

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

WRB REFINING, LLC)
Storage Tank Upgrades)
)
)
) PCB 14-
) (Tax Certification - Air)
PARCEL NUMBER)
19-1-08-35-00-000-001 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*]
Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

[*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 12, 2011

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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Storage Tank Upgrades)	
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)	PCB 14-
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PARCEL NUMBER)	
19-1-08-35-00-000-001 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 12, 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 14, 2010, the Illinois EPA received an application and supporting information from WRB REFINING, LLC, (“WRB Refining”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Wood River petroleum refinery in Madison County, Illinois. A revised application was received by the Illinois EPA on or about November 14, 2011, clarifying cost information and emphasizing that project costs reflected upgrades to tanks, not costs for new or replacement tanks. A copy of the substituted application is attached hereto. **[Exhibit A]**.

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

WRB Refining LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

3. The facility address is as follows:

WRB Refining LLC
900 South Central Avenue
P.O. Box 76
Roxana, Illinois 62084

4. The subject matter of this request consists of a Storage Tank Upgrades project, which undertook modifications to several petroleum storage tanks operating at the refinery. As described in the application materials, the tank upgrades included construction and installation of “new internal floating roof seals” and “new conservation vents.” *See*, Exhibit A, Attachment at Section D. These improvements were designed to prevent vapor emissions (i.e., volatile organic materials) due to leakage and/or evaporation. *Id.* The project also included “replacement of valves and flange gaskets” needed to comply with Leak Detection and Repair (LDAR) emission requirements under federal environmental regulations. *Id.* Lastly, the upgrades included the installation of “new foam fire protection systems” to fight tank fires. *Id.* By virtue that the tank improvements were primarily designed to address air emission impacts and/or regulatory compliance, the project acted to prevent or reduce contaminants 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 Storage Tank Upgrades project to prevent, eliminate or reduce air pollution, it is the Illinois EPA's engineering judgment that the systems and/or devices described above 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 applicant's request concerning the Storage Tank Upgrades satisfies the aforementioned 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 12, 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 12th 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

Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

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



November 3, 2011

TO: Ed Bakowski

FROM: Ken Kerntke

RE: Air Pollution Control Facility Application

The Wood River Refinery filed an Air Pollution Control Facility certification application, Storage Tank Upgrades to Prevent Emissions to Air, under a cover letter dated October 11, 2010. We are hereby withdrawing that application and replacing it with the attached application. Changes were made in the "Describe Pollution Abatement Control Facility" to more accurately reflect that the costs set out in the application were incurred to install pollution control abatement facilities and not to install tanks themselves. This application refers to a Refinery project (vs a CORE project).

As shown in the application, Gordon Terhune (618 255-2876) is the Refinery contact for any questions or clarification that might be needed.

Should you have any concerns that can not be resolved with Gordon, please call Michael Kemp (918 661-9055) with our property tax department.

Thank you for your attention to these applications.

EPA - DIVISION OF RECORDS MANAGEMENT
RELEASABLE

FEB 01 2012

REVIEWER JRM

RECEIVED

NOV 14 2011

Illinois Environmental Protection Agency
BUREAU OF AIR
STATE OF ILLINOIS

Exhibit A

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

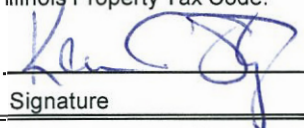
File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name WRB Refining LLC			
	Person Authorized to Receive Certification Michael Kemp		Person to Contact for Additional Details Gordon Terhune	
	Street Address 586 Phillips Building		Street Address 900 S. Central Ave., P.O. Box 76	
	Municipality, State & Zip Code Bartlesville, OK 74004		Municipality, State & Zip Code Roxana, IL 62084	
	Telephone Number (918) 661-9055		Telephone Number (618) 255-2876	
	Location of Facility Quarter Section	Township	Range	Municipality Township
	Street Address 900 S. Central Ave.		County Madison	Book Number
	Property Identification Number		Parcel Number 19-1-08-35-00-000-001	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
Water Pollution Control Construction Permit No.		Date Issued		
NPDES PERMIT No. IL0000205		Date Issued 04/14/04	Expiration Date 04/14/09	
Air Pollution Control Construction Permit No. See attached listing of construction permits		Date Issued		
Air Pollution Control Operating Permit No. 95120306		Date Issued 11/07/03		
Sec. C MANUFACTURING PROCESS	Describe Unit Process See Storage Tank Upgrades to Prevent Emissions to Air Attachment			
	Materials Used in Process See Storage Tank Upgrades to Prevent Emissions to Air Attachment			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See Storage Tank Upgrades to Prevent Emissions to Air Attachment			

