

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

WRB REFINING, LLC)
Return to Service and Additional Tie-in Projects,)
Flare Gas Recovery Compressor)
) PCB 14-
) (Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)
19-1-08-35-00-000-006 or portion thereof)

NOTICE

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

[*Service by mail*]
Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

[*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: December 12, 2013

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

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

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Return to Service and Additional Tie-in Projects,)	
Flare Gas Recovery Compressor)	
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)	PCB 14-
)	(Tax Certification - Air)
PROPERTY IDENTIFICATION NUMBER)	
19-1-08-35-00-000-006 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

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19-1-08-35-00-000-006 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 October 14, 2010, the Illinois EPA received an application and supporting information from WRB REFINING, LLC, (“WRB Refining”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Wood River petroleum refinery in Madison County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

WRB Refining LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

3. The facility address is as follows:

WRB Refining LLC
900 South Central Avenue
P.O. Box 76
Roxana, Illinois 62084

4. The subject matter of this request involved modifications to a previously-shuttered Flare Gas Recovery Compressor, which will now recover hydrocarbon (i.e., hydrogen sulfides, ammonia and volatile organic materials) emissions from the flare system servicing the North Property section of the refinery. As described in the application, the Flare Gas Recovery Compressor, designated as C81075, was returned to service in order to minimize or reduce flaring emissions from the refinery, consistent with the requirements of a consent decree. *See*, Exhibit A, Attachment at Section C. One part of the project included the construction of a Suction Knock-Out Pot that was necessary to place the compressor in service. *Id.* The project also included the additional tie-in of a vapor gas line to allow for recovery and subsequent treatment of the vapors, rather than being sent to the flare. The tie-in project involved the construction of a new Interstage Knock-Out Pot, as well as new equipment and piping, that was “necessary to reroute a hydrocarbon gas stream so that it could be recovered by [the compressor].” *Id.* at Section D. The modifications to the Flare Gas Recovery Compressor serve to reduce or prevent the release of hydrocarbons that would otherwise be emitted to the atmosphere.

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 Return to Service and Additional Tie-in Projects to prevent, eliminate or reduce air pollution, it is the

Illinois EPA's engineering judgment that the systems, devices and/or constructions 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 applicant's request concerning the Return to Service and Additional Tie-in Projects to the Flare Gas Recovery Compressor satisfies the aforementioned 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 12, 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 12th 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

Michael Kemp
WRB Refining, LLC
404 Phillips Building
Bartlesville, Oklahoma 74004

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

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)

POLLUTION CONTROL FACILITY

AIR WATER

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

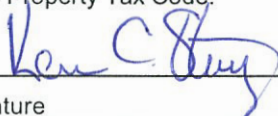
P. O. Box 19276, Springfield, IL 62794-9276

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 WRB Refining LLC			
	Person Authorized to Receive Certification Michael Kemp		Person to Contact for Additional Details Gordon Terhune	
	Street Address 404 Phillips Building		Street Address 900 S. Central Ave., P.O. Box 76	
	Municipality, State & Zip Code Bartlesville, OK 74004		Municipality, State & Zip Code Roxana, IL 62084	
	Telephone Number (918) 661-9055		Telephone Number (618) 255-2876	
	Location of Facility Quarter Section	Township	Range	Municipality Township
	Street Address 900 S. Central Ave.		County Madison	Book Number
	Property Identification Number		Parcel Number 19-1-08-35-00-000-001	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
Water Pollution Control Construction Permit No.		Date Issued		
NPDES PERMIT No. IL0000205		Date Issued 04/14/04	Expiration Date 04/14/09	
Air Pollution Control Construction Permit No. NA		Date Issued		
Air Pollution Control Operating Permit No. 95120306		Date Issued 11/07/03		
Sec. C MANUFACTURING PROCESS	Describe Unit Process See Flare Gas Recovery Compressor C81075 Return to Service and Upgrade Projects Attachment.			
	Materials Used in Process See Flare Gas Recovery Compressor C81075 Return to Service and Upgrade Projects Attachment.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See Flare Gas Recovery Compressor C81075 Return to Service and Upgrade Projects Attachment.			

