

ILLINOIS POLLUTION CONTROL BOARD
December 17, 2015

WRB REFINING, LP (Property Identification))	
Number 19-1-08-35-00-000-001),)	
)	
Petitioner,)	
)	
v.)	PCB 16-62
)	(Tax Certification - Air)
ILLINOIS ENVIRONMENTAL)	
PROTECTION AGENCY,)	
)	
Respondent.)	

ORDER OF THE BOARD (by J.D. O’Leary):

On November 25, 2015, the Illinois Environmental Protection Agency (Agency or Illinois EPA) filed a recommendation (Rec.) that the Board certify certain facilities of WRB Refining, LP (WRB) as “pollution control facilities” for preferential tax treatment under the Property Tax Code. *See* 35 ILCS 200/11-5 *et seq.* (2014); 35 Ill. Adm. Code 125. WRB’s petroleum refinery is located at 900 Central Avenue in Roxana, Madison County. In this order, the Board describes the legal framework for tax certifications, discusses the Agency’s recommendation, and certifies that the identified Fuel Gas Treater and two Sulfur Recovery Units encompassed within WRB’s Sulfur Recovery from Fuel Gas Project are pollution control facilities.

LEGAL FRAMEWORK

Under the Property Tax Code, “[i]t is the policy of this State that pollution control facilities should be valued, at 33 1/3% of the fair cash value of their economic productivity to their owners.” 35 ILCS 200/11-5 (2014); *see also* 35 Ill. Adm. Code 125.200(a)(2). “For tax purposes, pollution control facilities shall be certified as such by the Pollution Control Board and shall be assessed by the Department [of Revenue].” 35 ILCS 200/11-20 (2014); *see also* 35 Ill. Adm. Code 125.200(a). Under the statute, the Board determines if the facilities are pollution control facilities; however, the Board is not authorized to assess a value of those facilities.

Under Section 125.202 of the Board’s procedural rules, a person may submit an application for tax certification to the Agency. *See* 35 Ill. Adm. Code 125.202. If the Agency receives a tax certification application, the Agency must file with the Board a recommendation on the application, unless the applicant withdraws the application. *See* 35 Ill. Adm. Code 125.204(a). Among other things, the Agency’s filing must recommend that the Board issue or deny tax certification. *See* 35 Ill. Adm. Code 125.204(a)(4). If the Board finds “that the claimed facility or relevant portion thereof is a pollution control facility . . . , the Pollution Control Board . . . shall enter a finding and issue a certificate to that effect.” 35 ILCS 200/11-25 (2014); *see also* 35 Ill. Adm. Code 125.216(a).

AGENCY RECOMMENDATION

The Agency states that it received a tax certification application from WRB on September 9, 2015.¹ Rec., Exh. B (Agency Technical Recommendation). On December 2, 2015, the Agency filed a recommendation with the Board, attaching WRB's application as Exhibit A. The Agency's recommendation identifies the facilities at issue:

Sulfur Recovery from Fuel Gas Project, which removes sulfur compounds from fuel gas produced at the refinery and therefore prevents emissions of the sulfur oxides that would otherwise be caused in the combustion of the fuel gas in the refinery's various heaters and boiler operations. Rec., Exh. B.

The Agency describes the facilities: first, the Fuel Gas Treater, identified as the East Absorber, "receives sour fuel gas streams, collected and pressurized from the new unit production processes, for the purpose of separating out the hydrogen sulfides contained within the processed fuel gas. This process occurs in the amine contactor. . . ." Rec. at 3; *see* Rec., Exh. A, Att. 1 (Process Flow Diagram).

The second part of the project consists of two Sulfur Recovery Units, identified as SRU Trains E and F, each of which consists of three separate components. Rec. at 8. The first component, an Amine Regeneration Unit (ARU) separates out hydrogen sulfides and includes "a fractionation column, a steam reboiler, pumps, coolers and heat exchangers." *Id.*; *see* Rec., Exh. A, Att. 1 (Process Flow Diagram).

