

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

EQUISTAR CHEMICALS, LP)
Leaking Detection and Repair Project,)
Low Density Polyethylene Compressors)
) PCB 14-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
03-21-100-013, PARCEL NUMBER 110-032-1141)

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]
D. Dale Cummings
Equistar Chemicals, LP
1221 McKinney Street, Suite 700
Houston, Texas 77010

[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 19, 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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03-21-100-013, PARCEL NUMBER 110-032-1141)

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 19, 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 October 10, 2012, the Illinois EPA received an application from EQUISTAR CHEMICALS, LP, (“Equistar”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Morris chemical manufacturing plant in Grundy County, Illinois. On or about January 29, 2013, the Illinois EPA received a revised application setting forth supporting information for Equistar’s request in a formal APC 151 Form. A copy of the application is attached hereto. **[Exhibit A]**.

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

Equistar Chemicals, LP
1221 McKinney Street, Suite 700
Houston, Texas 77010

3. The facility address is as follows:

Equistar Chemicals, LP
8805 North Tabler Road
Morris, Illinois 60450

4. The subject matter of this request consists of a Leaking Detection and Repair (“LDAR”) Project, which will reduce emissions of volatile organic materials from the Low Density Polyethylene Compressors at the facility. As described in the application, the project will install new seals to the compressors operating in association with the Low Density Polyethylene processes. *See*, Exhibit A, page 1 at Section D. In addition, the project will construct new flare connections from the compressors to a flare device, such that the vent streams will be controlled rather than potentially vented to the atmosphere. *Id.* The project will assure that the source complies with applicable LDAR-related requirements. *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 Leaking Detection and Repair Project for the Low Density Polyethylene Compressors to prevent or reduce air pollution, it is the Illinois EPA’s engineering judgment that the device and/or system 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 information in the application demonstrates that the Leaking Detection and Repair 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 19, 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 19th 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

D. Dale Cummings
Equistar Chemicals, LP
1221 McKinney Street, Suite 700
Houston, Texas 60450

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

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

**ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276**

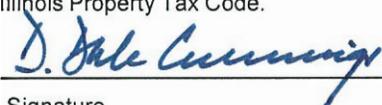
This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name Equistar Chemicals, LP			
	Person Authorized to Receive Certification D. Dale Cummings		Person to Contact for Additional Details D. Dale Cummings	
	Street Address 1221 McKinney St., Suite 700		Street Address 1221 McKinney Street, Suite 700	
	Municipality, State & Zip Code Houston, TX 77010		Municipality, State & Zip Code Houston, TX 77010	
	Telephone Number (713) 266-4456		Telephone Number	
	Location of Facility Quarter Section Township Range 21 24 N. 8 E		Municipality Township Morris 24 N.	
	Street Address 8805 N Tabler Road, Morris, IL 60450		County Book Number Grundy	
	Property Identification Number 03-21-100-013		Parcel Number 110-032-1141	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Chemical Manufacturing		
		Water Pollution Control Construction Permit No.		Date Issued
NPDES PERMIT No. N/A		Date Issued		
Air Pollution Control Construction Permit No. not required		Date Issued		
Air Pollution Control Operating Permit No. 96010018		Date Issued		
Sec. C MANUFACTURING PROCESS	Describe Unit Process Ethylene, Low Density Polyethylene (LDPE), and Linear Low Density Polyethylene (LLDPE) Manufacturing			
	Materials Used in Process Natural gas liquids (ethane, propane), ethylene, catalysts			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility Project Title: LDPE Compressors-VOM Emissions Control Description: New seals and flare connections were installed on the Low Density Polyethylene compressors to reduce volatile organic material emissions to atmosphere. Regulatory Analysis: IEPA regulation requiring that the VOM emissions from any LDAR componet be maintained below 10,000 ppm (35 IAC 211.1350)			

Cert # 7010 1870 0000 3008 6634

Exhibit A

Sec. E	(1) Nature of Contaminants or Pollutants		
POLLUTION CONTROL FACILITY - CONTAMINANTS			Material Retained, Captured or Recovered
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
	Volatile Organic Material	VOM	Reduced emission of VOM
ACCOUNTING DATA	(2) Point(s) of Waste Water Discharge		
	N/A		
	Plans and Specifications Attached		Yes <input 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>12/31/10</u> status of installation on date of application <u>12/31/10</u>	
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 1,846,548.00
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 0.00
		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:	%
Sec. F	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	 _____ Signature		_____ Authorized Agent 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.		
INSTRUCTIONS	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 <u>pollution control facility</u> . 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: Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Attention: Al Keller Permit Section Division of Water Pollution Control
			Attention: Donald E. Sutton Permit Section Division of Air Pollution Control



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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

PAT QUINN, GOVERNOR

LISA BONNETT, DIRECTOR

Technical Recommendation for Tax Certification Approval

Date: December 11, 2013
To: Robb Layman
From: James R. Ross *fr*
Subject: Equistar Chemicals, Inc. TC-13-01-29M

This Agency received a request on January 29, 2013 from Equistar Chemicals, Inc. 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:

LDPE Compressors with new flare connections and new seals as required by IEPA regulations 35 IAC 211.1350 which reduce VOM emissions from any LDPE. 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 8805 N. Tabler Road, Morris, Grundy County
The property identification number is 03-21-100-013

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