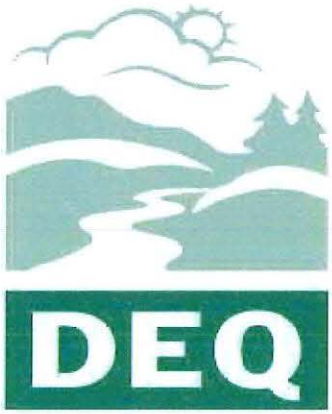
EQC Meeting 1 of 1 DOC 1996 1231

OREGON

ENVIRONMENTAL QUALITY

COMMISSION MEETING

MATERIALS 12/31/1996



State of Oregon
Department of Environmental Quality

A G E N D A

SPECIAL TELEPHONE CONFERENCE CALL MEETING
ENVIRONMENTAL QUALITY COMMISSION

December 31, 1996
DEQ Conference Room 10A
811 S. W. Sixth Avenue
Portland, Oregon

Notes: Because of the uncertain length of time needed for each agenda item, the Commission may deal with any item at any time in the meeting. If a specific time is indicated for an agenda item, an effort will be made to consider that item as close to that time as possible. However, scheduled times may be modified if agreeable with participants. Anyone wishing to listen to the discussion on any item should arrive at the beginning of the meeting to avoid missing the item of interest.

Beginning at 9:00 a.m.

A. **Action Item**: Petition to Temporarily Amend OAR 340-024-0301 to Stay Implementation of Vehicle Inspection Program Boundary in Regard to W. and E. Scappoose
Agenda item pulled--no date rescheduled at this time

B. **Action Item**: Approval of Tax Credits

Hearings have already been held on the Rule Adoption items and the public comment period has closed. In accordance with ORS 183.335(13), no comments can be presented by any party to either the Commission or the Department on these items at any time during this meeting.

The Commission has set aside January 9-10, 1997, for their next meeting. It will be held in Portland, Oregon.

Copies of staff reports for individual agenda items are available by contacting the Director's Office of the Department of Environmental Quality, 811 S. W. Sixth Avenue, Portland, Oregon 97204, telephone 229-5395, or toll-free 1-800-452-4011. Please specify the agenda item letter when requesting.

If special physical, language or other accommodations are needed for this meeting, please advise the Director's Office, (503)229-5395 (voice)/(503)229-6993 (TTY) as soon as possible but at least 48 hours in advance of the meeting.

State of Oregon

Department of Environmental Quality Memorandum

Date: December 18, 1996

To: Environmental Quality Commission

From: Langdon Marsh, Director

Subject: **Agenda Item "A",** Petition to temporarily stay implementation of Vehicle Inspection Program (VIP). EQC Meeting : December 31, 1996

Statement of Purpose

The Commission must consider a petition submitted by the City of Scappoose to temporarily stay implementation of the Motor Vehicle Inspection Program (VIP) within the Scappoose portion of the expanded VIP boundary.

Background

On July 24, 1994, the Environmental Quality Commission (EQC), under existing legislative authority, adopted an expanded Motor Vehicle Inspection Program boundary for the Portland area. This expansion included U.S. Census tracts described by the Department as West and East Scappoose, as well as twenty-six other census tracts. The boundary was revised by the Commission on August 12, 1996, removing four census tracts with commute rates below 40 percent (Newberg, Dundee, Aurora, and Marquam).

On November 29, 1996 the Department received a petition from the City of Scappoose asking for two actions to be taken by the Commission. First, that the Commission direct the Department to repeal that portion of the VIP boundary which includes Scappoose. Second, that the Commission direct the Department to stay implementation of the vehicle testing program in the Scappoose area until the Commission rules on the requested boundary repeal.

By statute the Commission must make a determination regarding the petitioner's request no later than 30 days after receipt of the petition, unless allowed additional time by the petitioner. The Department and the City of Scappoose have agreed that the Commission will consider the question of delaying program implementation at the December 31st EQC meeting. The City is preparing a technical analysis and report in support of their boundary revision request. Since that analysis will not be available until late December, they have agreed to allow the request for a repeal of the boundary to be addressed at a later EQC meeting. The Department will review the city's analysis as soon as it becomes available and make a recommendation to the Commission in January or February.

Authority of the Commission with Respect to the Issue

Under ORS 183.390, an interested person may petition an agency to adopt or amend rules. The rules governing submission, consideration and disposition of the petition are set forth in the Attorney General's Uniform Rule 137-01-070. Oral presentations by other affected parties are within the Commission's discretion.

Alternatives and Evaluation

The Commission must either deny the petition in writing or initiate rulemaking within 30 days of submission.

Summary of Public Input Opportunity

Public comment was considered during both 1994 and 1996 rulemaking actions for the motor vehicle testing program. Since that time the Department has presented information and listened to public comment during several meetings of the Scappoose City Council. These meeting are open to the public.

Conclusions

The expanded VIP boundary was implemented in most new areas in October 1995; however, because of legislative concerns the Department delayed over a year before implementing the vehicle testing program in Yamhill or Columbia counties. As of December 1, 1996 the vehicle testing program has been implemented in Yamhill and Columbia counties. Vehicle registration records were altered at the Department of Motor Vehicles (DMV) to incorporate the appropriate residents of Yamhill and Columbia counties. Letters were mailed in October to residents of both areas informing them of the testing requirements. Temporarily reversing the implementation would be inefficient and confusing for the public as well as the Department and DMV. Therefore the Department recommends that implementation of the vehicle testing program in Scappoose continue pending EQC review of the boundary issue in January or February 1997.

Intended Future Actions

A technical analysis and report is being prepared by a consultant for the City of Scappoose. It is anticipated that the report will review the Department's methodology for estimating the emission impact from motor vehicles and will explore alternative methodologies. It may also dispute the commute rate established by the Department for Scappoose vehicles entering the Portland

airshed. The petition states that the report will be submitted to the Department on or before December 31, 1996. The Department will review the city's analysis as soon as it becomes available and make a recommendation to the Commission during the January or February EQC meeting.

Department Recommendation

The Department recommends that implementation of the vehicle testing program in Scappoose continue pending EQC review of the boundary issue in January or February 1997.

Attachments

1) City of Scappoose Petition.
2) Department letter of December 4, 1996 regarding petition milestone dates.

Reference Documents (available upon request)

Ozone Maintenance Plan for the Portland Area

Approved:

Section: David Collier

Division: Gregory A. Green

Report Prepared By: David L. Collier

Phone: (503) 229-5177

Date Prepared: December 16, 1996

dlc
F:\TEMPLATE\FORMS\EQCINFO.DOT
10/13/95

Environmental Quality Commission

☐ Rule Adoption Item
X Action Item
☐ Information Item

Agenda Item B
December 31, 1996 Meeting

Title:

Approval of Tax Credit Applications

Summary:

Staff recommends approval of thirty seven (37) tax credit applications with a total facility cost of $4,544,516, one certificate transfer and two (2) certificate revocations as follows:

6	**Pollution Prevention**		$ 271,295
29	**Pollution Control**		
11	UST Facilities	$ 995,463	
1	Field Burning Facility	$ 68,134	
2	Hazardous Waste	$ 111,750	
1	Noise	$ 167,596	
7	Water Quality	$1,268,532	
4	Air Quality	$1,503,665	
1	CFC	$ 1,994	
2	Solid Waste: Recycling Facilities	$ 135,237	
	Total Division 16		$4,252,371
2	**Reclaimed Plastics**		$ 20,850
37	**Total Tax Credits**		**$4,544,516**

4 Applications with costs exceeding $250,000
0 Applications for Pre-certification
1 Request for certificate transfer
2 Certificate revocations

Approve issuance of tax credit certificates for applications as presented in Attachment A of the staff report.
Revoke tax credit certificates presented in Attachment A of the staff report.
Transfer tax credit certificate as requested in Attachment B of the staff report.

Maggie Vandeberg — Report Author
Helen Lottridge — Division Administrator
Director

December 17, 1996
Taxshare\eqc\9612_eq.doc

†Accommodations for disabilities are available upon request by contacting the Public Affairs Office at (503)229-5317(voice)/(503)229-6993(TDD).

State of Oregon
Department of Environmental Quality Memorandum†

Date: December 16, 1996

To: Environmental Quality Commission

From: Langdon Marsh, Director

Subject: Agenda Item B, December 31, 1996 EQC Telephone Conference Meeting
Approval of Tax Credit Applications

Statement of the Need for Action

This staff report presents the staff analysis of pollution prevention and control facilities tax credit applications and the Department's recommendation for Commission action on these applications. The following is a summary of the applications presented in this report:

Applications for Pollution Prevention Pilot Program: Air Quality

All equipment is used in the normal course of doing business. However, the owners would not have replaced their existing systems at this time or with this particular equipment had it not been required by the National Emission Standards for Hazardous Pollutants (NESHAP) and to avoid monitoring and record–keeping requirements.

TC No.	Applicant	Description	Cost	Percent Allocable
4678	John L. Craig	Non venting dry-to-dry perc dry-cleaning machine. Installed as a replacement for an old perc machine.	$ 31,900	
4680	PECO Incorporated	An aqueous cleaning system. Installed as a replacement for a vapor degreaser which used Trichloroethylene.	$ 75,000	
4682	Instromedix, Inc..	An aqueous cleaning system. Installed in lieu of a halogenated solvent.	$ 75,000	
4691	Webster Cleaners	Non venting dry-to-dry perc dry-cleaning machine. Installed as a replacement for an old perc machine.	$ 28,000	
4697	Terry L. Stragey	Non venting dry-to-dry perc dry-cleaning machine. Installed as a replacement for an old perc machine.	$ 30,395	
4704	Campus Cleaners & Laundry Inc.	An aqueous cleaning system. Installed as a partial replacement for the production capacity of a perc dry cleaning machine.	$31,000	
		Total Prevention	**$ 271,295**	

†A large print copy of this report is available upon request.

Applications for Pollution Control Tax Credit

Division 16 - UST: Underground Storage Tanks are used in the normal course of doing business. However, the owners would not have replaced or upgraded their existing systems at this time or with this particular equipment had it not been required by EPA and Chapter 340, Division 150.

