

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

WRB REFINING, LLC)
Ultralow NOx Burners)
)
) 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

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

WRB REFINING, LLC)	
Ultralow NOx Burners)	
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)	PCB 12-
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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

Date: November 28, 2011

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**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
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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 Ultralow Nitrogen Oxides (“NOx”) Burners, which will reduce and control NOx emissions from certain fuel-fired process furnaces at the refinery. As described in the application, the project involves the installation of ultralow NOx burner technology that is designed to burn fuel gas at a lower flame temperature, thereby reducing the formation of NOx emissions. The technology is being fitted onto three process burners operating in the New Units Area of the refinery: the Vacuum Unit Feed Furnace, designated as H350H4; and two Coker furnaces, designated as H351H1 and H351H2. The project includes the installation of the burners, as well as fuel gas conditioning equipment, which includes filters, stainless steel piping and stream tracing, that will prevent plugging of the advanced burners.

5. The installation of the new Ultralow NOx Burners for the aforementioned process furnaces will reduce NOx emissions from refinery operations that would otherwise be emitted to the atmosphere from the use of conventional burners.

6. 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.”

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

8. Based on information in the application and the underlying purpose of the Ultralow NOx Burners 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]**.

9. Because the substantive components of the application for the Ultralow NOx Burners 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

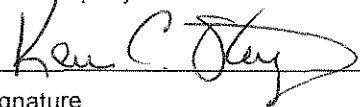
***** PCB 12-080 *****
 APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

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 Ultralow NOx Burner Project Attachment.				
	Materials Used in Process See New Units Ultralow NOx Burner Project Attachment.				
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See New Units Ultralow NOx Burner Project Attachment.				

Exhibit A

Sec. E	(1) Nature of Contaminants or Pollutants		
POLLUTION CONTROL FACILITY - CONTAMINANTS			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Nitrogen Oxides (NOx)	Combustion Product	Generation avoided.
(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>		
ACCOUNTING DATA	(5) a.	TOTAL INSTALLED COST	\$ 2,418,726.00
	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		DIRECTOR - PTRRC Title
Sec. G	INSTRUCTIONS FOR COMPILING AND FILING APPLICATION		
INSTRUCTIONS	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.		
	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. Sutton Permit Section Division of Air Pollution Control

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

Project: New Units Ultralow NOx Burners Project

Section C – Manufacturing Process

Process Description:

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 fuel fired furnaces. Fuel fired furnaces produce nitrogen oxides (NOx) which is a pollutant 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. Burner manufacturers have developed Ultralow NOx (nitrogen oxides) burners which achieve lower NOx formation by burning the fuel gas with a lower flame temperature. The lower flame temperature is achieved by staging the fuel into the burner and by inducing a flow of flue gas back into the burner. The flow passages for fuel gas in the Ultralow NOx burners are smaller than those in conventional burners. Ultralow NOx burners are more expensive than conventional burners. Also, additional filtering and conditioning of the fuel gas is required when using Ultralow NOx burners that would not be required with conventional burners.

Within the New Units Area, the Wood River Refinery has installed Ultralow NOx burners on process furnaces H350H4 (the Vacuum Unit Feed Furnace) and H351H1 and H351H2 (the Coker Furnaces) to reduce the emissions of NOx. Equipment for additional filtering and conditioning of the fuel gas has also been installed to prevent plugging of these advanced burners.

Materials Used in Process:

Fuel gas
Combustion Air

Section D – Pollution Control Facility Description

Facilities to reduce nitrogen oxides (NOx) pollution from fuel gas combustion in furnaces H350H4, H351H1, and H351H2 include both the Ultralow NOx burners and additional fuel gas conditioning facilities including filters to remove solids and liquid droplets from the fuel, stainless steel piping downstream of the fuel knockout drum, and steam tracing of the fuel piping downstream of the fuel knockout drum.

The Ultralow NOx burners and additional fuel gas conditioning facilities have been installed for the sole purpose of reducing pollution due to the emissions of NOx to the atmosphere. The Wood River Refinery receives no financial benefit from the additional capital required for these higher cost burners and additional fuel gas conditioning facilities.



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 23, 2011
To: Robb Layman
From: Ed Bakowski *EB*
Subject: WRB Refining LLC **TC-10-14-10G**

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:

Ultralow NOx Burners, which replaces conventional burners on existing fuel-fired process furnaces with newer technology capable of burning fuel gas at a lower flame temperature, thereby reducing emissions of nitrogen oxides from refinery operations. 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