

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

WRB Refining LLC)
(Property Identification Number) PCB 012-
19-1-08-35-00-000-001) (Tax Certification)
)

NOTICE

Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite 11-500
Chicago, Illinois 60601

Michael Kemp
404 Phillips Building
Bartlesville, Oklahoma 74004

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.

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

DATED: February 15, 2012

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

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

WRB Refining LLC)
(Property Identification Number) PCB 012-
19-1-08-35-00-000-001) (Tax Certification
)

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
Vera Herst
Assistant Counsel
Division of Legal Counsel

DATED: February 15, 2012
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276
(217)782-5544

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

WRB Refining LLC)
(Property Identification Number) PCB 012-
19-1-08-35-00-000-001) (Tax Certification
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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 June 29, 2011, the Illinois EPA received a request from WRB Refining LLC (log number TC-9-11, 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 applicant’s address is: WRB Refining LLC
900 S. Central Ave
Roxanna, Illinois 62084
3. The proposed water pollution control facilities in this request are located at Section 36 NW ¼, T5N, R9W, in Madison County, at the above street address and consist of the following:

Installation of a new vacuum flasher (VF-5) and two sump pumps.

These pollution control facilities have the primary purpose of eliminating, preventing, or reducing water pollution, and are further described in Exhibit A.
4. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2010), 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

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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
Vera Herst
Assistant Counsel
Division of Legal Counsel

Dated: February 15, 2012
Illinois Environmental Protection Agency
1021 North Grand Ave. E.
P.O. Box 19276
Springfield, Illinois 62794-9276
217/782-5544

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Memorandum

To: Connie Tonsor, Division of Legal Counsel

From: Alan Keller, Manager, Permit Section *AK*

Date: November 21, 2011

Re: WRB Refining LLC
Recommendation of Tax Certification
Log # TC-09-11
Property Identification # 19-1-08-35-00-000-001

The Bureau of Water received a request on June 29, 2011 from WRB Refining LLC 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:

WRB Refining LLC
404 Phillips Building
Bartlesville, OK 74004

Facility location: 900 S. Central Avenue in Roxana, Illinois.

Installation of a new vacuum flasher (VF-5) and two sump pumps.

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.

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Log No. TC-09-11

If you have any questions regarding the above, please contact Jaime Rabins at 217/782-0610.

SAK:JAR:TC0911.docx

cc: Tax Cert File

Subject: WRB Refining LLC

Page 1 of 1

Data: TC-09-11

Reviewed By: Jaime Rabins

Date: July 12, 2011

Applicant: WRB Refining LLC
404 Phillips Building
Bartlesville, OK 74004

Facility location: 900 S. Central Avenue in Roxana, Illinois.

On June 29, 2011 the Agency received a request to make a recommendation regarding the tax certification for the following:

Installation of a new vacuum flasher (VF-5) which will allow for the reuse of wastewater rather than discharge. The vacuum flasher will collect sour water (water impacted with hydrogen sulfide) in the overhead accumulator of the vacuum tower and route it to the existing Distilling Unit 1 to be used as wash water in the desalters to help remove impurities from the incoming crude.

Installation of two sump pumps in the clear water basin to transfer water from the coke pit to the Quench Tank to be recycled and re-used as quench water or drill water in the de-coking activities.

The pollution control facility's primary purpose is to prevent and eliminate pollutants which if not treated might be harmful, detrimental or offensive to human, plant or animal life, or to property as defined in 35 IAC 125.200(a).

Action: Recommend for consideration of Pollution Control Facilities.

***** PCB 2012-108 *****

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)

POLLUTION CONTROL FACILITY

AIR WATER

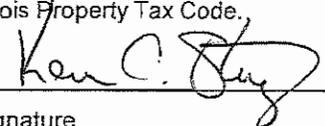
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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 Jay Rankin	
	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) 255-2737	
	Location of Facility Quarter Section 36 NW 1/4	Township 5 N	Range 9 W	Municipality Roxana
	Street Address 900 S. Central Ave.		County Madison	Township Wood River
	Property Identification Number		Parcel Number 19-1-08-35-00-000-001	Book Number
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
		Water Pollution Control Construction Permit No. 2007EB3690		Date Issued 08/16/07
NPDES PERMIT No. IL0000205		Date Issued 04/14/04	Expiration Date 04/14/09	
Air Pollution Control Construction Permit No. 6050052		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 New Units Water Recycle Project Attachment.			
	Materials Used in Process waste water			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See New Units Water Recycle Project Attachment.			

