

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

DYNEGY MIDWEST GENERATION, INC.)	
Agglomerator Systems for)	
Havana Station, Unit No. 6, Boiler No. 9)	PCB 14-
)	(Tax Certification - Air)
)	
PROPERTY IDENTIFICATION NUMBER)	
19-11-400-001 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 2, 2013

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: (217) 524-9137

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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. Sometime in 2008, the Illinois EPA received an application and supporting information from DYNEGY MIDWEST GENERATION, LLC, (“Dynegy Midwest Gen”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Havana generating station in Mason 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 Dynegy Midwest Gen concerning the continuing need for certification of the subject sources and/or equipment on November 26, 2013.

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

Dynegy Midwest Generation, Inc.
604 Pierce Boulevard
O’Fallon, Illinois 62269

3. The facility address is as follows:

Dynegy Midwest Generation
Havana Station
15260 North State Route 78
Havana, Illinois 62644

4. The subject matter of this request consists of two Agglomerator Systems, which were constructed and installed by Dynegy Midwest Gen on Unit No. 6, Boiler No. 9 of the Havana Station. According to the application, the systems were placed upstream of the unit's electrostatic precipitators and, by design, act to "agglomerate finer, more difficult-to-collect particles to coarser more readily collected ones." See, Exhibit A, page 1 at Section D. The technology "improves ESP power and enhance ESP efficiency," with the latter reducing particulate and opacity emissions that would otherwise be emitted through the boiler's operations.

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 Agglomerator Systems to prevent or reduce air pollution, it is the Illinois EPA's engineering judgment that the systems 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 Agglomerator Systems satisfy 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 2, 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 2nd 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

Dynegy Midwest Generation, Inc.
Rick Diericx
604 Pierce Boulevard
O'Fallon, Illinois 62269

/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 Dynergy Midwest Generation (DMG), Inc.			
	Person Authorized to Receive Certification Rick Diericx		Person to Contact for Additional Details Rick Diericx	
	Street Address 2828 North Monroe Street		Street Address 2828 North Monroe Street	
	Municipality, State & Zip Code Decatur, IL 62526		Municipality, State & Zip Code Decatur, IL 62526	
	Telephone Number (217) 872-2354		Telephone Number (217) 872-2354	
	Location of Facility Quarter Section 12;SW	Township 21N	Range 9W	Municipality Havana
	Street Address 15260 North State Route 78, Havana, IL 62644		County Mason	Township Havana
	Property Identification Number		Book Number Parcel Number	
Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location The facility is DMG's Havana Power Station. The station is located on the east bank of the Illinois River at river mile 118.5. The station is engaged in the generation of electricity from the combustion of coal and/or oil (SIC Code 4911).			
	Water Pollution Control Construction Permit No.		Date Issued	
	NPDES PERMIT No.		Date Issued	Expiration Date
	Air Pollution Control Construction Permit No.		Date Issued	
	Air Pollution Control Operating Permit No. N/A		Date Issued	
Sec. C MANUFACTURING PROCESS	Describe Unit Process The station is engaged in the generation of electricity from the combustion of coal and oil (SIC Code 4911). No. 6 fuel oil is combusted in eight boilers(Boilers #1-#8). Powder River Basin Wyoming coal is combusted in a ninth boiler (Boiler #9). These boilers generate steam which is utilized to turn six independent steam turbine/generator sets. The net rated capacity of the station is 476 MW.			
	Materials Used in Process Sub-bituminous coal, Fuel Oil, Water and Air.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility Two agglomerator technology systems (agglomerators) have been installed on Unit #6. Unit #6 utilizes coal fired boiler #9. The agglomerators, which are placed upstream of the hot side electrostatic precipitators (ESP), are designed to agglomerate finer more difficult to collect particles to coarser more readily collected ones. In doing so, this will directly reduce the opacity effects of finer particles. The agglomeration of the finer particles will also improve ESP power and enhance ESP efficiency resulting in reduced mass emissions and a further reduction of opacity.			

Exhibit A

Sec. F	(1) Nature of Contaminants or Pollutants			
	CONTAMINANTS	Material Retained, Captured or Recovered		
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Total suspended solids/particulate matter	Fly ash	Sold or deposited in lined pond
	(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 checked="" type="checkbox"/> No <input type="checkbox"/>
(4)	Date installation completed <u>May 17, 2006</u> status of installation on date of application <u>Complete</u>			
ACCOUNTING DATA	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 5,363,417.00	
		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:	% 100%	
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	 SR, Director - Operations Environmental Compliance		
Signature		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:	Attention:	Attention:
		Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Alan Keller Permit Section Division of Water Pollution Control	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

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: December 02, 2008

To: Robb Laymon

From: Ed Bakowski *EB* 12/8/08

Subject: Dynegy Midwest Generation, Inc. TC-06-12-20A

This Agency received a request on December 20, 2006 from Dynegy Midwest Generation, 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:

Two Agglomerator's Installed on unit 6 whose primary purpose is to improve particulate collection and operation. Because the primary purpose of these are to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 15260 North State Route 78, Havana, Mason County
The property identification number is 19-11-400-001

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.

Exhibit B