

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD  
OF THE STATE OF ILLINOIS

MARATHON PETROLEUM COMPANY, LLC )  
Coker Blowdown System )  
 ) PCB 11-  
 ) (Tax Certification)  
PROPERTY IDENTIFICATION NUMBER )  
51-34-021-001 or portion thereof )

NOTICE

TO: *[Electronic filing]*  
John Therriault, Assistant Clerk  
Illinois Pollution Control Board  
State of Illinois Center  
100 W. Randolph Street, Suite 11-500  
Chicago, Illinois 60601

*[Service by mail]*  
John S. Swearingen  
Marathon Ashland Petroleum  
Refinery Office Building  
Robinson, Illinois 62454

*[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 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: May 17, 2011

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

MARATHON PETROLEUM COMPANY, LLC         )  
Coker Blowdown System                     )  
   )     PCB 11-  
   )     (Tax Certification)  
PROPERTY IDENTIFICATION NUMBER         )  
51-34-021-001 or portion thereof         )

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

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  )     PCB 11-  
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51-34-021-001 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 a **grant** of the applicant’s request. In support thereof, the Illinois EPA states as follows:

1. On December 9, 2008, the Illinois EPA received a request and supporting information from MARATHON PETROLEUM COMPANY, LLC, (“Marathon”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Robinson refinery in Crawford County, Illinois. A copy of the relevant portions of the application is attached hereto. **[Exhibit A]**.

2. The applicant’s address is as follows:

Marathon Petroleum Company, LLC  
Refinery Office Building  
Robinson, Illinois 62454

3. The pollution control facilities involved in this request are located at the aforementioned address and consist of the construction of a new Coker Blowdown System that recovers various process-related emissions (i.e., combustion offgases, including volatile organic

materials, nitrogen oxides, carbon monoxide and sulfur dioxide) produced in refinery operations (i.e., “during the normal switching and quenching sequence from the Cokers as fuel gas”). [See generally, **Exhibit A**]. The previous Coker Blowdown System allowed emissions of certain contaminants, including hydrogen sulfide, to vent to a flare system that recovered only some of the contaminants through a flare compressor, and sulfur dioxide was emitted from the flare without any recovery. *Id.* The new Coker Blowdown System improves upon the recovery of these emissions, including sulfur dioxide emissions, which are estimated to be reduced by approximately 170 tons per year, [*id. at Attachment, page 2*]. The project is expected to “eliminate routine flaring” of emissions from the process, as it is anticipated that flaring will occur from the new system “only during extreme upset conditions.” *Id.*

4. The improved system also separates slop oil into separate grades (i.e., light slop oil and heavy slop oil charged in varying amounts to the Coker Fractionator and crude storage tanks), which will reduce the amount of slop oil generated (i.e., “only half the recovered slop oil will be charged to the Coker Slop Oil tank”). *Id.* The construction of the Coker Blowdown System is part of Marathon’s implementation of a global settlement agreement with the United States Environmental Protection Agency involving the Clean Air Act’s New Source Review program.

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 underlying purpose of the project to prevent, eliminate or reduce air pollution, it is the Illinois EPA's engineering judgment that the described project and/or equipment 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 construction of the Coker Blowdown System satisfies the aforementioned criteria for receiving preferential tax treatment under applicable requirements of state law, the Illinois EPA recommends that the Board **grant** the applicant's requested tax certification.

Respectfully submitted by,

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

/s/ Robb H. Layman

Robb H. Layman

Assistant Counsel

DATED: May 17, 2011

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East

P.O. Box 19276

Springfield, Illinois 62794-9276

Telephone: 217/524-9137



**Marathon Petroleum Company LLC**

539 South Main Street  
Findlay, OH 45840  
Telephone 419/422-2121  
Fax 419/421-4590

December 20, 2006

Mr. Don Sutton  
Bureau of Air – Number 11  
1021 North Grand Avenue – East  
Springfield, IL 62702

Re: Application for Certification Pollution Control Facility

Dear Mr. Sutton:

Enclosed for your consideration are the following applications for property tax certifications relating to air pollution control projects at Marathon Petroleum Company LLC's Robinson refinery.

<u>AFE</u>	<u>Project Description</u>
<del>242</del>	Coker Blowdown
252	Ultra Low Sulfur Diesel Project
176	Reverse Osmosis Degasifier

Please contact me if you have questions or need any additional information. My email is [drkrupp@marathonpetroleum.com](mailto:drkrupp@marathonpetroleum.com) and my phone number is 419-421-4527.

