



CITGO Petroleum Corporation

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P.C.#10

August 13, 2009

Mr. Timothy Fox, Hearing Officer
Illinois Pollution Control Board
James R. Thompson Center
100 W. Randolph
Suite 11-500
Chicago, Illinois 60601



Rulemaking R2006-22, In the Matter of: NOx Trading Program: Amendments to 35 Ill. Adm. Code Part 217; Response to Motions by the Illinois Environmental Regulatory Group

Mr. Fox:

I am writing on behalf of CITGO Petroleum Corporation in response to the Illinois Pollution Control Board's ("Board") August 6, 2009 Order requesting responses to the Illinois Environmental Regulatory Group's ("IERG") Motion for Emergency Rule and Motion for Expedited Action on IERG's Alternative Proposal (collectively "Motions"). We would like to offer our support for the Motions, and urge the Board to consider the following in ruling on the Motions:

1. We believe it is in the best interest of business in Illinois to adopt rules, such as the emergency rule and alternative proposal described in the Motions, that require NOx allowances to be distributed for the 2009 ozone season, as well as subsequent control periods.
2. We are an owner/operator of a budget unit subject to the current Subpart U. 35 Ill. Admin. Code Part 217. Subpart U.
3. We have not received allocations of NOx allowances for the 2009 ozone season, nor for any subsequent years.
4. We understand that the current version of Subpart U is a valid and enforceable regulation in Illinois that requires subject sources to hold NOx allowances for each ton of NOx emitted during the ozone season by November 30 of the applicable year.
5. We understand that the USEPA is no longer issuing allowances for the NOx Budget Trading Program, as would be required to satisfy the above described requirement.

6. We understand that NOx allowances could potentially be obtained through the purchase of Clean Air Interstate Rule ("CAIR") NOx allowances, although we are uncertain whether those allowances would be legally sufficient to satisfy the Subpart U requirement to hold NOx SIP Call allowances. Nor, even if sufficient, could we demonstrate compliance with the requirement, due to our inability to obtain CAIR compliance accounts from the USEPA Clean Air Markets Division ("CAMD"), absent a federally approved trading program in Illinois.

The opportunity to provide this response is appreciated. In light of the above, the Board is requested to:

- Grant IERG's Motion for Emergency Rule in order to require that 2009 NOx allowances be distributed to impacted sources, and
- Grant IERG's Motion for Expedited Action on IERG's Alternative Proposal in order to bring NOx SIP Call budget units into the CAIR NOx Ozone Season Trading Program for the 2010 control period and beyond.

Respectfully submitted,

CITGO Petroleum Corporation

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cc/att: Illinois Environmental Regulatory Group