Unit Process:**

A new blend system consisting of a Honeywell distributed control system (DCS), a VAX computer, two gas chromatographs for benzene analysis, an Icotron software package (the blend algorithms), the knock engine hardware and software to interface between the existing engines and new TDC equipment and the electrical work to commission the system was installed in order to meet the 1995 reformulated per gallon gasoline specifications. The new blending system optimizes the blend on-line feedback measurements (octane, rvp, and benzene content). With this feedback, the blend is controlled via Honeywell equipment. Included in the installation were two GC analyzers that were required to provide the on-line benzene content of the blended product as well as some of the key components that are being fed to the blender.

To control the RVP of the low vapor pressure grades of gasoline, light gasoline must be segregated from ultraformate. To achieve this segregation, a new 25,000 barrel sphere was installed for C5 storage. The new sphere was engineered with a design pressure sufficient for isobutene storage allowing for inventory and maintenance flexibility.

An MTBE line was installed between the existing Robinson Waash pipeline station and the existing refinery MTBE storage tank.

Additional laboratory equipment was installed to analyze gasoline upon completion of the reformulated gasoline projects this included installation of an X-ray equipment capable of performing EPA mandated D2622 for sulfur analysis on RFG, balance for oxygenate analysis and a gas chromatograph for benzene analysis.

Section C**Materials used in process:**

Reformulated gasoline

Section D**Pollution Control Facility Description**

A new blend system consisting of a Honeywell distributed control system (DCS), a VAX computer, two gas chromatographs for benzene analysis, an Icotron software package (the blend algorithms), the knock engine hardware and software to interface between the existing engines and new TDC equipment and the electrical work to commission the system was installed in order to meet the 1995 reformulated per gallon gasoline specifications. The new blending system optimizes the blend on-line feedback measurements (octane, rvp, and benzene content). With this feedback, the blend is controlled via Honeywell equipment. Included in the installation were two GC analyzers that were required to provide the on-line benzene content of the blended product as well as some of the key components that are being fed to the blender.

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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Denial

Date: October 27, 2005

To: Robb Layman

From: Don Sutton *DRS*

Subject: Marathon Ashland Petroleum LLC TC-04-30-12V

This Agency received a request on December 30, 2004 from Marathon Ashland Petroleum LLC 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:

Reformulated Gasoline-Blending system whose primary purpose is to meet reformulated gasoline requirements and isn't the reduction of Air Pollution and it does not meet the definition of a "Pollution Control Facility" it is therefore denied.

This facility is located at 100 Marathon Avenue, Robinson
The property identification number is Part of 51-34-1-21

Based on the information included in this submittal, it is my engineering judgement that the proposed facility may not be considered "Pollution Control Facilities" under 35 IAC 125.00(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in this section, and therefore not eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is my recommendation that the Board deny the requested tax certification for this facility.



Exhibit B