I look forward to your favorable reply.

Sincerely,

Debora R. Krupp  
Senior Tax Analyst

M:\DOCS\2006\Pollution Control\LL air transmittal ltr2.doc

**RECEIVED**  
STATE OF ILLINOIS

DEC 09 2008

Environmental Protection Agency  
BUREAU OF AIR

- Exhibit A

# Electronic Filing - Received, Clerk's Office, May 17, 2011

APPLICATION FOR CERTIFICATION FOR POLLUTION CONTROL FACILITY TREATMENT  
**PCB 2011 082**  
 AIR  WATER

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.

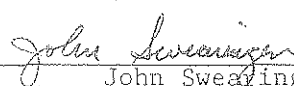
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY  
 P. O. Box 19276, Springfield, IL 62794-9276

FOR AGENCY USE

File No.	Date Received	Certification No.	Date
APPLICANT	Sec. A Company Name <b>Marathon Petroleum Company LLC</b>		
	Person Authorized to Receive Certification <b>John Swearingen</b>		Person to Contact for Additional Details <b>Debora Krupp</b>
	Street Address <b>Refinery Office Building</b>		Street Address <b>539 South Main Street</b>
	Municipality, State & Zip Code <b>Robinson, IL 62454</b>		Municipality, State & Zip Code <b>Findlay, OH 45840</b>
	Telephone Number <b>618-544-2121</b>		Telephone Number <b>419-421-4527</b>
	Location of Facility	Municipality	Township
	Quarter Section	Township	Range
	Street Address <b>Route 33</b>		County <b>Crawford</b>
	Property Identification Number		Book Number <b>Part of 54-34-1-21</b>
MANUFACTURING OPERATIONS	Sec. B Nature of Operations Conducted at the Above Location		
	Petroleum Refining		AFE: <u>242</u>
	Coker Blowdown		ID: <u>R-352</u>
	Water Pollution Control Construction Permit No.	Date Issued	
	NPDES PERMIT No.	Date Issued	Expiration Date
MANUFACTURING PROCESS	Sec. C Describe Unit Process		
	See Attached		
MANUFACTURING PROCESS	Materials Used in Process		
	See Attached		
POLLUTION CONTROL FACILITY DESCRIPTION	Sec. D Describe Pollution Abatement Control Facility		
	See Attached		

**RECEIVED**  
 STATE OF ILLINOIS  
 DEC 09 2008  
 Environmental Protection Agency  
 BUREAU OF AIR

POLLUTION CONTROL FACILITY - CONTAMINANTS	Sec. E (1) Nature of Contaminants or Pollutants <b>PCB 2011-082 * * * * *</b>			
			Material Retained, Captured or Recovered	
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE	
	sulfur dioxide	combustion offgas	Previously, sulfur dioxide was vented to atmosphere;	
	nitrogen oxide		now this will be removed and disposed of.	
	carbon monoxide			
	volatile organic compounds			
	(2) Point(s) of Waste Water Discharge			
			Plans and Specifications Attached	Yes <input checked="" 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"/>	
(4)	Date installation completed <u>11/17/06</u> status of installation on date of application <u>100%</u>			
ACCOUNTING DATA	(5) a.	FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 30,940,161	
	b.	NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 154,701	
	c.	PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
	d.	PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
	e.	PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% 3.3190	

SIGNATURE	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 <u>John Sweadengen</u> <u>12/20/06</u> Title <u>Manager, Illinois Refining Division</u>	

INSTRUCTIONS	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:	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	



Application for Certification (Property Tax) Pollution Control Facility  
Marathon Petroleum Company LLC

Project Name: Coker Blowdown Project  
AFE: 242 Budget No. R352 Cost Center: 810090

Section C - Manufacturing Process

Describe Unit Process:

The Special Coker and Regular Coker turn heavy residual oils into light hydrocarbons and coke through a "Delayed Coking" process. Heavy oil is pumped through a furnace where it is heated to the coking temperature. Steam is injected into the furnace tubes along with the coker charge, which increases the velocity through the furnace tubes and inhibits coke formation in the tubes until the hot charge reaches the coke drum. When the heated vapor-liquid mixture enters the coke drum, the liquid is converted to coke and light hydrocarbon vapors. Coking may be further delayed by varying the pressures and temperatures in the coke drum. At least two coke drums are needed for continuous operation. One drum receives furnace effluent and converts it into coke, liquids, and vapor while the other drum is being cleaned of coke.

