

TCEQ DOCKET NO. 2009-1679-MIS-U
USE DETERMINATION NO. 13814

2009 DEC -4 PM 2: 49

APPEAL OF THE EXECUTIVE § BEFORE THE CHIEF CLERKS OFFICE
DIRECTOR'S NEGATIVE USE §
DETERMINATION TO § TEXAS COMMISSION ON
SARTOMER INC. GOODYEAR PLANT §
APPLICATION NO. 13814 § ENVIRONMENTAL QUALITY

**EXECUTIVE DIRECTOR'S RESPONSE TO SARTOMER INC. GOODYEAR PLANT'S
APPEAL OF THE EXECUTIVE DIRECTORS NEGATIVE USE DETERMINATION
ISSUED TO SARTOMER INC. GOODYEAR PLANT**

The Executive Director of the Texas Commission on Environmental Quality (the Commission or TCEQ) files this response to the appeal of the Executive Director's negative use determination issued to Sartomer Inc. Goodyear Plant (Sartomer). The appeal was submitted by Ronald P. Little of Associated Tax Appraisers on behalf of Sartomer.

For the reasons described below, the Executive Director respectfully requests the Commission deny the appeal and affirm the Executive Director's Tier I negative use determination for the propane line.

Program Background

In 1993, the citizens of Texas voted to adopt a tax measure called Proposition 2. Proposition 2 was implemented when Article VIII, § 1-1 was added to the Texas Constitution on November 2, 1993. The amendment allowed the legislature to "exempt from ad valorem taxation all or part of real and personal property used, constructed, acquired, or installed wholly or partly to meet or exceed rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air, water, or land pollution."

The Texas Legislature codified the constitutional amendment in 1993 as TEX. TAX CODE § 11.31. In 2001, the legislature amended Section 11.31 when it passed House Bill (HB) 3121. This bill added several new procedural requirements to Section 11.31, including a provision requiring the establishment and implementation of an appeals process.¹ The amendment also required the Commission to adopt new rules establishing specific standards for the Executive Director to follow in making use determinations for property that qualified for either full or partial pollution control use determinations.²

The Commission codified rules governing appeals at 30 TAC § 17.25. Appeals under Section 17.25 of the Commission rules may be filed by either the applicant seeking the determination, or

¹ TEX. TAX CODE § 11.31(e).

² TEX. TAX CODE § 11.31(g).

by the chief appraiser of the tax appraisal district affected by the determination.³ The Appellant is required to explain the basis for the appeal.⁴

Procedural Background

On May 18, 2009, Sartomer filed a Tier I application with the Executive Director seeking a positive use determination for replacing/upgrading a propane line.⁵ On July 9, 2009, the Executive Director issued a Notice of Deficiency (NOD) seeking information to complete the administrative review.⁶ Among other things, the NOD requested additional description of the property including what the propane line was used for, where it goes, and why it needed replacing.⁷ Sartomer responded with a letter dated July 14, 2009, stating:

Further in response to your request for information regarding the pollution control property, please be advised that propane is the refrigerant used at this facility. It is used to cool condensers related to pollution control equipment. It was determined that piping system transporting the coolant through the system was deteriorating and could result in catastrophic failure of the system and result in large releases of VOCs into the atmosphere. Process flow diagrams of the system are confidential.⁸

On July 17, 2009, the application was declared administratively complete.⁹ By letter, dated July 22, 2009, another NOD was issued stating, "Based upon the description provided this piping is part of the facility production equipment. ECL item A-112 does not cover piping. It applies only to replacement of pumps, valves or seals."¹⁰ In response to the NOD, Sartomer submitted a spreadsheet stating, "Propane is used as a refrigerant which is used to cool production and control equipment. Leaking of propane would violate fugitive VOC requirements for the facility."¹¹ The application was declared technically complete on September 22, 2009. The Executive Director issued a negative use determination on the same date.¹²

Appellant's Claim

Sartomer contends:

Under 30 Texas Administrative Code § 115.121, no person may allow a vent gas stream to be emitted from any synthetic organic chemical manufacturing industry reactor process unless the gas stream is controlled properly in accordance with § 115.122(a)(2) of this title. The propane line that was replaced by Sartomer is part

³ 30 TAC § 17.25(a)(2).

