

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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CLERK'S OFFICE

MAR 21 2007

STATE OF ILLINOIS  
Pollution Control Board

Dynegy Midwest Generation, Inc.  
Wood River Power Station  
(Property Identification Number  
19-1-08-19-00-000-006)

)  
)  
) PCB 07- 91  
) (Tax Certification)  
)

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: March 19, 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

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Pollution Control Board

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

Dynegy Midwest Generation, Inc.  
Wood River Power Station  
(Property Identification Number  
19-1-08-19-00-000-006)

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**A P P E A R A N C E**

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  
Assistant Counsel  
Division of Legal Counsel

DATED: March 19, 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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STATE OF ILLINOIS  
Pollution Control Board

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

Dynergy Midwest Generation, Inc. )  
Wood River Power Station )  
(Property Identification Number ) PCB 07- 91  
19-1-08-19-00-000-006 ) (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 29, 2006, the Illinois EPA received a request from Dynergy Midwest Generation, Inc. (log number TC-31-06, 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: Dynergy Midwest Generation, Inc.  
Wood River Power Station  
# 1 Chessen Lane  
East Alton, Illinois 62024

3. The proposed water pollution control facilities in this request are located at Section 19, T48N, R9E of the 3rd P.M. in Madison County, at the above street address and consist of the following:

Newly constructed ash deposition cells. The ash pons liner is a composite liner consisting of 1 ' 6" of native clay materials constructed beneath a 60-mil synthetic high density polyethylene (HDPE) membrane.

The facilities are used to remove fly ash, bottom ash, and other miscellaneous low volume wastes from the sluice water, and are further described in Exhibit A.

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  
Assistant Counsel  
Division of Legal Counsel

Dated: March 19, 2007

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

Dynergy Midwest Generation, Inc  
2828 North Monroe Street  
Decatur, IL 62526-3269  
Phone 217.876.3900 Fax 217.876.7475  
www.dynergy.com



December 20, 2006

Alan Keller  
Manager, Permit Section  
Division of Water Pollution Control  
Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
P. O. Box 19276  
Springfield, IL 62794-9276

RECEIVED

ILLINOIS ENVIRONMENTAL  
PROTECTION AGENCY  
DOWNS/PC/PERMIT SECTION

Dear Mr. Keller,

Re: Application for Certification – Water Pollution Control Facility  
Dynergy Midwest Generation's Wood River Power Station  
NPDES Permit No: IL0000701

Dynergy Midwest Generation, Inc. is applying for certification of the new east ash pond system at Wood River Power Station. This system was constructed to add additional ash storage capacity for the facility. Attached is the Application for Certification of Water Pollution Control Facilities.

Upon your review and approval of this application, please send the Illinois State Certifications to me at Dynergy Midwest Generation, Inc. 2828 N. Monroe Street, Decatur, Illinois 62526. If you have any questions or require additional information, please contact me at 217-872-2354 or Susan McVety at 217-872-2316.

