

ILLINOIS POLLUTION CONTROL BOARD  
December 19, 2013

DYNEGY MIDWEST GENERATION, INC. )  
(Flue Gas Desulfurization System, Particulate )  
Matter Collection Device, and Sorbent )  
Injection System for Baldwin Station, Unit No. )  
3) (Property I.D. No. 09-012-003-00), )  
)  
Petitioner, )  
)  
v. ) PCB 14-44  
) (Tax Certification - Air)  
ILLINOIS ENVIRONMENTAL )  
PROTECTION AGENCY, )  
)  
Respondent. )

ORDER OF THE BOARD (D. Glosser):

On December 2, 2013, the Illinois Environmental Protection Agency (Agency) filed a recommendation that the Board certify certain facilities of Dynegy Midwest Generation, Inc. (Dynegy) as “pollution control facilities” for preferential tax treatment under the Property Tax Code. *See* 35 ILCS 200/11-5 *et seq.* (2012); 35 Ill. Adm. Code 125. The facilities are associated with Dynegy’s Baldwin Energy Complex, a coal- and oil-fired station for generating electricity (Baldwin Station), which is located at 10901 Baldwin Road in Baldwin, Randolph County. In this order, the Board describes the legal framework for tax certifications, discusses the Agency’s recommendation, and certifies that Dynegy’s flue gas desulfurization system, particulate matter (PM) collection device, and sorbent injection system for Unit Number 3, Boiler Number 3, at Baldwin Station 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 (2012); *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 (2012); *see also* 35 Ill. Adm. Code 125.200(a).

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 (2012); *see also* 35 Ill. Adm. Code 125.216(a).

### **AGENCY RECOMMENDATION**

The Agency states that it received a tax certification application from Dynegy on or about October 20, 2008.<sup>1</sup> Rec. at ¶ 1. The Agency explains that it had misplaced Dynegy’s application. *Id.* On December 2, 2013, the Agency filed a recommendation on the application with the Board, attaching Dynegy’s application (Rec. Exh. A). The Agency’s recommendation identifies the facilities at issue:

The subject matter of this request consists of a Flue Gas Desulfurization System (also known as “SO<sub>2</sub> [sulfur dioxide] scrubber”), a new [PM] Collection Device (also known as “baghouse”) and a Sorbent Injection System, which were constructed and installed by Dynegy [] on Unit No. 3, Boiler No. 3, of the Baldwin Station. According to the application, the project was implemented to fulfill the requirements of a federal consent decree and to comply with the requirements of the Illinois mercury rule promulgated by the Board. Rec. at ¶ 4.

The Agency further describes the facilities: “As generally recognized in the field of air pollution control technology, each of the systems and/or devices is a type of air pollution emissions control that acts to prevent or reduce mercury emissions that would otherwise be emitted by the affected boiler operations.” Rec. at ¶ 4; *see also* Rec. Exh. B (Agency technical memorandum). According to Dynegy’s application, Powder River Basin Wyoming Coal is combusted in Boiler Number 3, which is associated with Unit Number 3. Rec. Exh. A at 1.

The Agency recommends that the Board certify that the identified flue gas desulfurization system, PM collection device, and sorbent injection system are pollution control facilities as defined in Section 11-10 of the Property Tax Code (35 ILCS 200/11-10 (2012)), with the primary purpose “to prevent or reduce air pollution.” Rec. at ¶¶ 7, 8.

### **TAX CERTIFICATE**

Based upon the Agency’s recommendation and Dynegy’s application, the Board finds and certifies that Dynegy’s flue gas desulfurization system, PM collection device, and sorbent injection system identified in this order are pollution control facilities under the Property Tax Code (35 ILCS 200/11-10 (2012)). 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 (2012); *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 in italics 35 ILCS 200/11-30 (2012)). The Clerk therefore will provide Dynegy and the Agency with a copy of this order.

IT IS SO ORDERED.

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<sup>1</sup> The Agency’s recommendation is cited as “Rec. at \_.”

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.* (2012)). *See* 35 ILCS 200/11-60 (2012).

I, John T. Therriault, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on December 19, 2013, by a vote of 4-0.

A handwritten signature in black ink that reads "John T. Therriault". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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John T. Therriault, Clerk  
Illinois Pollution Control Board