



Jefferson County Appraisal District

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August 7, 2013

Office of the Chief Clerk
Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

RE: Appeal of Negative Use Determination
Air Products LLC
Air Products Port Arthur Plant
1801 South Gulfway Drive, Gate 37
Port Arthur (Jefferson County)
Regulated Entity Number: RN 101941284
Customer Reference Number: CN 60229957
APPLICATION NUMBER: 16632
TCEQ Docket Number: 2013-1252-MIS-U

Dear Sir or Madam:

The Chief Appraiser of the Jefferson County Appraisal District, Roland R. Bieber, submits this letter in response to, and in support of, the Executive Director's issuance of a negative use determination to appellant, Air Products LLC, on the above-referenced application.

BACKGROUND:

On May 31, 2012, Air Products LLC filed an application for use determination for equipment associated with carbon dioxide capture, transportation and sequestration monitoring and verification equipment installed in connection with the company's hydrogen production facility at 1801 South Gulfway Drive, Port Arthur, Texas. On May 28, 2013, the Executive Director issued a negative use determination letter finding that the application did not cite the federal, state, or local environmental law, rule or regulation being met or exceeded by the use, construction, acquisition or installation of the equipment. The Executive Director's letter listed five rule citations in the application which he found to be not appropriate and listed specific reasons why the citations were not appropriate to support the application. Air Products filed its notice of appeal on June 27, 2013. By letter dated July 19, 2013, briefs or letters in support of the determination letter were solicited. This letter constitutes the response of the Jefferson County Chief Appraiser.

DESCRIPTION OF PROPERTY BEING APPEALED:

This appeal was filed to contest the issuance of a negative use determination concerning a Carbon Capture and Sequestration system which is located at Air Products' Port Arthur facility. The purpose of the system is to capture, control and transport carbon dioxide produced at its hydrogen production facility and then to ship that product to the West Hasting's oil field where it will be in turn used to enhance oil recovery efforts, as stated by the applicant in a letter to TCEQ dated March 19, 2013.

THE PURPOSE OF THE EQUIPMENT:

The equipment is designed to capture carbon dioxide which is produced in the applicant's hydrogen generation facility and then to contain and transport that product to the West Hasting's oil field to be used in "enhanced" oil production efforts. As such, the equipment does not comply with the provisions of Texas Property Tax Code Section 11.31(a). For these reasons, the Chief Appraiser agrees with the conclusion of the Executive Director and feels that the application was correctly decided.

REQUESTED RESOLUTION:

The Chief Appraiser asks that the negative use determination be affirmed.

Respectfully submitted,



Roland R. Bieber,
Chief Appraiser
Jefferson County Appraisal District

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