⁴ 30 TAC § 17.25(b)(5).

⁵ Use Determination Application No. 13814. (Exhibit A)

⁶ Notice of Deficiency, July 9, 2009. (Exhibit B)

⁷ *Id.*

⁸ Response to NOD, July 14, 2009. (Exhibit C)

⁹ Administrative Completeness Letter, July 17, 2009. (Exhibit D)

¹⁰ Notice of Deficiency, July 22, 2009. (Exhibit E)

¹¹ Spreadsheet, August 22, 2009. (Exhibit F)

¹² Use Determination, September 22, 2009. (Exhibit G along with tech review)

of a cooling system that cools the reaction process and serves as a vent condenser, which reduces emissions to the flare. This is a clear environmental benefit and meets or exceeds an environmental regulation.¹³

Legal Analysis

1. The Executive Director's negative use determination should be affirmed because the propane line replacement is not listed in Part A of the Equipment and Categories List (ECL).

Sartomer filed a Tier I application requesting a 100% use determination for a propane pipeline it replaced/upgraded.¹⁴ The application cites item number A-112 in Part A of the ECL as the qualifying basis for the Tier I application.¹⁵ The pollution control properties in item A-112 in Part A of the ECL are "Replacement of existing pumps, valves, or seals in piping service."¹⁶ The description of the A-112 pollution control properties is:

The incremental cost difference between the cost of the original equipment and the replacement equipment is eligible only when the replacement of these parts is done for the sole purpose of eliminating fugitive emissions of volatile organic compounds. New systems do not qualify for this item.

None of the descriptions provided state whether any pumps, valves, or seals were replaced.¹⁷ Two of the descriptions indicate the propane line was replaced out of a concern to reduce fugitive emissions.¹⁸ Item A-112 covers equipment that reduces fugitive emissions. However, as stated above, Item A-112 only covers replacement of pumps, valves, or seals which were not replaced by Sartomer.

2. The Executive Director's negative use determination should be affirmed because the propane line was not replaced to "meet or exceed rules and regulations adopted by any environmental protection agency of the United States, Texas, or a political subdivision of Texas, for the prevention, monitoring, control or reduction of air, water, or land pollution."

Pursuant to 30 TAC § 17.15(a) the equipment must be installed to meet an adopted environmental rule. Sartomer cites to 30 TAC § 115.112(a)(2) as the rule it is meeting or exceeding. This rule sets emission limits for volatile organic compounds (VOCs) from vent gases streams.¹⁹ Sartomer is not entitled to a positive use determination because the propane pipe was not replaced to meet or exceed an environmental rule.

¹³ Sartomer's Appeal, October 8, 2009. (Exhibit H)

¹⁴ Use Determination Application No. 13814.

¹⁵ Use Determination Application No. 13814, p. 4 & 5.

¹⁶ 30 TAC § 17.14.

¹⁷ Use Determination Application No. 13814, p. 5; Response to NOD, July 14, 2009; Spreadsheet, August 22, 2009; and Sartomer's Appeal, October 8, 2009.

¹⁸ Response to NOD, July 14, 2009, and Spreadsheet, August 22, 2009.

¹⁹ Sartomer's Appeal, October 8, 2009.

Sartomer states the propane is used to cool production equipment including reaction processes.²⁰ Reaction cooling is necessary to produce the desired final product. Therefore, the propane line serves a production purpose and is facility production equipment. As with any production device, replacement is routine maintenance even if done to eliminate fugitive emissions and/or to avoid catastrophic failure.

Lastly, Sartomer states replacing the propane line was done to eliminate fugitive emissions. As stated above, Item A-112 only covers specific types of equipment which were not replaced by Sartomer.

Conclusion

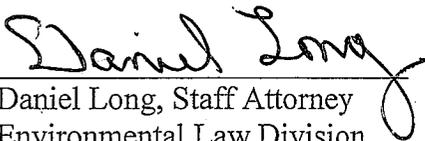
After careful consideration of the Appeal filed by Sartomer on Use Determination Application Number 13814, the Executive Director concludes that its original Tier I negative use determination was not issued in error. Sartomer has failed to provide any legal basis upon which the Commission should reverse the Executive Director's negative use determination in this case. The Executive Director's negative use determination is consistent with the terms and mandates set forth in the relevant statutes and rules. The assertions of Sartomer do not alter the findings and final negative use determination issued by the Executive Director in this case.