Exhibit A

Sec. E	(1) Nature of Contaminants or Pollutants				
	CONTAMINANTS	Material Retained, Captured or Recovered			
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE	
		NOx	N2	Released to atmosphere	
		SOx	Sulfur	Sold as product	
		CO2	Hydrocarbons	Retained and sold as product	
		(2) Point(s) of Waste Water Discharge			
		Plans and Specifications Attached	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
		(3) Are contaminants (or residues) collected by the control facility?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
	(4) Date installation completed <u>12/21/07</u> status of installation on date of application <u>100%</u>				
ACCOUNTING DATA	(5) a. TOTAL INSTALLED COST	\$ 2,820,000.00			
	b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 5,000.00			
	c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0.00			
	d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0.00			
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% To Be Determined			
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	 _____ Signature	_____ DIRECTOR - PTRRC 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.				
	INSTRUCTIONS	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 <u>pollution control facility</u> . Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an <u>average</u> 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	Al Keller Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
POLLUTION CONTROL FACILITY
WRB – Wood River Refinery

Project: Flare Gas Recovery Compressor C81075 Return to Service and Upgrade Projects

Section C – Manufacturing Process

Process Description:

The Wood River Refinery has a Flare Gas Recovery Compressor, C81075, which recovers light hydrocarbon gases from the Wood River North Property Flare system. These hydrocarbon gases contain hydrogen sulfide (H₂S). The purpose of C81075 is to recover these gases from the flare system to prevent the combustion of the gases and the H₂S in the flare. C81075 compresses these gases so that the gases can be routed to the Wood River Fuel Gas Treaters. In the Fuel Gas Treaters, the H₂S is recovered by contacting the hydrocarbon gases with diethanolamine (DEA). The recovered H₂S is converted to solid elemental sulfur in the Wood River Sulfur Plants.

Prior to this project, C81075 had been shut down as it was not necessary for refinery operation. However, due to a desire to reduce emissions due to flaring, the Wood River Refinery completed two projects to return C81075 to service and to increase C81075 reliability and capacity in order to increase the volume of gas recovered from the flare and thereby reduce the amount of H₂S and other gases combusted in the flare. One project, the C81075 Suction Knock Out Pot (KOP) Project, was required in order to place C81075 in service to satisfy the Wood River Environmental Consent Decree. The second project, the C81075 Interstage Knock Out Pot Project, installed the equipment necessary to reroute a hydrocarbon gas steam so that it could be recovered by C81075 rather than being combusted in the flare.

Materials Used in Process:

Hydrocarbons Vapors containing H₂S
Diethanolamine (DEA)

Section D – Pollution Control Facility Description

Hydrocarbon gases released to the flare system contain hydrogen sulfide (H₂S) and may contain ammonia (NH₃). The combustion of these gases results in SO_x and NO_x emissions to air. The Flare Gas Recovery Compressor, C81075, is a Pollution Control Facility which recovers hydrocarbon gases from the flare system to prevent the combustion of the gases and the H₂S and NH₃ in the flare. The Wood River Refinery recently completed two capital projects to return the C81075 Pollution Control Facility to service and to increase C81075 reliability and capacity in order to increase the volume of gas recovered from the flare and thereby reduce the amount of H₂S and other gases combusted in the flare. Improved C81075 reliability and increased C81075 capacity reduces SO_x and NO_x emissions to air.

Project scopes included a new C81075 Suction Knock Out Pot (KOP) which was required in order to place C81075 in service and a new C81075 Interstage Knock Out Pot and new equipment and piping necessary to reroute a hydrocarbon gas steam so that it could be recovered by C81075 rather than being combusted in the flare.

These projects were completed solely to reduce SO_x and NO_x emissions to air.



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

PAT QUINN, GOVERNOR

LISA BONNETT, INTERIM DIRECTOR

Technical Recommendation for Tax Certification Approval

Date: November 03, 2011
To: Robb Layman
From: Edwin C. Bakowski *EB 11/8/11*
Subject: WRB Refining, LLC. TC-10-10-14AI

This Agency received a request on October 14, 2010 from WRB Refining, 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:

Flare Gas Recovery Compressor which recovers hydrocarbon gases from the flare system to prevent combustion of these gases and the H₂S AND NH₃ in the flare which reduces SO_x and NO_x 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 900 South Central Avenue, Roxana, Madison County
The property identification number is 19-1-08-35-00-000-001

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:psj