BEFORE THE ILLINOIS POLLUTION CONTROL BOARD OF THE STATE OF ILLINOIS

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)	
)	PCB 14-
)	(Tax Certification - Air)
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NOTICE

TO: [Electronic filing]

John Therriault, Clerk

Illinois Pollution Control Board

State of Illinois Center

100 W. Randolph Street, Suite 11-500

Chicago, Illinois 60601

[Service by mail]
Rick Diericx

Dynegy Midwest Generation, Inc.

604 Pierce Boulevard O'Fallon, Illinois 62269

[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: December 2, 2013

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

DYNEGY MIDWEST GENERATION, INC.)	
Mercury Sorbent Trap Monitoring System for)	
Baldwin Station, Unit No.2)	PCB 14- (Tax Certification - Air)
)	
PROPERTY IDENTIFICATION NUMBER)	
09-012-003-00 or portion thereof)	

APPEARANCE

I hereby file my Appearance in this proceeding on behalf of the Illinois Environmental Protection Agency.

Respectfully submitted by,

lst Robb H. Qayman

Robb H. Layman Assistant Counsel

Date: December 2, 2013

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY 1021 North Grand Avenue East P.O. Box 19276 Springfield, Illinois 62794-9276 Telephone: (217) 524-9137

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD OF THE STATE OF ILLINOIS

DYNEGY MIDWEST GENERATION, INC.)	
Mercury Sorbent Trap Monitoring System for)	
Baldwin Station, Unit No.2)	PCB 14-
)	(Tax Certification - Air)
)	
PROPERTY IDENTIFICATION NUMBER)	
09-012-003-00 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 20, 2008, the Illinois EPA received an application and supporting information from DYNEGY MIDWEST GENERATION, LLC, ("Dynegy Midwest Gen") concerning the proposed tax certification of certain air emission sources and/or equipment located at its Baldwin generating station in Randolph County, Illinois. A copy of the application is attached hereto. [Exhibit A]. Following a belated discovery that the application had been misplaced, the Illinois EPA's undersigned attorney sought and obtained verbal confirmation from Dynegy Midwest Gen concerning the continuing need for certification of the subject sources and/or equipment on November 26, 2013.
 - 2. The applicant's business address is as follows:

Dynegy Midwest Generation, Inc. 604 Pierce Boulevard O'Fallon, Illinois 62269 3. The facility address is as follows:

Dynegy Midwest Generation Baldwin Station 10901 Baldwin Road Baldwin, Illinois 62217

- 4. The subject matter of this request consists of a Mercury Sorbent Trap Monitoring System, which was constructed and installed by Dynegy Midwest Gen on Unit No. 2, Boiler No. 2 of the Baldwin Station. According to the application, the project was implemented to comply with the requirements of the Illinois mercury rule promulgated by the Board. As generally recognized in the field of air pollution control technology, a sorbent trap monitoring system is designed for automated, continuous measurement of vapor-phase mercury emissions from stationary sources and is an integral part of mercury emissions control.
- 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 primary purpose of the Mercury Sorbent Trap Monitoring System to serve as an integral part of, or appurtenance to, mercury emission controls that prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that the system 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 information in the application demonstrates that the Mercury Sorbent Trap Monitoring System satisfies the aforementioned statutory and regulatory criteria, the Illinois EPA recommends that the Board issue the applicant's requested tax certification.

Respectfully submitted by,

Ist Robb H. Layman

Robb H. Layman Assistant Counsel

DATED: December 2, 2013

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 2nd day of December, 2013, I electronically filed the following instruments entitled **NOTICE**, **APPEARANCE** and **RECOMMENDATION** with:

John Therriault, 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 Dynegy Midwest Generation, Inc. Rick Diericx 604 Pierce Boulevard O'Fallon, Illinois 62269

<u>/s/ Robb H. Qayman</u> Robb H. Layman

Robb H. Layman Assistant Counsel

Dynegy Midwest Region Operations A Division of Dynegy Inc. 604 Pierce Boulevard O'Fallon, IL 62269

October 14, 2008

Mr. Edwin C. Bakowski, P.E.
Acting Manager, Permit Section
Illinois Environmental Protection Agency
Bureau of Air
1021 N. Grand Ave. East
P.O. Box 19276
Springfield, IL 62794-9276



Mr. Bakowski:

Applications for Pollution Control Facility Tax Certifications Baldwin Energy Complex Site ID No. 157851AAA

Dynegy is submitting herein five applications (Form APC-151) for pollution control facility tax certifications for pollution control systems soon to be installed on generating Units 1, 2, and 3 at its Baldwin Energy Complex. Two of the applications are for the spray dryer absorber, activated carbon injection, and fabric filter systems to be installed on all three units. The other three application forms are for the mercury sorbent trap monitoring equipment for each of these units.

