

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

WRB REFINING, LLC)
Aromatics South Flare Stack Upgrade)
)
) PCB 12-
) (Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)
19-1-08-35-00-000-001 or portion thereof)

NOTICE

TO: [Electronic filing] John Therriault, Assistant Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

[Service by mail] Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

[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: November 28, 2011

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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OF THE STATE OF ILLINOIS**

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Aromatics South Flare Stack Upgrade)	
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19-1-08-35-00-000-001 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 **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 October 14, 2010, the Illinois EPA received an application and supporting information from WRB REFINING, LLC, (“WRB Refining”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Wood River petroleum refinery in Madison County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

WRB Refining LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

3. The facility address is as follows:

WRB Refining LLC
900 South Central Avenue
P.O. Box 76
Roxana, Illinois 62084

4. The subject matter of this request involves an upgrade to a flare device that controls various volatile hydrocarbons, including hydrogen sulfides and hazardous air pollutants, from process units located at the Aromatics Area of the refinery. The flare, designated as the South Flare, is a low pressure device that was upgraded to allow it to remain in service. As a part of the flare's stack was showing signs of corrosion and possible compromises in its integrity, the stack was replaced with a new one containing more corrosive-preventing properties. By implementing the upgrade, the South Flare can continue to reduce or prevent emissions of sulfur oxides and volatile organic materials from the Aromatics Area that would otherwise be emitted directly to the atmosphere.

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 underlying purpose of the Aromatics South Flare Stack Upgrade to prevent, eliminate or reduce air pollution, it is the Illinois EPA's engineering judgment that the various systems, constructions, devices and/or buildings or equipment from the project relating to air pollution control 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. Because the substantive components of the application for the Aromatics South Flare Stack Upgrade satisfies the aforementioned 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: November 28, 2011

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 28th day of November, 2011, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

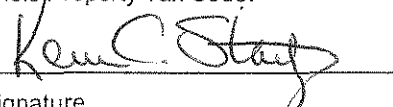
John Therriault, Assistant Clerk
Illinois Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, Illinois 60601

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

Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

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

Sec. E	(1) Nature of Contaminants or Pollutants		
POLLUTION CONTROL FACILITY - CONTAMINANTS		Material Retained, Captured or Recovered	
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Light Hydrocarbons including HAPs	Light Hydrocarbons	Recovered as product
	Sulfur Compounds	Sulfur	Recovered as product sulfur
	CO2	Light Hydrocarbons	Recovered as product
	(2) Point(s) of Waste Water Discharge		
	Plans and Specifications Attached		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(3)	Are contaminants (or residues) collected by the control facility?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
(4)	Date installation completed <u>12/31/05</u> status of installation on date of application <u>100%</u>		
ACCOUNTING DATA	(5)	a. TOTAL INSTALLED COST	\$ 983,000.00
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 0.00
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0.00
		d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0.00
		e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% To Be Determined
Sec. F	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. The facilities claimed herein are "pollution control facilities" as defined in Section 11-10 of the Illinois Property Tax Code.		
SIGNATURE	 Signature		
	Title DIRECTOR - PTRRC		
Sec. G	INSTRUCTIONS FOR COMPILING AND FILING APPLICATION		
	General: Separate applications must be completed for each control facility claimed. Do not mix types (water and air). Where both air and water operations are related, file two applications. If attachments are needed, record them consecutively on an index sheet.		
INSTRUCTIONS	Sec. A	Information refers to applicant as listed in the tax records and the person to be contacted for further details or for inspection of facilities. Define facility location by street address or legal description. A plat map location is required for facilities located outside of municipal boundaries. The property identification number is required.	
	Sec. B	Self-explanatory. Submit copies of all permits issued by local pollution control agencies. (e.g. MSD Construction Permit)	
	Sec. C	Refers to manufacturing processes or materials on which pollution control facility is used.	
	Sec. D	Narrative description of the pollution control facility, indicating that its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility. State permit number, date, and agency issuing permit. A narrative description and a process flow diagram describing the pollution control facility. Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an average analysis of the influent and effluent of the control facility stating the collection efficiency.	
	Sec. E	List air contaminants, or water pollution substances released as effluents to the manufacturing processes. List also the final disposal of any contaminants removed from the manufacturing processes. Item (1) - Refers to pollutants and contaminants removed from the process by the pollution control facility. Item (2) - Refers to water pollution but can apply to water-carried wastes from air pollution control facilities. 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. Item (3) - If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value in dollars reclaimed by sale or reuse of the collected substances. State the cost of reclamation and related expense. Item (4) - State the date which the pollution control facility was first placed in service and operated. If not, explain. Item (5) - This information is essential to the certification and assessment actions. This accounting data must be completed to activate project review prior to certification by this Agency.	
	Sec. F	Self-explanatory. Signature must be a corporate authorized signature.	
	Submit to:	Attention:	Attention:
	Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Al Keller Permit Section Division of Water Pollution Control	Donald E. Sufton Permit Section Division of Air Pollution Control

**APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
POLLUTION CONTROL FACILITY
WRB – Wood River Refinery**

Project: Aromatics South Flare Stack Upgrade Project

Section C – Manufacturing Process

Process Description:

The Aromatics Area of the Wood River Refinery contains many process units with the common function of upgrading intermediate boiling range unfinished products into high quality low sulfur fuels (LPG, Gasoline, Diesel, etc.). Hydrotreaters use hydrogen and catalyst to remove sulfur and nitrogen from naphtha preparing it for further processing in a Reformer. Other hydrotreaters remove sulfur from diesel range feed to produce ultra low sulfur diesel. The Reformer processes naphtha in the presence of hydrogen and catalyst to produce high octane gasoline and hydrogen. Hydrogen plants use steam, natural gas and catalyst to produce hydrogen. The Hydrocracker feeds gas oil and hydrogen over a catalyst to produce low sulfur high quality diesel and naphtha. The Szorb process uses hydrogen and sorbent to remove sulfur from gasoline. Hydrogen is both a feedstock and a product in the Aromatics area.

A flare is tall large diameter vertical stack with a continuously maintained flame at the top. During non routine operation such as loss of electrical power or loss of cooling water, refinery units must release hydrocarbon vapor and hydrogen streams to prevent overpressure of operating equipment. The flare combusts the released hydrocarbon vapor and hydrogen streams so that the volatile hydrocarbons (including Hazard Air Pollutants such as benzene) and other pollutants such as hydrogen sulfide and ammonia are not released to atmosphere.

Units served by the Aromatics South Low Pressure (LP) flare include CR1, CR2/HDU1, CR3/HDU2, Szorb, DHT, HCU, ULD, and the Maintenance Drop Out system. The flare system is in place to safely combust any hydrocarbon release, thus preventing the release of raw hydrocarbons into the atmosphere.