Accordingly, the Executive Director respectfully requests that the Commission deny the instant appeal and affirm the Executive Director's Tier I negative use determination.

Respectfully submitted,
Texas Commission on Environmental Quality

Mark R. Vickery, P.G.
Executive Director

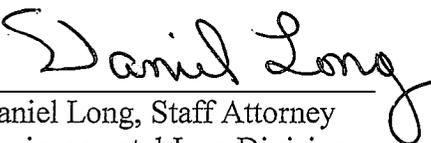
Robert Martinez, Director
Environmental Law Division


Daniel Long, Staff Attorney
Environmental Law Division

²⁰ Sartomer's Appeal, October 8, 2009, and Spreadsheet, August 22, 2009.

Certificate of Service

I certify that on December 4, 2009, an original and seven copies of the "Executive Director's Response to Sartomer Inc. Goodyear Plant's Appeal of the Executive Directors Negative Use Determination Issued to Sartomer Inc. Goodyear Plant" was filed with the Texas Commission on Environmental Quality's Office of the Chief Clerk, and a complete copy was transmitted by mail, facsimile, interagency mail, electronic mail, or hand-delivery to all persons on the attached mailing list.


Daniel Long, Staff Attorney
Environmental Law Division

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2009 DEC -4 PM 2:49
CHIEF CLERKS OFFICE

Mailing List

Associated Tax Appraisers
Ad Valorem Tax Consultants
Ronald P. Little
4543 Post Oak Place, #232
Houston, Texas 77027
(281) 497-2200 Fax (713) 627-8454

Sartomer Inc.
P.O. Box 56561
Houston, Texas 77256-6561

Chief Appraiser
Jefferson County Appraisal District
P. O. Box 21337
Beaumont, Texas 77720

Susana M. Hilderbrand, P.E.
Chief Engineer's Office, MC-168
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-4900 Fax (512) 239-6188

Chance Goodin
Chief Engineer's Office, MC-168
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-6335 Fax (512) 239-6188

Minor Hibbs
Chief Engineer's Office, MC-168
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-1795 Fax (512) 239-1794

Bridget Bohac
Office of Public Assistance, MC-108
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-4000 Fax (512) 239-4007

Ms. LaDonna Castañuela, Chief Clerk
Office of Chief Clerk, MC-105
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-3300 Fax (512) 239-3311

Blas Coy
TCEQ Office of Public Interest Counsel MC 103
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-6363 Fax (512) 239-6377

Kyle Lucas
Alternative Dispute Resolution Program, MC 222
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-0687 Fax (512) 239-4015

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
APPLICATION FOR USE DETERMINATION
FOR POLLUTION CONTROL PROPERTY**

The TCEQ has the responsibility to determine whether a property is a pollution control property. A person seeking a use determination must complete the attached application or a copy or similar reproduction. For assistance in completing this form refer to the TCEQ guidelines document, *Property Tax Exemptions for Pollution Control Property*, as well as 30 TAC §17, rules governing this program. For additional assistance please contact the Tax Relief for Pollution Control Property Program at (512) 239-3100. The application should be completed and mailed, along with a complete copy and the appropriate fee, to: TCEQ MC-214, Cashiers Office, PO Box 13088, Austin, Texas 78711-3088.

Information must be provided for each field unless otherwise noted.

