

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

MIDWEST GENERATION, LLC)
Fabric Filter Dust Collector System for)
Waukegan Station, Breaker Building)
) PCB 14-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
08-15-200-006 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]
Fred McCluskey
Midwest Generation, LLC
440 South LaSalle Street, Suite 3500
Chicago, Illinois 60605

[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

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OF THE STATE OF ILLINOIS**

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Fabric Filter Dust Collector System for)	
Waukegan Station, Breaker Building)	
)	PCB 14-
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PROPERTY IDENTIFICATION NUMBER)	
08-15-200-006 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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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 April 25, 2008, the Illinois EPA received an application and supporting information from MIDWEST GENERATION, LLC, (“Midwest Gen”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Waukegan generating station in Lake County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**. Following a belated discovery that the application had been misplaced, the Illinois EPA’s undersigned attorney sought and obtained verbal confirmation from Midwest Gen concerning the continuing need for certification of the subject sources and/or equipment on December 6, 2013.

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

Midwest Generation
440 South LaSalle Street, Suite 3500
Chicago, Illinois 60605

3. The facility address is as follows:

Midwest Generation
Waukegan Station
401 East Greenwood Avenue
Waukegan, Illinois 60087

4. The subject matter of this request consists of a Fabric Filter Dust Collector System, commonly known as a baghouse, which was constructed and installed by Midwest Gen on the Breaker Building of the Waukegan Station. As described in the application, a fabric filter is a conventional type of emissions control equipment that “is made of a woven or felted material in the shape of a cylindrical bag in a supported envelope.” *See*, Exhibit A at page 1, Section D. The various components of the system included a collection hopper, a mechanism for periodic cleaning of the particle materials, and other measures designed to control fugitive dust, such as water sprays, upgraded seals and skirt extensions. *Id.* The application states that the system is employed “to control fugitive dust coal particles (PM) from the coal handling process equipment,” and thus acts to prevent or reduce particulate matter emissions that would otherwise be emitted from the coal handling processes to the atmosphere. *Id.*

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 Fabric Filter Dust Collector System to prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that the control device 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 Fabric Filter Dust Collector System 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

Fred McCluskey
Midwest Generation
440 South LaSalle Street, Suite 3500
Chicago, Illinois 60605

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

APPLICATION 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.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name Midwest Generation, LLC – Waukegan Station (Breaker Building Baghouse)			
	Person Authorized to Receive Certification Fred McCluskey		Person to Contact for Additional Details Jeff Bard	
	Street Address 440 South LaSalle Street Suite 3500		Street Address same	RECEIVED STATE OF ILLINOIS APR 20 2008
	Municipality, State & Zip Code Chicago, IL 60605		Municipality, State & Zip Code same	
	Telephone Number 312-583-6000		Telephone Number same	Environmental Protection Agency BUREAU OF AIR
	Location of Facility			
	Quarter Section	Township Waukegan	Range	Municipality
	Street Address 401 East Greenwood Ave., Waukegan, IL 60087		County Lake	Book Number
Property Identification Number 08-15-200-006		Parcel Number		
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Waukegan Station Breaker Building Coal Dust Controls Generation of Electricity from a coal fired power plant			
	Water Pollution Control Construction Permit No.		Date Issued	
	NPDES Permit No.		Date Issued	Expiration Date
	Air Pollution Control Construction Permit No. 02100061		Date Issued January 14, 2003	
Air Pollution Control Operating Permit No. 95090047		Date Issued September 29, 2005		
Sec. C MANUFACTURING PROCESS	Describe Unit Process A steam electric boiler converts the chemical energy in the fuel coal into thermal energy that is used by a steam turbine. To achieve this two fundamental processes are necessary: combustion of the coal by mixing with oxygen, and the transfer of the thermal energy from the resulting combustion gases to the working fluids of water and steam. The device that converts mechanical energy into electrical energy is the generator. To handle the coal delivered to the plant a coal handling system that processes the coal is part of the operation for transfer and storage.			
	Materials Used in Process Coal			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility - Breaker Building Coal Dust Controls The fabric filter dust collector system is utilized to control fugitive dust coal particles (PM) from the coal handling process equipment. A fabric filter, more commonly known as a baghouse, traps particulates in the air stream before they exit the stack. Fabric filters are made of a woven or felted material in the shape of a cylindrical bag in a supported envelope. The system includes a dust collection hopper and a cleaning mechanism for periodic removal of the particulates. Included with the system are other methods to control fugitive dust including water sprays, upgraded seals and skirt extensions.			