The previous Coker Blowdown System collected and cooled the vapors from the coke drum quench and various other Special Coker and Regular Coker relief valves. The liquid hydrocarbon was then collected and charged to the Coker Slop Oil tank (approximately 800 barrels per day), and the non-condensed vapors, steam, and various contaminants such as hydrogen sulfide were vented to the flare system with some being recovered by the flare compressor 84K-101. Water from the coke drum quench was collected and sent to Plant 64. The Blowdown System is shared by both Cokers (common facility) and is in almost continual service.

The new Coker Blowdown Recovery system is designed to recover the various process vapors that are produced during the normal switching and quenching sequence from the Cokers as fuel gas. Flaring of process vapors is expected to occur only during extreme upset conditions.

In addition to collecting the routine process vents, the new system will separate slop oil collected into light and heavy slop oil. Light slop oil will be charged to the Coker Fractionator (approximately 150 barrels per day) and to the Crude storage tanks (approximately 150 barrels per day) while heavy slop oil will be charged to the Coker Fractionator (approximately 250 barrels per day) and to the Coker Slop Oil storage tank (approximately 250 barrels per day).

The new Blowdown System will not change the sour water flow.

Materials Used in Process:

- Compressors
- Vent Streams
- Flares

Describe Pollution Abatement Control Facility:

Installation of the new Coker Blowdown System will eliminate routine venting of Coker blowdown vapors to the flare system and achieve compliance with Subpart J of the NSR Global Settlement. This will be achieved by replacing the existing Coker Blowdown System so that vapors routinely vented to the flare are recovered.

The existing Coker Blowdown System will be replaced to eliminate routine venting to the flare system of coke drum quench and heat up vapors. In the future system, the vapors will be routed to the blowdown system where the condensed heavy hydrocarbons will be pumped to the Regular Coker Fractionator. The light hydrocarbon vapors will be sent to a new compressor, and eventually routed to the Coker Gas Plant Wet Gas Compressor Suction Knockout Drum. The scope includes a new Quench Tower, new Blowdown Settling Drum, two new Blowdown Gas Compressors, a new Steamout Condenser, and new Heavy Slop Oil, Light Slop Oil, and Sour Water Pumps.

In addition to collecting the routine process vents, this project is designed to separate slop oil collected in the Blowdown System into light and heavy slop oil. Light slop oil will be charged to the Coker Fractionator and to the Crude Unit storage tanks while heavy slop oil will be charged to the Coker Fractionator and to the Coker Slop Oil storage tank. Prior to the completion of this project, all slop oil was charged to the Coker Slop Oil storage tank.

In 2003 and 2004, the Coker Blowdown System released the following emissions from the flare during the normal switching and quenching sequences:

	VOC (tons)	NO <sub>x</sub> (tons)	CO (tons)	SO <sub>2</sub> (tons)
2003	9	4	23	182
2004	8	4	20	158

This project has recovered vented gas to fuel gas and only half the recovered slop oil will be charged to the Coker Slop Oil tank.