TC No.	Applicant	Description	Cost	Percent Allocable
4669	Russell Oil Company	UST system upgrade.	62,058	99
4673	Western Stations Co.	UST system upgrade.	164,623	99
4683	Truax Harris Energy LLC	UST leak detection equipment.	18,878	100
4684	Truax Harris Energy LLC	UST system replacement.	187,412	95
4685[2]	Truax Harris Energy LLC	UST system replacement.	206,289	95
4686	Truax Harris Energy LLC	UST corrosion protection/spill prevention.	51,698	99
4692	Western Stations Co.	UST system upgrade.	105,598	99
4698	Pete & Gaynell Bourikas	UST system replacement.	49,467	100
4699	Richard A. Wallace	UST system upgrade.	118,220	99
4701	Georgia Wormer	UST system replacement.	21,135	100
4702	William J. & Joyce A Reller	UST system replacement.	10,085	100
		Subtotal UST:	**$ 995,463**	

Other Division 16

4396	PGE Company	WQ: Principal Purpose - catch basin, vault and oil stop valve.	12,936	100
4427	PGE Company	WQ: Principal Purpose - concrete lined containment dike around fuel pump station, curbed containment at fuel pad, storm drain catch basin, oil/water separator and associated piping system.	55,216	100
4439	PGE Company	WQ: Principal Purpose - oil/water separator, vault with an oil stop valve and a drain piping system.	26,922	100
4441	PGE Company	WQ: Principal Purpose - oil/water separator, asphalt pavement, vault with an oil stop valve and a storm drain piping system.	69,469	100
4469	PGE Company	WQ: Principal Purpose - liner/barricade to retard passage of oil in the event of an oil spill.	30,837	100
4533	Weyerhaeuser Paper Company	AQ: Principal Purpose - scrubber with four stacks 600 hp electric motor with blower, required piping and duct work, instrumentation & control.	**255,990[3]**	100
4560	Boise Cascade Corporation	AQ: Principal Purpose - dry electrostatic precipitator.	**548,116**	100
4561[2]	Boise Cascade Corporation	AQ; Principal Purpose - like-for-like replacement of wet electrostatic precipitator.	**674,559**	100

4569	Intel Corporation	WQ: Principal Purpose - storage tank, pH adjustment tank, reaction vessel, heat exchanger.	**1,038,138**	100
4577	Schaumburg Investments	WQ: Sole Purpose - water recycling system. Used in the normal course of business.	35,014	100
4610	Portland Bolt and Manufacturing Co.	HW: Sole Purpose - sulfuric acid recovery system. Used in the normal course of business.	74,691	100
4611	Portland Bolt and Manufacturing Co.	HW: Sole Purpose - spill containment and collection facility.	37,059	100
4624	Northwest Pipeline Corporation	AQ Noise/Oil: Sole Purpose - pressure relief vent silencer, separator captures oil that could be vented during process.	167,596	100
4640	Sam Trakul Investments	AQ CFC: Principal Purpose - automobile air conditioner refrigerant recycling equipment.	1,994	100
4644	Willamette Industries, Inc.	AQ Principal Purpose - like-for-like replacement of sweeper/vacuum truck. Used in the normal course of business.	25,000	100
4690	John Knez Jr.	SW-Material Recovery: Sole Purpose - Sheetrock recycling machine; vibrating conveyer & screen, loader. Used in the normal course of business.	126,437	100
4695	Roger Neuschwander	AQ Field Burning: Sole Purpose - John Deere seven bottom plow, Coastal Farm harrow, and John Deere 195 hp tractor. Used in the normal course of business.	68,134	79
4703	United Disposal	SW-material recovery: Sole Purpose - TVB vertical baler to recycle waste cardboard. Used in the normal course of business.	8,800	100
		Subtotal Other	**$ 3,256,908**	
		Total Pollution Control	**$4,252,371**	

[2] See *Certificate Revocation.*

[3] Bolded amounts denote applications over $250,000 with an Independent Accountant's Review Report attached.

Applications for Reclaimed Plastic Tax Credit

All facilities are a normal part of doing business. It is unknown if the applicant would have installed these particular facilities at this particular time without the incentive provided by the Reclaimed Plastic Tax Credit.

TC No.	Applicant	Description	Cost	Percent Allocable
4632	WWDD Partnership	'79 27x96 van trailer	2,550	100
4705	WWDD Partnership	200 hp Cal Sierra densifier for plastic recycling.	18,300	100
		Total Reclaimed Plastic	**$ 20,850**	

Certificate Revocation

Truax Harris Energy LLC claimed equipment on tax credit application number 4685 that replaced equipment certified on December 2, 1994 by Pollution Control Facility Certificate number 3397. Certificate number 3397, as shown in Attachment B, would be revoked to coincide with the approval of application number 4685.

Boise Cascade Corporation claimed equipment on tax credit application number 4561 is like-for-like replacement of equipment certified on September 12, 1986 by Pollution Control Facility Certificate number 1889. Certificate number 1889, as shown in Attachment B, would be revoked to coincide with the approval of application number 4561.

Certificate Transfer

Tax Credit 4612 was erroneously issued to WWDD Partnership but should have been issued to Denton Plastics Inc. A memo regarding the transfer is shown in Attachment C.

Background and Discussion of Issues

There are no issues presented for discussion in this report.

Summary of Any Prior Public Input Opportunity

The Department does not solicit public comment on individual tax credit applications during the staff application review process. Opportunity for public comment exists during the Commission meeting when the applications are considered for action.

Conclusions

The recommendations for action on the attached applications are consistent with statutory provisions and administrative rules related to the pollution control, pollution prevention and reclaimed plastic product tax credit programs.

Recommendation for Commission Action

The Department recommends the Commission:

A) Approve certification for the tax credit applications as presented in Attachment A of the Department Staff Report.
B) Revoke certificate number 3397 issued to Truax Harris Energy LLC to coincide with approval of application number 4685 as presented the Department Staff Report.
C) Revoke certificate number 1889 issued to Boise Cascade Corporation to coincide with approval of application number 4561 as presented the Department Staff Report.
D) Transfer tax credit number 4612 from WWDD Partnership to Denton Plastics Inc as requested in Attachment C of the Department Staff Report.

Intended Follow-up Actions

Notify applicants of Environmental Quality Commission actions.

Tax Credit Program Overview

Certificates	1/1/96 - 10/11/96 Certified Costs[4]	1/1/96 - 10/11/96 Certified Allocable Costs[5]	1/1/96 - 10/11/96 App. Count	12/31/96 Recommendation Certified Costs[1]	12/31/96 Recommendation Certified Allocable Costs[2]	12/31/96 Recommendation App. Count
Pollution Prevention	**167,266**	**167,266**	**5**	**271,295**	**271,295**	**6**
Pollution Control						
Air Quality	3,974,977	3,974,977	4	1,503,665	1,503,665	4
CFC	9,342	9,342	5	1,994	1,994	1
Field Burning	727,545	627,692	11	68,134	53,924	1
Noise	32,751	32,751	2	167,596	167,596	1
Hazardous Waste	25,095	25,095	2	111,750	111,750	2
SW - Recycling	773,150	744,509	18	135,237	135,237	2
SW - Landfill	0	0	0	0	0	0
Water Quality	840,225	840,225	3	1,268,532	1,268,532	7
UST	3,478,097	3,239,386	29	995,463	995,463	11
Total	**9,861,182**	**9,493,977**	**74**	**4,252,371**	**4,238,161**	**29**
Reclaimed Plastics	**577,400**	**577,400**	**16**	**20,850**	**20,850**	**2**
TOTALS	**$ 10,605,848**	**$ 10,238,643**	**95**	**$ 4,544,516**	**$ 4,530,306**	**37**

[4] Certified Costs represent the total facility costs the Department determined to be eligible under the tax credit program.

[5] Certified Allocable Costs represent the Certified Costs multiplied by percentage allocable to pollution control. The actual dollars that can be applied as credit are 50 percent of the Certified Allocable Costs.

Attachments

A. Pollution Control Tax Credit Application Review Reports.
B. Certificates to be Revoked.
C. Request for Certificate Transfer.

Reference Documents (available upon request)

1. ORS 468.150 through 468.190.
2. OAR 340-16-100 through 340-16-125.
3. OAR 340-16-005 through 340-16-050.
4. ORS 468.925 through 468.965.
5. OAR 340-17-010 through 340-17-055.

Approved:

Section:

Division:

Report Prepared By: Margaret Vandehey
Phone: 229-6878
Date Prepared: December 10, 1996

M.C. Vandehey
Taxshare\eqc\9612_deq.doc

Application No. T-4439

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Portland General Electric Company
Woodburn Substation
121 SW Salmon Street, I-WTC-04-02

The applicant owns and operates a service center in Woodburn, Oregon which is used as a staging area for electrical crews to load materials onto trailers and trucks for responding to PGE customers.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The facility consists of an oil/water separator, a vault with an oil stop valve and a drain piping system.

Claimed Facility Cost: $26,922
(Accountant's Certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadline in that construction of the facility was substantially completed on October 26, 1994 and the application was found to be complete on June 15, 1996, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency, to prevent water pollution. The requirement is to comply with Title 40 Code of Federal Regulations, Part 112, Oil Pollution Prevention. This prevention is accomplished by redesign to eliminate industrial waste as defined in ORS 468B.005.

The oil/water separator collects water from the shop service area and the storage yard. The vault with the oil stop valve provides oil spill containment for the transformer storage area. In the event of an oil spill at either storage site, the oil is contained and water is allowed to flow into the city storm sewer which eventually discharges to the Mill Creek. This facility does not have any permit issued by DEQ.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no return on investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

PGE considered the following two alternatives:

(a) Skimmer tank with pumping system and holding tank at a cost of $88,000 to $109,000.

(b) A pipe collector system to be directed to a single oil/water separator at $35,000 to $45,000.

Alternatives were rejected due to costs and operational maintenance costs.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of the facility modification.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or

reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution and accomplishes this purpose by redesign to eliminate industrial waste as defined in ORS 468B.005.

c. The facility complies with the federal Environmental Protection Agency regulations.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $26,922 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4439.

Renato C. Dulay
4439_RPT
(503) 229-5374
November 26, 1996

Application No.T-4396

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Portland General Electric Company
Barnes Substation
121 S.W. Salmon Street
Portland, OR 97204-2901

The applicant owns and operates an investor owned electric utility which produces and distributes electrical energy throughout Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

Claimed facility consists of catch basin, vault and oil stop valve.

Claimed Facility Cost: $12,936

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadline in that installation of the facility was substantially completed on October 13, 1993 and the application for certification was found to be complete on August 28, 1995, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution. This prevention is accomplished by redesign to eliminate industrial waste as defined in ORS 468B.005.

Drainage within the substation site is modified to divert all oil contaminated runoff including spills to the catch basin. Collected runoff discharges into the oil stop valve vault where water is allowed to pass through and discharges to the nearby storm sewer. If oil is present

the oil stop valve will close. The system will allow adequate time for cleanup crew to be dispatched to the site and properly disposed of collected oil.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no income from this facility. Therefore, there is no return on investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

Other alternatives considered are transformer/oil circuit breaker pits and a sand filter system. The circuit breaker pit is too expensive ($43,000 to $62,000) and the sand filter would not contain spilled oil. There are no savings or increase costs as a result of the facility modification.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of the facility modification.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or

reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution and accomplishes this purpose by the redesign to eliminate industrial waste as defined in ORS 468B.005.

c. The facility complies with federal regulations.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $12,936 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4396.

Tom Fisher

(503) 378-8240 ext. 236

Application No. T-4427

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Portland General Electric Company
Bethel plant
121 SW Salmon Street
Portland, OR 97204-2901

The applicant owns and operates an investor owned utility company which produces and distributes electrical energy throughout Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The claimed facility includes a 10 foot high concrete lined containment dike around the fuel oil pump station, curbed containment at the fuel oil filter pad, storm drain catch basin, an oil/water separator and associated piping system.

Claimed Facility Cost: $55,216
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met the statutory deadline in that installation of the facility was substantially completed on January 13, 1995 and the application for certification was found to be complete on August 16, 1995, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution. This prevention is accomplished by redesign to eliminate industrial waste as defined in ORS 468B.005.

