

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)
)
NITROGEN OXIDES EMISSIONS FROM) R08-19
VARIOUS SOURCE CATEGORIES:) (Rulemaking - Air)
AMENDMENTS TO 35 ILL. ADM. CODE)
PARTS 211 and 217)

NOTICE OF FILING

TO: Mr. John T. Therriault	Timothy Fox, Esq.
Assistant Clerk of the Board	Hearing Officer
Illinois Pollution Control Board	Illinois Pollution Control Board
100 W. Randolph Street	100 W. Randolph Street
Suite 11-500	Suite 11-500
Chicago, Illinois 60601	Chicago, Illinois 60601
(VIA ELECTRONIC MAIL)	(VIA ELECTRONIC MAIL)

(SEE PERSONS ON ATTACHED SERVICE LIST)

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Illinois Pollution Control Board the **POST-HEARING COMMENTS OF CONOCOPHILLIPS COMPANY**, a copy of which is herewith served upon you.

Respectfully submitted,

CONOCOPHILLIPS COMPANY,

Dated: March 23, 2009

By: /s/Katherine D. Hodge
Katherine D. Hodge

Katherine D. Hodge
Monica T. Rios
HODGE DWYER & DRIVER
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**POST-HEARING COMMENTS
OF CONOCOPHILLIPS COMPANY**

NOW COMES CONOCOPHILLIPS COMPANY (“ConocoPhillips”), by and through its attorneys, HODGE DWYER & DRIVER, and submits the following POST-HEARING COMMENTS for consideration in the above-referenced matter.

I. INTRODUCTION

In the past months, ConocoPhillips has actively participated in the above-referenced rulemaking, which seeks to establish NOx RACT limits for several different types of sources, including many of the boilers and process heaters at the Wood River Refinery (“Refinery”) located in Wood River, Illinois. On November 25, 2008, ConocoPhillips submitted the pre-filed testimony of Mr. David Dunn, Environmental Director of the Refinery. Mr. Dunn’s testimony explained that four boilers and seventeen process heaters located at the Refinery would require either emission controls or inclusion in an averaging strategy in order to meet the NOx RACT emission limits proposed by the Illinois Environmental Protection Agency (“Agency”) in its proposed rule. Prefiled Testimony of David W. Dunn, *In the Matter of: Nitrogen Oxides Emissions From Various Categories: Amendments to 35 Ill. Adm. Code Parts 211 and 217*, R08-19 at 2 (Ill.Pol.Control.Bd. Nov. 25, 2008). Mr. Dunn’s testimony focused on the substantial costs that would be incurred by ConocoPhillips to install certain controls on

the affected boilers and process heaters and concluded that the cost per ton of NO_x controlled is well beyond the cost per ton that the Agency used to determine NO_x RACT. *Id.* at 6 – 12. In addition, Mr. Dunn's testimony commented on the proposed averaging provision, as well as the Agency's requirement that all boilers and process heaters over 100 MMBtu/hr install CEMs. *Id.* at 12-15.

On December 9, 2008, Mr. Dunn presented his testimony to the Illinois Pollution Control Board ("Board") during the second hearing in this matter. At that time, Mr. Dunn testified regarding the impact of the proposed rule on the Refinery and answered questions regarding his testimony. Subsequently, on January 20, 2009, ConocoPhillips submitted additional materials to the Board in response to request at hearing for additional cost data and maintenance schedules. On February 3, 2009, ConocoPhillips participated in the third hearing in this matter by asking several questions of Agency witnesses.

ConocoPhillips has been working with the Agency to resolve several issues related to the implementation of the proposed rule at the Refinery. After several discussions and meetings, ConocoPhillips has reached an agreement with the Agency on the majority of the issues raised by this rulemaking that impact the Refinery. Therefore, with exception of the issues discussed below, ConocoPhillips supports the Agency's proposed amendments to the rule. ConocoPhillips will continue to work with the Agency to resolve any remaining issues of concern.

II. OUTSTANDING CONCERNS

A. CEMs. As discussed in Mr. Dunn's November 25, 2008 prefiled testimony, the Agency's proposed rule requires boilers and process heaters over 100 MMBtu/hr to utilize CEMs to monitor and record NO_x emissions. *Id.* at 14.

ConocoPhillips maintains that the installation of CEMs at the Refinery for compliance with the Agency's proposed rule will cost an estimated \$12,600,000. *Id.* at 15. Further, as noted in Mr. Dunn's testimony, installation of CEMs is complicated because many of the process heaters "do not have exhaust stacks designed for easy installation." *Id.* Accordingly, ConocoPhillips requests that the Agency and Board consider limiting CEMs installation requirements to only those units greater than 250 MMBtu/hr.

B. RACT Determination. In addition, in regards to emission control strategies, additional flexibility is needed in circumstances where, during planning and implementation of control projects, ConocoPhillips determines that the cost per ton of NOx controlled is \$15,000 or more, *i.e.*, the cost significantly exceeds reasonably available control technology. At that point, ConocoPhillips must have the ability to present a revised control strategy to the Agency and/or the Board. ConocoPhillips welcomes the Agency's comments on this issue and will provide proposed regulatory language for Agency and Board consideration at a later date.

III. CONCLUSION

ConocoPhillips appreciates the Agency's cooperation and willingness to discuss issues raised for the Refinery by the proposed rulemaking. ConocoPhillips intends to continue discussions with the Agency on CEMs and control strategy flexibility. ConocoPhillips, however, supports the Agency's proposed amendments to the rule.

ConocoPhillips reserves the right to supplement these post hearing comments.

Respectfully submitted,

CONOCOPHILLIPS COMPANY,

Dated: March 23, 2009

By: /s/Katherine D. Hodge
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CNPH:011/Fil/R08-19/Post Hearing Comments

CERTIFICATE OF SERVICE

I, Katherine D. Hodge, the undersigned, hereby certify that I have served the attached **POST-HEARING COMMENTS OF CONOCOPHILLIPS COMPANY**, upon:

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via electronic mail on March 23, 2009.

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