

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

DYNEGY MIDWEST GENERATION, INC.)	
Mercury Sorbent Trap Monitoring System for)	
Baldwin Station, Unit No.2)	PCB 14-
)	(Tax Certification - Air)
)	
PROPERTY IDENTIFICATION NUMBER)	
09-012-003-00 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. On or about October 20, 2008, the Illinois EPA received an application and supporting information from DYNEGY MIDWEST GENERATION, LLC, (“Dynergy Midwest Gen”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Baldwin generating station in Randolph 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 Dynergy 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:

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

3. The facility address is as follows:

Dynegy Midwest Generation
Baldwin Station
10901 Baldwin Road
Baldwin, Illinois 62217

4. The subject matter of this request consists of a Mercury Sorbent Trap Monitoring System, which was constructed and installed by Dynegy Midwest Gen on Unit No. 2, Boiler No. 2 of the Baldwin Station. According to the application, the project was implemented to comply with the requirements of the Illinois mercury rule promulgated by the Board. As generally recognized in the field of air pollution control technology, a sorbent trap monitoring system is designed for automated, continuous measurement of vapor-phase mercury emissions from stationary sources and is an integral part of mercury emissions control.

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 Mercury Sorbent Trap Monitoring System to serve as an integral part of, or appurtenance to, mercury emission controls that prevent or reduce air pollution, it is the Illinois EPA’s engineering judgment that the 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 the information in the application demonstrates that the Mercury Sorbent Trap Monitoring 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 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

Dynegy Midwest Region Operations
A Division of Dynegy Inc.
604 Pierce Boulevard
O'Fallon, IL 62269

October 14, 2008

Mr. Edwin C. Bakowski, P.E.
Acting Manager, Permit Section
Illinois Environmental Protection Agency
Bureau of Air
1021 N. Grand Ave. East
P.O. Box 19276
Springfield, IL 62794-9276



Mr. Bakowski:

**Applications for Pollution Control Facility Tax Certifications
Baldwin Energy Complex
Site ID No. 157851AAA**

Dynegy is submitting herein five applications (Form APC-151) for pollution control facility tax certifications for pollution control systems soon to be installed on generating Units 1, 2, and 3 at its Baldwin Energy Complex. Two of the applications are for the spray dryer absorber, activated carbon injection, and fabric filter systems to be installed on all three units. The other three application forms are for the mercury sorbent trap monitoring equipment for each of these units.

These systems are being installed so as to satisfy the terms and conditions of a 2005 Consent Decree between Dynegy, Inc. and the U.S. Department of Justice, and the requirements of the State of Illinois Mercury Rule. Construction permits have previously been issued by the IEPA for the spray dryer absorber, activated carbon injection, and fabric filter systems, and those construction permit nos. are noted on the enclosed forms.

Feel free to contact me (tel. no. 618-206-5912) or Rick Kelley (tel. no. 618-206-5929) if you have questions regarding the enclosed application forms.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Diericx". The signature is written in a cursive, flowing style.

Rick Diericx, Sr. Director
Operations Environmental Compliance

**RECEIVED
STATE OF ILLINOIS**

OCT 20 2008

Environmental Protection Agency
BUREAU OF AIR

Exhibit A

cc:

- (1) Rick Barton – Suite 306, 133 So. 4th St., Springfield, IL 62701-1232
- (2) Jeremy Sandel/Jon R. Harris - Tax Department; Dynegy Corporate Office; 1000 Louisiana St., Houston, TX 77002
- (3) Bill Portz – Baldwin Energy Complex, 10901 Baldwin Rd., Box 146, Baldwin, IL 62217
- (4) Wendell Watson/Rick Kelley/Tom Davis – Operations Environmental Compliance; O'Fallon, IL Office
- (5) Rick Diericx Reading File – O'Fallon, IL Office

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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 *EB*

Subject: Dynegy Midwest Generation, Inc. TC 08-10-20K

This Agency received a request on October 20, 2008 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:

Mercury Sorbent Trap Monitoring Project for Unit 2 which measures the mercury concentrations in the emissions of the manufacturing process and reduces mercury 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 10901 Baldwin Road, Baldwin, Randolph County
The property identification number is 09-012-003-00

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