

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS**

MARATHON PETROLEUM COMPANY, LP)	
Mobile Source Air Toxics Phase II - Benzene)	
Extraction Unit, Robinson Refinery)	PCB 14-
)	(Tax Certification - Air)
)	
PARCEL NUMBER)	
51-34-1-21 or portion thereof)	

NOTICE

TO: *[Electronic filing]*
 John Therriault, Clerk
 Illinois Pollution Control Board
 State of Illinois Center
 100 W. Randolph Street, Suite 11-500
 Chicago, Illinois 60601

[Service by mail]
 Ray Brooks, Division Manager
 Marathon Petroleum Company, LP
 400 South Marathon Avenue
 Robinson, Illinois 62454

[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: December 6, 2013

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

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS**

MARATHON PETROLEUM COMPANY, LP)
Mobile Source Air Toxics Phase II - Benzene)
Extraction Unit, Robinson Refinery) PCB 14-
) (Tax Certification - Air)
)
PARCEL NUMBER)
51-34-1-21 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 6, 2013

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Mobile Source Air Toxics Phase II - Benzene)
Extraction Unit, Robinson Refinery) PCB 14-
) (Tax Certification - Air)
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51-34-1-21 or portion thereof)

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 December 23, 2011, the Illinois EPA received an application and supporting information from MARATHON PETROLEUM COMPANY, LP (“Marathon”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Robinson refinery in Crawford County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

2. The applicant’s business and facility addresses are as follows:

Marathon Petroleum Company, LP
400 South Marathon Avenue
Robinson, Illinois 62454

3. The subject matter of this request consists of a Mobile Source Air Toxics Phase II project, which involved the construction and installation of a new Benzene Extraction Unit by Marathon at the Robinson refinery. According to the application, the Benzene Extraction Unit

and associated process equipment was installed to comply with federal Mobil Source Air Toxics requirements promulgated at 40 CFR Part 80 (Regulations of Fuels and Fuel Additives) that became effective February 26, 2007. *See*, Exhibit A, Attachment A. The application states that these requirements imposed a compliance deadline of July 1, 2011, for the refinery to meet an annual average gasoline benzene concentration of 0.62 volume percent.

4. In order to comply with the new air toxic requirements for mobile sources, the refinery opted to construct the Benzene Extraction Unit, which is designed to charge “a combined stream of platformate and ultraformate from the Platformer, Ultraformer and Tank Farm” and “removes benzene and toluene from platformate & ultraformate feeds using UOP’s Sulfolane Process.” *Id.* The process equipment, which includes a splitter block, extractor block, extractor column, reboiler heater and other process components specified in the application, makes use of Sulfolene as “an efficient solvent used to recover aromatics from reformat feeds.” *Id.* The new process achieves the reduction in benzene content required by federal regulations. In doing so, the project’s systems and/or devices act to prevent or reduce air contaminants that would otherwise be emitted as contaminants at the point of product use, and therefore prevents or reduces air pollution.

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 Mobile Source Air Toxics Phase II project to prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that the project's addition of the new Benzene Extraction Unit 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 Mobile Source Air Toxics Phase II project satisfies the aforementioned statutory and regulatory 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: December 6, 2013

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 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

Marathon Petroleum Company, LP
Ray Brooks, Division Manager
400 South Marathon Avenue
Robinson, Illinois 62454

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



Marathon Petroleum Company LP

539 South Main Street
Findlay, OH 45840-3295

December 20, 2011

Illinois Environmental Protection Agency
Donald E. Sutton
Permit Section
Division of Air Pollution Control
1021 North Grand Avenue East
P. O. Box 19276
Springfield, IL 62794-9276

RECEIVED
STATE OF ILLINOIS
DEC 23 2011
Environmental Protection Agency
BUREAU OF AIR

Re: Application for Certification Pollution Control Facility

Dear Mr. Sutton:

Enclosed for consideration is an application for property tax certification relating to an air pollution control project at the Marathon Petroleum Company LP Robinson refinery.

<u>AFE</u>	<u>Project Description</u>
Y149	MSAT2-Benzene Extraction Unit

Please contact me if you have questions or need any additional information. My email is cjgrigsby@marathonpetroleum.com and my phone number is 419-421-2128.

