

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

JOLIET BULK, BARGE & RAIL, LLC)
Low-Nitrogen Oxides Burner for Boiler)
) PCB 20-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
07-29-304-004-0000 or portion thereof)

NOTICE

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

[*Service by mail*]
Joliet Bulk, Barge & Rail, LLC
Att: Katherine Tronsberg Macciocca
c/o Duff and Phelps, LLC
2000 Market Street, Suite 2700
Philadelphia, PA 19103

[*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: May 29, 2020

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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Low-Nitrogen Oxides Burner for Boiler)	
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PROPERTY IDENTIFICATION NUMBER)	
07-29-304-004-0000 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: May 29, 2020

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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 or about November 25, 2019, the Illinois EPA received an application and supporting information from JOLIET BULK, BARGE & RAIL, LLC, (“Joliet BB&R”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its petroleum terminal and storage facility in Joliet, Will County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

2. The applicant’s business address is as follows:

Joliet Bulk, Barge & Rail, LLC
Att: Katherine Tronsberg Macciocca
c/o Duff and Phelps, LLC
2000 Market Street, Suite 2700
Philadelphia, PA 19103

3. The facility address is as follows:

Joliet Bulk, Barge & Rail, LLC
1035 Laraway Road
Joliet, IL 60436

4. The subject matter of this request consists of a Low-Nitrogen Oxides (“NOx”) Burner installed to the facility’s existing Boiler. A low NOx burner system, as generally recognized in the field of air pollution control technology, is a type of process modification that offers enhanced abatement of NOx emissions while providing the basic functionality of conventional burners. As indicated in the application, such systems are meant to control the fuel and air mixing within the boiler, which lowers peak flame temperature and reduces NOx emissions. In doing so, the installation of the Low-NOx Burner acts to reduce or prevent the release of NOx emissions from boiler operations that would otherwise be emitted to the atmosphere.

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 Low-NOx Burner for the Boiler to prevent or reduce air pollution, it is the Illinois EPA’s engineering judgment that such systems or devices 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]**. In this instance, the subject system or equipment is comprised of a contemporary, source reduction approach to preventing emissions and therefore falls within the definition of a pollution control facility. In addition, in keeping with prior recommendations in similar matters and as acknowledged in the application for tax certification, the Illinois EPA would expect any preferential tax treatment for the Low NOx Burner System to address only the incremental costs associated with the system in relation to conventional burner systems.

8. Because the information in the application demonstrates that the Low-NOx Burner for the Boiler 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: May 29, 2020

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 29th day of May 2020, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

Don Brown, 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

Joliet Bulk, Barge & Rail, LLC
Att: Katherine Tronsberg Macciocca
c/o Duff and Phelps, LLC
2000 Market Street, Suite 2700
Philadelphia, PA 19103

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

Illinois Environmental Protection Agency
ATTN: Ray Pilapil, Permit Section
Division of Air Pollution Control
P.O. Box 19276
Springfield, IL 62794-9276

RECEIVED
STATE OF ILLINOIS

November 22, 2019

NOV 25 2019

Environmental Protection Agency
BUREAU OF AIR

Re: Application for Property Tax Treatment for Air Pollution Control Property located at Joliet Bulk, Barge & Rail, LLC in Will County, Illinois

Enclosed please find one application (the "Application") for property tax certification for a Air Pollution Control Facility located at the Joliet Bulk, Barge & Rail, LLC's Joliet Plant (the "Facility"), located in Joliet, Will County, Illinois.

The Application has been prepared pursuant to Illinois Compiled Statutes § 200/11-5, and includes any necessary information and supporting documentation. Submission of this Application is required as a process step in the Illinois Environmental Protection Agency and the Illinois Department of Revenue pollution control certification process for special value treatment of certain assets used in water pollution control capacities at the Facility.

