

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

WRB REFINING, LP)
Low Sulfur International Maritime Organization)
Fuel Project)
) PCB 20-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
19108350000001 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*]
WRB Refining, LLP
Attention: Bob Adair
2331 CitiWest Boulevard
Houston, TX 70042

[*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

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
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PROPERTY IDENTIFICATION NUMBER)	
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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 December 27, 2018, the Illinois EPA received an application and supporting information from WRB REFINING, LLP, (“WRB Refining”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Wood River petroleum refining facility in Roxanna, Madison County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

WRB Refining, LP
2331 CitiWest Boulevard
Houston, TX 70042

3. The facility address is as follows:

WRB Refining, LP
900 South Central Avenue
Roxanna, IL 62084

4. The subject matter of this request consists of the Low Sulfur International Maritime Organization (“IMO”) Fuel Project, which was constructed and installed by WRB Refining to provide a means of treatment for a new process feedstock refinery gasoline stream. The project modified an existing Ultra-low Sulfur Diesel Unit No. 1 (“ULD2”) located in the business area of the Wood River refinery. The ULD2 is a process unit that converts sulfur compound in the distillate streams and fuel oil feedstock to hydrogen sulfide. The project consisted of a new fixed roof tank, additional piping and increased use of other refinery processes to hydrotreat No. 6 Fuel Oil feed, supplementing a range of other distillate streams (i.e., light oil gas) that are already hydrotreated. Implementation of the project allows the refinery to produce a new low-sulfur maritime fuel which comports with a .05 percent fuel sulfur limit established by the International Maritime Organization and enforced through the International Convention for the Prevention of Pollution (“MARPOL”), Annex VI (entitled Prevention of Air Pollution from Ships and entered May 19, 2005). As such, the project acts to prevent or reduce sulfur-related emissions from maritime emissions sources that rely upon the fuel supply pool.

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 Sulfur IMO Fuel Project to prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that such systems and/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.

8. Because the information in the application demonstrates that the Low Sulfur IMO Fuel 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: 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

WRB Refining, LP
Attention: Bob Adair
2331 CitiWest Boulevard
Houston, TX 70042

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



BOB ADAIR
Principal Advisor
Real Estate Services

PHILLIPS 66
2331 CityWest Blvd.
Headquarters S1362-01
Houston, TX 77042
Phone 832-765-1419
Email bob.adair@p66.com

December 21, 2018

RECEIVED
STATE OF ILLINOIS

DEC 27 2018

Environmental Protection Agency
BUREAU OF AIR

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

Dear Mr. Pilapil:

Enclosed are two applications for certification (property tax treatment) of pollution control facilities. We appreciate you and your section processing these applications.

Respectfully,

A handwritten signature in cursive script, appearing to read "B. G. Adair".

B. G. Adair

Exhibit A



Illinois Environmental Protection Agency

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:

RECEIVED
STATE OF ILLINOIS

DEC 27 2018

Environmental Protection Agency
BUREAU OF AIR

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

I. Applicant Information:

Company Name: <u>WRB Refining LP</u>	Person to Contact: _____
Person Authorized to Receive Certification: <u>Bob Adair</u>	for Additional Details: <u>Juan Li</u>
Street Address: <u>2331 CityWest Blvd.</u>	Street Address: <u>900 S. Central Ave</u>
City: <u>Houston</u> State: <u>TX</u>	City: <u>Roxana</u> State: <u>IL</u>
Zip: <u>77042</u> Phone: <u>832-765-1419</u>	Zip: <u>62084</u> Phone: <u>618-255-2981</u>
Email Address: <u>Bob.Adair@p66.com</u>	Email Address: <u>Juan.Li@p66.com</u>

II. Facility Information:

Facility Location: Quarter Section: _____ Township: _____ Range: _____
Municipality: Roxana Township: Wood River

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

Address: 900 S. Central Ave City: Roxana
State: IL Zip Code: 62084 County: Madison Book Number: _____

Property Index Number: 191083500000001

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:

Petroleum Refining

Permit Information:

WPC Construction Permit Number: _____	Date Issued: _____
NPDES Permit Number: <u>IL0000205</u>	Date Issued: <u>Dec.22, 2011</u> Exp. Date: <u>Dec 31, 2016</u>
APC Construction Permit Number: <u>18030030</u>	Date Issued: <u>6/6/2018</u>
APC Operating Permit Number: <u>95120306</u>	Date Issued: <u>Nov.7, 2003</u> Exp. Date: _____

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:

See Low Sulfur IMO Fuel Project Attachment

Materials Used in the Process:

See Low Sulfur IMO Fuel Project Attachment

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):

See Low Sulfur IMO Fuel Project Attachment

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

See Low Sulfur IMO Fuel Project Attachment

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).