Sincerely,

A handwritten signature in blue ink that reads 'Cindy J. Grigsby'.

Cindy J. Grigsby
Tax Specialist

cc: Valerie Austin
cc: Ray Brooks
cc: Susan Hawkins
cc: David Saturley
cc: Cindy Stechschulte

Exhibit A

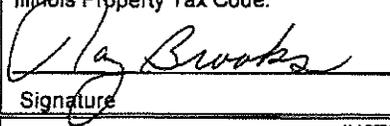
**APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER**

**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.

**RECEIVED
 STATE OF ILLINOIS
 DEC 23 2011
 Environmental Protection Agency
 BUREAU OF AIR**

FOR AGENCY USE					
File No.	Date Received	Certification No.	Date		
Sec. A APPLICANT	Company Name Marathon Petroleum Company LP				
	Person Authorized to Receive Certification Ray Brooks, Division Manager		Person to Contact for Additional Details		
	Street Address 400 S. Marathon Avenue		Street Address		
	Municipality, State & Zip Code Robinson, IL 62454		Municipality, State & Zip Code		
	Telephone Number 618-544-2121		Telephone Number		
	Location of Facility	Township Robins	Range	Municipality Robinson	Township Robins
	Street Address 400 S. Main, Robinson, IL		County Crawford	Book Number	
	Property Identification Number		Parcel Number 51-34-1-21		
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refinery with a crude capacity of 206,000 bpd. Built in 1906 by the Lincoln Oil Company and purchased by Marathon Oil Company (then The Ohio Oil Company) in 1924. Crude oil supply: A wide range of both sweet and sour crude oils.				
	Water Pollution Control Construction Permit No. N/A		Date Issued		
	NPDES PERMIT No. N/A		Date Issued	Expiration Date	
	Air Pollution Control Construction Permit No 08060018		Date Issued 4/9/2009		
	Air Pollution Control Operating Permit No. N/A		Date issued		
Sec. C MANUFACTURING PROCESS	Describe Unit Process The Benzene Extraction Unit removes benzene and toluene from platformate & ultraformate feeds using UOP's Sulfolane Process.				
	Materials Used in Process				
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility				
	See Attachment "A"				

Sec. E	POLLUTION CONTROL FACILITY - CONTAMINANTS	(1) Nature of Contaminants or Pollutants Benzene (hazardous air pollutant)				
				Material Retained, Captured or Recovered		
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE		
		Benzene	Hazardous Air Pollutant	Extracted from gasoline process		
		(2) Point(s) of Waste Water Discharge				
				Plans and Specifications Attached	Yes <input checked="" type="checkbox"/>	No <input 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>9/2011</u> status of installation on date of application <u>Complete</u>					
ACCOUNTING DATA	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 328,000,000.00			
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 1,640,000.00			
		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:	% 21			
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.				
		 Signature	Division Manager 12/9/2011 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 <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:	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			

UNIT DESCRIPTION

The Benzene Extraction Unit is divided into two separate refinery blocks. The Splitter block (section 1A) is located about four blocks east and three blocks south of the refinery's main West Gate. The Extractor block (section 1B) is located just southwest of the Splitter block about three blocks east and four blocks south of the refinery's main West Gate.

The Benzene Extraction Unit charges a combined stream of platformate and ultraformate from the Platformer, Ultraformer and Tank Farm.

Process streams enter and leave Splitter block on the south side of Splitter block. Process streams enter and leave Extractor block on the northeast side of the Extraction block.

