

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

DYNEGY MIDWEST GENERATION, INC.)	
Sodium Sulfate Additive System for)	
Havana Station, Unit No. 6, Boiler No. 9)	PCB 14-
)	(Tax Certification - Air)
)	
PROPERTY IDENTIFICATION NUMBER)	
19-11-400-001 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

Date: December 2, 2013

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

3. The facility address is as follows:

Dynergy Midwest Generation
Havana Station
15260 North State Route 78
Havana, Illinois 62644

4. The subject matter of this request consists of a Sodium Sulfate Additive System, which were constructed and installed by Dynergy Midwest Gen to the coal feed line on Unit No. 6/Boiler No. 9 of the Havana Station. According to the application, the system adds sodium sulfate to the coal feed line prior to combustion, which addresses "sodium depletion effects in the electrostatic precipitator (ESP) that can impact the ESP particulate matter removal efficiency." *See*, Exhibit A, page 1 at Section D. A trial project of the system and a subsequent upgrade demonstrated positive results to the ESP's operations, which showed "lower decreased power levels and reduced frequency of cleaning," as well "enhanced particulate matter collection efficiency." *Id.* A permanent system was constructed with a larger "holding capacity, air fluidization to eliminate plugging, and upgraded PLC controls and alarm system with interlocks to assure reliability and early detection of system problems." *Id.* The process modification acts to reduce particulate and opacity emissions that would otherwise be emitted through the boiler's operations.

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 primary purpose of the Sodium Sulfate Additive System to prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that the systems and related appurtenances 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 information in the application demonstrates that the Sodium Sulfate Additive System satisfies the aforementioned statutory and regulatory criteria, the Illinois EPA recommends that the Board issue the applicant's requested tax certification.

Respectfully submitted by,

1st Robb H. Layman

Robb H. Layman
Assistant Counsel

DATED: December 2, 2013

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
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CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of December, 2013, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

John Therriault, 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

Dynegy Midwest Generation, Inc.
Rick Diericx
604 Pierce Boulevard
O'Fallon, Illinois 62269

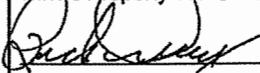
1st Robb H. Layman
Robb H. Layman
Assistant Counsel

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 Dynergy Midwest Generation (DMG), Inc.		
	Person Authorized to Receive Certification Rick Diericx		Person to Contact for Additional Details Rick Diericx
	Street Address 2828 North Monroc Street		Street Address 2828 North Monroe Street
	Municipality, State & Zip Code Decatur, IL 62526		Municipality, State & Zip Code Decatur, IL 62526
	Telephone Number (217) 872-2354		Telephone Number (217) 872-2354
	Location of Facility	Municipality	Township
	Quarter Section 12;SW	Township 21N	Range 9W
	Street Address 15260 North State Route 78, Havana, IL 62644	County Mason	Book Number
Property Identification Number		Parcel Number	
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location The facility is DMG's Havana Power Station. The station is located on the east bank of the Illinois River at river mile 118.5. The station is engaged in the generation of electricity from the combustion of coal and/or oil (SIC Code 4911).		
	Water Pollution Control Construction Permit No.		Date Issued
	NPDES PERMIT No.		Date Issued
			Expiration Date
	Air Pollution Control Construction Permit No.		Date Issued
Sec. C MANUFACTURING PROCESS	Describe Unit Process The station is engaged in the generation of electricity from the combustion of coal and oil (SIC Code 4911). No. 6 fuel oil is combusted in eight boilers(Boilers #1-#8). Powder River Basin Wyoming coal is combusted in a ninth boiler (Boiler #9). These boilers generate steam which is utilized to turn six independent steam turbine/generator sets. The net rated capacity of the station is 476 MW.		
	Materials Used in Process Sub-bituminous coal, Fuel Oil, Water and Air.		
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility A trial sodium sulfate additive system was installed on the coal feed line to boiler #9 (Unit #6). The trial system was placed in service on August 31, 2006. This system was installed to determine the effectiveness of adding sodium sulfate to the coal prior to combustion to address sodium depletion effects in the electrostatic precipitator (ESP) that can impact the ESP particulate matter removal efficiency. The effectiveness of the initial system was determined to be beneficial to ESP operations (lower decreased power levels and reduced frequency of cleaning) and enhanced particulate matter collection efficiency. The initial system was then upgraded on October 24, 2006 with a new auger system to place the sodium sulfate on the coal feed conveyor belt. The system is being built-out to a larger permanent system with increased holding capacity of sodium sulfate, air fluidization to eliminate pluggage, and upgraded PLC controls and alarm system with interlocks to assure reliability and early detection of system problems. Expected final build-out of the larger permanent system is first quarter 2007.		

Sec. E	(1) Nature of Contaminants or Pollutants			
	CONTAMINANTS		Material Retained, Captured or Recovered	
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Total suspended solids/particulate matter	Fly ash	Sold or deposited in lined pond
		(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 checked="" type="checkbox"/> No <input type="checkbox"/>	
	(4) Date installation completed _____ status of installation on date of application <u>20% Complete</u>			
ACCOUNTING DATA	(5) a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 643,529.00		
	b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$		
	c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$		
	d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$		
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% 100%		
Sec. F	SIGNATURE			
	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.  SR. Director - Operations Environmental Compliance _____ Signature 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 <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: Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Attention: Alan Keller Permit Section Division of Water Pollution Control	Attention: Donald E. Sutton Permit Section Division of Air Pollution Control



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: December 02, 2008

To: Robb Laymon

From: Ed Bakowski *12/8/08*

Subject: Dynegy Midwest Generation, Inc. TC-06-12-20B

This Agency received a request on December 20, 2006 from Dynegy Midwest Generation, Inc. 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:

Sodium Sulfate Additive System installed on unit 6 whose primary purpose is to improve particulate collection and operation. Because the primary purpose of these are to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 15260 North State Route 78, Havana, Mason County
The property identification number is 19-11-400-001

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.

Exhibit B