

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

MARATHON PETROLEUM COMPANY, LLC)
Vent Gas Recovery Project)
)
)
) PCB 12-
) (Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)
51-34-021-001 or portion thereof)

NOTICE

TO: [*Electronic filing*] [*Service by mail*]
John Therriault, Assistant Clerk John S. Swearingen
Illinois Pollution Control Board Marathon Ashland Petroleum
State of Illinois Center Refinery Office Building
100 W. Randolph Street, Suite 11-500 Robinson, Illinois 62454
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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OF THE STATE OF ILLINOIS**

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Vent Gas Recovery Project)
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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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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 December 18, 2008, the Illinois EPA received an application 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. Following a recent discovery that the application for the subject Vent Gas Recovery project was lost or misplaced, Marathon emailed an electronic copy of the application to the Illinois EPA on May 18, 2011. A copy of application is attached hereto. **[Exhibit A]**.

2. The applicant’s address is as follows:

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

3. The subject matter of this request consists of the Vent Gas Recovery project, which was developed by Marathon to implement modifications to various vent or process gas streams at the Robinson refinery in order to reduce flaring and thereby achieve facility compliance with both New Source Performance Standards for petroleum refineries and the terms of a New Source Review global settlement agreement that was entered into between the refinery and the United States Environmental Protection Agency. The project entailed the installation of new vent collection header and compression systems that route three existing process vent streams to the sour fuel system for treatment. In addition, the project included the installation of new piping that routes an additional vent stream from the Flash Drum Vent to the Coker Blowdown System for further processing. Both components of the project will reduce hydrogen sulfide emissions from the affected process vent streams that would otherwise be flared to the atmosphere.

4. 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."

5. Pollution control facilities are entitled to preferential tax treatment, as provided by 35 ILCS 200/11-5 (2002).

6. Based on information in the application and the underlying purpose of the Vent Gas Recovery 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 Vent Gas Recovery 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:

Dorothy Gunn, 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

John S. Swearingen
Marathon Ashland Petroleum
Refinery Office Building
Robinson, Illinois 62454

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



Marathon Petroleum Company LLC

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

December 18, 2008

Mr. Ed Bakowski
Bureau of Air -- Number 11
1021 North Grand Avenue -- East
Springfield, IL 62702

Re: Application for Certification Pollution Control Facility

Dear Mr. Bakowski:

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

<u>A/E</u>	<u>Project Description</u>
Y043	Continuous Emission Monitors for 3F-1/2 furnace stack
243	Vent Gas Recovery Project
Y058	External Floating Roof on Tank 21D-811
Y098	FCCU NOx Controls (Enhanced SNCR)

Please contact me if you have questions or need any additional information. My email is dikrupp@marathonoil.com and my phone number is 419-421-4527.

Sincerely,

Debora R. Krupp
Senior Tax Analyst

Cc: Mr. Robert Layman, Division of Legal Counsel (w/enclosures)

M:\DOCS\2008\Pollution Control\ML air transmittal 11r.doc

- Exhibit A

***** PCB 12-006 *****

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)

POLLUTION CONTROL FACILITY

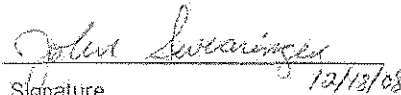
AIR WATER

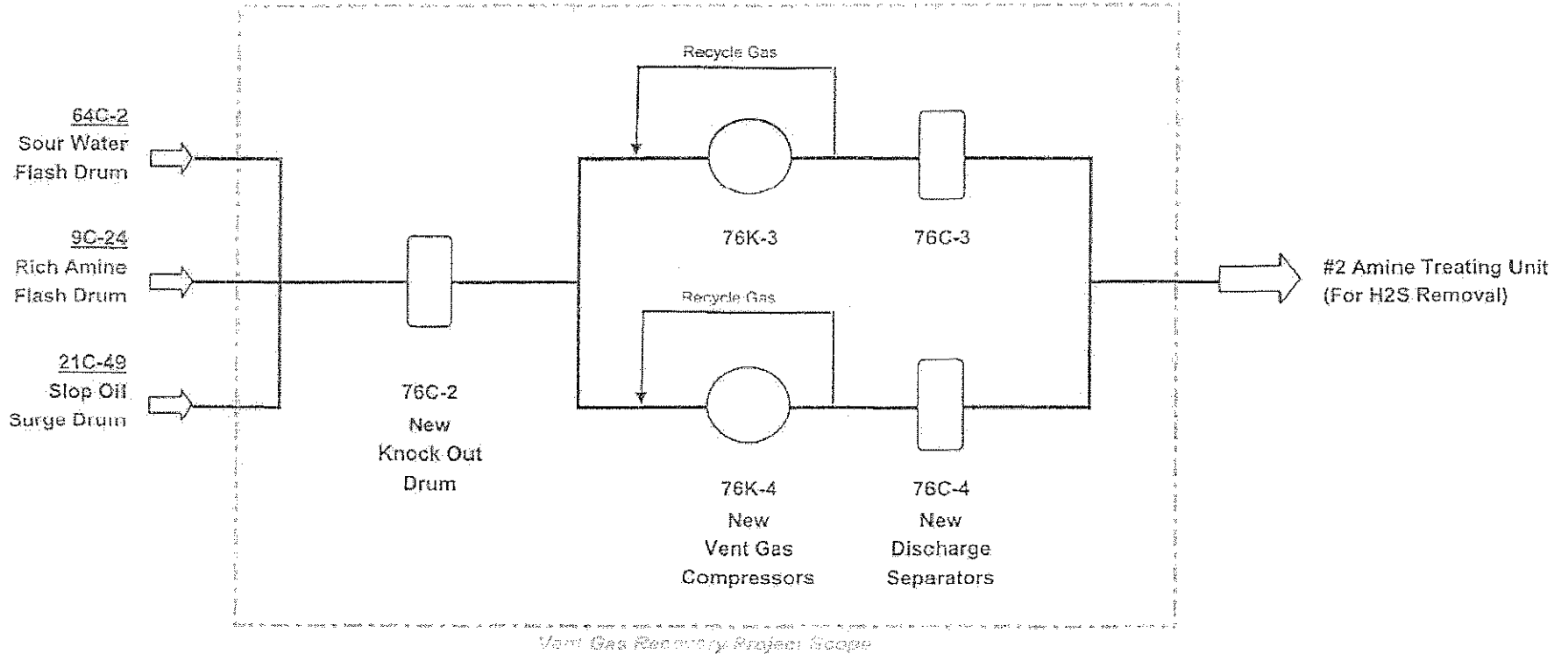
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
P. O. Box 19276, Springfield, IL 62794-9276