See Low Sulfur IMO Fuel Project Attachment

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
Sulfur compounds	Removal and reduction of sulfur compounds in feed will reduce sulfur oxides emissions from maritime vessels which use the fuel.	Sulfur compounds are converted to elemental sulfur and sold as a low value product.

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: _____

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

Status of installation on date of application:

Construction in progress; expected to startup approximately 4th quarter of 2019.

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))

B. G. Adair
Printed Name:

Principal Advisor
Title:

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


Signature:

12/21/2018
Date:

**Application for Certification (Property Tax Treatment)
Pollution Control Facility
WRB Refining LP
Wood River Refinery, Madison County, IL**

**Low Sulfur International Maritime Organization (IMO) IMO Fuel Project
Attachment**

II. Facility Information:

Manufacturing Process Information:

Description of the Process:

The Ultra-Low Sulfur Diesel Unit No.2 (ULD2) is a process unit in the Alkylation business area in the Wood River Refinery. With the presence of catalyst, the unit uses hydrogen at elevated pressure and temperature to convert sulfur compounds in distillate streams and fuel oil feed to hydrogen sulfide. The product is ultra-low sulfur diesel. The hydrogen sulfide is further processed and mostly being recovered as elemental sulfur. A small quantity of hydrogen sulfide is combusted and released as sulfur oxides.

The unit mostly consists of a feed supply system (storage tank, piping, surge drum, pump), a main reactor containing catalyst, a product separator, a recycle gas compressor, hydrogen supply section, and a stabilizer.

With the IMO project, the ULD2 unit will be able to process a new process feed generating low sulfur maritime fuel.

Materials Used in the Process:

Light gas oil, fuel oil, catalyst, hydrogen, steam, water.

The refinery's Hydrogen Plants produce and provide hydrogen to the Ultra-Low Sulfur Diesel Unit No.2.

Pollution Control Facility Information:

Pollution Control Facility Description

The project, which includes a new fixed roof tank, additional piping, and increased utilization of existing process units (such as distillation, hydrogen production, and sulfur removal), enables the Ultra-Low Sulfur Diesel Unit No.2 (ULD2) to hydrotreat No. 6 Fuel Oil feed in addition to distillate streams (mostly light gas oil). Treating No.6 Fuel Oil feed produces low sulfur maritime fuel which contains ≤ 0.5 wt% sulfur, meeting the International Maritime Organization (IMO) fuel sulfur standard. Consuming low sulfur IMO fuel will significantly reduce sulfur oxides emissions. A process flow diagram is on the next page.

- New fixed roof tank – for storing low sulfur IMO fuel
- Minor piping change to route fuel into and out of ULD2
- Operational change in hydrogen production and sulfur recovery unit

Primary Purpose of the Pollution Control Facility

The primary purpose of the project was to produce low sulfur maritime fuel thus reduce sulfur oxides emissions from vessels that consume the fuel.