Exhibit A

Sec. E POLLUTION CONTROL FACILITY CONTAMINANTS ACCOUNTING DATA	(1) Nature of Contaminants or Pollutants			
			Material Retained, Captured or Recovered	
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE	
	Particulate Matter	Coal Dust	Collected in hoppers	
	(2) Points of Waste Water Discharge			
	Plans and Specifications Attached		Yes	No X
	(3)	Are contaminants (or residues) collected by the control facility?	Yes	No X
	(4)	Date installation completed: March 1, 2005 Status of installation on date of application: Complete		
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 6,546,831	
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$	
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$	
	d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$		
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% 1.1%		
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 	Fred McCluskey Vice President, Technical Services		Title _____



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

P.O. Box 19506, SPRINGFIELD, ILLINOIS 62794-9506

RENEE CIPRIANO, DIRECTOR

217/782-2113

CONSTRUCTION PERMIT

PERMITTEE

Midwest Generation EME, LLC
Attn: Scott B. Miller
440 South LaSalle Street, Suite 3500
Chicago, Illinois 60605

Application No.: 02100061

I.D. No.: 097190AAC

Applicant's Designation: WAUKFUG

Date Received: October 28, 2002

Subject: Coal Handling Systems

Date Issued: January 14, 2003

Location: 401 East Greenwood Avenue, Waukegan, Lake County

Permit is hereby granted to the above-designated Permittee to CONSTRUCT emission source(s) and/or air pollution control equipment consisting of changes to coal handling equipment, including replacing two baghouses (BH3, BH4), as described in the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

1. This permit is issued based on the changes to coal handling equipment, including replacement of baghouses resulting in decreases in the emissions of particulate matter.
2. The Permittee shall not cause or allow the emission of fugitive particulate matter from any material handling or storage activity that is visible by an observer looking generally toward the Zenith (that is, looking at the sky directly overhead) from a point beyond the property line of the plant, pursuant to 35 IAC 212.301.
- 3a. Maintenance and repair of enclosures, suppressant devices and other control devices shall be performed to assure that such devices are functioning properly when coal is being handled.
 - b. The Permittee shall maintain records of the above inspections and maintenance/repair activity in an operating and maintenance log. This log shall contain, at a minimum, the time and description of the inspections or maintenance/repair activities.
- 4a. The Permittee shall submit a semi-annual report describing the project status until such time as the Permittee notifies the Illinois EPA that the project has successfully demonstrated reliable operation. This report shall be sent to the following addresses:

Illinois Environmental Protection Agency
Division of Air Pollution Control - Regional Office
9511 West Harrison
Des Plaines, Illinois 60016

Telephone: 847/294-4000

Facsimile: 847/294-4018

Page 2

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 67294-9276

Telephone: 217/782-5811 Facsimile: 217/524-4710

- b. The Permittee shall notify the Illinois EPA when the new control equipment begins initial operation.
- c. The altered coal handling equipment, including new baghouses may be operated pursuant to this construction permit until either the existing operating permits are reissued to address these units or a CAAPP permit is issued for the source.
- 5a. The Illinois EPA has determined that this project, as described in the application, will not constitute a modification under federal New Source Performance Standards, 40 CFR 60 because the project has the primary function of reducing air pollutants and therefore is not considered a modification pursuant to 40 CFR 60.14(e)(5).
- b. The Illinois EPA has determined that this project, as described in the application, will not constitute a modification for under the federal Prevention of Significant Deterioration of Air Quality (PSD) rules because it is a pollution control project and therefore is not considered a modification pursuant to 40 CFR 52.21(b)(2)(i).

If you have any questions on this, please call Mohamed Anane at 217/782-2113.

Donald E. Sutton /s/

Donald E. Sutton, P.E.
Manager, Permit Section
Division of Air Pollution Control

DES:MA:jar

cc: Region 1



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY


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

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: December 29, 2008
To: Robb Layman
From: Ed Bakowski 
Subject: Midwest Generation, LLC. TC 08-04-25F

This Agency received a request on April 25, 2008 from Midwest Generation, 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:

Fabric Filter Dust Collector System which traps particulates in the air stream before they exit the stack which reduces Particulate Matter emissions. 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 401 East Greenwood Avenue, Waukegan, Lake County
The property identification number is 08-15-200-006

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.

Exhibit B