

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

WRB REFINING, LLC)
New Units' Continuous Emissions)
Monitoring Systems for Furnaces)
) PCB 12-
) (Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)
19-1-08-35-00-000-001 or portion thereof)

NOTICE

TO: [Electronic filing] [Service by mail]
John Therriault, Assistant Clerk Michael Kemp
Illinois Pollution Control Board WRB Refining, LLC
State of Illinois Center 404 Phillips Building
100 W. Randolph Street, Suite 11-500 Bartlesville, Oklahoma 74004
Chicago, Illinois 60601

[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

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

WRB REFINING, LLC)	
New Units' Continuous Emissions)	
Monitoring Systems for Furnaces)	
)	PCB 12-
)	(Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)	
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 consists of continuous emissions monitoring systems (“CEMS”) placed on certain fuel-fired furnaces for newly-constructed process units at the refinery. The affected furnaces include the Vacuum Feed Furnace, designated as H350H4, and two Coker Furnaces, designated as H351H1 and H351H2 respectively. Each furnace can generate emissions of nitrogen oxides, sulfur oxides and carbon monoxide that are emitted in the furnace flue gas. Although all three contaminants are formed as part of the combustion process, carbon monoxide can be particularly affected by proper operation of the heaters (i.e., ensuring proper availability of oxygen to achieve complete combustion). CEMS analyzers for each of furnaces are being installed, together with process alarms set at predetermined limits for all three contaminants. The CEMS will allow the refinery to continuously measure the furnace streams and increase the response time for adjusting furnace performance as needed, thereby reducing or preventing emissions of the combustion contaminants.¹

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).

¹ It should be noted that parallels can be drawn from at least two similar CEMS projects recommended for tax certification by the Illinois EPA, and ultimately granted by the Board, in 2002 and 2007. *See, Aux Sable Liquid Products*, PCB No. 02-124 (CEMS)(Property Identification Nos. 03-22-100-003, 03-22-100-008, 03-22-100-009 and 03-22-100-011) (March 21, 2002) and *Marathon Ashland Petroleum Company, LLC*, PCB No. 07-55 (CEMS)(Property Identification No. 54-34-1-21)(January 26, 2007).

7. Based on information in the application and the underlying purpose of the New Units' CEMS for Furnaces 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 New Units' CEMS for Furnaces 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

***** PCB 12-073 *****

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

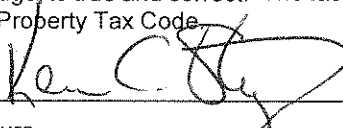
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

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 WRB Refining LLC			
	Person Authorized to Receive Certification Michael Kemp		Person to Contact for Additional Details Gordon Terhune	
	Street Address 404 Phillips Building		Street Address 900 S. Central Ave., P.O. Box 76	
	Municipality, State & Zip Code Bartlesville, OK 74004		Municipality, State & Zip Code Roxana, IL 62084	
	Telephone Number (918) 661-9055		Telephone Number (618) 255-2876	
	Location of Facility Quarter Section	Township	Range	Municipality Township
	Street Address 900 S. Central Ave.		County Madison	Book Number
	Property Identification Number		Parcel Number 19-1-08-35-00-000-001	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
		Water Pollution Control Construction Permit No.		Date Issued
NPDES PERMIT No. IL0000205		Date Issued 04/14/04	Expiration Date 04/14/09	
Air Pollution Control Construction Permit No. 06050052		Date Issued 08/05/08		
Air Pollution Control Operating Permit No. 95120306		Date Issued 11/07/03		
Sec. C MANUFACTURING PROCESS	Describe Unit Process See New Units Furnace Continuous Emissions Monitoring Systems (CEMS) Project Attachment			
	Materials Used in Process Fuel Gas, Combustion Air, Furnace Flue Gas containing SOx, NOx, and CO			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See New Units Furnace Continuous Emissions Monitoring Systems (CEMS) Project Attachment			

Exhibit A

Sec. E	(1) Nature of Contaminants or Pollutants		
			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	NOx	N2	To atmosphere
	SOx	Sulfur	Sold as product
	CO	CO2	To atmosphere
	(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 type="checkbox"/> No <input checked="" type="checkbox"/>
	(4)	Date installation completed <u>04/01/11</u> status of installation on date of application <u>80%</u>	
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.		
			<u>DIRECTOR - PTRAC</u>
	Signature		Title
	<p align="center">INSTRUCTIONS FOR COMPILING AND FILING APPLICATION</p> <p>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.</p>		
	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 <u>pollution control facility</u> . Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an <u>average</u> 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. Sutton Permit Section Division of Air Pollution Control

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

Project: New Units Furnace Continuous Emissions Monitoring Systems (CEMS)

Section C – Manufacturing Process

Process Description:

The Vacuum Flasher #5 is distillation unit that operates at low pressure to separate the heavy oil portion of crude oil (the bottom cut of the atmospheric crude oil distillation column) to produce gas oils, and vacuum residue. The Delayed Coker thermally cracks the vacuum residue to produce more refined products including Liquefied Petroleum Gas, Naphtha, Light Coker Gas Oil, and Heavy Coker Gas Oil.

The oil refining process requires high temperatures to complete many fractionation and reaction steps. These high temperatures require a substantial amount of heat input to the process via fired furnaces. In the New Units Area, Vacuum Feed Furnace H350H4 provides the majority of the heat necessary to vacuum distill reduced crude oil from upstream atmospheric crude units. Coker Furnaces H351H1 and H351H2 provide the majority of the heat necessary for the thermal cracking and coking of vacuum residue from the upstream vacuum unit.

Fuel fired furnaces can produce nitrogen oxides (NOx), sulfur oxides (SOx), and carbon monoxide (CO) which are pollutants released to the atmosphere in the furnace flue gas. NOx is formed when nitrogen and oxygen in the combustion air combine with one another at the high temperatures in a flame. SOx is formed when H2S in the fuel gas is combusted. CO is formed when fuel gas is not fully combusted to CO2. The CO emissions from a furnace are greatly affected by the operation of the heaters. CO emissions are reduced by ensuring that there is ample oxygen available in the combustion zone to help drive towards a more complete combustion.

Section D – Pollution Control Facility Description

The Wood River Refinery is installing Pollution Control Facilities to measure and reduce NOx, SOx, and CO emissions from H350H4, H351H1, and H351H2.

New Continuous Emissions Monitoring Systems (CEMS) analyzers will be installed on these 3 heaters to measure NOx, SOx, and CO. Process alarms will inform refinery operators when NOx, SOx, and CO approach predetermined environmental limits. These Pollution Control Facilities will result in revised refinery operation to reduce NOx, SOx, and CO emissions to atmosphere. For example, these Pollution Control Facilities will force operators to revise furnace operation to reduce NOx and/or CO emissions.

In summary, these Pollution Control Facilities are being installed solely to measure and reduce NOx, SOx, and CO emissions from H350H4, H351H1, and H351H2.




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 
Subject: WRB Refining LLC TC-10-14-100

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:

New Units' Continuous Emissions Monitoring Systems ("CEMS") for Furnaces, which installs CEMS analyzers and process alarms on three, fuel-fired process furnaces to measure and adjust furnace performance, thereby reducing or preventing emissions of combustion contaminants. 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