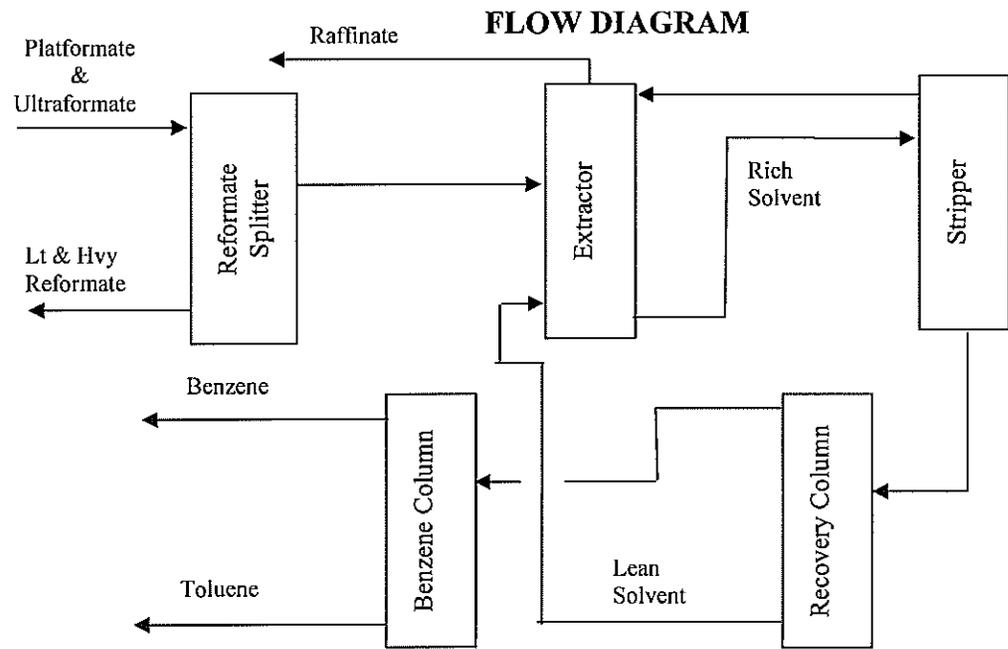
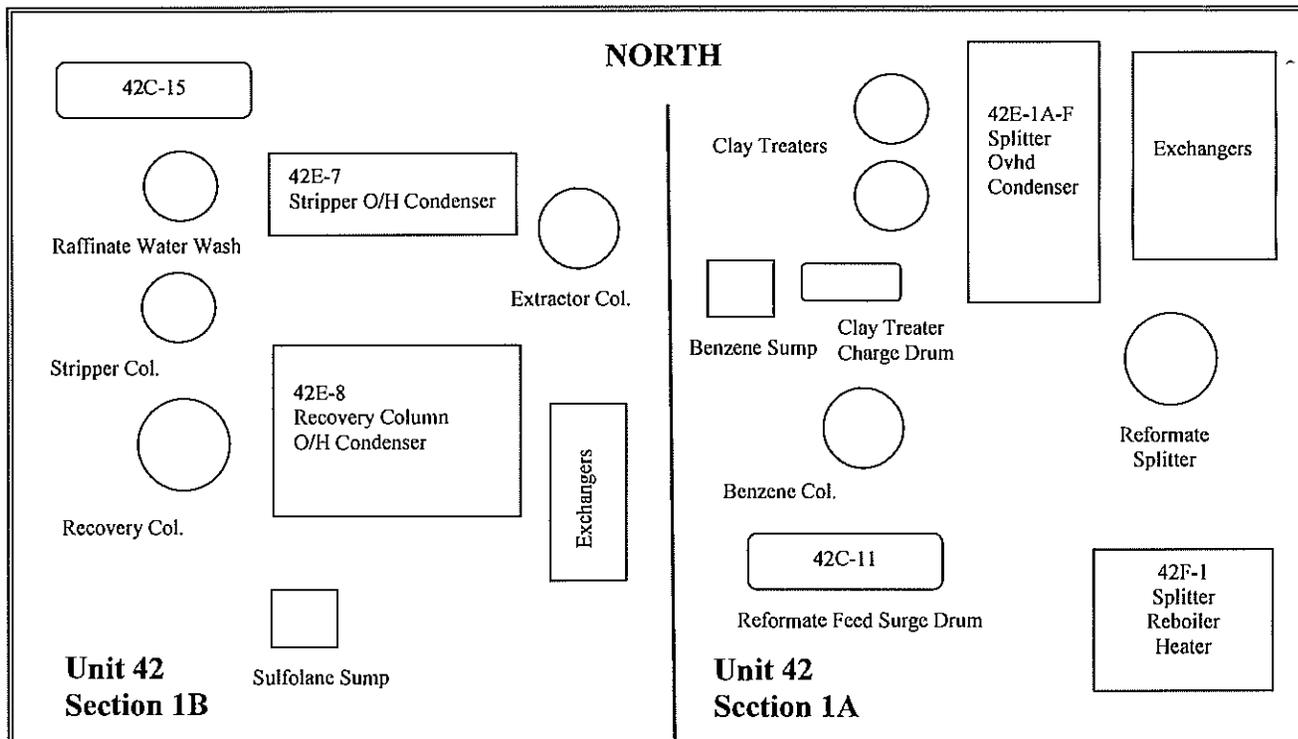
The Benzene Extraction Unit removes benzene and toluene from platformate & ultraformate feeds using UOP's Sulfolane Process.