POLLUTION CONTROL FACILITY - CONTAMINATING DATA	(1) Nature of Contaminants or Pollutants		
			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Waste Water containing H2S, NH3, and solids	Recovered	recycled for use in other processes
	(2) Point(s) of Waste Water Discharge Mississippi River per NPDES Permit		
	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 checked="" type="checkbox"/> No <input type="checkbox"/>
	(4)	Date installation completed <u>04/01/11</u> status of installation on date of application <u>75%</u>	
ACCOUNTING DATA	(5) a.	TOTAL INSTALLED COST	\$ 3,600,815.00
	b.	NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 21,600.00
	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:	% To Be Determined
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. <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 10px;"> <div style="text-align: center;">  Signature </div> <div style="text-align: center;"> <u>DIRECTOR-PTARC</u> Title </div> </div>		
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:
		Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	AI Keller Permit Section Division of Water Pollution Control
			Donald E. Sutton Permit Section Division of Air Pollution Control

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

Project: New Units Water Recycle Project

Section C – Manufacturing Process

Process Description:

In a refinery, the Vacuum Flasher is a distillation unit that operates at low pressure to separate the heavy oil portion of crude oil (the bottom cut of the atmospheric crude oil distillation column) to produce gas oils and vacuum residue. The low pressure is maintained through the use of vacuum ejectors which use steam as the motive force. This steam is condensed in the coolers of the vacuum system. Hydrogen sulfide (H₂S) and ammonia (NH₃) are present in the Vacuum Flasher overhead vapors. The H₂S and NH₃ are soluble in the condensed vacuum steam and thus the water from the vacuum system is a sour water stream which must be treated prior to release.

The Delayed Coker thermally cracks the vacuum residue to produce more refined products (Liquefied Petroleum Gas, Naphtha, Light Coker Gas Oil, and Heavy Coker Gas Oil). The feed to the Delayed Coker is heated in a furnace and sprayed into one of three large drums where time and temperature cause the feed to crack into a full range of intermediate products that are separated by distillation and sent to other units for further processing. Coking is a semi batch process in which one drum is in service, while one drum is quenched, the coke drilled out, and then to go into service. The coke drum steaming and quenching steps produce a water stream which must be treated prior to release.

Section D – Pollution Control Facility Description

These Pollution Control Facilities reduce water pollution by reducing refinery raw water consumption (which preserves fresh water for other uses) and by reducing waste water to the Waste Water Treatment Plant (WWTP). Reducing waste water to the WWTP reduces water pollution by reducing the volume of effluent (which still contains some pollutants) to the Mississippi River.

The new Vacuum Flasher of the CORE Project (VF-5) collects sour water in the Overhead Accumulator of the Vacuum Tower. Rather than route this water to the WWTP, the Wood River Refinery installed equipment to route this sour water to the existing Distilling Unit 1 (DU-1) to be used as wash water in the desalters to help remove impurities from the incoming crude oil. If the Vacuum Flasher sour water was not reused in this purpose, it would be sent to the WWTP for treating and discharged. Also, the DU-1 desalters would have to use fresh make up water to wash the incoming crude.

The Delayed Coker coke drums will drain and be drilled out into a large concrete pit. At the east end of the coke pit is a series of separation basins including the fines settling basin and the clear water basin which will be used to remove coke fines from the water (from quenching or drilling a drum). Rather than route this water to the WWTP, the Wood River Refinery installed two sump pumps in the clear water basin to transfer water from the coke pit to the Quench Tank, to be recycled and re-used as quench water or drill water in the de-coking activities. This Pollution Control Facility recycles water to reduce refinery raw water consumption and to reduce waste water to the WWTP.

The Delayed Coker also has a large concrete pad to temporarily lay down coke. This pad will allow for a small accumulation of coke should there be upsets in the unit or the loading systems. This pad will also allow the coke to sit and further drain any additional water that may still be entrained in the crushed coke. In addition, the pad will be equipped with rain bird type water sprays for dust suppression (should they be needed). Any water that drains to the pad will be recovered and pumped by two new sump pumps back to the Clear Water Basin to be recycled in the quenching and drilling of a drum of coke. Thus, this Pollution Control Facility also recycles water to reduce refinery raw water consumption and to reduce waste water to the WWTP.

In summary, the Wood River Refinery is installing piping and sump pumps for the primary purpose of recycling water in order to preserve fresh water and reduce waste water to the Waste Water Treatment Plant (WWTP). Reducing waste water to the WWTP reduces water pollution by reducing the volume of WWTP effluent which still contains some pollutants to the Mississippi River.

STATE OF ILLINOIS)

COUNTY OF SANGAMON)

PROOF OF SERVICE

I, the undersigned attorney at law, hereby certify that on February 15, 2012, I served true and correct copies of an **APPEARANCE AND THE RECOMMENDATION**, upon the persons and by the methods as follows:

[1st Class U.S. Mail]

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
Post Office Box 19033
Springfield, Illinois 62794

[1st Class U.S. Mail]

Michael Kemp
404 Phillips Building
Bartlesville, Oklahoma 74004

[Electronic Filing]

Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite. 11-500
Chicago, Illinois 60601

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

/s/ Vera Herst
Assistant Counsel
Division of Legal Counsel
1021 North Grand Avenue East
P.O. Box 19276-
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