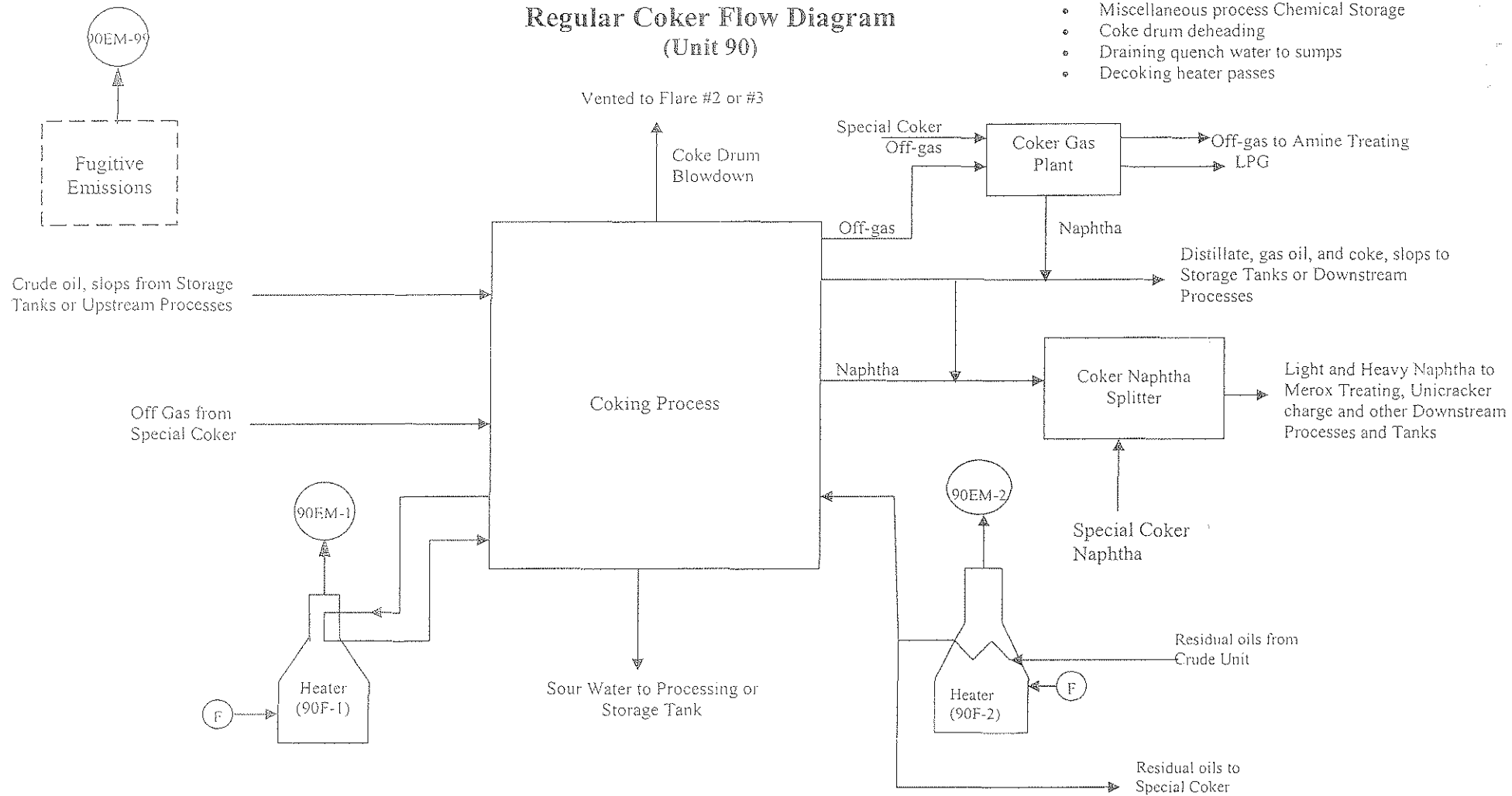
In summary, the Coker Blowdown System was constructed to comply with the Robinson Subpart J of the NSR Global Settlement to reduce sulfur dioxide emissions. The Robinson refinery receives no incentives or financial benefit from the Coker Blowdown System. The Coker Blowdown System will reduce the sulfur dioxide content (SO<sub>2</sub>) by approximately 170 tons per year, thus enhancing the purity of the air in order to protect health, welfare, property and the quality of life.

\*\*\*\*\* PCB 2011-082 \*\*\*\*\*

### Regular Coker Flow Diagram (Unit 90)

Insignificant Sources:

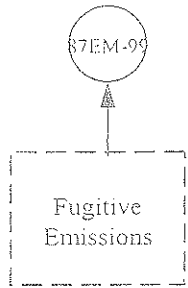
- Miscellaneous process Chemical Storage
- Coke drum deheading
- Draining quench water to sumps
- Decoking heater passes



