

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

EQUISTAR CHEMICALS, LP)
Internal Floating Roof System,)
Propionaldehyde Storage Tank)
) PCB 14-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
03-21-100-013, PARCEL NUMBER 110-032-1141)

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*]
D. Dale Cummings
Equistar Chemicals, LP
1221 McKinney Street, Suite 700
Houston, Texas 77010

[*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 19, 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**

EQUISTAR CHEMICALS, LP)	
Internal Floating Roof System,)	
Propionaldehyde Storage Tank)	
)	PCB 14-
)	(Tax Certification - Air)
)	
PROPERTY IDENTIFICATION NUMBER)	
03-21-100-013, PARCEL NUMBER 110-032-1141)	

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: December 19, 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**

EQUISTAR CHEMICALS, LP)
Internal Floating Roof System,)
Propionaldehyde Storage Tank)
) PCB 14-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
03-21-100-013, PARCEL NUMBER 110-032-1141)

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 10, 2012, the Illinois EPA received an application from EQUISTAR CHEMICALS, LP, (“Equistar”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Morris chemical manufacturing plant in Grundy County, Illinois. On or about January 29, 2013, the Illinois EPA received a revised application setting forth supporting information for Equistar’s request in a formal APC 151 Form. A copy of the application is attached hereto. **[Exhibit A]**.

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

Equistar Chemicals, LP
1221 McKinney Street, Suite 700
Houston, Texas 77010

3. The facility address is as follows:

Equistar Chemicals, LP
8805 North Tabler Road
Morris, Illinois 60450

4. The subject matter of this request consists of an Internal Floating Roof System, which was constructed and installed on the Propionaldehyde (“PA”) Storage Tank at the facility. As described in the application, the floating roof system will serve to control or limit emissions of volatile organic materials (“VOM”) from the PA storage tank, thereby ensuring that the source complies with National Emission Standards for Hazardous Air Pollutants promulgated by the United States Environmental Protection Agency at 40 CFR Part 63, Subpart FFFF (Miscellaneous Organic Chemical Manufacturing). *See*, Exhibit A, page 1 at Section D. A floating roof tank is not an inherent component of conventional storage tanks and provides a discrete, enhanced abatement of VOM emissions. As is generally recognized in the field of air pollution control technology, a floating roof system acts to reduce the evaporative losses from petroleum-based liquids that would otherwise be emitted to the atmosphere from a conventional storage tank.

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 Internal Floating Roof System for the Propionaldehyde Storage Tank to prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that the device and/or 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 information in the application demonstrates that the Internal Floating Roof 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,

/s/ Robb H. Layman

Robb H. Layman
Assistant Counsel

DATED: December 19, 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 19th 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

D. Dale Cummings
Equistar Chemicals, LP
1221 McKinney Street, Suite 700
Houston, Texas 60450

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

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

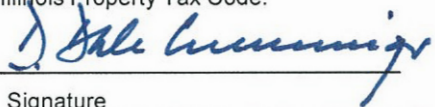
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

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 Equistar Chemicals, LP			
	Person Authorized to Receive Certification D. Dale Cummings		Person to Contact for Additional Details D. Dale Cummings	
	Street Address 1221 McKinney St., Suite 700		Street Address 1221 McKinney Street, Suite 700	
	Municipality, State & Zip Code Houston, TX 77010		Municipality, State & Zip Code Houston, TX 77010	
	Telephone Number (713) 266-4456		Telephone Number	
	Location of Facility Quarter Section Township Range		Municipality	Township
	21 24 N. 8 E		Morris	24 N.
	Street Address 8805 N Tabler Road, Morris, IL 60450		County Grundy	Book Number
	Property Identification Number 03-21-100-013		Parcel Number 110-032-1141	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Chemical Manufacturing		
Water Pollution Control Construction Permit No.		Date Issued		
NPDES PERMIT No. N/A		Date Issued	Expiration Date	
Air Pollution Control Construction Permit No. BOA Permit # 10060059		Date Issued		
Air Pollution Control Operating Permit No. 96010018		Date Issued		
Sec. C MANUFACTURING PROCESS	Describe Unit Process Ethylene, Low Density Polyethylene (LDPE), and Linear Low Density Polyethylene (LLDPE) Manufacturing			
	Materials Used in Process Natural gas liquids (ethane, propane), ethylene, catalysts			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility Project Title-MON LDPE PA Tank Floating Roof Description: An internal floating roof was installed on the propionaldehyde(PA) storage tank as a control to lower emissions of PA. Regulatory Analysis: Miscellaneous Organic NESHAP 40 CFR Part 63 Subpart FFFF (Group 1 Storage tank required to meet HAP emission limits under Part 63 Subpart WW) - The site elected to comply via Internal Floating Roof (IFR)			

Cert # 7010 1870 0000 3008 6634 Exhibit A

Sec. E	(1) Nature of Contaminants or Pollutants			
	CONTAMINANTS	Material Retained, Captured or Recovered		
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Propionaldehyde Emissions	Propionaldehyde	Reduced emission of PA storage tank
		(2) Point(s) of Waste Water Discharge		
		N/A		
			Plans and Specifications Attached	Yes <input type="checkbox"/> No <input type="checkbox"/>
		(3)	Are contaminants (or residues) collected by the control facility?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
ACCOUNTING DATA	(4)	Date installation completed <u>12/31/10</u> status of installation on date of application <u>12/31/10</u>		
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 1,744,275.00	
		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:	%	
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	 _____ Authorized Agent 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 <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



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-2829

PAT QUINN, GOVERNOR


LISA BONNETT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: December 18, 2013

To: Robb Layman, Assistant Counsel

From:  Jim Ross, Division Manager

Subject: Equistar Chemicals, LP, TC-13-01-29

The Illinois EPA received a request on January 29, 2013, from Equistar Chemicals, LP, for an Illinois EPA recommendation regarding tax certification of air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204. In consultation with my staff, I approve the following recommendation:

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

Internal Floating Roof Tank for the Propionaldehyde (PA) Storage Tank, which consists of the installation of a floating roof system that will prevent or reduce hydrocarbon emissions from the PA storage tank that would otherwise be lost through evaporation and emitted to the atmosphere. Because the primary purpose of the floating roof tank is to reduce or prevent air pollution, and will enable the source to assure compliance with federal environmental regulations, it can be certified as a pollution control facility.

This facility is located at 8805 North Tabler Road, Morris.

The property identification number is 03-21-100-013 and the parcel number is 110-032-1141.

Based on the information included in this submittal, it is the Division of Air Pollution Control's engineering judgment that the proposed facility may be considered "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of preventing or reducing air pollution, or as otherwise provided in this section, and is therefore eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is the Illinois EPA's recommendation that the Board issue the requested tax certification for this facility.

Exhibit B