

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

MARATHON PETROLEUM COMPANY, LP)
Flare Header Project,)
Low Pressure Flare System No. 84F-104)
)
) PCB 14-
) (Tax Certification - Air)
)
PARCEL NUMBER 54-34-1-21 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]
Chris Staats
Marathon Petroleum Company, LP
400 South Marathon Avenue
Robinson, Illinois 62454

[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 19, 2013

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**

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Flare Header Project,)
Low Pressure Flare System No. 84F-104)
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) PCB 14-
) (Tax Certification - Air)
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PARCEL NUMBER 54-34-1-21 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: December 19, 2013

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PARCEL NUMBER 54-34-1-21 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 December 27, 2012, the Illinois EPA received an application from MARATHON PETROLEUM COMPANY, LLP (“Marathon”) concerning the proposed tax certification of certain air emission sources and/or equipment located at its Robinson refinery in Crawford County, Illinois. A copy of the application is attached hereto. **[Exhibit A]**.

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

Marathon Petroleum Company, LP
400 South Marathon Avenue
Robinson, Illinois 62454

3. The subject matter of this request consists of a Flare Header Project for the Low Pressure Flare System No. 84F-104, which was undertaken at the refinery to replace certain relief valves that historically vented to the atmosphere. As described in the application, the project consisted of the construction and installation of a new flare header (or manifold) to the flare system. *See*, Exhibit A, page 1 at Section D. The project was designed to “eliminate the

process unit atmospheric relief valves to prevent the potential release of hydrocarbons to the atmosphere.” *Id.* As part of this effort, the existing relief valves for the Crude Atmospheric Column, the Unicracker Splitter Column and the BT Tower were routed to the flare system. *Id.* In addition, the project included the replacement of the existing flare system equipment, namely the knockout drum and the flare stack, so that the flare system could accommodate the additional vent stream load. *Id.* The project will result in the flare system achieving an estimated ninety-eight (98) percent combustion efficiency, and will act to prevent or reduce emissions of air contaminants that would otherwise be released to the atmosphere.

4. 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.”

5. Pollution control facilities are entitled to preferential tax treatment, as provided by 35 ILCS 200/11-5 (2002).

6. Based on information in the application and the primary purpose of the Flare Header Project for the Low Pressure Flare System No. 84F-104 to prevent or reduce air pollution, it is the Illinois EPA’s engineering judgment that the systems and/or devices implemented by the project 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]**.

7. Because information in the application demonstrates that the Flare Header Project 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: December 19, 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 19th 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

Chris Staats
Marathon Petroleum Company, LP
400 South Marathon Avenue
Robinson, Illinois 62454

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



Marathon Petroleum Company LP

539 South Main Street
Findlay, OH 45840-3295

December 21, 2012

Illinois Environmental Protection Agency
Donald E. Sutton
Permit Section
Division of Air Pollution Control
1021 North Grand Avenue East
P. O. Box 19276
Springfield, IL 62794-9276

Re: Application for Certification Pollution Control Facility

Dear Mr. Sutton:

Enclosed for consideration is an application for property tax certification relating to an air pollution control project at the Marathon Petroleum Company LP Robinson refinery.

<u>AFE</u>	<u>Project Description</u>
Y172	Route Atmosphere PSVs to Flare System

Please contact me if you have questions or need any additional information. My email is cjgrigsby@marathonpetroleum.com and my phone number is 419-672-7792.

