

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

JOLIET BULK, BARGE & RAIL, LLC)
Internal Floating Roof, Tank No. 2)
) PCB 20-
) (Tax Certification - Air)
)
PROPERTY IDENTIFICATION NUMBER)
07-29-304-004-0000 or portion thereof)

NOTICE

TO: [Electronic filing]
Don Brown, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

[Service by mail]
Joliet Bulk, Barge & Rail, LLC
Att: Katherine Tronsberg Macciocca
c/o Duff and Phelps, LLC
2000 Market Street, Suite 2700
Philadelphia, PA 19103

[Service by mail]
Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

PLEASE TAKE NOTICE that I have today electronically filed with the Office of the Pollution Control Board the **APPEARANCE** and **RECOMMENDATION** of the Illinois Environmental Protection Agency, a paper copy of which is herewith served upon the applicant and a representative of the Illinois Department of Revenue.

Respectfully submitted by,

/s/ Robb H. Layman
Robb H. Layman
Assistant Counsel

Date: May 29, 2020

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

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OF THE STATE OF ILLINOIS**

JOLIET BULK, BARGE & RAIL, LLC)	
Internal Floating Roof, Tank No. 2)	
)	PCB 20-
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PROPERTY IDENTIFICATION NUMBER)	
07-29-304-004-0000 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: May 29, 2020

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07-29-304-004-0000 or portion thereof)

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 November 13, 2019, the Illinois EPA received an application and supporting information from JOLIET BULK, BARGE & RAIL, LLC, (“Joliet BB&R”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its petroleum terminal and storage facility in Joliet, Will County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

Joliet Bulk, Barge & Rail, LLC
Att: Katherine Tronsberg Macciocca
c/o Duff and Phelps, LLC
2000 Market Street, Suite 2700
Philadelphia, PA 19103

3. The facility address is as follows:

Joliet Bulk, Barge & Rail, LLC
1035 Laraway Road
Joliet, IL 60436

4. The subject matter of this request consists of an Internal Floating Roof installed to Tank No. 2 of the petroleum terminal and storage facility. The tank stores petroleum products and possesses a storage capacity of 150,000 barrels. The installation of the internal floating roof serves to protect and retain product in storage tanks. However, the nature of the floating roof system also results in the reduction in hydrocarbon emissions from the affected storage tank, as the system is allowed to rise and fall with the level of liquids inside the tank and thereby reduce the volume of vapor space. In doing so, the installation of the system acts to reduce or prevent the release of hydrocarbon emissions (i.e., volatile organic materials) from the storage tank.

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 Internal Floating Roof for Tank No. 2 to prevent or reduce air pollution, it is the Illinois EPA’s engineering judgment that such systems or devices 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]**. In this instance, the subject system or equipment is comprised of a contemporary, source reduction approach to preventing emissions and therefore falls within the definition of a pollution control facility.

8. Because the information in the application demonstrates that the Internal Floating Roof to Tank No. 2 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: May 29, 2020

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 29th day of May 2020, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

Don Brown, 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

Joliet Bulk, Barge & Rail, LLC
Att: Katherine Tronsberg Macciocca
c/o Duff and Phelps, LLC
2000 Market Street, Suite 2700
Philadelphia, PA 19103

/s/ Robb H. Layman
Robb H. Layman
Assistant Counsel

RECEIVED
STATE OF ILLINOIS

DUFF & PHELPS

NOV 13 2019

Environmental Protection Agency
BUREAU OF AIR

Illinois Environmental Protection Agency
ATTN: Ray E. Pilapil, Permit Section
Division of Air Pollution Control
1021 North Grand Ave. East, P.O. Box 19276
Springfield, IL 62794-9276

November 12, 2019

Re: Application for Property Tax Treatment for Air Pollution Control Property located at Joliet Bulk, Barge & Rail, LLC in Will County, Illinois.

Enclosed please find one application (the "Application") for property tax certification for a Air Pollution Control Facility located at the Joliet Bulk, Barge & Rail, LLC's Joliet Plant (the "Facility"), located in Joliet, Will County, Illinois.

The Application has been prepared pursuant to Illinois Compiled Statutes § 200/11-5, and includes any necessary information and supporting documentation. Submission of this Application is required as a process step in the Illinois Environmental Protection Agency and the Illinois Department of Revenue pollution control certification process for special value treatment of certain assets used in water pollution control capacities at the Facility.