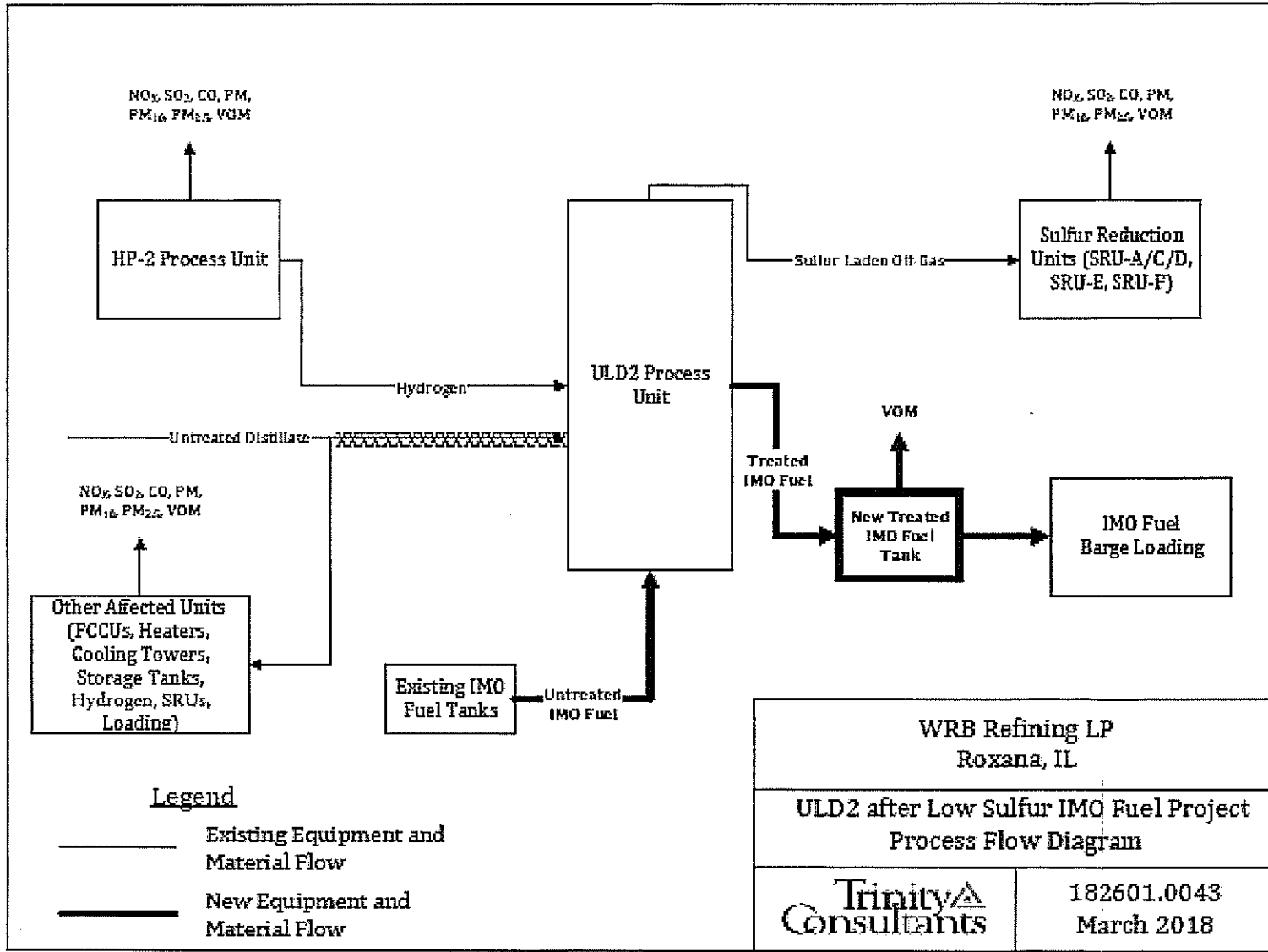
Statute or Regulation Requiring Installation of the Pollution Control Facility

MARPOL Annex VI, International Maritime Organization 0.50% fuel sulfur limit as of January 1, 2020.

From the US EPA Website:

“MEPC 70 (October 2016) considered an assessment of fuel oil availability to inform the decision to be taken by the Parties to MARPOL Annex VI, and decided that the fuel oil standard (0.50% sulphur limit) shall become effective on 1 January 2020.”

Low Sulfur IMO Fuel Project Process Flow Diagram
 Wood River Refinery, Madison County, IL



Note: The redline shows piping to be disconnected as part of the project.



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

BRUCE RAUNER, GOVERNOR

ALEC MESSINA, DIRECTOR

Technical Recommendation for Tax Certification Approval

Date: May 02, 2019
To: Robb Layman
From: Raymond E. Pilapil ^{REP/pwb}
Subject: WRB Refining, LP. TC-18-12-27A

This Agency received a request on December 27, 2018 from WRB Refining, LP. 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:

Low Sulfur IMO Fuel Project Attachment which includes a new fixed roof tank, additional piping, and increased utilization of existing process units (distillation, hydrogen production, sulfur removal) which enables the Ultra-Low Sulfur Diesel Unit No. 2 (ULD2) to hydrotreat No. 6 Fuel Oil which reduces sulfur oxide emissions. Because the primary purpose of this project is to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 900 S. Central Avenue, Roxana, Madison County
The property identification number is 191083500000001

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:

Exhibit B