

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

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OCT 17 2003
STATE OF ILLINOIS
Pollution Control Board

Equistar Chemicals, L.P.)
Line 6 Sulzer Compressor Upgrade; Tank Car)
Aromatics Loading; LLDPE Flare Meter; PP Flare)
Meter; Ethylene Unit Analyzer; Particulate Emission)
Reduction Project; Parallel Flare Vaporizer; LDPE)
Compressor Shutdown Improvements; Lines 3 & 4)
Hyper Suction GC Analyzer; Off-Gas Tie Ins; EP)
Capacity Increase; H2/C2 Analyzer; Ethylene Unit)
Flare Meter; EP Analyzer Replacement, and; PP)
Flare Monitor)

Property Identification Number)
110-032-1141)

PCB 04-63
(Tax Certification)

NOTICE

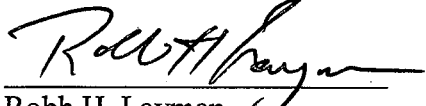
TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

W.S. Westlake
c/o Tax Dept.
Equistar Chemicals, L.P.
One Houston Center
1221 McKinney St.
Houston, Texas 77253-3646

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

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

Date: October 15, 2003


Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East

P.O. Box 19276

Springfield, IL 62794-9276

Telephone: 217/782-5544

Facsimile: 217/782-9807

TDD: 217/782-9143

THIS FILING IS SUBMITTED
ON RECYCLED PAPER

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

Equistar Chemicals, L.P.)	
Line 6 Sulzer Compressor Upgrade; Tank Car)	
Aromatics Loading; LLDPE Flare Meter; PP Flare)	
Meter; Ethylene Unit Analyzer; Particulate Emission)	
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Compressor Shutdown Improvements; Lines 3 & 4)	
Hyper Suction GC Analyzer; Off-Gas Tie Ins; EP)	
Capacity Increase; H2/C2 Analyzer; Ethylene Unit)	
Flare Meter; EP Analyzer Replacement, and; PP)	
Flare Monitor)	
)	
)	
Property Identification Number)	PCB 0463
110-032-1141)	(Tax Certification)
)	

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RECOMMENDATION

Now Comes the Illinois Environmental Protection Agency ("Illinois EPA"), through 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 air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

- 1) On December 31, 2002, the Illinois EPA received fifteen (15) requests from Equistar Chemicals, L.P. for Illinois EPA recommendations regarding the tax certification of air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204, and noted the request as log numbers TC-02-12-31-E; TC-02-12-31-F; TC-02-12-31-G; TC-02-12-31-H; TC-02-12-31-I; TC-02-12-31-J; TC-02-12-31-K; TC-02-12-31-L; TC-02-12-31-M; TC-02-12-31-O; TC-02-12-31-P; TC-02-12-31-Q; TC-02-12-31-R; TC-02-12-31-S, and; TC-02-12-31-T. (Exhibit A)

The applicant's address is: W.S. Westlake
c/o Tax Dept.
Equistar Chemicals, L.P.
One Houston Center
1221 McKinney St.
Houston, Texas 77253-3646

2) The air pollution control facilities in this request are located at 8805 N. Tabler Road, Morris and consist of the following:

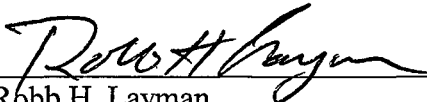
- A) Line 6 Sulzer Compressor Upgrade which reduces excess emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- B) Tank Car Aromatics Loading for debutanized concentrate product into rail cars. Volatile organic emissions from the rail car transfer system will be vented to an existing flare which will result in reduced emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- C) Linear Low Density Polyethylene Plant (LLDPE) Flare Meter which measures the amount of pollutants going to the control device (flare) in conjunction with the control efficiency of the flare. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- D) Polypropylene Plant (PP) Flare Meter which measures the amount of pollutants going to the control device (flare) in conjunction with the control efficiency of the flare. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- E) Ethylene Unit Analyser Vent which measures the amount of pollutants being vented. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- F) Particulate Emission Reduction Project which allows gas to be vented to the flare thereby reducing volatile organic compound (VOC) and particulate emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control

facility.