1. GENERAL INFORMATION

A. What is the type of ownership of this facility?

- | | |
|---|--|
| <input checked="" type="checkbox"/> Corporation | <input type="checkbox"/> Sole Proprietor |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Utility |
| <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Other: |

B. Size of company: Number of Employees

- | | |
|--|---|
| <input type="checkbox"/> 1 to 99 | <input type="checkbox"/> 1,000 to 1,999 |
| <input checked="" type="checkbox"/> 100 to 499 | <input type="checkbox"/> 2,000 to 4,999 |
| <input type="checkbox"/> 500 to 999 | <input type="checkbox"/> 5,000 or more |

C. Business Description: (Provide a brief description of the type of business or activity at the facility)

Plastic Materials; SIC Code 2821

2. TYPE OF APPLICATION

- | | |
|--|---|
| <input checked="" type="checkbox"/> Tier I \$150 Fee | <input type="checkbox"/> Tier III \$2,500 Fee |
| <input type="checkbox"/> Tier II \$1,000 Fee | <input type="checkbox"/> Tier IV \$500 Fee |

NOTE: Enclose a check, money order to the TCEQ, or a copy of the ePay receipt along with the application to cover the required fee.

3. NAME OF APPLICANT

A. Company Name: Sartomer Inc c/o Associated Tax Appraisers
B. Mailing Address (Street or P.O. Box): P. O. Box 56561
C. City, State, and Zip: Houston, Texas 77256-6561

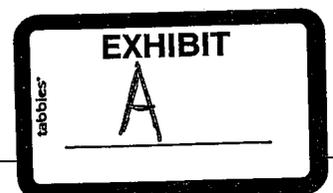
4. PHYSICAL LOCATION OF PROPERTY REQUESTING A TAX EXEMPTION

A. Name of Facility or Unit: Sartomer Inc. Goodyear Plant
B. Type of Mfg. Process or Service: Synthetic Rubber Manufacturing
C. Street Address: 11455 Interstate Highway 10
D. City, State, and Zip: Beaumont, Texas 77705
E. Tracking Number (Optional): _____
F. Company or Registration Number (Optional): _____

5. APPRAISAL DISTRICT WITH TAXING AUTHORITY OVER PROPERTY

A. Name of Appraisal District: Jefferson County Appraisal District
B. Appraisal District Account Number: 53049000000050000007

13814



6. CONTACT NAME

A. Company/Organization Name Associated Tax Appraisers
 B. Name of Individual to Contact: Ronal P. Little
 C. Mailing Address (Street or P.O. Box): 4543 Post Oak Place Ste 232
 D. City, State, and Zip: Houston, Texas 77027
 E. Telephone number and fax number: (P) 281-497-2200 (F) 713-627-8454
 F. E-Mail address (if available): rlittle@nationalrealty.com

7. RELEVANT RULE, REGULATION, OR STATUTORY PROVISION

For each media, please list the specific environmental rule or regulation that is met or exceeded by the installation of this property.

MEDIUM	Rule/Regulation/Law
Air	30 TAC Chapter 115 Subchapter B Division 2
Water	
Waste	

8. DESCRIPTION OF PROPERTY (Complete for all applications)

Describe the property and how it will be used at your facility. **Do not simply repeat the description from the Equipment & Categories List.** Include sketches of the equipment and flow diagrams of the processes where appropriate. Use additional sheets, if necessary.
See attached List definition and Functions

Land: If a use determination is being requested for land, provide a legal description and an accurate drawing of the property in question.

9. PARTIAL PERCENTAGE CALCULATION

This section is to be completed for Tier III and IV applications. For information on how to conduct the partial percentage calculation, see the application instructions document. Attach calculation documents to completed application.

10. PROPERTY CATEGORIES AND COSTS

List each control device or system for which a use determination is being sought. Provide additional attachments for more than 3 properties.

Property	Taxable on 1/01/94?	DFC Box	ECL #	Estimated Cost	Use %
Land					
Property					
<u>Propane Line Replacement</u>	<u>06/01/08</u>	<u>7</u>	<u>A-112</u>	<u>\$1,000,000</u>	<u>100%</u>
Totals					

11. EMISSION REDUCTION INCENTIVE GRANT

(For more information about these grants, see the Application Instruction document).

Will an application for an Emission Reduction Incentive Grant be filed for this property/project?

Yes No

12. APPLICATION DEFICIENCIES

After an initial review of the application, the TCEQ may determine that the information provided with the application is not sufficient to make a use determination. The TCEQ may send a notice of deficiency, requesting additional information that must be provided within 30 days of the written notice.