Gas with high hydrogen sulfide content is routed from an ARU to the second component, a Claus Train, "where a thermal reactor initially converts part of the acid gases from the ARUs back to sulfur dioxides. The mixture of sulfur dioxide and hydrogen sulfide gases is then routed through a train of heaters, reactors and condensers that effectively convert them into a form of molten sulfur." Rec. at 8; *see* Rec., Exh. A, Att. 1 (Process Flow Diagram).

The third component, the Tail Gas Treatment Unit (TGTU), "addresses the tail gas vapors produced by each of the Claus Trains." Rec. at 8; *see* Rec., Exh. A, Att. 1 (Process Flow Diagram).

The TGTU employs a catalytic reactor to convert some of the sulfur compounds in the tail gas stream to hydrogen sulfides, and later employs an amine contactor to separate more hydrogen sulfides out of other parts of the stream. The high concentrated stream of gas is sent to the Claus Trains for conversion to elemental

¹ The Agency's recommendation states that "[a]n initial application was received by the Illinois EPA in October 2010 and later supplements were submitted in February 2013 and May 2014." Rec. at 1 n.1. "The later supplements presented information meant to address or clarify questions raised by the Illinois EPA during its deliberations and preliminary review of the application. After the Illinois EPA subsequently updated its tax certification forms earlier this year, WRB, through its attorneys, resubmitted its application materials to the Illinois EPA using the updated form, together with attachments containing information from the initial application and later supplements." Rec. at 1-2; *see* 35 Ill. Adm. Code 125.202 (Tax Certification Application).

sulfur. The rest of the stream is the exhaust gas that is routed to a thermal oxidizer, equipped with continuous emissions monitor and burner system, which acts to ensure that emissions do not exceed” applicable limits. Rec. at 8-9; *see* Rec., Exh. A, Att. 1 (Process Flow Diagram).

The Agency recommends that the Board certify that the fuel gas treater is a pollution control facility as defined in Section 11-10 of the Property Tax Code (35 ILCS 200/11-10 (2014)) as a device whose primary purpose is the prevention of air pollution. Rec. at 7; *see* Rec. Exh. B. The Agency also recommends that the Board certify that all three components of the Sulfur Recovery Units - two ARUs, two Claus Trains, and two TGTUs - are pollution control facilities as devices whose primary purpose is the prevention of air pollution. Rec. at 9-10; *see* Rec., Exh. B.

TAX CERTIFICATE

Based upon the Agency’s recommendation, WRB’s application, and the Board’s technical review, the Board finds and certifies that WRB’s Fuel Gas Treater and two Sulfur Recovery Units identified in this order are pollution control facilities under the Property Tax Code (35 ILCS 200/11-10 (2014)). The Board makes no finding regarding the assessed value of those facilities. Under Section 11-25 of the Property Tax Code, the effective date of this certificate is “the date of application for the certificate or the date of the construction of the facility, which ever is later.” 35 ILCS 200/11-25 (2014); *see also* 35 Ill. Adm. Code 125.216(a). Section 125.216(d) of the Board’s procedural rules states that the Clerk “will provide the applicant and the Agency with a copy of the Board’s order setting forth *the Board’s findings and certificate, if any.*” 35 Ill. Adm. Code 125.216(d) (quoting 35 ILCS 200/11-30 (2014)). The Clerk therefore will provide WRB and the Agency with a copy of this order.

IT IS SO ORDERED.

Section 11-60 of the Property Tax Code provides that any applicant or holder aggrieved by the issuance, refusal to issue, denial, revocation, modification or restriction of a pollution control certificate or a low sulfur dioxide emission coal fueled device certificate may appeal the Board’s finding and order to the Circuit Court under the Administrative Review Law (735 ILCS 5/3-101 *et seq.* (2014)). *See* 35 ILCS 200/11-60 (2014).

I, John T. Therriault, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on December 17, 2015, by a vote of 5-0.



John T. Therriault, Clerk
Illinois Pollution Control Board