

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

WRB REFINING, LLC)
North Property Flare Expansion)
)
) PCB 11-
) (Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)
19-1-08-35-00-000-001 or portion thereof)

NOTICE

TO: [*Electronic filing*] [Service by mail]
John Therriault, Assistant Clerk Michael Kemp
Illinois Pollution Control Board WRB Refining, LLC
State of Illinois Center 404 Phillips Building
100 W. Randolph Street, Suite 11-500 Bartlesville, Oklahoma 74004
Chicago, Illinois 60601

[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: July 6, 2011

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276
Telephone: (217) 524-9137

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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: July 6, 2011

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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 14, 2010, the Illinois EPA received an application and supporting information from WRB REFINING, LLC, (“WRB Refining”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Wood River petroleum refinery in Madison County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

WRB Refining LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

3. The facility address is as follows:

WRB Refining LLC
900 South Central Avenue
P.O. Box 76
Roxana, Illinois 62084

4. The subject matter of this request consists of the North Property Flare Expansion project, which was undertaken by the refinery to improve the operation of the flare system for the various equipment/operations located on the northern portion of the refinery (i.e., two fluid catalytic cracking units (“FCCUs”), the cracked gas plant associated with the aforesaid FCCUs, the Refinery Fuel System, tank farm spheres and bullets, and the LPG rail car loading rack). As part of the expansion project, a high efficiency flare and a higher stack were installed to replace an older ground flare. The piping associated with the same flare system was upgraded with higher-rated capacity, thereby allowing the refinery to reroute existing pressure relief valves that might normally vent to the atmosphere to the flare system. As described in the application, these changes will reduce the amount of contaminants, such as volatile organic materials, hydrogen sulfide, ammonia and certain hazardous air pollutants, released from the refinery. In addition, the new flare included pilots that will more effectively reduce the amounts of natural gas consumed by the flare system, thereby reducing carbon dioxide emissions.

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 North Property Flare Expansion project to prevent, eliminate or reduce air pollution, it is the Illinois EPA’s engineering judgment that the various systems, constructions, devices and/or buildings or

equipment from the project relating to air pollution control 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]**.

7. Because the substantive components of the application for the North Property Flare Expansion project satisfies the aforementioned 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: July 6, 2011

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 6th day of July, 2011, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

John Therriault, Assistant 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

Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

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

***** PCB 12-011 *****
 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 WRB Refining LLC			
	Person Authorized to Receive Certification Michael Kemp		Person to Contact for Additional Details Gordon Terhune	
	Street Address 404 Phillips Building		Street Address 900 S. Central Ave., P.O. Box 76	
	Municipality, State & Zip Code Bartlesville, OK 74004		Municipality, State & Zip Code Roxana, IL 62084	
	Telephone Number (918) 661-9055		Telephone Number (618) 255-2876	
	Location of Facility Quarter Section	Township	Range	Municipality Township
	Street Address 900 S. Central Ave.		County Madison	Book Number
	Property Identification Number		Parcel Number 19-1-08-35-00-000-001	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
Water Pollution Control Construction Permit No.		Date Issued		
NPDES PERMIT No. IL0000205		Date Issued 04/14/04	Expiration Date 04/14/09	
Air Pollution Control Construction Permit No. 06050052		Date Issued 08/05/08		
Air Pollution Control Operating Permit No. 95120306		Date Issued 11/07/03		
Sec. C MANUFACTURING PROCESS	Describe Unit Process See North Property Flare Expansion Project attachment.			
	Materials Used in Process Refinery light to intermediate boiling range hydrocarbons (Mixed C3, Mixed C4, Mixed C5, gasoline range hydrocarbons), Benzene, Hydrogen Sulfide, Ammonia, Natural Gas, Steam			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See North Property Flare Expansion Project attachment.			

Exhibit A

**APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
POLLUTION CONTROL FACILITY
WRB – Wood River Refinery**

Project: North Property Flare Expansion Project

Section C – Manufacturing Process

Describe Unit Process

A flare is tall large diameter vertical stack with a continuously maintained flame at the top. During non routine operation such as loss of electrical power or loss of cooling water, refinery units must release hydrocarbon vapor and hydrogen streams to prevent overpressure of operating equipment. The flare combusts the released hydrocarbon vapor and hydrogen streams so that the volatile hydrocarbons (including Hazard Air Pollutants such as benzene) and other pollutants such as hydrogen sulfide and ammonia are not released to atmosphere. As such, a flare is a Pollution Control Facility.