Sincerely,

Cindy J. Grigsby
Tax Specialist

cc: Susan Hawkins
cc: Chris Staats
cc: Cindy Stechschulte
cc: Karen Thacker
cc : Jerri Titsworth

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DEC 27 2012

Illinois Environmental Protection Agency
BUREAU OF AIR
STATE OF ILLINOIS

Exhibit A

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

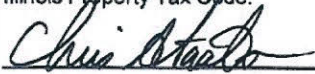
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

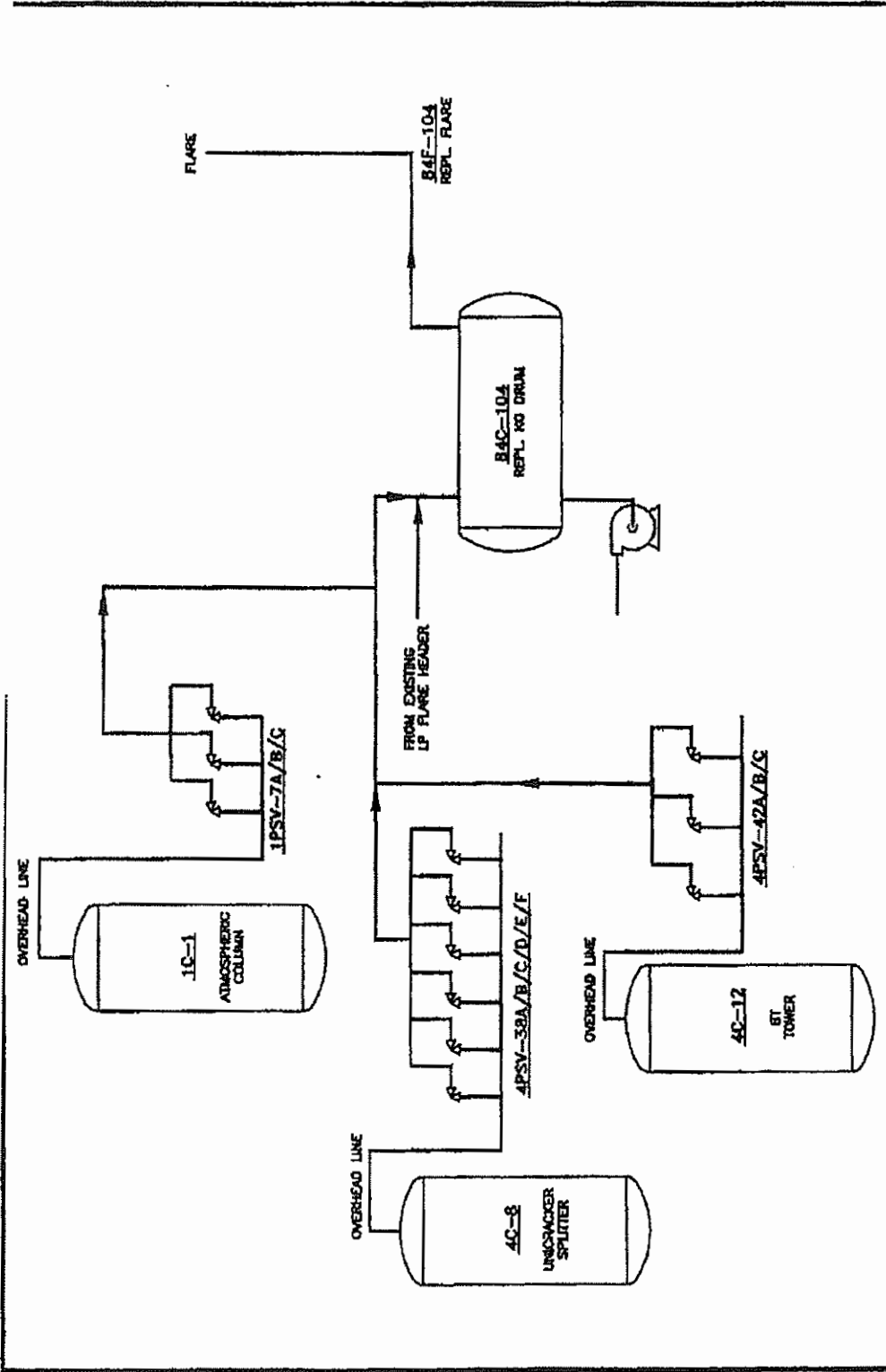
This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name Marathon Petroleum Company LP			
	Person Authorized to Receive Certification Chris Staats		Person to Contact for Additional Details Susan Hawkins	
	Street Address 400 South Marathon Avenue		Street Address 400 South Marathon Avenue	
	Municipality, State & Zip Code Robinson, IL 62454		Municipality, State & Zip Code Robinson, IL 62454	
	Telephone Number (618) 544-2121		Telephone Number (618) 544-2121	
	Location of Facility Quarter Section	Township Robins	Range Robinson	Township Robins
	Street Address 400 South Marathon Avenue		County Crawford	Book Number
	Property Identification Number		Parcel Number Part of 54-34-1-21	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining		
		AFE Y172 Project R-665 Project: Route Atmosphere PSVs to Flare System		
Water Pollution Control Construction Permit No. N/A		Date Issued		
NPDES PERMIT No. IL0004073		Date Issued	Expiration Date	
Air Pollution Control Construction Permit No. N/A		Date Issued		
Air Pollution Control Operating Permit No. 96010007 (Title V Permit)		Date Issued 11/23/03		
Sec. C MANUFACTURING PROCESS	Describe Unit Process Relief valves that relieved to the atmosphere are now routed to the refinery flare system control device where combustion efficiency of the material is at least 98%. The flare system provides for the safe combustion of excess gases.			
	Materials Used in Process Relief valves are now routed to a flare header instead of atmosphere. The knockout drum and flare stack were replaced to enable these relief valves to be routed to the flare system.			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility A new flare header from the Crude Unit and Unicracker was installed to the existing low pressure flare system 84F-104. The flare system equipment, including the knockout drum and flare stack were replaced to accept the additional relief load. The project was implemented to eliminate the process unit atmospheric relief valves to prevent the potential release of hydrocarbons to the atmosphere. Relief valves on the Crude Atmospheric Column, Unicracker Splitter Column, and BT Tower discharged to the atmosphere, this project routed them to the flare system which has a 98% combustion efficiency.			