All contaminated runoff and/or oil spill from the fuel oil pump station is contained within the diked area and is collected by 2 sumps. Contaminated runoff from the fuel pad area is collected and pumped also into the fuel pump station containment system. The collected contaminated runoff is then pumped from the 2 sumps to a new oil/water separator located at the tank farm containment. The treated runoff is mixed with any runoff that is collected within the tank farm and it is released to the nearby city drainage system through a positively controlled drain lines. The drain lines have manually operated gate valves which are normally closed.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent on the investment in the facility.

There is no income from the facility and therefore there is no return on investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

There are no known alternatives.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of the facility modification.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise

pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution and accomplishes this purpose by redesign to eliminate industrial waste as defined in ORS 468B.005.

c. The facility complies with federal Environmental Protection Agency regulations.

d. The portion of the facility cost that is properly allocable to pollution control is 100 %.

5. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $55,216 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4427

Tom Fisher
(503) 378-8240 ext. 236

Application No. T-4441

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Portland General Electric Company
Newberg Service Center
121 SW Salmon Street, I-WTC-04-02
Portland, OR 97204

The applicant owns and operates a service center in Newberg, Oregon which is used as a staging area for electrical crews to load materials onto trailers and trucks for responding to PGE customers.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The facility consists of an oil/water separator, asphalt pavement, a vault with an oil stop valve, and a storm drain piping system.

Claimed Facility Cost: $69,469
(Accountant's Certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadline in that construction of the facility was substantially completed on December 15, 1994 and the application was found to be complete on November 26, 1996, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency, to prevent water pollution. The requirement is to comply with Title 40 Code of Federal Regulations, Part 112, Oil Pollution Prevention. This prevention is accomplished by redesign to eliminate industrial waste as defined in ORS 468B.005.

The oil/water separator collects water from the shop service area and the storage yard. In the event of an oil spill at either storage site, the oil is contained and water is allowed to flow into the city storm sewer which eventually discharges to the Spring Brook Creek. This facility does not have any permit issued by DEQ.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no return on investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

PGE considered a skimmer tank with pumping system and holding tank at a cost of $88,000 to $109,000. This alternative was rejected due to higher cost and operational maintenance costs.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of the facility modification.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution and accomplishes this purpose by redesign to eliminate industrial waste as defined in ORS 468B.005.

c. The facility complies with the federal Environmental Protection Agency regulations.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $69,469 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4441.

Renato C. Dulay
4441_RPT
(503) 229-5374
November 26, 1996

Application No.T-4469

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Portland General Electric Company
Delaware Substation
121 SW Salmon Street, 1WTC-0402
Portland, OR 97204-2901

The applicant owns and operates an electrical substation in Portland, Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The liner/barricade consists of a transformer oil resistant high density polyethylene (HDPE) impermeable membrane liner. The curbing consists of rock berms and HDPE fabric.

Claimed Facility Cost: $30,837
(Accountant's Certification was provided).

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadline in that construction and installation of the facility was substantially completed on October 25, 1994, and the application for certification was found to be complete on June 14, 1995, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency, to prevent water pollution. The requirement is to comply with Title 40 Code of Federal Regulations, Part 112, Oil Pollution Prevention.

The facility is an impermeable membrane liner/barricade which retards the passage of oil from the yard in the event of an oil spill. This system allows adequate time for a cleanup crew to be dispatched to the site

before oil can enter the City of Portland's storm drain.

This facility does not have any permits issued by DEQ.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no return on investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

PGE considered the following three alternatives:

(a) Transformer/oil circuit breaker pits at a cost of $30,000 to $40,000 plus operational cost.

(b) Sand berm with liner at $25,000.

(c) Oil stop valve, piping, and storage container at $24,000 to $30,000.

These alternatives were rejected due to cost and operational maintenance work.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of the facility modification.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise

pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the federal Environmental Protection Agency to prevent water pollution.

c. The facility complies with the federal Environmental Protection Agency regulations.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $30,837 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4469.

Elliot J. Zais:

(503) 229-5292

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT
Application No. TC-4533

---

1. Applicant

1.1 Weyerhaeuser Paper Company
North Bend Mill
Post Office Box 329
North Bend, Oregon 97459

1.2 The applicant owns and operates a containerboard manufacturing mill in North Bend, Oregon.

1.3 This Tax Credit Application was made for an air pollution control facility.

2. Description of Air Pollution Control Facility

2.1 The claimed facility controls emissions of particulate matter in the exhaust gases from the hogged fuel-fired Boiler #1. The facility includes a custom-built Burley brand scrubber with four stacks, a 600 horsepower electric motor with blower, required piping and ductwork, and instrumentation and controls. Fine water droplets impinge upon particulate matter, coalesce, and flow to the bottom of the scrubber. The scrubber liquor is discharged to the Applicant's wastewater treatment system.

2.2 The cost of the claimed facility is $255,990.00. No ineligible costs were claimed.

2.3 The Adjusted Facility Cost is $255,990.00.

2.4 The Applicant stated that the useful life of the pollution control facility is ten years.

3. Documents Relied On

3.1 Correspondence from Shannon Souza of Weyerhaeuser Paper Company to David P. Kauth of the Oregon Department of Environmental Quality (ODEQ) dated January 21, 1996.

3.2 Application for Final Certification of a Pollution Control Facility for Tax Relief Purposes Pursuant to ORS 468.155 et seq. (the Application) from Weyerhaeuser Containerboard Packaging to ODEQ dated September 15, 1995, with attachments and exhibits:

3.2.1 Attachment 1 to the Application, Site Location Map dated August 21, 1992;

3.2.2 Attachment 2 to the Application, Summary of Results" of source testing performed on the claimed facility September 16 and 17, 1993;

3.2.3 Attachment 3 to the Application, Stipulation and Final Order No. AQP-SWR-93-044a issued by ODEQ to Weyerhaeuser Company;

3.2.4 Attachment 4 to the Application, Interoffice Communication to Weyerhaeuser File from Judi Coen of Weyerhaeuser dated April 28, 1993, and correspondence from Larry Schoolcraft of Weyerhaeuser to Messrs. Ruben Kretzschmar and Dick Nichols of ODEQ;

3.2.5 Exhibit A to the Application, Site Plan of Weyeraeuser (sic) Paper Mill, Millsite, roads, Buildings & Grounds, Sheet 1 of 5, dated October 29, 1992;

3.2.6 Exhibit B to the Application, comprising copies of four photographs of the claimed facility under construction; and Drawing No. 8-E-0024-0 "Breaching (sic) Layout" dated January 18, 1980, Drawing No. 11-0-0042-0 "Plot Plan Elevation" dated January 18, 1980, and Drawing No. 1-B-0073-0 "Scrubber Orientation" dated January 12, 1980, all by Burley Industries for Medford Corporation;

3.2.7 Exhibit C to the Application, itemized costs of claimed facility; and

3.2.8 Exhibit D to the Application, Accountant's opinion (correspondence) from Arthur Andersen & Co. S.C. to Weyerhaeuser Company dated September 15, 1995.

3.3 Drawing No. E-3513-S "Computer Room Electronic Equipment and Air Conditioning Power Disconnecting Means" by Weyerhaeuser Paper Company, dated February 15, 1990.

3.4 Correspondence from Thomas H. Scheideman, Jr., P.E. of Weyerhaeuser Paper Company to ODEQ Air Division dated April 16, 1993.

4. Procedural Requirements

4.1 Tax credit issues for the claimed facility are governed by Oregon Revised Statutes (ORS) 468.150 through 468.190 "Pollution Control Facility Tax Credit" and Oregon Annotated Rules (OAR) Chapter 340, Division 16 "Pollution Control Tax Credits".

4.2 The claimed facility met the statutory deadline specified in OAR 340-16-020(1)(b). Construction and installation of the claimed facility was substantially completed on September 16, 1993. The Application was sent by overnight delivery on Friday, September 15, 1995. The Application was received by ODEQ on the next business day, Monday, September 18, 1995 and accepted as complete on that date.

5. Evaluation of Application

5.1 Rationale for Eligibility

In accordance with OAR 340-22-104, the claimed facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by ODEQ to control air pollution. Condition 6 of Air Contaminant Discharge Permit No. 06-0015 issued by ODEQ to Applicant established an emission limit of 0.2 grains per dry standard cubic foot of exhaust gas for Boiler No. 1 at Applicant's plant. Stipulation and Final Order AQP-SWR-93-044a (Attachment 3 to the Application) establishes a compliance schedule requiring the installation of a scrubber on Boiler No. 1. Emission reduction of particulate matter by the scrubber accomplishes the elimination of air contaminants as defined in ORS 468A.005.

5.2 The claimed facility controls particulate matter from the products of combustion of hogged fuel in Boiler No. 1. The claimed facility includes a custom-designed Burley scrubber. A 600 horsepower induced draft fan blows exhaust gases from the boiler into each of four balanced ducts, each with a baffled scrubber section. The scrubber sections are 9 feet 6 inches in inside diameter and about 30 feet 9 inches in height, including conical ends. Each section is equipped with a spray header and a total of seven spray nozzles. The scrubber liquor flow rate is not specified. During the referenced source test, the average steaming rate for the boiler was 80,000 pounds per hour. At this steaming rate, the exhaust gas flow rate was 41,805 dry standard cubic feet per minute (dscfm) based on an average measured concentration (grain loading) of 0.048 grain/dscf and a computed emission rate of 17.2 pounds per hour. Prior source tests established a baseline emission rate of 83 pounds per hour of particulate matter. Based on these data, the scrubber achieves a removal efficiency of about 79%. The mass of particulate matter per year removed is a function of the number of hours the boiler operates. The wasted scrubber liquor is discharged to Weyerhaeuser's industrial wastewater treatment plant.

5.3 Eligible Cost Findings

In order to determine the percent of the cost of this pollution control facility allocable to pollution control, the following factors were considered:

5.3.1 ORS 468.190(1)(a) "If applicable, the extent to which the facility is used to recover and convert waste products into a salable or usable commodity." The claimed facility does not recover or convert waste products into a salable or usable commodity.

5.3.2 ORS 468.190(1)(b) "The estimated annual return percent on the investment in the facility." The applicant states in the Application that there is no income or savings from the claimed facility, hence there is no return on the investment.

5.3.3 ORS 468.190(1)(c) "If applicable, the alternative methods, equipment and costs for achieving the same pollution control objective." Wet scrubbing was the only method considered. Wet scrubbers are technically recognized as an acceptable method of removing particulate matter from the combustion gases of hogged fuel-fired boilers.

5.3.4 ORS 468.190(1)(d) "Any related savings or increase in costs which occur or may occur as a result of the installation of the facility." No savings result from the facility. Applicant has estimated the expense of maintaining and operating the facility to be a total of $1,348.85 for the first five years of operation, including labor and inspection materials. This amount is not included in the claimed amount of tax credit.

5.3.5 ORS 468.190(1)(e) "Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous watste or to recycling or appropriately disposing of used oil." During the tax credit review of this Application, no other such relevant factors were disclosed. The review confirms the cost allocation as submitted in the Application.

5.4 The actual cost of the claimed facility properly allocable to pollution control as determined by considering the lack of other factors is 100%.