Sincerely,

Rick Dierix  
Senior Director, Operations Environmental Compliance

Attachment

TC-31-04

**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 <b>Dynergy Midwest Generation, Inc.</b>			
	Person Authorized to Receive Certification <b>Rick Diericx</b>		Person to Contact for Additional Details <b>Rick Diericx</b>	
	Street Address <b>2828 N. Monroe</b>		Street Address <b>2828 N. Monroe</b>	
	Municipality, State & Zip Code <b>Decatur, IL 62526</b>		Municipality, State & Zip Code <b>Decatur, IL 62526</b>	
	Telephone Number <b>217-872-2354</b>		Telephone Number <b>217-872-2354</b>	
	Location of Facility Quarter Section <b>19;SE</b> Township <b>48N</b> Range <b>9W</b>		Municipality <b>East Alton</b>	Township <b>Wood River</b>
	Street Address <b>#1 Chessen Lane</b>		County <b>Madison</b>	Book Number
	Property Identification Number <b>19-1-08-19-00-000-006</b>		Parcel Number	
Sec. B  MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location <p>The facility listed is Dynergy Midwest Generation's Wood River Power Station. The station is located on the east bank of the Mississippi at river mile 199.6. The station is engaged in the generation of electricity from the combustion of coal (SIC Code 4911). A tax exemption certification is being sought for the station's new east ash pond system, which consists of primary and secondary cell.</p>			
	Water Pollution Control Construction Permit No. <b>2005-EN-3263</b>		Date Issued <b>May 19, 2005</b>	
	NPDES PERMIT No. <b>IL0000701</b>		Date Issued <b>November 9, 2006</b>	Expiration Date <b>April 30, 2007</b>
	Air Pollution Control Construction Permit No.		Date Issued	
	Air Pollution Control Operating Permit No.		Date Issued	
Sec. C  MANUFACTURING PROCESS	Describe Unit Process <p>The station is engaged in the generation of electricity from the combustion of coal and natural gas in five units. The primary fuel for units 1-3 is natural gas. The primary fuel for units 4 and 5 is coal. The natural gas and or coal is combusted in five boilers which generate steam. The steam turns five turbines that are connected to five generators.</p>			
	Materials Used in Process <b>Coal, water, and natural gas</b>			
Sec. D  POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility <p>Flyash, bottom ash, and other miscellaneous low volume wastes generated from the combustion of coal are sluiced with water to the ash pond system. The ash and other particulates are removed from the sluice water by gravity clarification. Clarified sluice water are pH-adjusted and then discharged to an unnamed tributary of Wolf Creek.</p> <p>The new impoundments are newly constructed ash deposition cells. The ash ponds system liner is a composite liner consisting of 1' 6" of native clay materials constructed beneath a 60-mil synthetic high density polyethylene (HDPE) membrane.</p>			

RECEIVED  
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
BOWEN/PERMIT SECTION



# 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 

Date: JAN 19 2007

Re: Dynegy Midwest Generation, Inc. -- Wood River Power Station  
Recommendation of Tax Certification  
Log # TC-31-06  
Property Identification # 19-1-08-19-00-000-006

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The Bureau of Water received a request on December 29, 2006, 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.  
Wood River Power Station  
#1 Chessen Lane  
East Alton, Illinois 62024

Located in Section 19, T.48N, R.9W in Madison County.

Fly ash and bottom ash (and other miscellaneous low volume wastes) generated from the combustion of coal are sluiced with water to the ash pond system. The ash and other particulates are removed from the sluice water by gravity clarification. Clarified sluice waters are pH adjusted and then discharged.

The new impoundments are newly constructed ash deposition cells. The ash pond system liner is a composite liner consisting of 18 inches of native clay materials constructed beneath a 60-mil synthetic high density polyethylene (HDPE) membrane.

Page 2  
TC-31-06

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 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 217/782-0610.

SAK:DEL:TC3106.doc

cc: Tax Cert File

STATE OF ILLINOIS  
COUNTY OF SANGAMON

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**PROOF OF SERVICE**

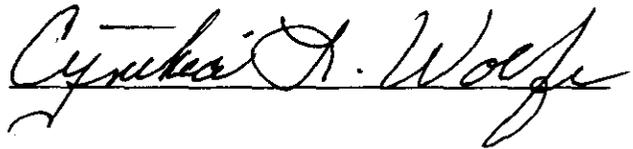
I, the undersigned, on oath state that I have served the attached **APPEARANCE AND THE RECOMMENDATION**, upon the person to whom it is directed, by placing a copy in an envelope addressed to:

Dorothy M. 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

and mailing it from Springfield, Illinois, on March 19, 2007, with sufficient postage affixed for first class mail.



SUBSCRIBED AND SWORN TO BEFORE ME  
This 19<sup>th</sup> day of March, 2007

  
Notary Public



**THIS FILING IS SUBMITTED ON RECYCLED PAPER**