Sulfolane is an efficient solvent used to recover aromatics from reformat feeds. In order to effectively recover a wide range of high-purity aromatics from hydrocarbon mixtures, the Benzene Extraction Unit uses a Reformat Splitter (42C-1) followed by a liquid to liquid Extractor Column (42C-3) with extractive distillation in Benzene Column (42C-8).

Benzene Extraction Unit product streams are: Blended Light/Heavy Reformat, Heavy Reformat, Raffinate, Toluene and Benzene.

The unit employs one gas fired Splitter Reboiler Heater (42F-1) located on the SE side of the Splitter block and a Plant Inventory Tank (42D-3) used to inventory or de-inventory the unit located SE of the Extractor block.

A Flare K/O Drum (84C-27) dedicated to the Benzene Extraction Unit is located SE of the Splitter block.



Attachment "A"

The United States Environmental Protection Agency (USEPA) finalized the Mobile Source Air Toxics Phase II Rule (MSAT2) in February 2007. For Marathon Petroleum Company LLC (MPC), it required a corporate gasoline pool annual average benzene content of 0.62 volume percent or less beginning January 1, 2011. The final rule required each refinery to have a gasoline pool maximum annual average benzene content less than or equal to 1.3 volume percent. The individual refinery specification is effective July 1, 2012.

The Robinson refinery evaluated both benzene saturation and benzene extraction technologies for MSAT2 compliance and determined that benzene extraction technology minimized the negative impact on refinery cash flow. MPC selected UOP's Sulfolane Liquid-Liquid Extraction process to meet the MSAT2 federal mandates. Estimated charge rate is 66,000 barrels per day, and the benzene make rate which is approximately 3,300 barrels per day. The purpose of the project was installation of new equipment and modifications to existing refinery equipment for this new unit in order to meet the MSAT2 requirements for benzene in gasoline.

The Benzene Extraction Unit charges a combined stream of platformate and ultraformate from the Platformer, Ultraformer and Tank Farm. Process streams enter and leave Splitter block on the south side of Splitter block. Process streams enter and leave Extractor block on the northeast side of the Extraction block.

The Benzene Extraction Unit removes benzene and toluene from platformate & ultraformate feeds using UOP's Sulfolane Process. Sulfolane is an efficient solvent used to recover aromatics from reformate feeds. In order to effectively recover a wide range of high-purity aromatics from hydrocarbon mixtures, the Benzene Extraction Unit uses a Reformate Splitter (42C-1) followed by a liquid to liquid Extractor Column (42C-3) with extractive distillation in Benzene Column (42C-8).

Benzene Extraction Unit product streams are:
Blended Light/Heavy Reformate, Heavy Reformate,
Raffinate, Toluene and Benzene.

The unit employs one gas fired Splitter Reboiler Heater (42F-1) located on the SE side of the Splitter block and a Plant Inventory Tank (42D-3) used to inventory or de-inventory the unit located SE of the Extractor block.

A Flare K/O Drum (84C-27) dedicated to the Benzene Extraction Unit is located SE of the Splitter block.



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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

PAT QUINN, GOVERNOR

JOHN J. KIM, INTERIM DIRECTOR

MEMORANDUM

Technical Recommendation for Tax Certification Approval

Date: December 10, 2012
To: Robb Layman
From: Ed Bakowski *7/12/14/16*
Subject: Marathon Petroleum Company, L.P. TC-11-12-23

This Agency received a request on December 23, 2011 from Marathon Petroleum Company, L.P. 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:

MSAT2 Benzene Extraction Unit which removes benzene in gasoline required by US EPA Phase II Rule (MSAT2). 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 400 S. Main, Robinson, Crawford County
The property identification number is 51-34-1-21

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

Exhibit B