6. Summation

6.1 The claimed facility was constructed in accordance with the regulatory deadlines at ORS 468.165(6) and OAR 340-16-020(1)(b).

6.2 The claimed facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by ODEQ to control air pollution.

6.3 The claimed facility complies with applicable Chapters of ORS and OAR, and allows Boiler No. 1 to comply with ODEQ permit conditions.

6.4 One hundred percent of the facility cost is properly allocated to pollution control.

7. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the amount of $255,990 with 100% allocated to pollution control be issued for the facility claimed in Tax Credit Application No. TC-4533.

CLEAN AIR SOLUTIONS, INC.

Lawrence L. Stookey, P.E.
General Manager

E:\CAS\TAXCREDIT\TAX_WEY1.WP6

MERINA McCOY GERRITZ, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
John W. Merina, CPA
Michael E. McCoy, CPA
Gerald V. Gerritz, Jr., CPA

CERTIFIED IN
Oregon
Washington

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Oregon Department of
Environmental Quality
811 SW Sixth Avenue
Portland, OR 97204

At your request, we have performed the procedures enumerated below, which were agreed to by the Oregon Department of Environmental Quality (DEQ), solely to assist the DEQ in evaluating Weyerhaeuser Company (the Company) Pollution Control Tax Credit Application No. 4533 (the Application) regarding the scrubber (the Facility) in North Bend, Oregon. The claimed facility costs on the Application are $255,990. The agreed-upon procedures and related findings are:

1. We read the Application, the Oregon Revised Statutes on Pollution Control Facilities Tax Credits - Sections 469.150 - 468.190 (the Statutes) and the Oregon Administrative Rules on Pollution Control Tax Credits - Sections 340-16-050 (OARs).

2. We reviewed and discussed the Application, supporting documents, and Statutes with Maggie Vandehey and David Kauth of the Oregon Department of Environmental Quality (DEQ) and with Larry Stookey, P.E., representing Cascade Earth Sciences.

3. We reviewed and discussed the Application, supporting documents, Statutes and OARs with Shannon Souza, the Company's Environmental Process Engineer.

4. We inquired as to whether there were any direct or indirect Company costs charged or allocated to the facility costs claimed in the Application.

   We were informed that direct labor costs were included in the Application and that no indirect Company costs were included in the Application. The direct labor costs, which included payroll taxes and fringe benefits, were found to be supported, reasonable as to amount and properly included in the Application.

5. We reviewed the documents and workpapers of applicant's certified public accountants that related to the facility claim.

   The claimed facility cost in the Application was $255,990. The Accountant's Certificate was for costs totaling $255,990.

18670 WILLAMETTE DRIVE • WEST LINN, OR 97068-1707
(503) 636-4864 • FAX (503) 636-2318

6. We reviewed all costs claimed in the Application for Pollution Control Tax Credit Certification under the rules and statutes that govern the Program.

   We determined that the claimed facility costs are eligible for pollution control tax credit certification under the rules and statutes that govern the program.

7. The Company has confirmed to us that no billings from related parties or affiliates of the Company have been included in the claimed costs.

8. We reviewed the calculations in Section V of the Application for Final Certification of Pollution Control Facility and found them to be correct.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the Application should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements of the Company in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. The report relates only to the items specified above and does not extend to any financial statements of the Company taken as a whole.

This report is solely for the State of Oregon Department of Environmental Quality in evaluating the Company's Pollution Control Tax Credit Application and should not be used for any other purpose.

Merina McCoy Gerritz

Merina McCoy Gerritz, CPA's, P.C.
West Linn, Oregon
November 6, 1996

Application No. TC-4560

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Boise Cascade Corporation
Timber & Wood Products Division
P.O. Box 50
Boise, Idaho 83728

The applicant owns and operates a wood particle board manufacturing plant located on Hwy. 82 in Island City, Oregon. The particle board plant operation includes two manufacturing lines, each with a boiler, dryers and press vents. Each line boiler is fired by natural gas and/or sander dust. The plant was built prior to 1970.

Application was made for tax credit for an air pollution control facility.

2. Description of Facility

The claimed facility is a dry electrostatic precipitator, or ESP, system (Model S-121212-3S) manufactured by PPC Industries. The function of the claimed pollution control facility is to reduce emissions of particulate matter from the Line 2 boiler exhaust. The electrostatic precipitator is designed to operate with a particulate removal efficiency in excess of 90%.

Claimed Facility Cost: $593,821

A distinct portion of the claimed facility makes an insignificant contribution to the principal purpose of pollution control. The applicant claimed $16,096 for spare parts for the electrostatic precipitator system and $29,609 for an access road. Spare parts are purchased for future use and are not considered to be part of the air pollution control facility. Road improvements are specifically listed in OAR 340-16-025 as not qualifying as being a distinct portion of the pollution control facility.

Ineligible Costs: $ 45,705

Adjusted Facility Cost: $548,116

Accountant's Certification was provided.

The applicant indicated the useful life of the facility is 12 years.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Construction and installation of the facility was substantially completed on May 19, 1994 and placed into operation on May 19, 1994. The application for final certification was received by the Department on December 5, 1995. The application was found to be complete on May 13, 1996, within two years of substantial completion of the facility.

4. Evaluation of Application

a. Rationale For Eligibility

The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the applicant's Air Contaminant Discharge Permit (ACDP) number 31-0002 issued by the Oregon Department of Environmental Quality. Condition 3 of the Permit requires the Line 2 boiler to not equal or exceed a 20% opacity emission limitation and to limit particulate emissions to a maximum 0.10 gr/dscf (grains particulate per dry standard cubic foot exhaust gas). The emission reduction is accomplished by the removing of air contaminants as defined in ORS 468A.005.

Prior to installation of the claimed facility, the Line 2 boiler exhaust passed through a Ducon cyclone control device to reduce particulate concentrations below the ACDP emissions limitations. A July 22, 1986 source test of Line 2 boiler emissions with the Ducon cyclone device indicated excessive particulate emissions. A Notice of Noncompliance was issued June 17, 1993 citing the Line 2 boiler emissions as exceeding the 20% opacity limit. Due to exceedances of Line 2 boiler emission limitations and several enforcement actions against the source, the applicant proposed replacement of the Ducon cyclone device as part of a compliance demonstration schedule with the Department. The applicant selected an electrostatic precipitator (ESP) device expected to

emit no more than 0.02 gr/dscf at design conditions.

The Line 2 boiler exhaust pollution control facility consists of a three field Model S-121212-3S dry electrostatic precipitator (ESP) system manufactured by PPC Industries, boiler combustion controls by Steam Engineering, interconnecting ductwork between the existing induced draft fan and the new ESP unit, equipment foundations, and related electrical distribution and control equipment.

According to June 14, 1995 notes by a DEQ inspector in attendance at a particulate emission source test, Line 2 boiler exhaust was measured at 0.04 gr/dscf and a Line 2 boiler exhaust was observed at 5% opacity.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

The applicant indicates in the application that operating expenses of the facility exceed the income, so there is no return on the investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

Alternate methods for boiler exhaust particulate reduction were considered and included installing wet scrubbers at an estimated cost of approximately $500,000 plus wastewater treatment expenses. Equivalent dry ESP units were identified that had comparable costs but were unable to operate at the existing boiler flue gas conditions. Another alternate method considered the redirecting of boiler flue gases through the Line 2 dryers for heat recovery, but an air pollution control device would have been

required for the dryer exhaust at an estimated cost of $1,000,000.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There is no savings from the facility. The average annual cost of maintaining and operating the facility is estimated to be $14,571.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

Other than the adjustment to the claimed facility cost referenced in Section 2, the cost allocation review of this application has identified no issues to be resolved and confirms the cost allocation as submitted in the application. The principal purpose of the claimed facility is to enable the applicant to comply with the requirements of the facility Air Contaminant Discharge Permit. To comply with Permit requirements, the claimed facility removes a substantial portion of particulate emissions that is generated from the Line 2 boiler at the plant site. The claimed facility has no function other than the control of air contaminant discharges from the Line 2 boiler exhaust.

The actual cost of the facility properly allocable to pollution control as determined by using this factor or these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement to reduce air pollution. The requirement is imposed by the applicant's Air Contaminant Discharge Permit issued by the Department of Environmental Quality.

c. The facility complies with Department statutes and permit conditions.

d. The portion of the facility cost that is properly allocated to pollution

control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $548,116 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4560.

Dennis E. Cartier
SJO Consulting Engineers, Inc.

July 9, 1996

MERINA McCOY GERRITZ, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
John W. Merina, CPA
Michael E. McCoy, CPA
Gerald V. Gerritz, Jr., CPA

CERTIFIED IN
Oregon
Washington

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Oregon Department of
Environmental Quality
811 SW Sixth Avenue
Portland, OR 97204

At your request, we have performed the procedures enumerated below, which were agreed to by the Oregon Department of Environmental Quality (DEQ), solely to assist the DEQ in evaluating Boise Cascade Corporation (the Company) Pollution Control Tax Credit Application No. 4560 (the Application) regarding the scrubber (the Facility) in Island City, Oregon. The claimed facility costs on the Application are $593,821. The agreed-upon procedures and related findings are:

1. We read the Application, the Oregon Revised Statutes on Pollution Control Facilities Tax Credits - Sections 469.150 - 468.190 (the Statutes) and the Oregon Administrative Rules on Pollution Control Tax Credits - Sections 340-16-050 (OARs).

2. We reviewed and discussed the Application, supporting documents, and Statutes with Maggie Vandehey and David Kauth of the Oregon Department of Environmental Quality (DEQ) and Dennis Cartier of SJO Consulting Engineers, Inc.

3. We reviewed and discussed the Application, supporting documents, Statutes and OARs with Jared Rogers, the Company's Region Engineer.

4. We inquired as to whether there were any direct or indirect Company costs charged or allocated to the facility costs claimed in the Application.

   We were informed that direct labor costs were included in the Application and that no indirect Company costs were included in the Application. The direct labor costs, which included payroll taxes and fringe benefits, were found to be supported, reasonable as to amount and properly included in the Application.

5. We reviewed the documents and workpapers of applicant's certified public accountants that related to the facility claim.

   The claimed facility cost in the Application was $593,821. The Accountant's Certificate was for costs totaling $593,821.

18670 WILLAMETTE DRIVE • WEST LINN, OR 97068-1707
(503) 636-4864 • FAX (503) 636-2318

6. We reviewed all costs claimed in the Application for Pollution Control Tax Credit Certification under the rules and statutes that govern the Program.

   We determined that the claimed facility costs are eligible for pollution control tax credit certification under the rules and statutes that govern the program.

Original claim	$	593,821
Remove cost of road paving		(29,609)
Remove spare parts		(16,096)
Adjusted claimed facility cost	$	548,116

7. The Company has confirmed to us that no billings from related parties or affiliates of the Company have been included in the claimed costs.

8. We reviewed the calculations in Section V of the Application for Final Certification of Pollution Control Facility and found them to be correct.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the Application should be adjusted, except as detailed in procedure six. Had we performed additional procedures or had we conducted an audit of the financial statements of the Company in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. The report relates only to the items specified above and does not extend to any financial statements of the Company taken as a whole.