13. FORMAL REQUEST FOR SIGNATURE

By signing this application, you certify that this information is true to the best of your knowledge and belief.

Name: Ronald P. Little

Date: 5/10/09

Title: Senior Property Tax Consultant

Company: Associated Tax Appraisers

Under Texas Penal Code, Section 37.10, if you make a false statement on this application, you could receive a jail term of up to one year and a fine up to \$2,000, or a prison term of two to 10 years and a fine of up to \$5,000.

14. DELINQUENT FEE/PENALTY PROTOCOL

This form will not be processed until all delinquent fees and/or penalties owed to the TCEQ or the Office of the Attorney General on behalf of the TCEQ are paid in accordance with the Delinquent Fee and Penalty Protocol. (Effective September 1, 2006)

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 09, 2009

ASSOCIATED TAX APPRAISERS
RONALD P LITTLE
4543 POST OAK PLACE #232
HOUSTON TX 77027-

This letter is to inform you that during the administrative review of Use Determination Application, 13814, the reviewer has determined that additional information is required. This application was filed for the following facility:

SARTOMER INC. GOODYEAR PLANT
11455 IH 10
BEAUMONT TX 77705

The additional information required is:

Issue 1: The property description in your application is not adequate to show the environmental benefit of the propane line replacement. It is not clear what components make up the line, what the line is used for, where the line goes, or why replacement was needed. Please provide a clear description of the propane line and its use, as well as a process flow diagram showing the components of the line, what it connects to (propane source and delivery point), and its relation to the rest of the facility. Please note that ECL number W-112 is for only for replacement of pumps, valves, and seals, not for the entire propane line.

Issue 2: For item 10 on page 4 of 5 in the application, an incorrect entry appears to have been made for the decision flow chart (DFC) box that the item reached. Please note that under the current DFC, box 7 is for Tier IV items, which is inconsistent with this application.

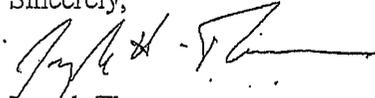
Issue 3: Only an original application was submitted, although 30 TAC 17.10(a)(1) requires both an original and a copy. Please submit both an original and a copy of the revised application.

Please provide the missing and/or incomplete information as soon as possible. As per 30 TAC 17.12(2)(A) the applicant must respond to a notice of deficiency (NOD) by providing the additional information required within 30 days of receipt of the NOD or the application will be returned. Once the additional information has been received the administrative review of this



application will resume. If you have any questions or require any assistance in developing the additional required information please contact the Tax Relief for Pollution Control Property Program at (512) 239-0012. Your response may be faxed to 512/239-5768, electronically mailed to txrelief@tceq.state.tx.us, or sent by U.S. Mail.

Sincerely,



Joseph Thomas

Tax Relief for Pollution Control Property Program

ASSOCIATED TAX APPRAISERS

AD VALOREM TAX CONSULTANTS

July 14, 2009

VIA FedEX TRK# 797750486035

Mr. Joseph Thomas
Texas Commission on Environmental Quality
Tax Relief for Pollution Control Property Program
12100 Park 35 Circle, Bldg F MC110
Austin, Texas 78753-1808

Re: **Application No(s): 13814**
Company Name: Sartomer Inc. Goodyear Plant
Street Address: 11455 IH 10
Beaumont, TX 77005

Dear Mr. Thomas:

Pursuant to 30 Texas Administrative Code 17.12(2)(A), please allow this correspondence to serve as our formal response to your Notice of Deficiency, which was received on June 15, 2009, regarding Use Determination Application No. 13814. In that regard, enclosed please find an original and one (1) copy of the revised Application for Tax Relief for Pollution Control Property.

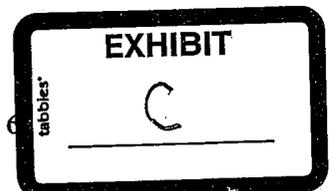
Further in response to your request for information regarding the pollution control property, please be advised that propane is the refrigerant used at this facility. It is used to cool condensers related to pollution control equipment. It was determined that piping system transporting the coolant through the system was deteriorating and could result in catastrophic failure of the system and result in large releases of VOCs into the atmosphere. Process flow diagrams of the system are confidential

We hope this response satisfies any and all requirements of the Texas Commission on Environmental Quality in regard to the enclosed applications for the use determination of pollution control property. If there are any addition materials or information that the TCEQ may need, please do not hesitate to contact us.