At the Wood River Refinery, the North Property Flare services two fluid catalytic cracking units (CCU-1 and CCU-2), the cracked gas plant (CGP) from CCU-1 and CCU-2, the Refinery Fuel System, tank farm spheres and bullets, and LPG rail car loading rack. In addition, there are connection points on the flare line for future tie in of CCU-1, CCU-2, and CGP relief valves that currently relieve to atmosphere. Reference attached P&IDs E58204 and E58205.

Section D – Pollution Control Facility Description

The CCU-1, CCU-2, and CGP units have several relief valves that currently relieve to atmosphere. During non routine operation such as loss of electrical power or loss of cooling water, these atmospheric relief valves could release hydrocarbon vapor and hydrogen streams directly the atmosphere to prevent overpressure of operating equipment. These hydrocarbon vapor and hydrogen streams contain volatile hydrocarbons (including Hazard Air Pollutants such as benzene) and other pollutants such as hydrogen sulfide and ammonia.

This project replaced the aged ground flare in North Property with a new high efficiency flare with an elevated stack. Thus, this project upgraded an existing Pollution Control Facility.

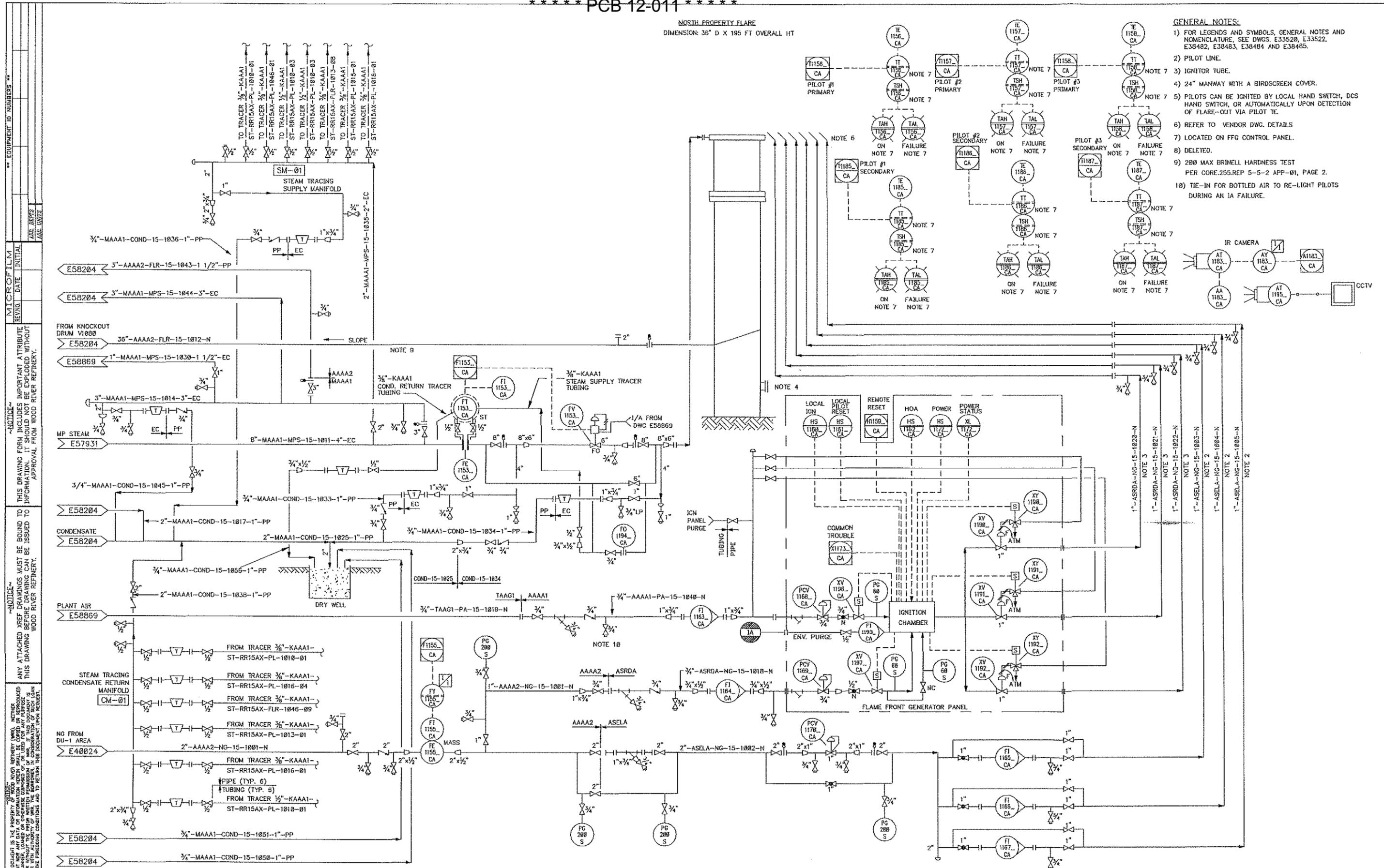
In addition, this project upgraded the piping network to the flare to reduce piping pressure drop. This higher capacity piping allows existing atmospheric relief valves to be tied in to the flare system, thus eliminating hydrocarbon releases to the atmosphere. The new flare system also includes tie-ins for all instrumentation required to meet 40 Code of Federal Regulations Subpart Ja. The new flare also has more reliable pilots which reduce the amount of natural gas continually routed to the flare. This reduces carbon dioxide (CO₂) emissions from the flare.