This report is solely for the State of Oregon Department of Environmental Quality in evaluating the Company's Pollution Control Tax Credit Application and should not be used for any other purpose.

Merina McCoy Gerritz

Merina McCoy Gerritz, CPA's, P.C.
West Linn, Oregon
November 5, 1996

Application No. TC-4561

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Boise Cascade Corporation
Timber & Wood Products Division
P.O. Box 50
Boise, Idaho 83728

The applicant owns and operates a lumber and plywood manufacturing plant on 90 South 21st Street in Elgin, Oregon

Application was made for tax credit for an air pollution control facility.

2. Description of Facility

The claimed facility is a wet electrostatic precipitator, or ESP, system manufactured by Geoenergy International Corporation that was installed to control emissions of particulate matter from veneer dryers #2 and #3. The wet electrostatic precipitator was designed to operate with a particulate removal efficiency of greater than 85%.

Claimed Facility Cost: $885,261

The claimed facility replaced a previously certified pollution control facility. On September 12, 1986 certificate no. TC-1889 was issued for $196,728.83. The original facility included two Burley model B-5 scrubbers, steel clarifier water tank, and associated equipment to control emissions of particulate matter from the two veneer dryers. In accordance with OAR 340-16-025(g) the applicant is eligible for tax relief in the difference between the like-for-like replacement cost of the original facility and the greater cost of the new facility. The applicant has obtained an independent estimate totaling

$187,795 for the like-for-like replacement cost of the original facility, which excludes the cost of the reused clarifier tank and includes estimated installation labor and material expenses.

A distinct portion of the claimed facility makes an insignificant contribution to the principal purpose of pollution control. The applicant claimed $22,907 for spare parts for the wet electrostatic precipitator system. Spare parts are purchased for future use and thus are not an eligible for being claimed for pollution control facility tax relief.

Ineligible Cost	$187,795	(Original facility replacement, like-for-like cost)
Ineligible Cost	$ 22,907	(Spare parts)

Total of Ineligible Costs: $210,702

Adjusted Facility Cost: $674,559

Accountant's Certification was provided.

The applicant indicated the useful life of the facility is 12 years.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Construction and installation of the facility was substantially completed on May 30, 1994 and placed into operation on May 31, 1994. The application for final certification was received by the Department on December 5, 1995. The application was found to be complete on May 13, 1996, within two years of substantial completion of the facility.

4. Evaluation of Application

a. Rationale For Eligibility

The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the applicant's Air Contaminant Discharge Permit (ACDP) number 31- 0006 issued by the Department of Environmental Quality (DEQ). ACDP item 6 and item 9 require the permittee to control and operate all veneer dryers to not exceed an average operating opacity of 20% and to not exceed a plant site emission limit of 48.5 tons per year (18.0 lb/hr) of particulate matter. The emission reduction is accomplished by the elimination of air contaminants as defined in ORS 468A.005

The air pollution control facility installed on veneer dryers #2 and #3 exhaust emission points consists of a Geoenergy Industries model #1013-189 "E-Tube" wet electrostatic precipitator, interconnecting ductwork and piping system, modifications to an existing Burley Industries clarifier, related electrical distribution and controls, caustic feed station, control room, and facility foundations.

According to July 1, 1996 phone conversation with a DEQ inspector familiar with the facility (Mr. Doug Welch), the claimed facility is operating in an acceptable manner since startup in May 1994 and the #2 and #3 veneer dryer emissions are in compliance.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

A portion of the waste product is converted into a usable commodity consisting of waste particulate matter that is recovered from the ESP in the form of pitch and added to the boiler hog fuel supply. The annual monetary value of recovered waste products is negligible (5 to 10 gallons of pitch is recovered daily at an annual savings estimated at less than $4,000).

2) The estimated annual percent return on the investment in the facility.

   The applicant indicates in the application that there is no income or savings from the facility, so there is no return on the investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.
   The applicant has identified no alternative methods

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.
   There is no savings from the facility. The average annual cost of maintaining and operating the facility is estimated to be $99,918.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.
   Other than the adjustments to the claimed facility cost that were reference in Section 2, the cost allocation review has identified no issues to be resolved and confirms the cost allocation as submitted in the application.

The actual cost of the facility properly allocable to pollution control as determined by using this factor or these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement to control air pollution. The requirement(s) is (are) imposed by the applicant's Air Contaminant Discharge Permit issued by the Department of Environmental Quality.

c. The facility complies with Department statutes and permit conditions.

d. The portion of the facility cost that is properly allocated to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $674,559 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4561.

Dennis E. Cartier
SJO Consulting Engineers, Inc.

July 9, 1996

MERINA McCOY GERRITZ, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
John W. Merina, CPA
Michael E. McCoy, CPA
Gerald V. Gerritz, Jr., CPA

CERTIFIED IN
Oregon
Washington

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Oregon Department of
Environmental Quality
811 SW Sixth Avenue
Portland, OR 97204

At your request, we have performed the procedures enumerated below, which were agreed to by the Oregon Department of Environmental Quality (DEQ), solely to assist the DEQ in evaluating Boise Cascade Corporation (the Company) Pollution Control Tax Credit Application No. 4561 (the Application) regarding the scrubber (the Facility) in Elgin, Oregon. The claimed facility costs on the Application are $885,261. The agreed-upon procedures and related findings are:

1. We read the Application, the Oregon Revised Statutes on Pollution Control Facilities Tax Credits - Sections 469.150 - 468.190 (the Statutes) and the Oregon Administrative Rules on Pollution Control Tax Credits - Sections 340-16-050 (OARs).

2. We reviewed and discussed the Application, supporting documents, and Statutes with Maggie Vandehey and David Kauth of the Oregon Department of Environmental Quality (DEQ) and Dennis Cartier of SJO Consulting Engineers, Inc.

3. We reviewed and discussed the Application, supporting documents, Statutes and OARs with Jared Rogers, the Company's Region Engineer.

4. We inquired as to whether there were any direct or indirect Company costs charged or allocated to the facility costs claimed in the Application.

   We were informed that no direct labor costs were included in the Application and that no indirect Company costs were included in the Application.

5. We reviewed the documents and workpapers of applicant's certified public accountants that related to the facility claim.

   The claimed facility cost in the Application was $885,261. The Accountant's Certificate was for costs totaling $885,261.

18670 WILLAMETTE DRIVE • WEST LINN, OR 97068-1707
(503) 636-4864 • FAX (503) 636-2318

6. We reviewed all costs claimed in the Application for Pollution Control Tax Credit Certification under the rules and statutes that govern the Program.

   We determined that the claimed facility costs are eligible for pollution control tax credit certification under the rules and statutes that govern the program.

Original claim	$ 885,261
Remove original facility replacement cost on a like-for-like basis	(187,795)
Remove spare parts	(22,907)
Adjusted claimed facility cost	$ 674,559

7. The Company has confirmed to us that no billings from related parties or affiliates of the Company have been included in the claimed costs.

8. We reviewed the calculations in Section V of the Application for Final Certification of Pollution Control Facility and found them to be correct.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the Application should be adjusted, except as detailed in procedure six. Had we performed additional procedures or had we conducted an audit of the financial statements of the Company in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. The report relates only to the items specified above and does not extend to any financial statements of the Company taken as a whole.

This report is solely for the State of Oregon Department of Environmental Quality in evaluating the Company's Pollution Control Tax Credit Application and should not be used for any other purpose.

Merina McCoy Gerritz

Merina McCoy Gerritz, CPA's, P.C.
West Linn, Oregon
November 5, 1996

Application No. T-4569

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Intel Corporation
3065 Bowers Avenue
Santa Clara CA 95051

The applicant owns and operates a microcomputer chip factory in Aloha, Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The claimed facility consists of a storage tank, a pH adjustment tank, a reaction vessel, a heat exchanger and associated plumbing and electrical control system.

Claimed Facility Cost: $1,044,269
(Accountant's Certification was provided.)

Intel Corporation claimed a facility cost of $1,044,269. Based on a review conducted by Symonds, Evans & Larson, P.C. a portion of the claimed cost is ineligible for tax relief certification. This cost is confirmed and agreed to by the applicant which follows:

Claimed facility cost:	$1,044,269
Spare parts	(6,131)
Adjusted facility cost:	$1,038,138

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadline in that construction of the facility was substantially completed on April 1, 1995 and the application for certification was found to be complete on December 22, 1995, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Unified Sewerage Agency of Washington County (USA) to control a substantial quantity of water pollution. The requirement is to comply with Intel's Significant User Discharge Permit No. 133-018-1 limit for cyanide. This control is accomplished by the use of treatment works for industrial waste as defined in ORS 468B.005.

Under the National Pollutant Discharge Elimination System (NPDES) permitting program, owners and operators of publicly owned wastewater treatment plants are required to implement a Department approved pretreatment program. The program regulates industrial wastewater discharges to the sanitary sewer. USA pretreatment program requires the issuance of a discharge permit for the industrial waste discharge to the sanitary sewer and specifies effluent limits and reporting requirements. Intel has been issued a discharge permit by USA.

The claimed facility is installed to treat wastewater from a newly constructed cyanide based production process at Intel's Aloha microcomputer chip facility.

Thermal hydrolysis is a method of destroying cyanide by heating the wastewater up to about 450°F at which point the hydrolysis reaction takes place. The thermal hydrolysis process breaks down the cyanide complexes into nitrogen, carbon dioxide, and iron with some traces of ammonia.

Cyanide process wastewater from the Fab flows into a storage tank. The wastewater is pumped to a pH adjustment tank. From this tank the wastewater is pumped to a heat exchanger for preheating and then into the reaction vessel. Thermal hydrolysis occurs in this vessel and the treated wastewater is discharged to the acid waste neutralization treatment system for final pH adjustment. The mixed wastewater is finally discharged to the USA sewer system.

Intel is meeting its permit limit for cyanide discharge to the USA sanitary sewer.

b. Eligible Cost Findings

In determining the percentage of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no return on this investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

Intel considered four alternatives.

UV/Ozone oxidation process uses ozone and ultraviolet light to breakdown the cyanide complex and oxidizes the cyanide. This technology is not effective to treat wastewater with cyanide concentrations above 200 parts per million (ppm). Use of this system would require dilution of the waste which would increase the wastewater flow rate by four fold.

Alkaline chlorination uses sodium hypochlorite to oxidize the cyanide. This is a standard treatment technology for active cyanide, but it was found to be ineffective in breaking down the cyanide complex in Intel's waste samples.

Electrocoagulation is a method of precipitating the cyanide complex out of solution and coagulating it along with the colloidal silica. After very thorough testing of a pilot system, Intel found the size of the full scale system to be significantly larger than originally anticipated. The effluent has a total cyanide concentration ranging from 5 to 10 ppm. After blending with the acid waste neutralization waste stream this effluent would be diluted to a cyanide concentration of 0.1 to 0.3 ppm. Although this is within the existing discharge permit limit, it would not meet Intel's goal of less than 0.01 ppm and would require additional treatment to meet that goal.

