

ILLINOIS POLLUTION CONTROL BOARD  
December 19, 2013

DYNEGY MIDWEST GENERATION, INC. )  
(Sodium Sulfate Additive System for Havana )  
Station, Unit No. 6, Boiler No. 9) (Property )  
I.D. No. 19-11-400-001), )  
)  
Petitioner, )  
)  
v. ) PCB 14-51  
) (Tax Certification - Air)  
ILLINOIS ENVIRONMENTAL )  
PROTECTION AGENCY, )  
)  
Respondent. )

ORDER OF THE BOARD (D. Glosser):

On December 2, 2013, the Illinois Environmental Protection Agency (Agency) filed a recommendation that the Board certify a certain facility of Dynegy Midwest Generation, Inc. (Dynegy) as a “pollution control facility” for preferential tax treatment under the Property Tax Code. *See* 35 ILCS 200/11-5 *et seq.* (2012); 35 Ill. Adm. Code 125. The facility is associated with Dynegy’s Havana Power Station, a coal- and oil-fired station for generating electricity (Havana Station), which is located at 15260 North State Route 78 in Havana, Mason County. In this order, the Board describes the legal framework for tax certifications, discusses the Agency’s recommendation, and certifies that Dynegy’s sodium sulfate additive system for the coal feed line to Boiler Number 9, Unit Number 6, at Havana Station is a pollution control facility.

**LEGAL FRAMEWORK**

Under the Property Tax Code, “[i]t is the policy of this State that pollution control facilities should be valued, at 33 1/3% of the fair cash value of their economic productivity to their owners.” 35 ILCS 200/11-5 (2012); *see also* 35 Ill. Adm. Code 125.200(a)(2). “For tax purposes, pollution control facilities shall be certified as such by the Pollution Control Board and shall be assessed by the Department [of Revenue].” 35 ILCS 200/11-20 (2012); *see also* 35 Ill. Adm. Code 125.200(a).

Under Section 125.202 of the Board’s procedural rules, a person may submit an application for tax certification to the Agency. *See* 35 Ill. Adm. Code 125.202. If the Agency receives a tax certification application, the Agency must file with the Board a recommendation on the application, unless the applicant withdraws the application. *See* 35 Ill. Adm. Code 125.204(a). Among other things, the Agency’s filing must recommend that the Board issue or deny tax certification. *See* 35 Ill. Adm. Code 125.204(a)(4). If the Board finds “that the claimed facility or relevant portion thereof is a pollution control facility . . . , the Pollution Control Board . . . shall enter a finding and issue a certificate to that effect.” 35 ILCS 200/11-25 (2012); *see also* 35 Ill. Adm. Code 125.216(a).

### **AGENCY RECOMMENDATION**

The Agency states that it received a tax certification application from Dynege “[s]ometime in 2008.”<sup>1</sup> Rec. at ¶ 1. The Agency explains that it had misplaced Dynege’s application. *Id.* On December 2, 2013, the Agency filed a recommendation on the application with the Board, attaching Dynege’s application (Rec. Exh. A).

The Agency’s recommendation identifies the facility at issue:

The subject matter of this request consists of a Sodium Sulfate Additive System, which [was] constructed and installed by Dynege [] to the coal feed line on Unit No. 6/Boiler No. 9 of the Havana Station. According to the application, the system adds sodium sulfate to the coal feed line prior to combustion, which addresses “sodium depletion effects in the electrostatic precipitator (ESP) that can impact the ESP particulate matter removal efficiency.” Rec. at ¶ 4, quoting Rec. Exh. A at 1.

The Agency further describes the facility:

A trial project of the [sodium sulfate additive] system and a subsequent upgrade demonstrated positive results to the ESP’s operations, which showed “lower decreased power levels and reduced frequency of cleaning,” as well “enhanced particulate matter collection efficiency.” A permanent system was constructed with a larger “holding capacity, air fluidization to eliminate plugging, and upgraded PLC [programmable logic control] controls and alarm system with interlocks to assure reliability and early detection of system problems.” The process modification acts to reduce particulate and opacity emissions that would otherwise be emitted through the boiler’s operations. Rec. at ¶ 4 (citations omitted), paraphrasing Rec. Exh. A at 1; *see also* Rec. Exh. B (Agency technical memorandum).

According to Dynege’s application, Powder River Basin Wyoming Coal is combusted in Boiler Number 9, which is associated with Unit Number 6. Rec. Exh. A at 1.

The Agency recommends that the Board certify that the identified sodium sulfate additive system is a pollution control facility as defined in Section 11-10 of the Property Tax Code (35 ILCS 200/11-10 (2012)), with the primary purpose “to prevent or reduce air pollution.” Rec. at ¶¶ 7, 8.

### **TAX CERTIFICATE**

Based upon the Agency’s recommendation and Dynege’s application, the Board finds and certifies that Dynege’s sodium sulfate additive system identified in this order is a pollution control facility under the Property Tax Code (35 ILCS 200/11-10 (2012)). Under Section 11-25 of the Property Tax Code, the effective date of this certificate is “the date of application for the

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<sup>1</sup> The Agency’s recommendation is cited as “Rec. at \_.”

certificate or the date of the construction of the facility, which ever is later.” 35 ILCS 200/11-25 (2012); *see also* 35 Ill. Adm. Code 125.216(a). Section 125.216(d) of the Board’s procedural rules states that the Clerk “will provide the applicant and the Agency with a copy of the Board’s order setting forth *the Board’s findings and certificate, if any.*” 35 Ill. Adm. Code 125.216(d) (quoting in italics 35 ILCS 200/11-30 (2012)). The Clerk therefore will provide Dynegy and the Agency with a copy of this order.

IT IS SO ORDERED.

Section 11-60 of the Property Tax Code provides that any applicant or holder aggrieved by the issuance, refusal to issue, denial, revocation, modification or restriction of a pollution control certificate or a low sulfur dioxide emission coal fueled device certificate may appeal the Board’s finding and order to the Circuit Court under the Administrative Review Law (735 ILCS 5/3-101 *et seq.* (2012)). *See* 35 ILCS 200/11-60 (2012).

I, John T. Therriault, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on December 19, 2013, by a vote of 4-0.



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John T. Therriault, Clerk  
Illinois Pollution Control Board