- G) Parallel Flare Vaporizer which eliminated flaring and as a result reduced emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- H) Low Density Polyethylene Plant (LDPE) Compressor Shutdown Improvements which reduces emissions due to reduced venting. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- I) Lines 3 & 4 Hyper Suction GC analyzer which reduces excess emissions due to reduced venting. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- J) Off-Gas Tie Ins which reduces VOC emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- K) EP capacity increases which reduce excess emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- L) H₂/C₂ Analyzer which reduces VOC emissions and improves process control and reliability. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- M) Ethylene Unit Flare Metering which reduces emissions at flare. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- N) EP Analyzer replacement which reduces VOC emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.
- O) Polypropylene Plant (PP) flare monitor which assures smokeless flare operation from reduced steam consumption which reduces excess emissions. Because the primary purpose of this system is to reduce or eliminate air pollution, it is certified as a pollution control facility.

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 facilities, to prevent, eliminate or reduce air pollution, 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 air pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200. Therefore, the facilities are eligible for tax certification from the Board.
7. Therefore, the Illinois EPA recommends that the Board issue the requested tax certifications.

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY,

By: 
Robb H. Layman
Special Assistant Attorney General

Of Counsel:
Charles E. Matoesian
Assistant Counsel

October 15, 2003

1021 North Grand Ave. E.
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: 217/782-5544
Facsimile: 217/782-9807
TDD: 217/782-9143

CUMMINGS WESTLAKE LP

INDUSTRIAL PROPERTY TAX SOLUTIONS

* URGENT

FACSIMILE TRANSMITTAL SHEET

TO: Mr. Floyd McKinney	FROM: Wendell Westlake
COMPANY: IL EPA	DATE: 12/30/02
FAX NUMBER: 217-524-5023	TOTAL NO. OF PAGES INCLUDING COVER: 9
-PHONE NUMBER: 217-782-7187	SENDER'S REFERENCE NUMBER: n/a
RE: Equistar Chemicals, LP - Air and Water Applications for Certification (Property Tax Treatment)	

- URGENT
 FOR REVIEW
 PLEASE COMMENT
 PLEASE REPLY
 PLEASE RECYCLE

NOTES/COMMENTS:

Floyd,

Thanks again for your guidance on these applications. I appreciate your checking into the due date for these applications and while I understand that your folks are saying that April 15th is the due date, I would like to file these now (before year-end) to be safe. Will forward the hard copies to you as well. Please review these when you get back in and if you need additional information, please let me know.

Regards,

Wendell

*Floyd -
THANKS AGAIN!
Wendell*

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DEC 31 2002

IEPA - DAPC - SPFLD

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.

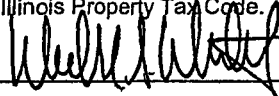
FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name EQUISTAR CHEMICALS, LP			
	Person Authorized to Receive Certification W.S. WESTLAKE		Person to Contact for Additional Details (SAME)	
	Street Address 90 TAX DEPT., ONE HOUSTON CENTER, 1221 MCKINNEY ST.		Street Address (SAME)	
	Municipality, State & Zip Code HOUSTON, TX 77253-3646		Municipality, State & Zip Code (SAME)	
	Telephone Number 713-652-7456		Telephone Number (SAME)	
	Location of Facility Quarter Section	Township AXSABLE	Range	Municipality MORRIS
	Street Address 8805 N. TABLER RD		County GRUNDY	Township Book Number
	Property Identification Number		Parcel Number	
	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.		Date Issued	Expiration Date	
Air Pollution Control Construction Permit No.		Date Issued		
Air Pollution Control Operating Permit No.		Date Issued		
Sec. C MANUFACTURING PROCESS	Describe Unit Process ETHYLENE, LDPE, & LLDPE MANUFACTURING			
	Materials Used in Process			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility - SEE ATTACHMENTS -			

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Sec. E POLLUTION CONTROL FACILITY - CONTAMINANTS	(1) Nature of Contaminants or Pollutants		
		Material Retained, Captured or Recovered	
	Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
ACCOUNTING DATA	(2) Point(s) of Waste Water Discharge		
		Plans and Specifications Attached	Yes No
	(3)	Are contaminants (or residues) collected by the control facility?	Yes No
	(4)	Date installation completed _____ status of installation on date of application _____	
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$
		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:	%	

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			<u>Auth. Agent</u>
	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 pollution control facility. Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an average 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	Thomas McSwiggin Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