Chemical precipitation uses iron sulfate to precipitate out the cyanide and colloidal silica. This option was eliminated because the volume of sludge created would be much higher than electrocoagulation and would have no possibility for recycling back into usable materials.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings from the facility. The cost of maintaining and operating the facility is $140,868 annually.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or

reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the Unified Sewerage Agency of Washington County to control water pollution and accomplishes this purpose by the use of treatment works for industrial waste as defined in ORS 468B.005.

c. The facility complies with DEQ statutes and rules and the Intel's industrial waste discharge permit conditions.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $1,038,138 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4569.

Elliot J. Zais
(503) 229-5292
October 2, 1996

SYMONDS, EVANS & LARSON, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES TO POLLUTION CONTROL TAX CREDIT APPLICATION NO. 4569

Environmental Quality Commission
811 S.W. Sixth Avenue
Portland, Oregon 97204

We have performed the procedures enumerated below, which were agreed to by Intel Corporation (the Company); the State of Oregon, Department of Environmental Quality (the DEQ); and the Environmental Quality Commission, solely to assist you with respect to the Company's Pollution Control Tax Credit Application No. 4569 (the Application) filed with the DEQ for the Water Pollution Control Facility in Aloha, Oregon (the Facility). This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The Application has a claimed Facility cost of $1,044,269. Our procedures and findings are as follows:

Procedures:

1. We read the Application, the Oregon Revised Statutes (ORS) on Pollution Control Facilities Tax Credits – Sections 468.150 through 468.190 (the Statutes) and the Oregon Administrative Rules (OAR's) on Pollution Control Tax Credits – OAR 340-16-005 through OAR 340-16-050.

2. We inspected vendor invoices which aggregated approximately 74% of the claimed costs of the Facility.

3. We discussed certain components of the Application, the Statutes and OAR's with Maggie Vandehey and Elliot Zais of the DEQ.

4. We discussed certain components of the Application with Ingeborg Schneider and John Arand of the Company.

5. We toured the Facility with Ms. Schneider and Mr. Arand.

9600 S.W. Oak Street, Suite 380
Portland, Oregon 97223

Phone: (503) 244-7350
Fax: (503) 244-7331

6. We requested that Company personnel confirm the following assertions:

   A) There were no related parties or affiliates of the Company which had billings which were included in the Application.

   B) The Company presently derives no income or cost savings from operating the Facility.

   C) All supply costs included in the Application related to the installation of the Facility and did not include ongoing operating supplies.

   D) No previously existing equipment was sold as a result of the installation of the Facility.

   E) The capacity of the Facility is adequate for the Company's present operations and does not include significant capacity for potential future operations.

   F) In accordance with ORS Section 468.155(2)(e), the Facility is not a "replacement or reconstruction of all or a part of any facility for which a pollution control facility certificate has previously been issued..."

   G) All internal labor costs included in the Application were at the Company's actual cost and related directly to the installation of the Facility.

Findings:

1. through 5.

   As a result of applying these procedures, we noted that the Application should be adjusted for $6,131 in spare parts that are considered non-allowable costs. Accordingly, the allowable costs for the Application should be decreased to $1,038,138.

6. Company personnel confirmed in writing that such assertions were true and correct.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Symonds, Evans + Larson, P.C.

November 8, 1996

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Schaumburg Investments
Donald C. Schaumburg and David C. Schaumburg
33005 Roberts Court
Coburg, OR 97408

The applicant owns and operates a construction company in Coburg, Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The claimed facility consists of a Delta 500 water recycling system, sumps, pumps and associated plumbing and electrical controls, and a 12 feet by 24 feet metal building for the equipment.

Claimed Facility Cost: $35,014
(Accountant's Certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadline in that installation of the facility was substantially completed on May 1, 1994 and the application was found to be complete on January 8, 1996, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. The facility is eligible because the sole purpose of the facility is to prevent a substantial quantity of water pollution. This prevention is accomplished by the use of treatment works for industrial waste as defined in ORS 468B.005.

Construction equipment and vehicles are pressure washed at the wash rack which is a concrete slab provided with a sump. The collected wastewater from the sump

is pumped to the Delta 500 water recycling system for treatment. The treated wastewater is reused for the pressure washing operation.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

Used oil collected from the recycling system is temporarily stored on site. A recycling company picks up the used oil for disposal. The dirt and sludge from the recycling system is disposed of to a landfill.

2) The estimated annual percent return on the investment in the facility.

The applicant pays a recycling company to pick up and dispose of the used oil. There is no return on investment in the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant did not consider other alternatives.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings from the facility. The cost of maintaining and operating the facility is $19,240 annually.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the sole purpose of the facility is to prevent a substantial quantity of water pollution and accomplishes this purpose by redesign to eliminate industrial waste as defined in ORS 468B.005.

c. The facility complies with DEQ statutes and rules.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $35,014 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4577.

Renato C. Dulay
4577_RPT
(503) 229-5374
Nov. 11, 1996

State of Oregon

Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. *Applicant*

Portland Bolt and Manufacturing Company
3441 NW Guam St.
Portland, OR 97210

The applicant manufactures special fasteners with an in house galvanizing line.

Application was made for tax credits for a sulfuric acid recovery system.

2. *Description of Facility*

The facility is used to recover usable sulfuric acid by removing iron from the acid. Sulfuric acid is used in galvanizing fasteners and becomes contaminated with iron sulfate and removing the iron sulfate allows the sulfuric acid to be reused. The cost savings attributed to not having to dispose of contaminated acid and not having to refill the acid preparation tanks with new acid is minimal. The facility is located at Portland Bolt and Manufacturing Company, 3441 NW Guam St., Portland, OR 97210.

Claimed Facility Cost: $74,691

3. *Procedural Requirements*

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Installation of the facility was substantially completed in May of 1994, the application was received by the Department on April 18,1996 within approximately 2 years of substantial completion of the facility and the application for final certification was found to be complete on November 8, 1996.

4. *Evaluation of Application*

a. The facility is eligible because the sole purpose of the facility is to eliminate spent sulfuric acid hazardous waste which substantially reduces the quantity of hazardous material that would otherwise be generated and need to be disposed.

b. Eligible Cost Findings

In determining the percent of the pollution control facility's cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

Waste products are recovered and converted into a usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no return on investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

Known alternative is to neutralize the hazardous waste acid which would still produce a wastewater and sludge for disposal.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

None.

5. *Summation*

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification because the sole purpose of the facility is to eliminate spent sulfuric acid hazardous waste which substantially reduces the quantity of hazardous material that would otherwise be generated and disposed. This elimination is accomplished by the use of a sulfuric acid reclamation facility.

c. It appears that the facility complies with applicable statutes, rules and permit conditions.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $74,691 with 100% allocated to pollution control be issued for the facility claimed in Tax Credit Application No. TC 4610.

Gary Calaba, gjc
TC4610
(503) 229-6534
November 8, 1996

State of Oregon

Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. *Applicant*

Portland Bolt and Manufacturing Company
3441 N.W. Guam St.
Portland, OR 97210

The applicant manufactures special fasteners which are galvanized with an in-house process that uses toxic chemicals.

Application was made a tax credit for a hazardous waste spill containment and collection facility consisting of concrete trenches that are lined with chemical resistant vinylester.

2. *Description of Facility*

The facility is used for containing and collecting hazardous materials that may spill during manufacturing fasteners. The facility is located at Portland Bolt and Manufacturing Company, 3441 N.W. Guam St., Portland, OR 97210.

Claimed Facility Cost: $37,059.00

3. *Procedural Requirements*

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Installation of the facility was substantially completed in May 1994, and the application for final certification was found to be complete on November 8, 1996, within approximately 2 years of substantial completion of the facility (the application was received by the Department on April 18, 1996).

4. Evaluation of Application

a. The spill containment and collection facility is eligible because its sole purpose is to control and substantially reduce the quantity of hazardous material that must be disposed in the event of a release of hazardous material during manufacture. The control and reduction of wastes are accomplished by the use of trenches that effectively contain hazardous material, allowing its recovery for reuse.

b. Eligible Cost Findings

In determining the percent of the pollution control facility's cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity. In the event of a spill, hazardous material may be recovered and reused, rather than disposed as wastes.

2) The estimated annual percent return on the investment in the facility.

There is no return on investment.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

None.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

None.

5. *Summation*

a. The facility was constructed in accordance with all regulatory deadlines.

b. The spill containment and collection facility is eligible because its sole purpose is to control and substantially reduce the quantity of hazardous material that must be disposed in the event of a release during manufacture. The control and reduction of wastes are accomplished by the use of trenches that effectively contain hazardous material, allowing its recovery for reuse.

c. It appears that the facility complies with applicable statutes, rules and permit conditions.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. *Director's Recommendation*

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $37,059.00 with 100% allocated to pollution control be issued for the facility claimed in Tax Credit Application No. TC 4611.

Gary Calaba, gjc
TC4611
(503) 229-6534
November 8, 1996

Application No. TC-4624

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Northwest Pipeline Corporation
295 Chipeta Way, P.O. Box 58900
Salt Lake City, UT 84158-0900

The applicant owns and operates a natural gas pipeline compressor station at 15124 S. Springwater Road in Carver, Oregon.

Application was made for tax credit for a noise and oil pollution control facility.

2. Description of Facility

The claimed facility controls noise and possible oil pollution associated with emergency shutdown of the compressor station. The station compresses natural gas to allow flow of the natural gas to customers. The facility includes a Vibration and Noise Engineering Corporation blowdown vent silencer/separator. In the event of emergency shutdown of the compressor station, which results in blowdown (pressure relief) of the station, the silencer reduces the noise of the venting natural gas. The separator portion of the unit captures any oil which could be vented during the station blowdown.

Claimed Facility Cost: $ 193,889

The claimed facility cost included $17,560 listed on the accounting sheets as costs for property retired and $8,733 in costs for construction of a road to the silencer. Northwest Pipeline agreed that the costs associated with retirement of property for the project do not meet the definition of sole purpose contained in OAR 340-16-010 (9) to be eligible costs for pollution control tax credits. Roads are specifically excluded from eligibility for tax credits by OAR 340-16-025 (3) (d) (A).

Ineligible Costs: $ 26,293

Adjusted Facility Cost: $ 167,596

Accountant's Certification was provided.

The applicant indicated the useful life of the equipment is 10 to 20 years.

3. Procedural Requirements

The facility is governed by ORS 183, 459, 466, 467 and 468 and by OAR Chapter 340, Divisions 35 and 108.

The facility met all statutory deadlines in that:

Construction and installation of the facility was begun on March 10, 1994 and the facility was completed and placed into operation on June 6, 1994. The application for final certification was received by the Department on June 5, 1996. The application was found to be complete on October 15, 1996.

4. Evaluation of Application

a. Rationale for Eligibility

The facility is eligible because its sole purpose is to control noise and prevent oil pollution.

In the infrequent event of compressor station emergency shutdown, the claimed facility controls noise from the emergency venting natural gas and captures any oil which might be entrained with the natural gas in the station piping.

The silencer reduces the noise at the vent from 120 dbA (applicant estimate) to 77 dbA.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) *The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.*

The facility does not recover or convert waste products into a salable or usable commodity.

2) *The estimated annual percent return on the investment in the facility.*

The applicant indicates in the application that there is no income or savings from the facility, so there is no return on the investment.