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NOV 14 2011

Illinois Environmental Protection Agency
 BUREAU OF AIR
 STATE OF ILLINOIS

EPA - DIVISION OF RECORDS MANAGEMENT
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Sec. E	(1) Nature of Contaminants or Pollutants			
	CONTAMINANTS	Material Retained, Captured or Recovered		
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Light Hydrocarbons	Light Hydrocarbons	Sold as product
		Hydrogen sulfide	Hydrogen sulfide	Converted to sulfur and sold
		Ammonia	Ammonia	Converted to Nitrogen gas
	(2) Point(s) of Waste Water Discharge			
	Plans and Specifications Attached		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	(3)	Are contaminants (or residues) collected by the control facility?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	(4)	Date installation completed <u>11/15/10</u> status of installation on date of application _____		
ACCOUNTING DATA	(5) a.	TOTAL INSTALLED COST	\$ 17,680,150.00	
	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:	% To Be Determined	
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	Director - PTRCC _____ 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.			
	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	

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
POLLUTION CONTROL FACILITY
WRB – Wood River Refinery

Project: Storage Tank Upgrades to Prevent Emissions to Air

Section C – Manufacturing Process

Process Description:

The Wood River Refinery has over 250 storage tanks to hold crude oil, finished products, intermediate products, chemicals, and various water streams. These storage tanks are typically large cylinders constructed with steel walls, steel floors, and steel roofs. Some storage tanks are extremely large, capable of holding over 8,400,000 gallons of liquid.

Beginning in 2000, Wood River Refinery personnel began a rigorous review of the physical condition of these tanks. The results of this review led to a capital program to improve the condition of many tanks. Several of these improvements reduced emissions to air.

A process flow sketch of typical storage tank is provided.

Materials Used in Process:

Hydrocarbons
Crude Oil
Intermediate refinery streams
Waste Water containing sulfides and ammonia

