

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

Dynegy Midwest Generation, Inc.
Baldwin Energy Complex
(Property Identification Number
09-012-003-007)

)
)
) PCB 07- 77
) (Tax Certification)
)

RECEIVED
CLERK'S OFFICE
FEB 20 2007
STATE OF ILLINOIS
Pollution Control Board

NOTICE

Dorothy M. Gunn, Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite. 11-500
Chicago, Illinois 60601

Rick Diericz
2828 North Monroe Street
Decatur, Illinois 62526

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
Post Office Box 19033
Springfield, Illinois 62794

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Pollution Control Board an APPEARANCE AND THE RECOMMENDATION of the Illinois Environmental Protection Agency, a copy of which is herewith served upon you.

ENVIRONMENTAL PROTECTION AGENCY
OF THE STATE OF ILLINOIS

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

DATED: February 15, 2007

Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276
(217) 782-5544

THIS FILING IS SUBMITTED ON RECYCLED PAPER

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

Dynegy Midwest Generation, Inc.
Baldwin Energy Complex
(Property Identification Number
12-14-03-300-004

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) PCB 07- 77
) (Tax Certification)
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STATE OF ILLINOIS
Pollution Control Board

APPEARANCE

The undersigned, as one of its attorneys, hereby enters an APPEARANCE on behalf of Respondent,
Illinois Environmental Protection Agency.

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

DATED: February 15, 2007
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276
(217)782-5544

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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CLERK'S OFFICE
FEB 20 2007
STATE OF ILLINOIS
Pollution Control Board

Dynegy Midwest Generation, Inc)
Baldwin Energy Complex.)
(Property Identification Number) PCB 07- 11
09-012-003-00) (Tax Certification)
)

RECOMMENDATION

The Illinois Environmental Protection Agency ("Illinois EPA") hereby files its Recommendation pursuant to Section 125.204 of the regulations of the Illinois Pollution Control Board, 35 Ill. Adm. Code 125.204.

1. On December 30, 2005, the Illinois EPA received a request from Dynegy Midwest Generation, Inc. (log number TC-16-05, Exhibit A) for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

2. The applicants' address is: Dynegy Midwest Generation, Inc.
Baldwin Energy Complex
10901 Baldwin Road
Baldwin, Illinois 62217

3. The proposed water pollution control facilities in this request are located at Sections 2, 3, 10 and 11, T4s, R7W in Randolph County, at the above street address and consist of the following:

Fly ash pin mixers that allow moisture-conditioned ash to be trucked to the disposal units with increased flexibility. This enables Dynegy Midwest Generation, Inc. to maximize current ash disposal in the pond system, which will extend the life of the disposal ponds, and thereby reduce the need for additional disposal pond construction.

These facilities are used to manage the disposal of fly ash.

4. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2004), 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 or 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.”

5. Pollution control facilities are entitled to preferential tax treatment, 35 ILCS 200/11-5.

6. Based on the information in the application and the purpose of the facilities, it is the Illinois EPA’s engineering judgment that the described facilities may be considered “pollution control facilities,” pursuant to 35 Ill. Adm. Code 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200, and are eligible for tax certification from the Board.

WHEREFORE, the Illinois EPA recommends that the Board issue the

requested tax certification.

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

Dated: February 15, 2007

Illinois Environmental Protection Agency
1021 North Grand Ave. E.
P.O. Box 19276
Springfield, Illinois 62794-9276
217/782-5544

**APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
POLLUTION CONTROL FACILITY**

AIR WATER

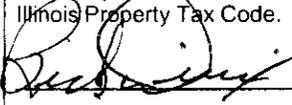
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
P. O. Box 19276, Springfield, IL 62794-9276