The Application can be summarized as follows:

Description

Low NO_x Burner Incremental Costs

Please send one copy of the completed property tax special values treatment certificate to the following address:

**Kathryn Tronsberg Macciocca
do Duff & Phelps, LLC
2000 Market Street, Ste 2700
Philadelphia, PA 19103**

Exhibit A

Electronic Filing: Received, Clerk's Office 05/29/2020 **PCB 2020-081**

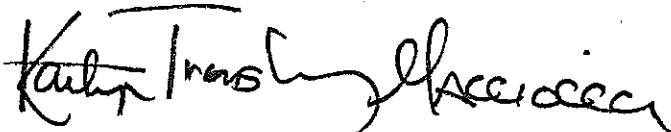
Joliet Bulk, Barge & Rail, LLC Application for Pollution Control Facility Certification

Illinois Environmental Protection Agency

November 22, 2019

If you have any questions regarding the Application or the information supplied within the Application, please contact me at (215) 430-6059 or by e-mail at kathryn.tronsberg@duffandphelps.com.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathryn Tronsberg Macciocca". The signature is fluid and cursive, with a horizontal line above the first few letters.

Kathryn Tronsberg Macciocca

Director

Property Tax

Enclosures



1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276 • (217) 782-3397

**Application for Certification (Property Tax Treatment)
 Pollution Control Facility**

FOR AGENCY USE ONLY	
File Number: _____	Date Rec'd: _____
Certification Number: _____	Date: _____

Facility Type (check one): Air Water

This form is to be used for any application for certification of property tax treatment for a pollution control facility for air or water from the Illinois EPA. Separate applications must be completed for each control facility claimed. Do not mix types (air and water). Where both air and water operations are related, file two applications.

If attachments are needed, record them consecutively on an index sheet.

You may complete this form online, save a copy locally, print, sign and submit it to:

Illinois EPA
 Attention: Ray E. Pilapil, Permit Section
 Division of Air Pollution Control
 1021 North Grand Avenue East, P.O. Box 19276
 Springfield, IL 62794-9276

Illinois EPA
 Attention: Al Keller, Permit Section
 Division of Water Pollution Control
 1021 North Grand Avenue East, P.O. Box 19276
 Springfield, IL 62794-9276

I. Applicant Information:

Company Name: <u>Joliet Bulk, Barge & Rail, LLC</u>	Person to Contact: _____
Person Authorized to Receive Certification: <u>Kathryn Tronsberg Macciocca c/o Duff and Phelps LLC</u>	for Additional Details: <u>Kathryn Tronsberg Macciocca c/o Duff and Phelps LLC</u>
Street Address: <u>2000 Market Street, Suite 2700</u>	Street Address: <u>2000 Market Street, Suite 2700</u>
City: <u>Philadelphia</u> State: <u>PA</u>	City: <u>Philadelphia</u> State: <u>PA</u>
Zip: <u>19103</u> Phone: <u>(215) 430-6059</u>	Zip: <u>19103</u> Phone: <u>(215) 430-6059</u>
Email Address: <u>Kathryn.Tronsberg@duffandphelps.com</u>	Email Address: <u>Kathryn.Tronsberg@duffandphelps.com</u>

II. Facility Information:

Facility Location: Quarter Section: W29 Township: 07 Range: 35N-10E
 Municipality: Joliet Township: 07

Note: A plat map location is requested for facilities located outside of municipal boundaries.

Address: 1035 Laraway Road City: Joliet
 State: IL Zip Code: 60436 County: Will Book Number: 07-29-E
 Property Index Number: 07-29-304-004-0000

Note: The Property Index Number is the numerical reference used to identify a parcel of real property for assessment and taxation purposes.

Manufacturing Operations Information:

Nature of Operations Conducted at the Above Location:

<u>Petroleum and Petroleum Products Storage Facility.</u>

Permit Information:

WPC Construction Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u>
NPDES Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u> Exp. Date: <u>N/A</u>
APC Construction Permit Number: <u>Construction Permit ID #197445AAY</u>	Date Issued: <u>3/29/2019</u>
APC Operating Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u> Exp. Date: <u>N/A</u>

Note: Submit copies of all relevant permits issued by local pollution control agencies. (e.g. MSD Construction Permit)

This Agency is authorized to request this information under 415 ILCS 5/4(b)(2012). Disclosure of this information is voluntary and no penalties will result from the failure to provide the information. However, the absence of the information could prevent your application from being processed or could result in denial of your application.

Manufacturing Process Information:

Please provide information on the manufacturing process and materials on which pollution control facility is used, including each major piece of equipment associated with the pollution control facility (or low sulfur dioxide emission coal fueled device).
Description of the Process:

Zenith Energy Management, LLC's (the "Company's" or "Zenith's") Joliet Bulk, Barge & Rail Terminal (the "Facility") is located in Joliet, Will County, Illinois. The Facility consists of six (6) storage tanks with a total capacity of 760,000 barrels of petroleum products. The Facility's Phase I was completed in 2015. Phase 2 was completed in 2018, inclusive of the subject Pollution Control equipment was installed at the Facility.

