

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

WRB REFINING, LLC)	
New Units' Emissions-Free Sample Stations)	
)	
)	
)	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)	
New Units' Emissions-Free Sample Stations)	
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)	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

Date: November 28, 2011

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19-1-08-35-00-000-001 or portion thereof)	

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 the installation of sampling stations at various hydrocarbon sampling points associated with newly-constructed process units at the refinery. As described in the application, the sampling stations are equipped with continuous flow loops (or fast loops) that eliminate the need for purging flow during sampling. The configuration of the sampling stations for conducting liquid and vapor samples is also an added benefit. For liquid samples, bottles used for obtaining samples are fitted with a septum that prevents the loss of volatile hydrocarbons during the sampling process. For vapor samples, sampling is conducted in a pressure-rated and leak-proof cylinder, which must be purged with the sample stream. The process is also designed to ensure that valves used with the cylinders and connecting hoses are located to minimize the hydrocarbons remaining in the sampling station when a cylinder is disconnected. The fast loop sampling stations, based on their nature and design, act to reduce or prevent the release of volatile organic materials during the hydrocarbon sampling process.

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 New Units’ Emissions-Free Sampling Stations 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’ Emissions-Free Sampling Stations 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

1st Robb H. Layman

Robb H. Layman
Assistant Counsel

***** PCB 12-084 *****

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

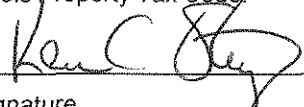
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

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 Emissions Free Sample Stations Attachment.			
	Materials Used in Process See New Units Emissions Free Sample Stations Attachment.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See New Units Emissions Free Sample Stations Attachment.			

Exhibit A

Sec. E	(1) Nature of Contaminants or Pollutants		
CONTAMINANTS			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Volatile Organic Carbon (VOC)	Hydrocarbon	Recovered and sold as product
	Hazardous Air Pollutants	Hydrocarbon	Recovered and sold 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>04/01/11</u> status of installation on date of application <u>60%</u>		
ACCOUNTING DATA	(5)	a. TOTAL INSTALLED COST	\$ 246,455.00
		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		
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 <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:
		Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	AI Keller Permit Section Division of Water Pollution Control
			Attention: 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 Emissions Free Sample Stations

Section C – Manufacturing Process

Process Description:

The Wood River Refinery New Units Emissions Free Sample Stations Project installs sample stations with continuous flow loops, called fast loops, on volatile hydrocarbon sample points to prevent emitting volatile organic compounds (VOC) to the atmosphere. Fast loop sample stations on volatile hydrocarbon sample points are required by the US EPA as defined in the air permit for the CORE project.

During the refining process, samples of various hydrocarbon streams are routinely taken for analysis to ensure the process is operating as expected and products meet specification. To ensure the sample is representative of the process at the time of sampling, flow is established in sample lines until the previous liquid has been purged. Fast loop samples eliminate the need to purge as there is a continuous flow from the sample point to a point downstream in the process. Eliminating the purge reduces the volatile organic compounds emitted to the atmosphere while a sample is being taken.

Emissions of VOC are further reduced by the configuration of the sample station apparatus. Different samples require different configurations; however, they can be simplified into two major categories: liquid and vapor.

Liquid samples are generally taken in a bottle. In volatile service, bottles are equipped with a septum. A septum is a cap on the bottle with a rubber seal that is easily penetrated with a needle. When the needle is removed, the rubber reseals and prevents loss of VOC to the atmosphere. The sample cabinet is specifically designed for septum bottles and comes equipped with a needle on the sample point to penetrate the bottle.

Vapor or liquids that would vaporize at atmospheric conditions are taken in a pressure rated and leak free cylinder. While a sample is taken, the cylinder must be purged with the sample stream to ensure the sample is representative of the process. Sample cabinets for cylinders are specifically designed to enable purging without VOC emissions. Purges are returned to the process in a fast loop or the sample cabinet is equipped with a purge to the flare. If purged to the flare, any hydrocarbons will be recovered in the flare system. Additionally, valves to isolate the cylinder and valves on the flexible hoses connecting to the cylinder are located such that there is minimal hydrocarbon left in the sample station when the cylinder is disconnected.

Materials Used in Process:

- Volatile Organic Compounds (VOC)

Section D – Pollution Control Facility Description

The Wood River Refinery is installing Emissions Free Sample Stations as a Pollution Control Facility to prevent pollution due to the emission of volatile organic compounds (VOC) to the atmosphere. The Pollution Control Facility consists of numerous fast loop closed sample systems specifically designed and installed to prevent the release of volatile organic compounds.

Fast loop sample systems prevent hydrocarbons from being released to the environment by eliminating the need to purge sample lines and by preventing hydrocarbon vapors and gases from leaking to the atmosphere from the sample containers.

Thus, the Wood River Refinery is installing Emissions Free Sample Stations as a Pollution Control Facility solely to reduce air pollution due to VOC emissions to the atmosphere.



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-10-14-10P

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' Emissions-Free Sample Stations, which installs new sampling stations at various hydrocarbon sampling points that are equipped with continuous flow loops and designed to minimize leaks of hydrocarbons during sampling, thereby reducing or preventing emissions of volatile organic materials. 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