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 Dynergy Midwest Generation, Inc.			
	Person Authorized to Receive Certification Rick Diericx		Person to Contact for Additional Details Joe Kimlinger	
	Street Address 2828 North Monroe Street		Street Address 2828 North Monroe Street	
	Municipality, State & Zip Code Decatur, IL 62526		Municipality, State & Zip Code Decatur, IL 62526	
	Telephone Number (217) 872-2354		Telephone Number (217) 876-3943	
	Location of Facility Quarter Section SE2, SW3, NE10, NW11	Township T4S	Range R7W	Municipality Baldwin
	Street Address 10901 Baldwin Rd., Baldwin, IL 62217		County Randolph	Township Baldwin
	Property Identification Number 09-012-003-00		Parcel Number	
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Electric power generation.			
	Water Pollution Control Construction Permit No. N/A		Date Issued	
	NPDES PERMIT No. IL 0000043		Date Issued March 25, 2005	Expiration Date April 30, 2010
	Air Pollution Control Construction Permit No.		Date Issued	
	Air Pollution Control Operating Permit No.		Date Issued	
Sec. C MANUFACTURING PROCESS	Describe Unit Process Coal combustion, steam production and electricity generation.			
	Materials Used in Process Solid and liquid fuels, water and air.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility Fly ash pin mixers were installed at the Baldwin Energy Complex to allow the station to more efficiently manage the disposal of fly ash. Currently ash is pneumatically blown out to the disposal site and mixed with water into a slurry at the point of entry into the disposal impoundment. The use of the mixers will allow moisture-conditioned ash to be trucked to the disposal units, with much more flexibility. Ash will be able to be placed in the impoundment to maximize the current disposal volume. This more efficient use of the disposal volume will defer the construction of the next disposal facility by extending the life of the current facility, and thereby reducing the environmental impacts of the premature construction of another waste disposal facility.			

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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
BOWLING GREEN

Sec. E POLLUTION CONTROL FACILITY - CONTAMINANTS ACCOUNTING DATA	(1) Nature of Contaminants or Pollutants Particulate matter associated with fly ash handling operations.		
	Material Retained, Captured or Recovered		
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Particulate matter	Fly ash is disposed in on-site impoundments	Hauling of fly ash to disposal impoundments, will increase efficiency of volume and extend the life of the current facility.
	(2) Point(s) of Waste Water Discharge Kaskaskia River per NPDES IL0000043		
	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>Nov, 2005</u> status of installation on date of application <u>Complete</u>	
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 665,280.00
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$
	c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$	
	d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$	
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% 100%	
Sec. F SIGNATURE	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.		
			Director, Ops. Env. Compliance
	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.		
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: Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Attention: Thomas McSwiggan Permit Section Division of Water Pollution Control	Attention: 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) 782-3397
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH, SUITE 11-300, CHICAGO, IL 60601 – (312) 814-6026

ROD R. BLAGOJEVICH, GOVERNOR DOUGLAS P. SCOTT, DIRECTOR

Memorandum

To: Connie Tonsor, Division of Legal Counsel

From: Alan Keller, Manager, Permit Section *AK*

Date:

Re: Dynegy Midwest Generation, Inc. – Baldwin Energy Complex
Recommendation of Tax Certification
Log # TC-16-05
Property Identification # 09-012-003-00

The Bureau of Water received a request on December 30, 2005 from Dynegy Midwest Generation, Inc. for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Il. Adm. Code 125.204. We offer the following recommendation.

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

Dynegy Midwest Generation, Inc.
Baldwin Energy Complex
10901 Baldwin Rd.
Baldwin, Illinois 62217

Located in Sections 2,3,10 and 11, T.4S, R.7W in Randolph County.

Fly ash pin mixers, will allow the station to more efficiently manage the disposal of fly ash. The use of the mixers will allow moisture-conditioned ash to be trucked to the disposal units with increased flexibility. This system will allow the facility to maximize current ash disposal volume in the pond system which will extend the life of the disposal ponds thereby reducing the need for additional disposal pond construction.

These facilities are further described in the enclosed applications and supporting documents.

Based on the information included in this submittal, it is our engineering judgment that the above proposed facilities may be considered "Pollution Control Facilities" under 35

Page 2
TC-16-05

IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in this section, and therefore eligible for tax certification from the Illinois Pollution Control Board. The Bureau of Water therefore recommends that the Board issue the requested tax certification for these facilities.

If you have any questions regarding the above, please contact Darin LeCrone at 217/782-3362.

SAK:DEL:TC1605.doc

cc: Tax Cert File

STATE OF ILLINOIS

COUNTY OF SANGAMON

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PROOF OF SERVICE

I, the undersigned, on oath state that I have served the attached **APPEARANCE AND THE RECOMMENDATION**, upon the person to whom it is directed, by placing a copy in an envelope addressed to:

Dorothy M. Gumm, Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite. 11-500
Chicago, Illinois 60601

Rick Diericz
2828 North Monroe Street
Decatur, Illinois 62526

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
Post Office Box 19033
Springfield, Illinois 62794

and mailing it from Springfield, Illinois, on February 15, 2007, with sufficient postage affixed for first class mail.

Melinda Abrant

SUBSCRIBED AND SWORN TO BEFORE ME

This 15th day of February, 2007

Brenda Boehner

Notary Public



THIS FILING IS SUBMITTED ON RECYCLED PAPER