The Application can be summarized as follows:

Description

Tank #02 Internal Floating Roof ("IFR")

Please send one copy of the completed property tax special values treatment certificate to the following address:

Kathryn Tronsberg Macciocca
do Duff & Phelps, LLC
2000 Market Street, Ste 2700
Philadelphia, PA 19103

Exhibit A

Electronic Filing: Received, Clerk's Office 05/29/2020 **PCB 2020-082**

Joliet Bulk, Barge & Rail, LLC Application for Pollution Control Facility Certification

Illinois Environmental Protection Agency

November 12, 2019

If you have any questions regarding the Application or the information supplied within the Application, please contact me at (215) 430-6059 or by e-mail at kathryn.tronsberg@duffandphelps.com.

Very truly yours,

A handwritten signature in black ink that reads "Kathryn Tronsberg Macciocca". The signature is written in a cursive style with a large initial 'K'.

Kathryn Tronsberg Macciocca

Director

Property Tax

Enclosures



Illinois Environmental Protection Agency

1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276 • (217) 782-3397

Application for Certification (Property Tax Treatment) Pollution Control Facility

FOR AGENCY USE ONLY

File Number: _____	Date Rec'd: _____
Certification Number: _____	Date: _____

Facility Type (check one): Air Water

This form is to be used for any application for certification of property tax treatment for a pollution control facility for air or water from the Illinois EPA. Separate applications must be completed for each control facility claimed. Do not mix types (air and water). Where both air and water operations are related, file two applications.

If attachments are needed, record them consecutively on an index sheet.

You may complete this form online, save a copy locally, print, sign and submit it to:

Illinois EPA
 Attention: Ray E. Pilapil, Permit Section
 Division of Air Pollution Control
 1021 North Grand Avenue East, P.O. Box 19276
 Springfield, IL 62794-9276

Illinois EPA
 Attention: Al Keller, Permit Section
 Division of Water Pollution Control
 1021 North Grand Avenue East, P.O. Box 19276
 Springfield, IL 62794-9276

I. Applicant Information:

Company Name:	Joliet Bulk, Barge & Rail, LLC	
Person Authorized to Receive Certification	Kathryn Tronsberg Macciocca c/o Duff and Phelps LLC	Person to Contact for Additional Details: Kathryn Tronsberg Macciocca c/o Duff and Phelps LLC
Street Address:	2000 Market Street, Suite 2700	
City:	Philadelphia	State: PA
Zip:	19103	Phone: (215) 430-6059
Email Address:	Kathryn.Tronsberg@duffandphelps.com	

II. Facility Information:

Facility Location: Quarter Section: W29 Township: 07 Range: 35N-10E
 Municipality: Joliet Township: 07

Note: A plat map location is requested for facilities located outside of municipal boundaries.

Address: 1035 Laraway Road City: Joliet
 State: IL Zip Code: 60436 County: Will Book Number: 07-29-E

Property Index Number: 07-29-304-004-0000

Note: The Property Index Number is the numerical reference used to identify a parcel of real property for assessment and taxation purposes.

Manufacturing Operations Information:

Nature of Operations Conducted at the Above Location:

Petroleum and Petroleum Products Storage Facility.

Permit Information:

WPC Construction Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u>
NPDES Permit Number: _____	Date Issued: <u>N/A</u> Exp. Date: <u>N/A</u>
APC Construction Permit Number: <u>Construction Permit ID #197445AAY</u>	Date Issued: <u>3/29/2019</u>
APC Operating Permit Number: <u>N/A</u>	Date Issued: <u>N/A</u> Exp. Date: <u>N/A</u>

Note: Submit copies of all relevant permits issued by local pollution control agencies. (e.g. MSD Construction Permit)

This Agency is authorized to request this information under 415 ILCS 5/4(b)(2012). Disclosure of this information is voluntary and no penalties will result from the failure to provide the information. However, the absence of the information could prevent your application from being processed or could result in denial of your application.

Manufacturing Process Information:

Please provide information on the manufacturing process and materials on which pollution control facility is used, including each major piece of equipment associated with the pollution control facility (or low sulfur dioxide emission coal fueled device).

Description of the Process:

Zenith Energy Management, LLC's (the "Company's" or "Zenith's") Joliet Bulk, Barge & Rail Terminal (the "Facility") is located in Joliet, Will County, Illinois. The Facility consists of six (6) storage tanks with a total capacity of 760,000 barrels of petroleum products. The Facility's Phase I was completed in 2015, inclusive of the subject Pollution Control equipment installed on Tank #02, which has a capacity of 150,000 barrels. Phase 2 was completed in 2018.