We appreciate your cooperation in regard to this matter, and look forward to hearing from you.

Sincerely yours,

Associated Tax Appraisers



Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Protecting Texas by Reducing and Preventing Pollution

July 17, 2009

ASSOCIATED TAX APPRAISERS
RONALD P LITTLE
4543 POST OAK PLACE #232
HOUSTON TX 77027 -

This letter is to inform you that on 7/17/2009, Use Determination Application, 13814 (self assigned tracking number), was declared to be administratively complete. This application was filed for the following facility:

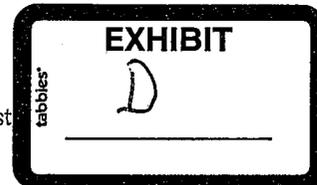
SARTOMER INC. GOODYEAR PLANT
11455 IH 10
BEAUMONT TX 77705

The next step in the Use Determination Application process is the technical review of the application. If this is a Tier I, II, or III application the technical review will be completed within sixty days of the administrative complete date. If this is a Tier IV application the technical review will be completed within 30 days of the administrative complete date. If additional technical information is required a notice of deficiency letter (NOD) will be issued. The time period between the issuance of the NOD and the receipt of the response is not counted in determining the length of the technical review. The TCEQ will notify you after the technical review has been completed. In accordance with the statute, the TCEQ has mailed a notice of receipt of this Use Determination Application to the JEFFERSON County Appraisal District. Please contact the Tax Relief for Pollution Control Property Program at (512) 239-3100 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joseph Thomas".

Joseph Thomas
Program Specialist
Tax Relief for Pollution Control Property Program



Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Protecting Texas by Reducing and Preventing Pollution

July 22, 2009

ASSOCIATED TAX APPRAISERS
RONALD P LITTLE
4543 POST OAK PLACE #232
HOUSTON TX 77027

This letter is to inform you that during the technical review of Use Determination Application, 13814, for:

SARTOMER INC. GOODYEAR PLANT
11455 IH 10
BEAUMONT TX 77705

the reviewer has determined that the following information is missing and/or incomplete:

Based on the description provided this piping is part of the facility production equipment. ECL item A-112 does not cover piping. It applies only to the replacement of pumps, valves or seals. If the pipe joints were welded then A-114 might apply.

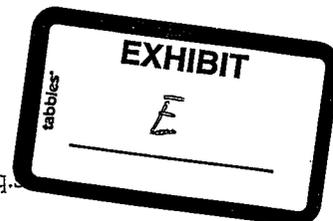
Please provide this additional information as soon as possible. As per 30 TAG 17.12(2) the applicant must respond to a notice of deficiency (NOD) by providing the additional information required within 30 days of receipt of the NOD or the application will be returned. Once the additional information has been received the technical review of this application will resume. If you have any questions or require assistance in developing the additional required information please contact the Tax Relief for Pollution Control Property Program at (512) 239-6348. Your response may be faxed to 512/239-5678, electronically mailed to rhatlett@tceq.state.tx.us, or sent by U.S. Mail to:

Tax Relief for Pollution MC110
PO Box 13087
Austin TX 78711-3087

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald Hatlett".

Ronald Hatlett
Tax Relief for Pollution Control Property Program



App No.	NoD Request	NoD Response
13810		
13811	What equipment is used to remove the sulfur? What happens to the sulfur? Sulfur recovery units are customarily filed as Tier III applications.	The sulfur is removed by use of liquid/liquid extraction in a vessel. The removed sulfur is contained in the waste water that is sent to waste water treatment. ✓
13812		
13814	Based on the description provided this piping is part of the facility production equipment, an ECL item A-112 does not cover piping. It applies only to the replacement of pumps, valves or seals. If the pipe joints were welded then A-114 might apply.	Propane is used as a refrigerant which is used to cool production and control equipment. Leaking of propane would violate fugitive VOC requirements for the facility. A-114 ✓
13813	What subsection of 30 TAC 308 is being met by the upgrade to this drain piping?	The improved flows that would prevent spills are associated with 30 TAC Chapter 327 which would be more appropriate. ✓
App No.	NoD Request	NoD Response
13802	40 CFE 12226	
13803	40 CFE 12226	



Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 22, 2009

ASSOCIATED TAX APPRAISERS
RONALD P LITTLE
4543 POST OAK PLACE #232
HOUSTON TX 77027

This letter is to inform you that the technical review of Use Determination Application 13814 has been completed. This application is for:

SARTOMER INC. GOODYEAR PLANT
11455 IH 10
BEAUMONT TX 77705

The outcome of this review is as follows:

A negative determination is issued for this application. Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control.

House Bill 3121, enacted during the 77th Legislature Session, established a process for appealing a use determination. The Texas Commission on Environmental Quality (TCEQ) rules that implement the appeals process are at 30 TAC 17.25. Pursuant to 17.25(a)(1), an appeal must be filed within 20 days of receipt of the use determination. Should you choose to appeal the use determination, please submit a copy of your appeal to the TCEQ Tax Relief for Pollution Control Property program at the time of filing the appeal with the Chief Clerk of the commission.

If you have any questions or require any additional information, please contact the TCEQ Tax Relief for Pollution Control Property program at (512) 239-6348.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susana M. Hildebrand".

Susana M. Hildebrand, P. E.
Chief Engineer

EXHIBIT

G

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 22, 2009

CHIEF APPRAISER
JEFFERSON COUNTY APPRAISAL DISTRICT
PO BOX 21337
BEAUMONT TX 77720

This letter is to inform you that the technical review of Use Determination Application 13814 has been completed. This application is for:

SARTOMER INC. GOODYEAR PLANT
11455 IH 10
BEAUMONT TX 77705

The outcome of this review is as follows:

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House Bill 3121, enacted during the 77th Legislature Session, established a process for appealing a use determination. The Texas Commission on Environmental Quality (TCEQ) rules that implement the appeals process are at 30 TAC 17.25. Pursuant to 17.25(a)(1), an appeal must be filed within 20 days of receipt of the use determination. Should you choose to appeal the use determination, please submit a copy of your appeal to the TCEQ Tax Relief for Pollution Control Property program at the time of filing the appeal with the Chief Clerk of the commission.

If you have any questions or require any additional information, please contact the TCEQ Tax Relief for Pollution Control Property program at (512) 239-6348.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susana M. Hildebrand".

Susana M. Hildebrand, P. E.
Chief Engineer

**TAX RELIEF FOR POLLUTION CONTROL PROPERTY:
TECHNICAL REVIEW DOCUMENT**

Reviewed By: RLH App. No: 13814 Review Start Date: 07/22/2009

Company Name: ASSOCIATED TAX APPRAISERS

Facility Name: SARTOMER INC. GOODYEAR PLANT

County: JEFFERSON Outstanding Fees: N

Batch/Voucher Number: 509717 Receipt Number: R925293

ADMINISTRATIVE REVIEW

Administrative NOD Issued: Issue 1: The property description in your application is not adequate to show the environmental benefit of the propane line replacement. It is not clear what components make up the line, what the line is used for, where the line goes, or why replacement was needed. Please provide a clear description of the propane line and its use, as well as a process flow diagram showing the components of the line, what it connects to (propane source and delivery point), and its relation to the rest of the facility. Please note that ECL number W-112 is for only for replacement of pumps, valves, and seals, not for the entire propane line. Issue 2: For item 10 on page 4 of 5 in the application, an incorrect entry appears to have been made for the decision flow chart (DFC) box that the item reached. Please note that under the current DFC, box 7 is for Tier IV items, which is inconsistent with this application. Issue 3: Only an original application was submitted, although 30 TAC 17.10(a)(1) requires both an original and a copy. Please submit both an original and a copy of the revised application.

Response to NOD: Answered questions

Administrative Complete Date: 07/17/2009

TIER LEVEL

What Tier is this application? Is this the appropriate level?

Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control. A negative determination should be issued.