3) *The alternative methods, equipment and costs for achieving the same pollution control objective.*

Perforated diffusers are technically recognized as an acceptable method for controlling noise from high pressure gas flow. No other means were evaluated by the applicant because there are not other systems which can withstand the flow generated by a station blowdown.

4) *Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.*

There is no savings or increase in costs for the facility.

5) *Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of noise and oil pollution.*

The claimed facility cost included $17,560 listed on the accounting sheets as costs for property retired and $8,733 in costs for construction of a road to the silencer. Northwest Pipeline agreed that the costs associated with retirement of property for the project do not meet the definition of sole purpose contained in OAR 340-16-010 (9) to be eligible costs for pollution control tax credits. Roads are specifically excluded from eligibility for tax credits by OAR 340-16-025 (3) (d) (A).

Removal of these costs from the total cost of the facility resulted in an cost of the facility of $ 167,596.

The cost accounting sheets provided with the application did not provide sufficient descriptions of the costs to easily determine if all the costs were allocable to the prevention of pollution. The engineer who designed the project no longer works for Northwest Pipeline. Northwest Pipeline personnel had difficulty finding detailed information in their records of the costs for the project. The lack of available detailed cost information resulted in substantial delay in determining the allocable costs for the facility. Sufficient information was provided allow the determination of the project costs.

As part of the technical assessment of the costs, Northwest Pipeline was asked for the reason for locating the silencer approximately 200 feet south of the compressor station. Northwest Pipeline personnel could not find documentation about the reason for the location of the silencer.

On October 7, 1996 the site was toured with the Northwest Pipeline engineers. It was determined during the site visit that placing the silencer to the south of the compressor station was the only practical location based on the layout of the station piping and subsequent piping installation to the east of the station.

The question remaining after the site visit was the reason for locating the silencer so far to the south of the station. Northwest Pipeline engineers estimated that the silencer could have been installed 160 feet closer to the station without interfering with station access and operations. This would have resulted in a project cost reduction of $20,000 (Northwest Pipeline estimate).

Since, the additional 160 feet of piping to the silencer has no other purpose than providing a path to the silencer, it fits the definition of sole purpose in OAR 340-16-010 (9). Thus the $20,000 would be an allocated cost for pollution control.

Based on this analysis of the costs associated with the silencer installation, the allocable cost of the facility is $ 167,596.

5. Summation

a. The facility was constructed and application for certification was made in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that the sole purpose of the facility is to control noise pollution and prevent oil pollution.

c. The facility complies with DEQ statutes and permit conditions.

d. The portion of the eligible facility cost of $ 167,596 that is properly allocated to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $ 167,596 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4624.

Frank Jones
LPG Associates, Inc.

November 6, 1996

Application No. TC-4632

State of Oregon
Department of Environmental Quality

RECLAIMED PLASTIC TAX CREDIT
TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

WWDD Partnership
230 N. W. 10th
Portland, OR 97209

The applicant is a partnership which leases the claimed plastic recycling equipment to Denton Plastic. Denton Plastic is a recycling company located at 4427 NE 158th, Portland Oregon 97209. The claimed equipment will be used for plastic recycling at that location.

Application was made for Reclaimed Plastic Tax Credit.

2. Description of Equipment, Machinery or Personal Property

The claimed equipment consists of a 1979 Trailermobile 27X96 van trailer, serial # 739033.

The claimed facility investment costs: $2,550

A copy of the sales invoice and check for payment for the trailer were provided.

3. Procedural Requirements

The investment is governed by ORS 468.451 through 468.491, and by OAR Chapter 340, Division 17.

The investment met all statutory deadlines in that:

a. The request for preliminary certification was received on May 31, 1996. The 30 day waiting period was waived and the request for preliminary certification was approved on June 4, 1996.

b. The investment was made on June 5, 1996.

c. The request for final certification was submitted on October 29, 1996 and was filed complete on November 20, 1996.

4. Evaluation of Application

a. The investment is eligible because the equipment is necessary to process reclaimed plastic.

b. Allocable Cost Findings

In determining the portion of the investment costs properly allocable to reclaiming and recycling plastic material, the following factors from ORS 468.486 have been considered and analyzed as indicated:

1) The extent to which the claimed collection, transportation, processing or manufacturing process is used to convert reclaimed plastic into a salable or usable commodity.

The equipment is to be used 100 percent of the time for transporting reclaimed plastic.

2) Any other factors which are relevant in establishing the portion of the actual cost of the investment properly allocable to the collection, transportation or processing of reclaimed plastic or to the manufacture of a reclaimed plastic product.

No other factors were considered relevant.

The actual cost of the investment properly allocable to transporting reclaimed plastic as determined by using these factors is 100%.

5. Summation

a. The investment was made in accordance with all regulatory deadlines.

b. The investment is eligible for final tax credit certification in that the equipment is necessary to transport reclaimed plastic.

c. The qualifying business complies with DEQ statutes and rules.

d. The portion of the investment cost that is properly allocable to reclaiming and recycling plastic is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Reclaimed Plastic Tax Credit Certificate bearing the cost of $2,550 with 100% allocated to reclaiming plastic material, be issued for the investment claimed in Tax Credit Application No. TC-4632.

William R. Bree
TAX\TC4632PL.STA
(503) 229-6046
November 20, 1996

Application No. TC-4640

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Sam Trakul Investments
12860 SW Pacific Hwy.
Tigard, OR 97223

The applicant owns and operates a Jiffy Lube automotive maintenance facility at 12860 SW Pacific Highway in Tigard, Oregon.

Application was made for tax credit for automobile air conditioner refrigerant recycling equipment.

2. Description of Equipment Claimed

The claimed equipment controls air pollution by recycling automobile air conditioner refrigerant instead of discharging the refrigerant to the air.

Claimed Equipment Cost: $ 2,694

The equipment is capable of recharging refrigerant to vehicles being serviced. This capability of the equipment is not directly related to controlling the release of refrigerant to the atmosphere and is not eligible for the tax credit. The estimated cost of including the recharging capability in the equipment is $ 700.

Ineligible Costs: $ 700

Adjusted Equipment Cost: $ 1,994

The applicant indicated the useful life of the equipment is 3 years.

3. Procedural Requirements

The equipment is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The application met all statutory deadlines in that:

The equipment was purchased and placed into operation on March 4, 1996. The application for final certification was received by the Department on July 25, 1996. The application was found to be complete on November 4, 1996.

4. Evaluation of Application

a. Rationale for Eligibility

The equipment is eligible because the principal purpose of the equipment is to comply with the requirements of OAR 340-22-405 to 415, Control of Ozone Depleting Chemicals, to recycle air conditioning refrigerant. The equipment captures and recycles automobile air conditioning refrigerant that would otherwise be released to the atmosphere.

According to the manufacturer's literature provided, the equipment is certified by the Underwriters Laboratory (UL) and Society of Automotive Engineering (SAE) standards. Communication with the manufacturer confirmed the equipment was built to the specifications of UL1963 and the Society of Automotive Engineers (SAE) standards, J1990 and J1991, as required to be eligible.

b. Eligible Cost Findings

In determining the percent of the pollution control equipment cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) *The extent to which the equipment is used to recover and convert waste products into a salable or usable commodity.*

The equipment recovers and recycles for further use automobile air conditioner refrigerant. Refrigerant would be discharged to the atmosphere if the equipment was not used.

Part of the equipment design allows the recharging refrigerant to vehicles being serviced. This capability of the equipment is not directly related to controlling the release of refrigerant to the atmosphere and is not eligible for the tax credit. The estimated cost of including the recharging capability in the equipment is $ 700.

This results in an adjusted equipment cost of $ 1994, as shown above.

2) *The estimated annual percent return on the investment for the equipment.*

The percent return on investment was calculated using generic cost of equipment operations estimated by the Department.

The applicant estimated a cost of $9.50 per pound for refrigerant and an annual amount of 60 pounds of refrigerant recovered by the equipment. Based on these figures and the equipment cost of $1,994, tables provided by the Department indicate that the machine operating costs exceed the income from the use of the equipment.

3) *The alternative methods, equipment and costs for achieving the same pollution control objective.*

No alternatives were identified by the applicant.

4) *Any related savings or increase in costs which occur or may occur as a result of the installation of the equipment.*

There are savings from the recovery and reuse of the refrigerant. As discussed in 2) above, the increased costs associated with the operation of the equipment exceed the savings from the recovery and reuse.

5) *Any other factors which are relevant in establishing the portion of the actual cost of the equipment properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.*

There are no other factors relevant to establishing the actual cost of the equipment allocable to prevention, control or reduction of pollution.

5. Summation

a. The equipment was constructed and application for certification was made in accordance with all regulatory deadlines.

b. The equipment is eligible for final tax credit certification in that its principal purpose is to comply with a requirement imposed by the Department to reduce air pollution.

c. The equipment complies with DEQ statutes and rules.

d. The portion of the eligible equipment cost of $ 1,994 that is properly allocated to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $ 1,994 with 100% allocated to pollution control, be issued for the equipment claimed in Tax Credit Application No. TC-4640.

Frank Jones
LPG Associates, Inc.

November 13, 1996

Application No. TC-4644

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Willamette Industries, Inc.
1300 S.W. Fifth Avenue, 3800 First Interstate Tower
Portland, Oregon 97201

The applicant owns and operates particleboard manufacturing plant at 2550 Old Salem Road N.E. in Albany, Oregon.

Application was made for tax credit for a combined sweeper and vacuum truck for control of fugitive particulate matter emissions.

2. Description of Facility

The vacuum sweeper controls fugitive wood particulate matter that builds up throughout the plant site during the manufacture of particleboard. The plant makes particleboard by refining wood shavings, chips and plytrim and blending the resulting furnish with resin and wax. The material is laid out in a mat, pressed to cure the resin and finished using sanders and saws. The manufacturing process produces particulate matter which can become airborne and contribute to air pollution. The vacuum sweeper collects the particulate matter for disposal.

Claimed Equipment Cost: $ 25,000

Accountant's Certification was provided.

The applicant indicated the useful life of the equipment is 5 years.

3. Procedural Requirements

The equipment is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The application met all statutory deadlines in that:

The equipment was purchased during July and August 1994 and placed into operation on August 31, 1994. The application for final certification was received by the Department on July 31, 1996. The application was found to be complete on November 6, 1996. The application was complete when received. Processing delays slowed the complete finding until November.

4. Evaluation of Application

a. Rationale for Eligibility

The equipment is eligible because its principle purpose is to collect fugitive particulate matter from the plant site to prevent the material from becoming airborne as required by OAR 340-21-060(2). OAR 340-21-060(2) requires that reasonable precautions be taken to prevent particulate matter from plant operations becoming airborne. The equipment has no other use.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) *The extent to which the equipment is used to recover and convert waste products into a salable or usable commodity.*

The particulate matter removed by the equipment is sent to a landfill and is not recovered or converted into a salable or usable commodity.

2) *The estimated annual percent return on the investment in the equipment.*

The equipment produces no income for the facility and there is no return on investment.

3) *The alternative methods, equipment and costs for achieving the same pollution control objective.*

Vacuum sweeping of industrial sites is a normal and effective method of controlling fugitive particulate matter. The applicant did not provide an analysis of possible alternative methods and costs.