Section D – Pollution Control Facility Description

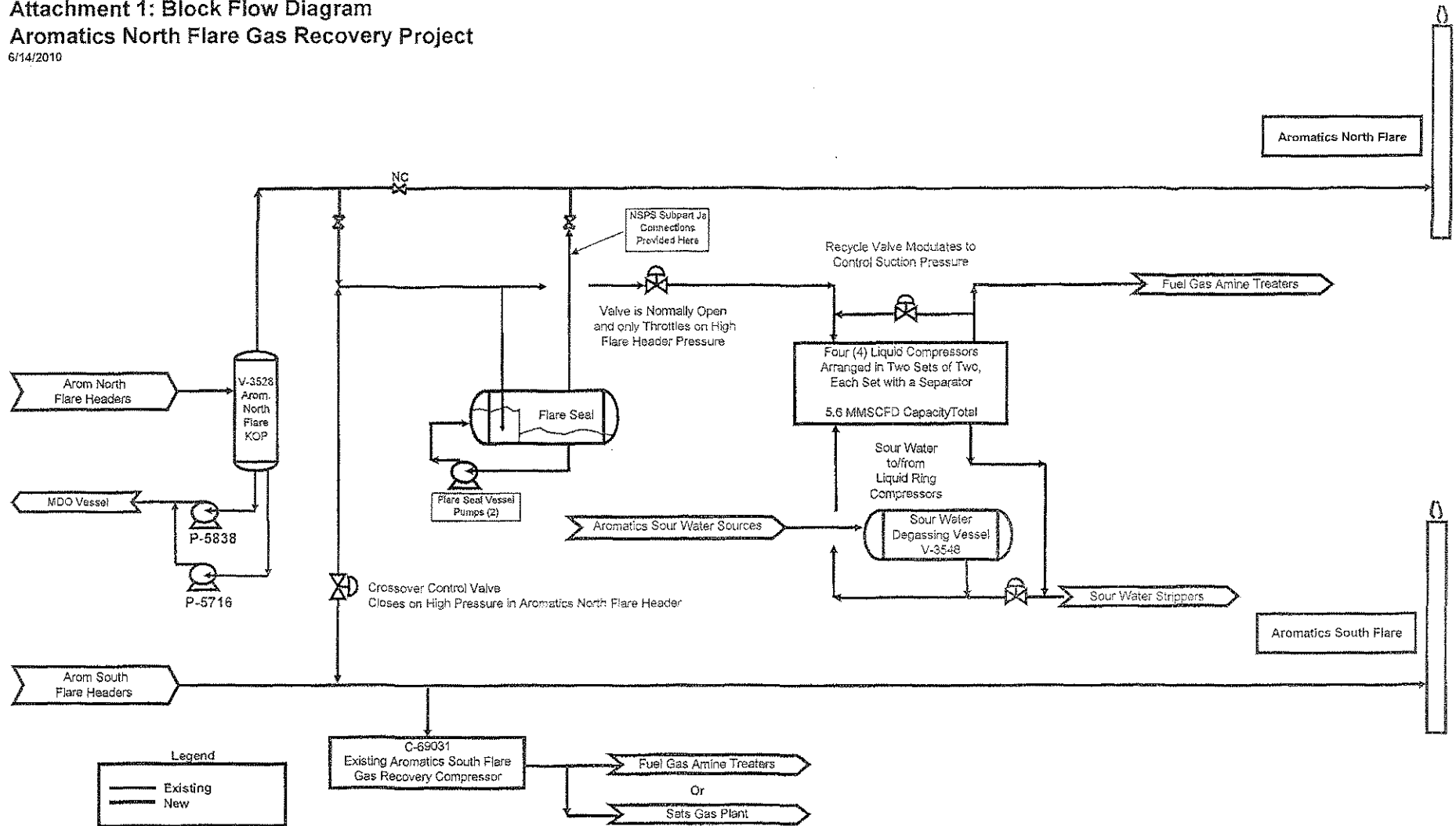
The Aromatics South Flare System is a Pollution Control Facility which combusts released hydrocarbon vapor and hydrogen streams so that the volatile hydrocarbons (including Hazard Air Pollutants such as benzene) and other pollutants such as hydrogen sulfide and ammonia are not released to atmosphere. The Aromatics South Flare System includes a flare gas recovery compressor in place to recover any normally expected hydrocarbon release from units in the area and to send this recovered gas to be treated and used in the refinery fuel system. Any hydrocarbon release above the recovery capacity is safely burned in the flare stack. This prevents the release of raw hydrocarbons into the atmosphere.

This project upgraded the Aromatics South Flare System so that it could remain in service as a Pollution Control Facility. A portion of the flare system was suffering high corrosion and had the potential to release volatile hydrocarbons (including Hazard Air Pollutants such as benzene) and other pollutants such as hydrogen sulfide and ammonia to atmosphere. This project replaced the flare stack with a more corrosion resistant stack.

Thus this project involves the renewal of a Pollution Control Facility so that it can continue to prevent air pollution.

Attachment 1: Block Flow Diagram
Aromatics North Flare Gas Recovery Project

6/14/2010





ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East, P.O. Box 19276, Springfield, Illinois 62794-9276 • (217) 782-2829
James R. Thompson Center, 100 West Randolph, Suite 11-300, Chicago, IL 60601 • (312) 814-6026

PAT QUINN, GOVERNOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: November 28, 2011
To: Robb Layman
From: Ed Bakowski *EB*
Subject: WRB Refining LLC TC-10-14-10

This Agency received a request on October 14, 2010, from WRB Refining, 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:

Aromatics South Flare Stack Upgrade, which involves the installation of new stack for the flare device that services the Aromatics Area of the refinery, thus allowing the device to continue to reduce or prevent emissions of sulfur oxides and volatile organic materials that would otherwise be emitted to the atmosphere. Because the primary purpose of this system is to reduce or prevent air pollution, it can be certified as a pollution control facility.

This facility is located at 900 South Central Avenue, Roxana
The property identification number is Part of 19-1-08-35-00-000-001

Based on the information included in this submittal, it is my engineering judgment 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.

Exhibit B