Thus, the primary purpose of the North Property Flare Project is to reduce the emission of volatile hydrocarbons (including Hazard Air Pollutants such as benzene) and other pollutants such as hydrogen sulfide and ammonia. This project accomplishes this purpose by providing additional flare capacity to allow the Wood River Refinery to reroute existing atmospheric relief valves to the new flare.

NORTH PROPERTY FLARE
DIMENSION: 36" D X 195 FT OVERALL HT

GENERAL NOTES:

- FOR LEGENDS AND SYMBOLS, GENERAL NOTES AND NOMENCLATURE, SEE DWGS. E33520, E33522, E38482, E38483, E38484 AND E38485.
- PILOT LINE.
- IGNITOR TUBE.
- 24" MANWAY WITH A BIRDSCREEN COVER.
- PILOTS CAN BE IGNITED BY LOCAL HAND SWITCH, DCS HAND SWITCH, OR AUTOMATICALLY UPON DETECTION OF FLARE-OUT VIA PILOT TE.
- REFER TO VENDOR DWG. DETAILS
- LOCATED ON FFG CONTROL PANEL.
- DELETED.
- 200 MAX BRINELL HARDNESS TEST PER CORE.255.REP 5-5-2 APP-01, PAGE 2.
- TIE-IN FOR BOTTLED AIR TO RE-LIGHT PILOTS DURING AN IA FAILURE.

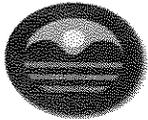


MICROFILM
 REV. DATE INITIAL
 ANY ATTACHED XREF DRAWINGS MUST BE BOUND TO THIS DRAWING FORM INCLUDES IMPORTANT ATTRIBUTE INFORMATION. IT SHOULD NOT BE EXPLODED WITHOUT APPROVAL FROM WOOD RIVER REFINERY.
 NOTICE-
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E33520 INSTRUMENT SYMBOLS & LEGEND		E38485 SYMBOLS AND LEGEND		ACCT. NO. DATE REVISION				NO. DR. CK APP				WOOD RIVER, ILLINOIS		MASTER DRAWING YES/NO: YES	
E33522 INSTRUMENT SYMBOLS & LEGEND				7/2007 ORIGINAL				0 JAP						PLOT SCALE: 1=1	

Wood River Refinery

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY



1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506-(217) 782-2113

PAT QUINN, GOVERNOR

LISA BONNETT, INTERIM DIRECTOR

MEMORANDUM

Technical Recommendation for Tax Certification Approval

Date: May 20, 2011
To: Robb Layman
From: Edwin C. Bakowski *B*
Subject: WRB Refining, LLC. TC-10-10-14E

This Agency received a request on October 14, 2010 from WRB Refining, 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:

North Property Flare Expansion Project which provides additional flare capacity to allow Wood River Refinery to reroute existing relief valves to the new flare which reduces CO2 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 900 South Central Avenue, Roxana, Illinois
The property identification number is 19-1-08-35-00-000-001

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.

FEM:psj