RELEVANT RULE, REGULATION, OR STATUTORY PROVISION

The rule listed in the application is: 30 TAC 115 B 2 **The appropriate rule is:** Explain why this is the appropriate rule?

Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control. A negative determination should be issued.

BRIEF DESCRIPTION OF PROPERTY

The property is described as:

Replaced and upgraded the propane line. Propane is used as a refrigerant to cool production and control equipment.

Is an adequate description and purpose of the property provided? Does it list the anticipated environmental benefits? Are sketches and flow diagrams provided if needed?

Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control. A negative determination should be issued.

DECISION FLOWCHART(30 TAC 17.15(a)) [Old DFC I=7, II=9, III=10]. Mark the appropriate boxes: Box 3 Box 5 Box 6(IV) Box 10(III) Box 12(I) Box 13(II)

PART B DECISION FLOWCHART (17.15(b))

Mark the appropriate boxes: Box 1 Box 2 Box 3

Describe how the property flowed through the Decision Flowchart:

Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control. A negative determination should be issued.

TIER III or IV APPLICATIONS

Does your calculation agree with the applicants?

Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control. A negative determination should be issued.

PROPERTY CATEGORIES AND COSTS

Is the table completed correctly? Has the applicant certified that all listed property became taxable for the first time after January 1, 1994? Is all information necessary for conducting the technical review included.

Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control. A negative determination should be issued.

TECHNICAL DEFICIENCIES

Is the application complete as received: If the application was not administratively complete explain below when justifying the final decision in the final determination section. If the application was not technically complete then:

Provide the language to be used in the Notice of Deficiency (NOD) letter:

Based on the description provided this piping is part of the facility production equipment. ECL item A-112 does not cover piping. It applies only to the replacement of pumps, valves or seals. If the pipe joints were welded then A-114 might apply.

Summarize the NOD response:

Propane is used to refrigerate production and control equipment. Leaks are fugitive emissions.

Provide the language used in the second NOD letter:

Summarize the second NOD response:

Provide the language used in the third NOD letter:

Summarize the third NOD response:

FINAL DETERMINATION

If the property description has been summarized enter the detailed property description:

Provide the reason for your final determination:

Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control. A negative determination should be issued.

Provide the language for the final determination.

A negative determination is issued for this application. Replacement of deteriorating production piping is considered to be plant maintenance and not pollution control.

Required signatures and date signed.

Reviewed:  Date Signed: 8/2/2009

Peer Reviewed:  Date Signed: 9/9/09

Work Lead:  Date Signed: 9/14/09

ASSOCIATED TAX APPRAISERS

AD VALOREM TAX CONSULTANTS

October 8, 2009

RECEIVED

OCT 13 2009

**AIR QUALITY
DIVISION**

Via FEDERAL EXPRESS
Tracking No. 7970 0286 9102

LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality
12100 Park 35 Circle, MC105
Austin, Texas 78753

Re: **Application No(s): 13814**
Company Name: Sartomer Inc. Goodyear Plant
Street Address: 11455 IH 10
Beaumont, TX 77705
Appraisal District: Jefferson County Appraisal District

Dear Ms. Castañuela:

Pursuant to 30 Texas Administrative Code 17.25(a)(1), please allow this to letter to serve as our formal appeal of the negative use determination regarding application no. 13814. For your convenience, we are enclosing a copy of the negative determination, which we received on September 25, 2009.

Under 30 Texas Administrative Code §115.121, no person may allow a vent gas stream to be emitted from any synthetic organic chemical manufacturing industry reactor process unless the vent gas stream is controlled properly in accordance with §115.122(a)(2) of this title. The propane line that was replaced by Sartomer is part of a cooling system that cools the reaction process and serves as a vent condenser, which reduces emissions to the flare. This is a clear environmental benefit and meets or exceeds an environmental regulation.

We appreciate your cooperation in this regard, and look forward to hearing from you regarding this matter.

Sincerely yours,

Associated Tax Appraisers

cc: Texas Commission on Environmental Quality
Tax Relief for Pollution Control Property (MC-110)
P.O. Box 13087
Austin, TX 78711-3087

4543 Post Oak Place, # 232 Houston, TX 77027 (281) 497-2200 FAX (713) 627-8