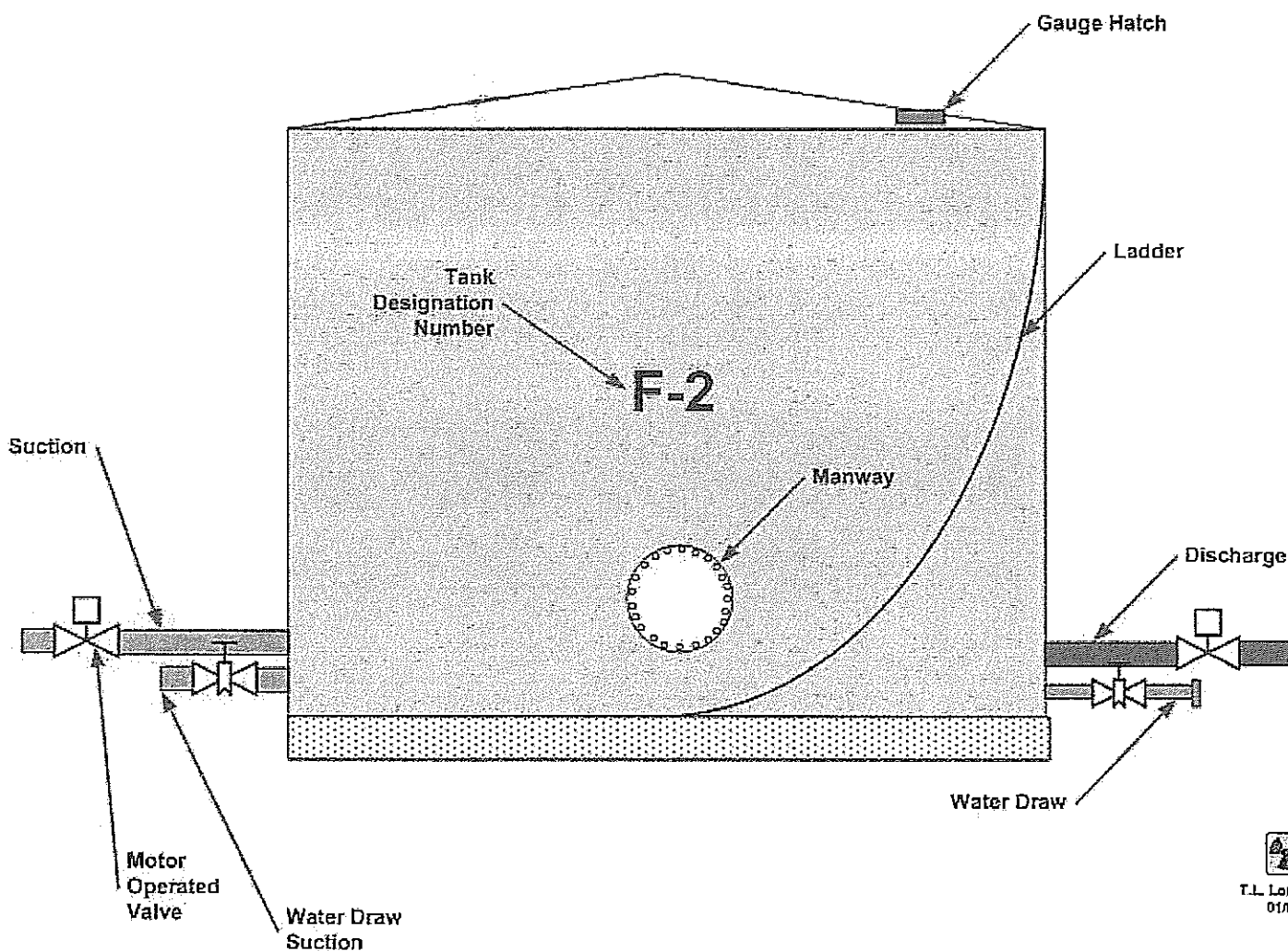
Section D – Pollution Control Facility Description

The Storage Tank Upgrades to Prevent Emissions to Air Project modified several Wood River Refinery storage tanks for the sole purpose of reducing emissions to air.

Beginning in 2000, Wood River Refinery personnel discovered that several tanks which were adequately functional for continued service required modifications to reduce air emissions. A capital program to abate air emissions due to storage tanks was initiated. This capital program included rebuilding some tanks to meet current standards to reduce vapor emissions. For these rebuilt tanks, only the costs of the vapor emission control items are included in Section E, Line 5 above. Other tanks were temporarily removed from service, inspected, and upgraded to reduce emissions to air. Tank upgrades include new internal floating roof seals to prevent vapor emissions, replacement of valves and flange gaskets to meet Leak Detection and Repair (LDAR) vapor emission standards, new conservation vents to reduce emissions due to evaporation, and new foam fire protection systems to quickly extinguish tank fires which could cause air emissions.

In summary, these improvements completed by the Storage Tank Upgrades to Prevent Emissions to Air Project modified Wood River Refinery storage tanks solely to reduce emissions to air. The Wood River Refinery receives no financial benefit from this project.

Atmospheric Tank Kerosene/Jet Fuel/Fuel Oil/Asphalt





ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

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

PAT QUINN, GOVERNOR

MEMORANDUM

Technical Recommendation for Tax Certification Approval

Date: May 13, 2011
To: Robb Layman
From: *P* Edwin C. Bakowski
Subject: WRB Refining, LLC. TC-10-10-14V

This Agency received a request on October 14, 2010 from WRB Refining, 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:

Storage Tank Upgrades to Prevent Emissions to Air Project which reduce Hydrogen Sulfide emissions and ammonia emissions by preventing evaporation and new foam fire protection systems to quickly extinguish tank fires. 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 900 South Central Avenue, Roxana, Illinois. The property identification number is 19-1-02-31-00-000-001.

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