Equistar Chemicals, LP

2002 Application For Certification (Property Tax Treatment)
Pollution Control Facility: Air

Projects as of December, 2002

Project Title/Description	Project #	Env. Cost (\$M)	JD # / Env Proj. #	Details	Regulatory Analysis
Parallel Flare Vaporizer	MIO/00101	\$24	11923	Eliminated flaring of 1.68MM # Ethylene per year	No regulatory requirement however there was a reduction in air emissions
LDPE Compressor Shutdown Improvements	MIO/00201	\$180	25455	Reduced venting to atmosphere	No regulatory requirement other than reduce air emissions due to fewer shutdowns
Lines 3&4 Hyper Suction GC Analyzer	MIO/01207	\$43		Reduced venting to atmosphere	No direct requirement other than reduce air emissions due to reduced venting
✓ Ethylene Unit Analyzer Vent	MIO/986232	\$43	11896	Reduce VOC emissions	No direct requirement other than reduce air emissions
Off-Gas Tie Ins	MIO/986237	\$4	11907	Reduce VOC emissions	No direct requirement other than reduce air emissions
EP Capacity Increase	MIO/986280	\$49	Multiple	75MM# Ethylene/year	towers packing compressors refrigeration bottlenecks
Install Advance Maximum H2/C2 Analyzer	MIO/99101	\$72		Reduce VOC emissions, improve process control and reliability 2.6MM Lbs Ethylene/year	No direct requirement other than reduce air emissions
Ethylene Unit Flare Metering	MIO/99104	\$20	11911/ 995	Accurate emissions calculations at flare	No direct regulatory requirement other than accurate reporting of emissions at flare. Previously being done via mass balance
EP Analyzer Replacement	MIO/99107	\$133	11904	Reduce VOC emissions, improve process control and reliability	No direct requirement other than reduce air emissions
✓ Particulate Emission (PERP)	MIO/99203	\$501		Reduce VOC and particulate emissions	35 IAC 218
PP Flare Monitor	MIO/99214	\$10	46393	Assure smokeless flare operation reduced steam consumption (2.4 M lbs per hr.)	No direct requirement other than reduce air emissions and assured compliance with 40 CFR 60.18
✓ PP Flare Meter	MIO/99217	\$167	46391	Accurate emissions calculations at flare	No direct requirement other than reduce air emissions.
✓ LLDPE Flare Meter	MIO/99219	\$286	24207	Accurate emissions calculations at flare	No direct requirement other than reduce air emissions

OK

OK

OK

OK

OK

see comments

OK

OK

OK

OK - same as first page

OK

OK

OK

Equistar Chemicals, LP					
2002 Application For Certification (Property Tax Treatment)					
Pollution Control Facility: Air					
<u>Project Title/Description</u>	<u>Project #</u>	<u>Environmental Cost (\$M)</u>	<u>Completion Date</u>	<u>Details</u>	<u>Regulatory Analysis</u>
Line 6 Sulzer Compressor Upgrade	MIO/00212	\$34	Dec-02	This project ensured Line 6 could meet current permit limits, production and emissions by increasing the capacity of the Sulzer compressor.	40 CFR 60 Subpart VV and DDD
Tank Car Aromatics Loading	MIO/01107	\$211	Dec-01	The project reduce emissions associated with the loading and unloading of rail cars.	IAC 35 218
LLDPE Flare Meter	MIO/99219	\$318	May-02	This project provided the LLDPE flare header system with a measurement system that will satisfy the reporting requirements of the Title V Permits.	No specific regulatory requirement, but ensures a system for reporting accurate emission in accordance with the Title V permit and SARA 313.
PP Flare Meter	MIO/99217	\$167	May-02	This project provide the PP flare header system with a measurement system that will satisfy the requirements of the Title V permit.	No specific regulatory requirement, but ensures a system for reporting accurate emission in accordance with the Title V permit and SARA 313.
Ethylene Unit Analyzer Vent	MIO/986232	\$116	May-01	This project installed analyzer exhaust collection system to eliminate direct venting hydrocarbons to the atmosphere.	35 IAC 218.428©
Particulate Emission Reduction Project	MIO/99203	\$484	Sep-00	This project would allow gas to be vented to the flare and not to atmosphere.	35 IAC 218.411(b)

PROOF OF SERVICE

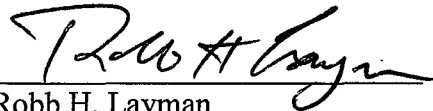
I, the undersigned, certify that I have served the attached APPEARANCE AND RECOMMENDATION upon the person to whom it is directed, by placing them in an envelope addressed to:

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

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Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

and mailing it by First Class Mail from Springfield, Illinois on October 15, 2003, with sufficient postage affixed.



Robb H. Layman
Special Assistant Attorney General
ARDC #6205498

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