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CLERK'S OFFICE

JUL 14 2004

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD STATE OF ILLINOIS  
Pollution Control Board

HOLLAND ENERGY, LLC-BEECHER CITY )  
(Property Identification Numbers )  
0524-01-00-100-004, 0825-16-00-100-004, )  
0825-16-00-300-002, 0825-16-00-300-003, )  
0825-16-00-200-002) )  
Petitioner, ) <sup>05-04</sup> PCB ~~04~~  
) (Tax Certification)  
ILLINOIS ENVIRONMENTAL )  
PROTECTION AGENCY )  
Respondent. )

NOTICE

Dorothy M. Gunn, Clerk  
Illinois Pollution Control Board  
James R. Thompson Center  
100 West Randolph Street, Suite. 11-500  
Chicago, Illinois 60601

James L. Perry, General Manager  
Holland Energy, LLC  
Rural Route 2, Box 270A  
Beecher City, Illinois 62414-0065


Steve Santarelli  
Illinois Department of Revenue  
101 West Jefferson  
Post Office Box 19033  
Springfield, Illinois 62794

Dan Skowronski, Counsel  
Constellation Power Source Holdings  
100 Market Place, Suite 500  
Baltimore, Maryland 21202

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Pollution Control Board an APPEARANCE AND THE RECOMMENDATION of the Illinois Environmental Protection Agency, a copy of which is herewith served upon you.

ENVIRONMENTAL PROTECTION AGENCY  
OF THE STATE OF ILLINOIS

By: \_\_\_\_\_

  
James Allen Day  
Assistant Counsel  
Division of Legal Counsel.

DATED: July 13, 2004

Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
Post Office Box 19276  
Springfield, Illinois 62794-9276  
217-782-5544

THIS FILING IS SUBMITTED ON RECYCLED PAPER

JUL 14 2004

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

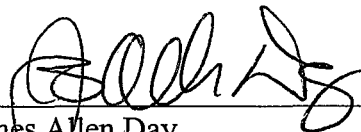
**STATE OF ILLINOIS**  
Pollution Control Board

<b>HOLLAND ENERGY, LLC-BEECHER CITY</b>	)	
(Property Identification Numbers	)	
0524-01-00-100-004, 0825-16-00-100-004,	)	
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0825-16-00-200-002)	)	
Petitioner,	)	05-04
	)	PCB 04-
	)	(Tax Certification)
<b>ILLINOIS ENVIRONMENTAL</b>	)	
<b>PROTECTION AGENCY</b>	)	
Respondent.	)	

**A P P E A R A N C E**

The undersigned, as one of its attorneys, hereby enters an APPEARANCE on behalf of the Respondent, Illinois Environmental Protection Agency.

ENVIRONMENTAL PROTECTION  
AGENCY OF THE STATE OF ILLINOIS

By:  \_\_\_\_\_  
 James Allen Day  
 Assistant Counsel  
 Division of Legal Counsel

DATED: July 13, 2004

Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
Post Office Box 19276  
Springfield, Illinois 62794-9276  
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JUL 14 2004

STATE OF ILLINOIS  
Pollution Control Board

**BEFORE THE ILLINOIS POLLUTION CONTROL BOARD**

**HOLLAND ENERGY, LLC-BEECHER CITY** ) *05-04*  
(Property Identification Numbers ) ~~PCB 04~~  
0524-01-00-100-004, 0825-16-00-100-004, ) (Tax Certification)  
0825-16-00-300-002, 0825-16-00-300-003, )  
0825-16-00-200-002) )

**RECOMMENDATION**

Now Comes the Illinois Environmental Protection Agency ("Illinois EPA") by James Allen Day, one of its attorneys, and pursuant to Section 125.204 of the Illinois Pollution Control Board's (Board) regulations files the following Recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

- 1) On December 31, 2002, the Illinois EPA received a request from Holland Energy, LLC-Beecher City for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204, and noted the request as log number TC-37-02. (Exhibit A)
- 2) The applicant's address is: Holland Energy, LLC  
R.R. 3 Box 270A  
Beecher City, Illinois 62414-0065
- 3) The water pollution control facilities in this request are located at Section 16, Township 9 North, Range 4 East of the 3<sup>rd</sup> Principal Meridian in Shelby County, Illinois at the above street address and include the following two distinct facilities:
  - a) The effluent discharge facilities consisting of an ultrasonic flow meter, backpressure regulating valve, gravity discharge well, 6 mile gravity discharge pipe, and river diffuser. (These facilities are further described in Exhibit A.)
  - b) The river intake structure consisting of an intake structure with three submersible

pumps (two operating and one standby) to supply 5556 gallons per minute of make up water to the plant, two 450 kilowatt heaters, a motorized bridge crane with 3 ton capacity hoist, a 6-mile long intake pipeline and all appurtenances to supply source water to the plant. (These facilities are further described in Exhibit A.)

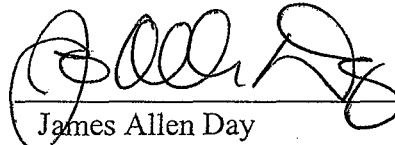
- 4) Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2000), defines “pollution control facilities” as: “any system, method, construction, device or appliance appurtenant thereto or any portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: (a) eliminating, preventing, or reducing air or water pollution ...or (b) treating, pretreating, modifying or disposing of any potential solid, liquid or 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.”
- 5) Pollution control facilities are entitled to preferential tax treatment, 35 ILCS 200/11-5 (2000).
- 6) Based on the information in the application and the purpose of the effluent discharge facilities (to transport effluent to a larger receiving stream, provide cooling to the cooling tower blowdown and accelerate mixing in the Kaskaskia River), it is the Illinois EPA’s engineering judgment that the described facilities may be considered “pollution control facilities,” pursuant to 35 Ill. Adm. Code 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200. Therefore, the facilities are eligible for tax certification from the

Board.

- 7) Based on the information in the application and the purpose of the river intake structure (to supply source water to the plant for operational purposes), it is the Illinois EPA's engineering judgment that the described facilities are not "pollution control facilities," pursuant to 35 Ill. Adm. Code 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200. Therefore, the facilities are not eligible for tax certification from the Board.
- 8) Therefore, the Illinois EPA recommends that the Board issue the requested tax certification for the effluent discharge facilities and deny the requested tax certification for the river intake structure.

Illinois Environmental Protection Agency,

By:



James Allen Day  
Assistant Counsel  
Division of Legal Counsel

July 13, 2004

Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
Post Office Box 19276  
Springfield, Illinois 62794-9276  
217-782-5544

STATE OF ILLINOIS

COUNTY OF SANGAMON

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**PROOF OF SERVICE**

I, the undersigned, on oath state that I have served the attached **APPEARANCE AND RECOMMENDATION**, upon the person to whom it is directed, by placing a copy in an envelope addressed to:

Dorothy M. Gunn, Clerk  
Illinois Pollution Control Board  
James R. Thompson Center  
100 West Randolph Street, Suite. 11-500  
Chicago, Illinois 60601

James L. Perry, General Manager  
Holland Energy, LLC  
Rural Route 2, Box 270A  
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Dan Skowronski, Counsel  
Constellation Power Source Holdings  
100 Market Place, Suite 500  
Baltimore, Maryland 21202

and mailing it from Springfield, Illinois on **July 13, 2004** with sufficient postage affixed for first class mail.

*Nancy J D Lampert*

SUBSCRIBED AND SWORN TO BEFORE ME  
this thirteenth day of July, 2004

*Brenda Boehner*  
Notary Public