These systems are being installed so as to satisfy the terms and conditions of a 2005 Consent Decree between Dynegy, Inc. and the U.S. Department of Justice, and the requirements of the State of Illinois Mercury Rule. Construction permits have previously been issued by the IEPA for the spray dryer absorber, activated carbon injection, and fabric filter systems, and those construction permit nos. are noted on the enclosed forms.

Feel free to contact me (tel. no. 618-206-5912) or Rick Kelley (tel. no. 618-206-5929) if you have questions regarding the enclosed application forms.

Sincerely,

Rick Diericx, Sr. Director

Operations Environmental Compliance

RECEIVED STATE OF ILLINOIS

OCT 20 2008

Environmental Protection Agency BUREAU OF AIR



cc:

- (1) Rick Barton Suite 306, 133 So. 4th St., Springfield, IL 62701-1232
- (2) Jeremy Sandel/Jon R. Harris Tax Department; Dynegy Corporate Office; 1000 Louisiana St., Houston, TX 77002
- (3) Bill Portz Baldwin Energy Complex, 10901 Baldwin Rd., Box 146, Baldwin, IL 62217
- (4) Wendell Watson/Rick Kelley/Tom Davis Operations Environmental Compliance; O'Fallon, IL Office
- (5) Rick Diericx Reading File O'Fallon, IL Office

Path Path

G:\EA\Tax Credit Certifications\Baldwin\State Applications\BA; Units 1,2, and 3; SDA, ACI, Mercury Sorbent Traps, and FF Certification Applications to IEPA.doc

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 Statues, 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 US	F				
	POR AGENOTIOS	L				
File No.	Date Received	Certification No.		Date		
Sec. A	Company Name Dynegy Midwest Generation, Inc.					
	Person Authorized to Receive Certification		Person to Contact for Ad	ditional Details		
	Rick Diericx		Wendell Watson			
	Street Address		Street Address			
APPLICANT	604 Pierce Boulevard		604 Pierce Boulevard			
	Municipality, State & Zip Code		Municipality, State & Zip Code			
	O'Fallon, IL 62269		O'Fallon, IL 62269			
	Telephone Number		Telephone Number			
Ā.	(618) 206-5912 (618) 206-5927			~		
	Location of Facility Quarter Section Township	Range	Municipality	Township		
	3:SE 4S	7W	Baldwin	Baldwin		
	Street Address		County	Book Number		
	10901 Baldwin Road, Baldwin, IL 62217		Randolph			
	Property Identification Number 09-012-003-00		Parcel Number			
Sec. B	Nature of Operations Conducted at the Abov	ve Location				
NG S	The facility is Dynegy Midwest Generation's Baldwin Energy Complex. The station is located on the east bank of the Kaskaskia River. The station is engaged in the generation of electricity from the combustion of coal and/or oil (SIC Code 4911) in Units 1, 2, and 3.					
ACTUR	Water Pollution Control Construction Permit No. Date Issued		Date Issued			
MANUFACTURING OPERATIONS	NPDES PERMIT No. IL0000043		Date Issued March 25, 2005	Expiration Date April 30, 2010		
	Air Pollution Control Construction Permit No) ,	Date Issued			
	Air Pollution Control Operating Permit No.			11 0000		
	73010751 (Unit 2)		August 11, 2000			
Sec. C	Describe Unit Process					
9 NB	The station is engaged in the generation of el Wyoming coal is combusted in a Boilers #1, independent steam turbine/generator sets. Bo	#2, and #3. Thes	e boilers generate steam w	hich is utilized to turn three		
TUR SSS	station is approximately 1800 MW.					
AC.	Materials Used in Process					
MANUFACTURING PROCESS	Sub-bituminous coal, Fuel Oil, Water and Ai	ir.				
Σ						
Sec. D	Describe Pollution Abatement Control Facili	ty		· · · · · · · · · · · · · · · · · · ·		
POLLUTION CONTROL FACILITY DESCRIPTION	This pollution control project consists of equipment used to measure the mercury concentrations in the emissions of the manufacturing process. The equipment was installed to meet the requirements of the federal CAMR and Illinois Mercury Rule. The rule is Title 35: Subtitle B: Chapter 1: Subchapter c: Part 225 as promulgated by the IPCB.					
POLLUTION FACILITY DI						