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 Marathon Petroleum Company LLC			
	Person Authorized to Receive Certification John Swearingen		Person to Contact for Additional Details Deb Krupp	
	Street Address Refinery Office Building		Street Address 539 South Main Street	
	Municipality, State & Zip Code Robinson, IL 62454		Municipality, State & Zip Code Findlay, OH 45840	
	Telephone Number (618) 544-2121		Telephone Number (419) 421-4527	
	Location of Facility Quarter Section		Municipality	Township
	Township Robins		Robinson	Robins
	Street Address Route 33		County Crawford	Book Number
	Property Identification Number		Parcel Number Part of 51-34-021-001	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
Vent Gas Recovery Project		Project R-351, AFE 243		
Water Pollution Control Construction Permit No.		Date Issued		
NPDES PERMIT No.		Date Issued	Expiration Date	
Air Pollution Control Construction Permit No. Vent Gas Recovery #06100065		Date Issued 11/06/06		
Air Pollution Control Operating Permit No.		Date Issued		
Sec. C MANUFACTURING PROCESS	Describe Unit Process Installation of new low pressure vent collection header and compression system to capture and compress three routine process vent streams (9C-24, 64C-2 and 21C-49) which are routed to Plant 9 sour fuel system for treatment and installation of piping to reroute one stream (90C-23) to the Coker Blowdown.			
	Materials Used in Process Existing vent streams containing hydrogen sulfide (H2S), previously directed to flare systems, are captured, compressed (as necessary) and redirected to existing systems for treatment and reduction of H2S to flare. Includes compressors systems, knockout drum, pumps and associated controls and piping.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility Installation of new low pressure vent collection header and compression system to capture and compress three routine process vent streams (9C-24, 64C-2 and 21C-49) which are routed to Plant 9 sour fuel system for treatment and installation of piping to reroute one stream (90C-23) to the Coker Blowdown. (See attached basic flow diagram and description.)			

Sec. E	(1) Nature of Contaminants or Pollutants		
			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Sulfur Dioxide	Sulfur Dioxide	Captured
POLLUTION CONTROL FACILITY - CONTAMINANTS	(2) Point(s) of Waste Water Discharge		
	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>12/31/08</u> status of installation on date of application <u>12/31/08</u>	
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 4,820,000.00
		b. NET-SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 24,100.00
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0.00
d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:		\$ 0.00	
e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:		% 3480	
ACCOUNTING DATA			
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			Manager, Illinois Refining Div.
	Signature	<u>12/13/08</u>	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 pollution control facility. Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an average 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



Vent Gas Recovery Project

Purpose:

Reduce flaring of H₂S-containing process gases in order to comply with 40CFR60 Subpart J of the environmental regulations set forth in the New Source Review (NSR) Global Settlement.

Objective:

Capture three routine process vent streams in a new low pressure vent collection header, compressing them with two new liquid ring compressors, and routing them to the sour fuel system for treatment at Plant 9.

64C-2 Sour Water Flash Drum Vent
21C-49 Slop Oil Surge Drum Vent
9C-24 Rich Amine Flash Drum Vent

One additional vent stream from 90C-23 Flash Drum Vent will be routed to the Coker Blowdown System for processing.

Primary Equipment:

Liquid Ring Compressor System (Qty = 2)

(Includes compressor, motor, separator, cooler and associated piping, electrical, etc.)

Knockout Drum

Condensate Pump (Qty = 2)

Control Systems

Piping Systems

Equipment Foundations, Access Platforms, etc.



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: June 22, 2011
To: Robb Layman
From: Ed Bakowski
Subject: Marathon Petroleum Company LLC/TC-12-18-08D

This Agency received an original request on December 18, 2008, from Marathon Petroleum Company, LLC, for an Illinois EPA recommendation regarding tax certification of certain air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204. A resubmission of the application was presented to the Illinois EPA on May 18, 2011. I offer the following recommendation:

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

Vent Gas Recovery project, which modifies four vent or process gas streams at the subject refinery in order to reduce hydrogen sulfide emissions that would otherwise be emitted through flaring events. Because the primary purpose of this project is to eliminate, prevent or reduce air pollution, it can be 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 judgment 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

Exhibit B