(F) → Fuel: Refinery Fuel Gas

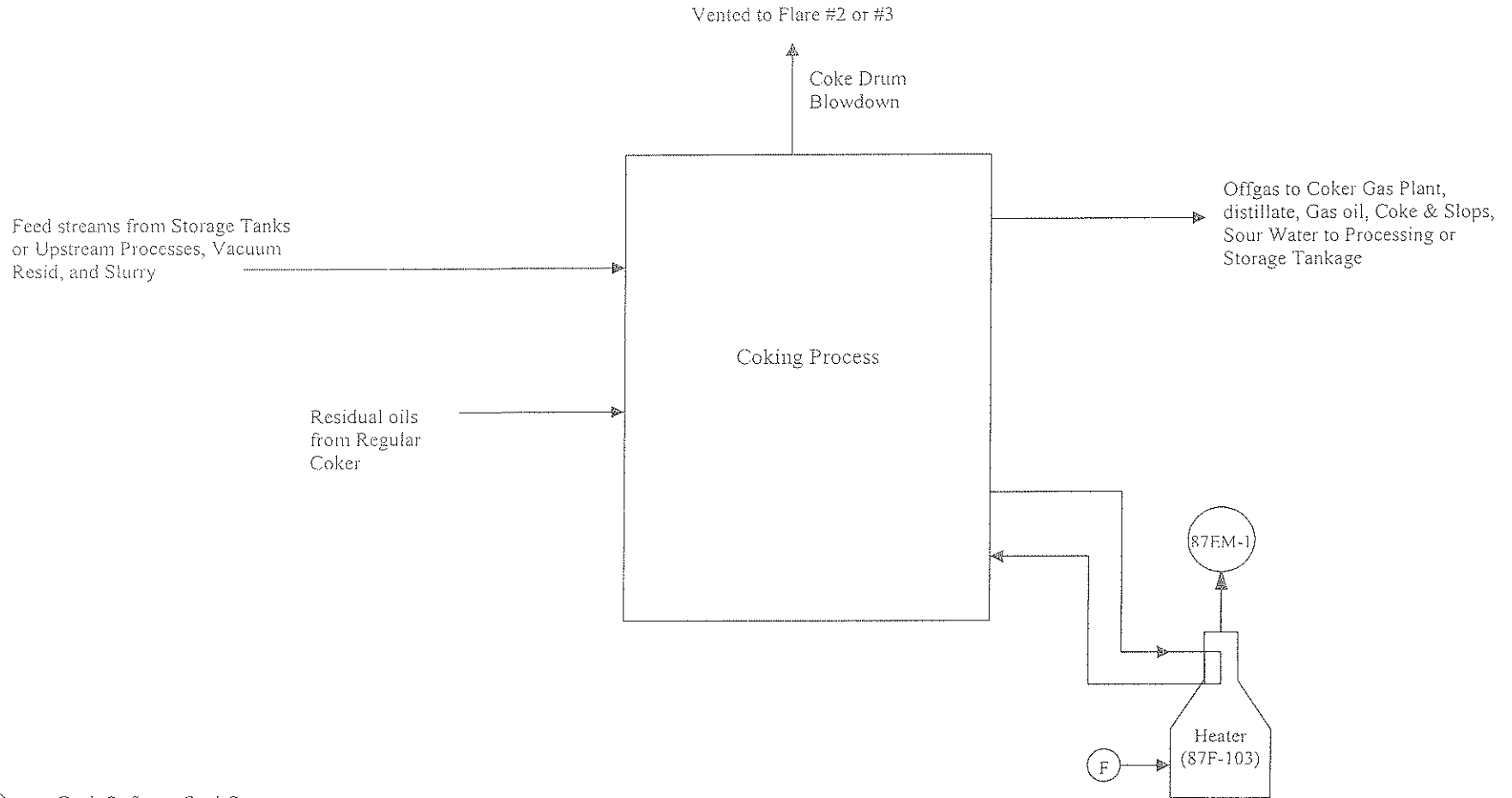
Key
#EM-# = MAP Emission Unit Number

### Special Coker Flow Diagram (Unit 87)



**Insignificant Sources:**

- Miscellaneous process Chemical Storage
- Coke drum deheading
- Draining quench water to sumps
- Decoking heater passes



(F) → Fuel: Refinery Fuel Gas

Key
#EM-# = MAP Emission Unit Number

Memorandum

Technical Recommendation for Tax Certification Approval

Date: December 10, 2010  
To: Robb Layman  
From: Ed Bakowski *EB* 12/20/10  
Subject: Marathon Petroleum Company LLC TC-08-12-09D

This Agency received a request on December 09, 2008 from Marathon Petroleum Company LLC for an Illinois EPA recommendation regarding tax certification of air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204. I offer the following recommendation.

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

Coker Blowdown System which will eliminate the venting of the coker blowdown vapors to the flare system which will reduce Sulfur Dioxide( SO<sub>2</sub>) 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 100 Marathon Avenue, Robinson  
The property identification number is Part of 51-34-021-001

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.

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*Exhibit B*