Materials Used in the Process:

Petroleum and Petroleum Products

Pollution Control Facility Information:

Please provide a narrative description of the pollution control facility (or low sulfur dioxide emission coal fueled device), and an explanation of why its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility, as well as a narrative description and a process flow diagram describing the pollution control facility. Include an average analysis of the influent and effluent of the control facility stating the collection efficiency, if applicable.

Describe the Pollution Control Facility (or Low Sulfur Dioxide Emission Coal Fueled Device):

The Facility's Low NOx Burner located on the Boiler reduce and/or eliminate NOx formation. Low NOx burners are designed to control fuel/air mixing, thereby reducing peak flame temperature and unit NOx emissions that may have otherwise resulted. The subject application includes only the incremental cost for the difference between the installation of Low-NOx burners and standard, base burners.

Describe the Primary Purpose of the Pollution Control Facility (or Low Sulfur Dioxide Emission Coal Fueled Device):

The Facility's Low NOx Burners reduce and/or eliminate NOx emissions that might otherwise be released from the Facility and into the atmosphere of the State of Illinois. A Process Flow Diagram is not applicable. Influent/Effluent analysis is not applicable.

Identify the statute or regulation (federal or state), or local ordinance, if any, requiring the installation of the subject pollution control facility (or low sulfur dioxide emission coal fueled device).

The Low NOx Burners were required to be installed per Title 35 Environmental Protection Subtitle B: Air Pollution Chapter I Subchapter C 217.301 Industrial Process that states "No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any new process producing products of organic nitrations and/or oxidations using nitric acid to exceed the following standards and limitations: (1) 2.5 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of nitric acid (100 percent acid basis) used in such new process (5.0 lbs/T). (2) Visible emissions in excess of 5 percent opacity. Part See Attachment A for the relevant section of the Facility's Construction Permit.

Nature of Contaminants or Pollutants:

List air contaminants or water pollution substances released as effluents to the manufacturing processes. Also list the final disposal of any contaminants removed from the manufacturing processes.

Contaminant or Pollutant	Material Retained, Captured or Recovered	
	Description	Disposal or Use
Nitrogen Oxide ("NOx")	N/A	N/A

Note: Contaminant or pollutant means that which is removed from the process by the pollution control facility.

Point(s) of Waste Water Discharge: Identify the location of the discharge to the receiving stream. This will typically refer to a source of water pollution but can include water-carried wastes from air pollution control facilities.

Plans and Specifications Attached Yes No

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.

Are contaminants (or residues) collected by the control facility? Yes No

Note: If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value dollars reclaimed by the sale or reuse of the collected substances. State the cost of reclamation and related expense.

Project Status:

Date Installation Completed: Q4 2018

Provide the date the pollution control facility was first placed into service and operated. If not, explain.

The pollution control facility was first placed into service and operated in Q4 2018.

Status of installation on date of application:

Completed.

III. Verification and 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.

Any person who knowingly makes a false, fictitious, or fraudulent material statement, orally or in writing, to the Illinois EPA commits a Class 4 felony. A second or subsequent offense after conviction is a Class 3 felony. (415 ILCS 5/44(h))

Kathryn Tronsberg Macciocca
Printed Name:

Director - Property Tax
Title:

For incorporated entities, signature should be from an authorized corporate representative.

[Handwritten Signature]
Signature:

11-22-19
Date:

Attachment A: Title 35 Environmental Protection

TITLE 35: ENVIRONMENTAL PROTECTION
SUBTITLE B: AIR POLLUTION
CHAPTER I: POLLUTION CONTROL BOARD
SUBCHAPTER C: EMISSION STANDARDS AND LIMITATIONS
FOR STATIONARY SOURCES

PART 217
NITROGEN OXIDES EMISSIONS
SUBPART A: GENERAL PROVISIONS

Section
Section
217.100 Scope and Organization
217.101 Measurement Methods
217.102 Abbreviations and Units
217.103 Definitions
217.104 Incorporations by Reference