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 DEC 27 2012

POLLUTION CONTROL FACILITY - CONTAMINANTS	Sec. E	(1) Nature of Contaminants or Pollutants		
			Material Retained, Captured or Recovered	
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Volatile Organic Compounds	Pollutant	Incinerated - captured in flare
		Nitrogen Oxide	Pollutant	Incinerated - captured in flare
		Hydrogen Sulfide	Pollutant	Incinerated - captured in flare
		Carbon Monoxide	Pollutant	Incinerated - captured in flare
		(2) Point(s) of Waste Water Discharge		
			Plans and Specifications Attached	Yes <input type="checkbox"/> No <input type="checkbox"/>
		(3)	Are contaminants (or residues) collected by the control facility?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
ACCOUNTING DATA	(4)	Date installation completed <u>12/20/12</u> status of installation on date of application <u>Complete</u>		
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 9,078,000.00	
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ 45,390.00	
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
		d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ 0	
	e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% .02		
SIGNATURE	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.		
			ESS Mgr, Deputy Asst. Sec'y	
		Signature	Title	
INSTRUCTIONS	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	Al Keller Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control	



R-665 - ROUTE ATMOSPHERIC PSV'S TO FLARE SYSTEM PROJECT SKETCH



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, DIRECTOR

Technical Recommendation for Tax Certification Approval

Date: December 12, 2013
To: Robb Layman
From: James R. Ross *jr*
Subject: Marathon Petroleum Company, L.P. TC-12-12-27

This Agency received a request on December 27, 2012 from Marathon Petroleum Company, L.P. 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:

Route Atmosphere PSV's to Flare System which routes relief valves to the flare header. This system reduces VOC, NO_x emissions by preventing the release of pollutants to the atmosphere. 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 400 South Marathon Avenue, Robinson, Crawford County
The property identification number is Part of 54-34-1-21

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

Exhibit B