Sec. E	(1) N	(1) Nature of Contaminants or Pollutants								
NTS			Material Reta	ined. Capti	ired o	r Reco	over	ed		
	Conta	aminant or Pollutant	DESCRIPTION	DISPOSAL OR USE						
N N	Mercu	ry emissions	90% reduction goal	wet ash dispo	sal facili	ty or lan	dfill ((on-site	or offsite)	
4T A										
ιδ Σ										
늘										
FAC	(2) Point(s) of Waste Water Discharge									
정	(-)(-)									
NO I					Yes			No	V	
ō Z	(3)	Are contaminants (or residues) colle				✓		No		
울	(4)	Date installation completed	status of installation o	n date of a	pplicat	ion <u>10</u>	00%	Compl	ete	
OLL!	(5)	a. FAIR CASH VALUE IF CONSIDER	RED REAL PROPERTY:			1,900.	00			
å g	b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY: \$									
Ę		c. PRODUCTIVE GROSS ANNUAL I	NCOME OF CONTROL FACILITY:		\$					
POLLUTION CONTROL FACILITY – ACCOUNTING DATA CONTAMINANTS	ĺ	d. PRODUCTIVE NET ANNUAL INCO	OME OF CONTROL FACILITY:		\$					
~		e. PERCENTAGE CONTROL FACILI	TY BEARS TO WHOLE FACILITY	VALUE:	%		100	%		
Sec. F	The fo	llowing information is submitted in accor	dance with the Illinois Property Tax	Code, as ar	nendec	l, and t	to th	e best	of my	
ų,		edge, is true and correct. The facilities of Property Tax Code.	laimed herein are "pollution control	facilities" as	define	d in Se	ctio	n 11-1	0 of the	
F.		Froperty Tax Code.								
SIGNATURE	2	el sein	Sr. Director - Operations Environment	al Complianc	e				i	
Ö	Signature Title									
Sec. G			NS FOR COMPILING AND FILING APP	PLICATION						
	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	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. E	Self-explanatory. Submit copies of all permits issued by local political control agencies. (e.g. MSD Constitution Fermity								
	Sec. 0	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.									
Š	Sec. E			manufacturing	proces	ses. Li	st als	so the t	inal	
TOT	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.									
INSTRUCTIONS		Item (2) – Refers to water pollution but c which clearly show (a) Point(s) of discha	an apply to water-carried wastes from a	ir pollution co	ntrol fac	ilities. S				
NST		facility.		•						
_		Item (3) – If the collected contaminants a in dollars reclaimed by sale or reuse of t							he value	
		Item (4) - State the date which the pollut	tion control facility was first placed in ser	vice and oper	rated. It	not, ex	plair	1.		
	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 A	alan Keller	Donald E. S	utton					
		P.O. Box 19276 Permit Section Permit Section Springfield, IL 62794-9276 Division of Water Pollution Control Division of Air Pollution Control								
		Springfield, IL 62794-9276	Division of Water Pollution Control	DIVISION Of A	ur Pollut	ion Cor	ILLOI			



Illinois Environmental Protection Agency

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 – (217) 782-2113

ROD R. BLAGOIEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: December 29, 2008

To: Robb Layman

From: Ed Bakowski 🐉

Subject: Dynegy Midwest Generation, Inc. TC 08-10-20K

This Agency received a request on October 20, 2008 from Dynegy Midwest Generation, Inc.. for an Illinois EPA recommendation regarding tax certification of air pollution control facilities pursuant to 35 III. Adm. Code 125.204. I offer the following recommendation.

The air pollution control facilities in this request include the following:

Mercury Sorbent Trap Monitoring Project for Unit 2 which measures the mercury concentrations in the emissions of the manufacturing process and reduces mercury emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 10901 Baldwin Road, Baldwin, Randolph County The property identification number is 09-012-003-00

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