SUBPART B: NEW FUEL COMBUSTION EMISSION SOURCES

Section
217.121 New Emission Sources (Repealed)

SUBPART C: EXISTING FUEL COMBUSTION EMISSION UNITS

Section
217.141 Existing Emission Units in Major Metropolitan Areas

SUBPART D: NO_x GENERAL REQUIREMENTS

Section
217.150 Applicability
217.152 Compliance Date
217.154 Performance Testing
217.155 Initial Compliance Certification
217.156 Recordkeeping and Reporting
217.157 Testing and Monitoring
217.158 Emissions Averaging Plans

SUBPART E: INDUSTRIAL BOILERS

Section
217.160 Applicability
217.162 Exemptions
217.164 Emissions Limitations

217.165 Combination of Fuels
217.166 Methods and Procedures for Combustion Tuning

SUBPART F: PROCESS HEATERS

Section
217.180 Applicability
217.182 Exemptions
217.184 Emissions Limitations
217.185 Combination of Fuels
217.186 Methods and Procedures for Combustion Tuning

SUBPART G: GLASS MELTING FURNANCES

Section
217.200 Applicability
217.202 Exemptions
217.204 Emissions Limitations

SUBPART H: CEMENT AND LIME KILNS

Section
217.220 Applicability
217.222 Exemptions
217.224 Emissions Limitations

SUBPART I: IRON AND STEEL AND ALUMINUM MANUFACTURING

Section
217.240 Applicability
217.242 Exemptions
217.244 Emissions Limitations

SUBPART K: PROCESS EMISSION SOURCES

Section
217.301 Industrial Processes

SUBPART M: ELECTRICAL GENERATING UNITS

Section
217.340 Applicability
217.342 Exemptions
217.344 Emissions Limitations
217.345 Combination of Fuels

Annealing furnace, recuperative	0.16
Annealing furnace, cold-air	0.07
Galvanizing furnace, regenerative	0.46
Galvanizing furnace, recuperative	0.16
Galvanizing furnace, cold air	0.06

- b) On and after January 1, 2015, no person shall cause or allow emissions of NO_x into the atmosphere from any reverberatory furnace or crucible furnace used in aluminum melting to exceed the following limitations. Compliance must be demonstrated with the applicable emissions limitation on an ozone season and annual basis.

<u>Emission Unit Type</u>	<u>No_x Emissions Limitation (lb/mmBtu)</u>
Reverberatory furnace	0.08
Crucible furnace	0.16

(Source: Amended at 35 Ill. Reg. 14627, effective August 22, 2011)

SUBPART K: PROCESS EMISSION SOURCES

Section 217.301 Industrial Processes

- a) New Industrial Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any new process producing products of organic nitrations and/or oxidations using nitric acid to exceed the following standards and limitations:
- 1) 2.5 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of nitric acid (100 percent acid basis) used in such new process (5.0 lbs/T).
 - 2) Visible emissions in excess of 5 percent opacity.
- b) Existing Industrial Processes. No person shall cause or allow the emission of nitrogen oxides into the atmosphere from any existing process producing products of organic nitrations and/or oxidations using nitric acid to exceed 5.0 kg of nitrogen oxides (expressed as nitrogen dioxide) per metric tonne of nitric acid (100 percent acid basis) used in such process (10.0 lbs/T).



Memorandum

Technical Recommendation for Tax Certification Partial

Date: December 17, 2019
To: Robb Layman
From: Raymond E. Pilapil *REP/RWF*
Subject: Zenith Energy Terminals Joliet Holdings, LLC. LP TC-19-11-25B

This Agency received a request on November 25, 2019 from Zenith Energy Terminals Joliet Holdings, LLC. 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:

Installation of Low Nox Burners on Boiler whose primary purpose is to reduce the amount of Nitrogen Oxide (NO_x) emissions by reducing peak flame temperature.

Only the incremental cost increase of the Low Nox Burners over the standard base burners should be considered for Tax Certification.

These facilities are further described in the enclosed applications and supporting documents.

This facility is located at 1035 Laraway Road, Joliet, Will County
The property identification number is 07-29-304-004-0000

Based on the information included in this submittal, 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. This determination is based on the following factors(s):

Only the incremental cost increase of the cost of the Ultralow Nox Burners over the cost of a Conventional burners should be considered for tax certification.

FEM

Exhibit B