Materials Used in the Process:

Petroleum and Petroleum Products

Pollution Control Facility Information:

Please provide a narrative description of the pollution control facility (or low sulfur dioxide emission coal fueled device), and an explanation of why its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility, as well as a narrative description and a process flow diagram describing the pollution control facility. Include an average analysis of the influent and effluent of the control facility stating the collection efficiency, if applicable.

Describe the Pollution Control Facility (or Low Sulfur Dioxide Emission Coal Fueled Device):

The Internal Floating Roof ("IFR") property installed on Tank #02 is pollution control abatement equipment installed for the purpose of preventing and/or reducing Volatile Organic Material ("VOM") emissions resulting from the storage of petroleum and/or petroleum products at the Facility. The IFR rises and falls with the liquid level to reduce the vapor space inside the Tank. By reducing this vapor space, the IFR prevents the creation and release of VOM vapors that can contaminate the air of the State of Illinois.

Describe the Primary Purpose of the Pollution Control Facility (or Low Sulfur Dioxide Emission Coal Fueled Device):

Internal Floating Roofs are installed on petroleum and/or petroleum product storage tanks at the Facility to prevent and/or reduce fugitive Volatile Organic Materials ("VOM") emissions. A Process Flow Diagram is not applicable. Influent/Effluent analysis is not applicable. Please see Attachment A for a typical Internal Floating Roof diagram.

Identify the statute or regulation (federal or state), or local ordinance, if any, requiring the installation of the subject pollution control facility (or low sulfur dioxide emission coal fueled device).

The subject IFR was required to be installed per Construction Permit ID #197445AAY. See Attachment B for the relevant section of the Facility's Construction Permit. Per Title 35: Environmental Protection Subtitle B: Air Pollution Chapter I: Pollution Control Board Subchapter a: Permits and General Provisions Section 210.142 Construction Permit Required states: "No person shall cause or allow the construction of any new emission source or any new air pollution control equipment, or cause or allow the modification of any existing emission source or air pollution control equipment, without first obtaining a construction permit from the Agency, except as provided in Sections 201.146 or Section 201.170(b) of this Part".

Nature of Contaminants or Pollutants:

List air contaminants or water pollution substances released as effluents to the manufacturing processes. Also list the final disposal of any contaminants removed from the manufacturing processes.

Contaminant or Pollutant	Material Retained, Captured or Recovered	
	Description	Disposal or Use
Volatle Organic Materials ("VOMs")	N/A	N/A

Note: Contaminant or pollutant means that which is removed from the process by the pollution control facility.

Point(s) of Waste Water Discharge:

Identify the location of the discharge to the receiving stream. This will typically refer to a source of water pollution but can include water-carried wastes from air pollution control facilities.

Plans and Specifications Attached Yes No

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.

Are contaminants (or residues) collected by the control facility? Yes No

Note: If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value dollars reclaimed by the sale or reuse of the collected substances. State the cost of reclamation and related expense.

Project Status:

Date Installation Completed: Q4 2015

Provide the date the pollution control facility was first placed into service and operated. If not, explain.

The pollution control facility was first placed into service and operated in Q4 2015.

Status of installation on date of application:

Completed.

III. Verification and Signature:

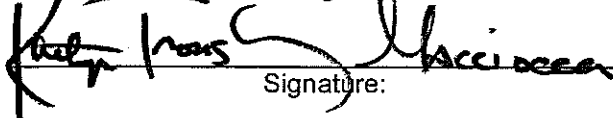
The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge is true and correct.

Any person who knowingly makes a false, fictitious, or fraudulent material statement, orally or in writing, to the Illinois EPA commits a Class 4 felony. A second or subsequent offense after conviction is a Class 3 felony. (415 ILCS 5/44(h))

Kathryn Tronsberg Macciocca
Printed Name:

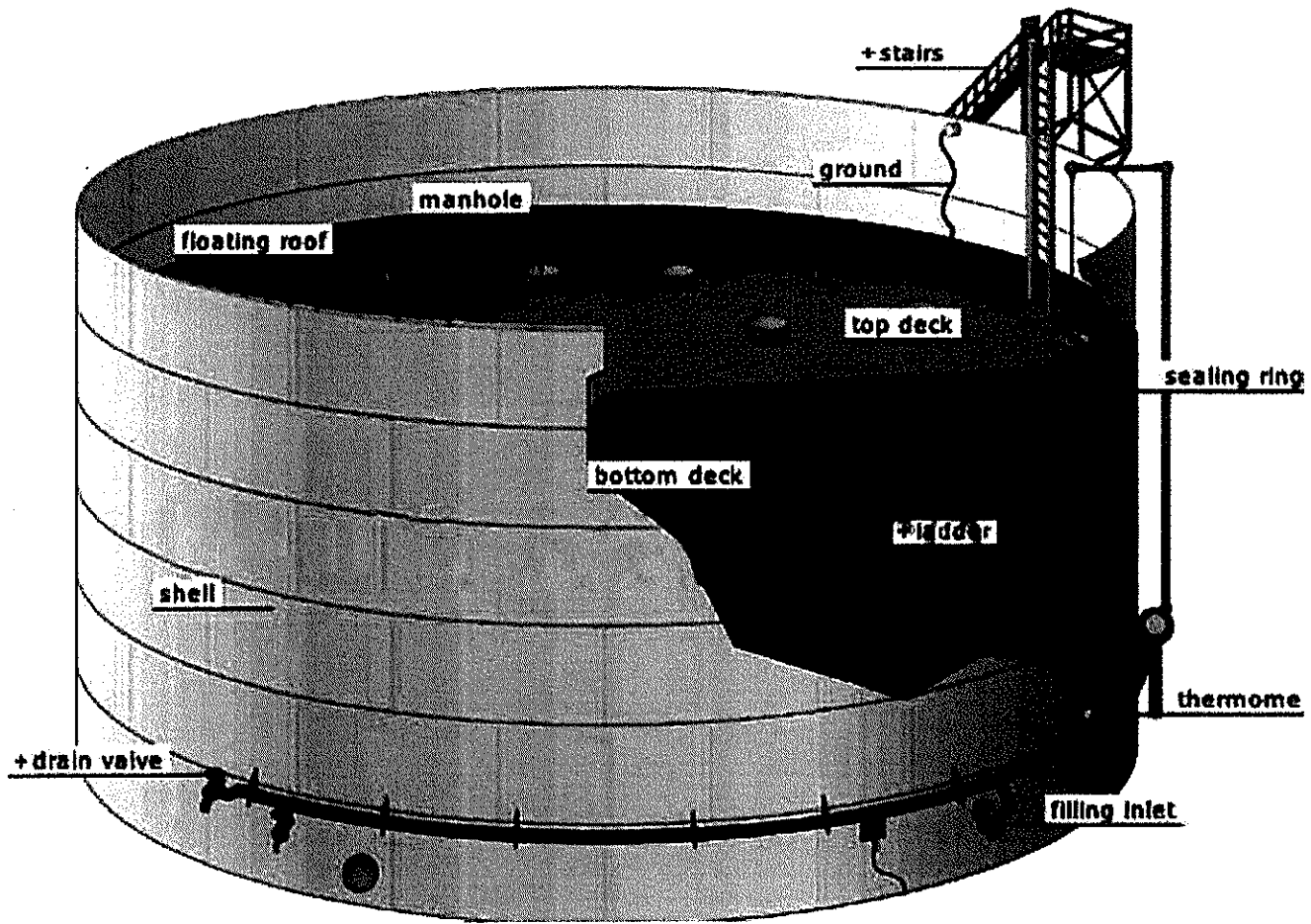
Director - Property Tax
Title:

For incorporated entities, signature should be from an authorized corporate representative.


Signature:

11-12-19
Date:

Attachment A: Typical Internal Floating Roof Diagram





ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. Box 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397.

JB PRITZKER, GOVERNOR

JOHN J. KIM, ACTING DIRECTOR

217/785-1705

CONSTRUCTION PERMIT -- NSPS and NESHAP SOURCE

PERMITTEE

Zenith Energy Terminals Joliet Holdings, LLC
Attn: Shannon Caldwell
3900 Essex Lane #700
Houston, Texas 77027

Application No.: 14020012

I.D. No.: 197445AAY

Applicant's Designation:

Date Received: February 27, 2019

Subject: Joliet Expansion

Date Issued: March 29, 2019

Location: 1035 W. Laraway Road, Joliet, Will County

This permit is hereby granted to the above-designated Permittee to CONSTRUCT emission unit(s) and/or air pollution control equipment consisting of a Vapor Combustion Unit (VCU) (flare) to control emissions from the existing Railcar/Tanker Truck Loadout operations, install nineteen (19) above ground storage tanks (Tanks 07-09, 11-18, and 23), and modification to allow existing and proposed storage tanks to store various products as follows:

Internal Floating Roof Tanks:

<u>Tank #</u>	<u>Capacity (bbl)</u>	<u>Material(s) Stored</u>
01	150,000	Crude/ Natural Gasoline/ Ethanol
02	150,000	Crude/ Natural Gasoline/ Ethanol
07	150,000	Crude/ Natural Gasoline/ Ethanol
08	150,000	Crude/ Natural Gasoline/ Ethanol
09	10,000	Crude/ Natural Gasoline/ Ethanol
11	150,000	Crude/ Natural Gasoline/ Ethanol
12	150,000	Ethanol
13	150,000	Ethanol
14	150,000	Ethanol
15	150,000	Ethanol
16	150,000	Ethanol
17	150,000	Ethanol
18	150,000	Ethanol
23	50,000	Natural Gasoline/ Ethanol

Fixed Roof Tanks:

<u>Tank #</u>	<u>Capacity (bbl)</u>	<u>Material(s) Stored</u>
03	150,000	Asphalt/ VGO/ Biodiesel/ Glycerin
04	150,000	Asphalt/ VGO/ Biodiesel/ Glycerin
05	75,000	Asphalt/ VGO/ Biodiesel/ Glycerin
06	75,000	Asphalt/ VGO/ Biodiesel/ Glycerin
10	80,000	Asphalt/ VGO/ Biodiesel/ Glycerin
19	50,000	Asphalt/ VGO/ Biodiesel/ Glycerin
20	50,000	Asphalt/ VGO/ Biodiesel/ Glycerin
21	50,000	Asphalt/ VGO/ Biodiesel/ Glycerin
22	50,000	Asphalt/ VGO/ Biodiesel/ Glycerin
24	50,000	Asphalt/ VGO/ Biodiesel/ Glycerin
25	50,000	Asphalt/ VGO/ Biodiesel/ Glycerin

pursuant to the above-referenced application. This permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This permit is issued based on the emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act from the Storage Tanks TANK-01 through TANK-25 and Railcar/Tanker Truck Loadout being less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result, this permit is issued based on the emissions of all HAPs from the above-listed equipment not triggering the requirements of Section 112(g) of the Clean Air Act.
- b. This permit is issued based on the construction of Storage Tanks (Tanks 07-09, 11-18, and 23) and modification to existing Storage Tanks and Railcar/Tanker Truck Loadout not constituting a new major source or major modification pursuant to Title I of the Clean Air Act, specifically 35 Ill. Adm. Code Part 203 (Major Stationary Source Construction and Modification). The source has requested that the Illinois EPA establish emission limitations and other appropriate terms and conditions in this permit that limit the emissions of Nitrogen Oxides (NO_x) and Volatile Organic Material (VOM) from the above-listed equipment below the levels that would trigger the applicability of these rules.
- c. Operation of the equipment listed above is allowed under this construction permit until final action is taken on the Federally Enforceable State Operating Permit (FESOP) application for this source.
- 2a. Storage Tanks TANK-01, TANK-02, TANK-07 through TANK-09, TANK-11 through TANK-18 and TANK-23 are subject to the NSPS for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984, 40 CFR 60 Subparts A and Kb. The Illinois EPA is administering the NSPS in Illinois on behalf of the USEPA under a delegation agreement. Pursuant to 40 CFR 60.110b(a), except as provided in 40 CFR 60.110b(b), the affected facility to which 40 CFR 60 Subpart Kb applies is each storage vessel with a capacity greater than or equal to 75 cubic meters (m³) that is used to store volatile organic liquids (VOL) for which construction, reconstruction, or modification is commenced after July 23, 1984.



Technical Recommendation for Tax Certification Approval

Date: December 17, 2019
To: Robb Layman
From: Raymond E. Pilapil *RE/P/12-13*
Subject: Zenith Energy Terminals Joliet Holdings, LLC. LP TC-19-11-13B

This Agency received a request on November 13, 2019 from Zenith Energy Terminals Joliet Holdings, LLC. 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:

Internal Floating Roof on Tank #02 which reduces Volatile Organic Material (VOM) emissions by reducing the vapor space inside the tank which prevents the creation and release of VOM 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 1035 Laraway Road, Joliet, Will County
The property identification number is 07-29-304-004-0000

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.

FEM:

Exhibit B