4) *Any related savings or increase in costs which occur or may occur as a result of the equipment.*

The annual cost of operation of the equipment is estimated by the applicant to be $11,652. Thus there is a net cost to the applicant for the operation of the equipment.

5) *Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.*

The vacuum sweeper purchased replaced an existing sweeper which did not have a vacuum capability. The applicant determined the current cost of replacing the old sweeper. The eligible cost was calculated by subtracting the replacement cost of the old sweeper from the cost of the new vacuum sweeper.

Cost of New Vacuum Sweeper	$ 101,500
Replacement Value of Old Sweeper	$ 76,500
Difference - Cost Claimed for Tax Credit	$ 25,000

Thus the calculated cost for the improved performance of the new sweeper is $ 25,000.

5. Summation

a. The equipment was purchased and application for certification was made in accordance with all regulatory deadlines.

b. The equipment is eligible for final tax credit certification in that the principal purpose of the equipment is to control fugitive particulate matter at the plant.

c. The equipment complies with DEQ statutes and permit conditions.

d. The portion of the eligible equipment cost of $ 25,000 that is properly allocated to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $ 25,000 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4644.

Frank Jones
LPG Associates, Inc.

November 13, 1996

Application No. TC-4669

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Russell Oil Company
P O Box 7
Boardman, OR 97818

The applicant owns and operates a retail gas station and cardlock at 101 SW Front St., Boardman, OR 97818, Facility ID No. 4188.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are epoxy lining in five tanks, doublewall flexible plastic piping, two additional line leak detectors and sumps.

Claimed facility cost $62,058
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on February 1, 1996 and placed into operation on February 1, 1996. The application for certification was submitted to the Department on September 25, 1996, and was considered to be complete and filed on October 20, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Epoxy tank lining and doublewall flexible plastic piping.

2) For spill and overfill prevention - Sumps.

3) For leak detection - Line leak detectors.

The Department concludes that the costs claimed by the applicant ($62,058) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considers the methods chosen to be the most cost effective alternative available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Epoxy tank lining	$35,081	100%	$35,081
Doublewall plastic piping	10,704	95% (1)	10,169
Spill & Overfill Prevention:			
Sumps	3,519	100	3,519
Leak Detection:			
Line leak detectors	532	100	532
Labor, material, misc. parts	12,222	100	12,222
Total	$62,058	99%	$61,523

(1) The Department has determined the percent allocable on the cost of a corrosion protected piping system by using a formula based on the

difference in cost between the protected piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is $10,704 and the bare steel system is $515, the resulting portion of the eligible piping cost allocable to pollution control is 95%.

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 99%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $62,058 with 99% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4669.

Barbara J. Anderson
(503) 229-5870
October 20, 1996

Application No. TC-4673

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Western Stations Co.
2929 NW 29th Ave.
Portland, OR 97210-1705

The applicant owns and operates a retail gas station at 1006 S. Riverside, Medford, OR, Facility ID No. 6178.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are epoxy lining and impressed current cathodic protection on four steel tanks, doublewall flexible plastic piping, spill containment basins, tank gauge system, turbine leak detectors, overfill alarm, sumps, oil/water separator, automatic shutoff valves and Stage I vapor recovery equipment.

Claimed facility cost $164,623
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on March 1, 1996 and placed into operation on March 1, 1996. The application for certification was submitted to the Department on October 3, 1996, and was considered to be complete and filed on November 1, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Epoxy tanklining, impressed current cathodic protection on four tanks and flexible plastic piping.

2) For spill and overfill prevention - Spill containment basins, sumps, oil/water separator, automatic shutoff valves and an overfill alarm.

3) For leak detection - Tank gauge system and turbine leak detectors.

In addition, the following equipment was installed to reduce air quality emissions:

1) For VOC reduction - Stage I vapor recovery equipment.

The Department concludes that the costs claimed by the applicant ($164,623) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

   The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

   There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

   The applicant considers the methods chosen to be the most economical alternative available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

   The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

   There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Tank cathodic protection	$6,800	100%	$6,800
Epoxy tanklining	36,200	100	36,200
Flexible plastic piping	9,100	100	9,100
Spill & Overfill Prevention:			
Spill containment basins	1,462	100	1,462
Overfill alarm	277	100	277
Oil/water separator	5,400	100	5,400
Sumps	6,578	100	6,578
Automatic shutoff valves	1,027	100	1,027
Leak Detection:			
Tank gauge system	11,290	90% (1)	10,161
Turbine leak detectors	975	100	975
VOC Reduction:			
Stage I vapor recovery	383	100	383
Labor and materials	85,131	100	85,131
Total	$164,623	99%	$163,494

(1) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 99%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $164,623 with 99% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4673.

Barbara J. Anderson
(503) 229-5870
December 3, 1996

Application No. T-4678

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT
POLLUTION PREVENTION PILOT PROGRAM

---

1. Applicant

John L. Craig
dba Craig's Cleaners
1707 5th Street
LaGrande, Oregon 97850

The applicant owns and operates a percloroethylene dry cleaning shop located at 1707 5th Street, LaGrande, Oregon

Application was made for tax credit for an air pollution prevention facility.

2. Description of Facility

The claimed facility is a new non venting dry-to-dry perc dry-cleaning machine with refrigerated condenser which was installed as a replacement for an old perc machine which vented emissions to the atmosphere during the drying cycle. The new perc machine reduces the creation of emissions by maintaining them within the machine.

Claimed Facility Cost: $ 31,900

3. Procedural Requirements

The facility is governed by ORS 468A.095 through 468A.098, and by OAR Chapter 340, Division 16.

The facility met all regulatory deadlines in that:

Installation of the facility was substantially completed on February 17, 1996. The application for final certification was received by the Department on October 17, 1996. The application was found to be complete on October 22, 1996, within one year of installation of the facility.

4. Evaluation of Application

Rationale For Eligibility

(1) The facility is eligible because it meets the requirement of avoiding the substantive requirements of the National Emission Standard for Hazardous Air Pollutants (NESHAP), specifically 40 CFR 63.320 to 63.325 national perchloroethylene air emissions standard for dry cleaning facilities.

The facility was installed between January 1, 1996 and December 31, 1999.

The facility does not qualify for a pollution control tax credit under ORS 468.165 and 468.170.

(2) The facility installed equipment which resulted in perchloroethylene use of less than 140 gallons per year and the facility qualifies as a small area source under the NESHAP

(3) The facility was registered under the Clean Air Act Title III National Emissions Standards for Hazardous Air Pollutants.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that it meets the definition of a pollution prevention facility for this pilot program.

c. The applicant indicated that the tax credit program was not a determining factor in installing this equipment.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Prevention Facility Certificate bearing the cost of $ 31,900, be issued for the facility claimed in Tax Credit Application No. T-4678.

DPK
12/04/96 8:35 AM

Application No. T-4680

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT
POLLUTION PREVENTION PILOT PROGRAM

---

1. Applicant

PECO Incorporated
PO Box 82189
Portland, Oregon 97282-0189

The applicant owns and operates a parts cleaning facility at 4704 SE 17th Avenue Portland, Oregon 97202 for cleaning castings and metal parts in the manufacturing process.

Application was made for tax credit for an air pollution prevention facility.

2. Description of Facility

The claimed facility is an aqueous cleaning system which was installed as a replacement for a vapor degreaser which used Trichloroethylene. The new cleaning process eliminates the use, and emission to the atmosphere, of Trichloroethylene.

Claimed Facility Cost:	$ 154,461
Exceeding the limit:	$ 79,461
Allowable tax credit:	$ 75,000

3. Procedural Requirements

The facility is governed by ORS 468A.095 through 468A.098, and by OAR Chapter 340, Division 16.

The facility met all regulatory deadlines in that:

Installation of the facility was substantially completed on February 26, 1996. The application for final certification was received by the Department on October 21, 1996. The application was found to be complete on October 22, 1996, within one year of installation of the facility.

4. Evaluation of Application

Rationale For Eligibility

(1) The facility is eligible because it meets the requirement of avoiding the National Emission Standard for Hazardous Air Pollutants (NESHAP), specifically 40 CFR 63.460 to 63.469 national emission standards for halogenated solvent cleaning.

The facility was installed between January 1, 1996 and December 31, 1999.

The facility does not qualify for a pollution control tax credit under ORS 468.165 and 468.170.

(2) The facility installed an aqueous parts cleaner as a replacement for their vapor degreaser.

(3) The facility is not required to register under the Clean Air Act Title III National Emissions Standards for Hazardous Air Pollutants, but replaces a facility which was subject to registration.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that it meets the definition of a pollution prevention facility for this pilot program.

c. The applicant indicated that the tax credit program was not a determining factor in installing this equipment.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Prevention Facility Certificate bearing the cost of $ 75,000 (the maximum allowed by this pilot program) be issued for the facility claimed in Tax Credit Application No. T-4680.

DPK
T4680.DOC
10/23/96 8:51 AM

Application No. T-4682

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT
POLLUTION PREVENTION PILOT PROGRAM

---

1. Applicant

Instromedix, Inc.
7431 NE Evergreen Parkway
Hillsboro, OR 97124

The applicant owns and operates a circuit board manufacturing facility located at 7431 NE Evergreen Parkway Hillsboro, OR.

Application was made for tax credit for an air pollution prevention facility.

2. Description of Facility

The claimed pollution prevention facility is an aqueous cleaning system which was installed in lieu of a halogenated solvent cleaning process. The new cleaning process uses water, instead of solvents, which prevents emission of regulated pollutants to the atmosphere.

Claimed Facility Cost:	$ 91,510
Exceeding the limit:	$ 16,510
Allowable tax credit:	$ 75,000

3. Procedural Requirements

The facility is governed by ORS 468A.095 through 468A.098, and by OAR Chapter 340, Division 16.

The facility met all regulatory deadlines in that:

Installation of the pollution prevention facility was substantially completed on April 26, 1996. The application for final certification was received by the Department on October 22, 1996. The application was found to be complete on November 25, 1996, within one year of installation of the facility.

4. Evaluation of Application

Rationale For Eligibility

(1) The pollution prevention facility is eligible because it meets the requirement of avoiding the National Emission Standard for Hazardous Air Pollutants (NESHAP), specifically 40 CFR 63.460 to 63.469 national emission standards for halogenated solvent cleaning.

The facility was installed between January 1, 1996 and December 31, 1999.

The facility does not qualify for a pollution control tax credit under ORS 468.165 and 468.170.

(2) The applicant installed an aqueous circuit board cleaner in lieu of a halogenated solvent cleaning system using 1,1,1-trichloroethane.

(3) The facility is not required to register under the Clean Air Act Title III National Emissions Standards for Hazardous Air Pollutants because the pollution prevention system was installed in lieu of a system which would have required registration.

5. Summation

a. The pollution prevention facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that it meets the definition of a pollution prevention facility for this pilot program.

c. The applicant indicated that the tax credit program was not a determining factor in installing this equipment.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Prevention Facility Certificate bearing the cost of $ 75,000 (the maximum allowed by this pilot program) be issued for the facility claimed in Tax Credit Application No. T-4682.

DPK
T4682.DOC 11/25/96 2:10 PM

Application No. TC-4683

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Truax Harris Energy LLC
P O Box 607
Wilsonville, OR 97070

The applicant owns and operates a retail gas station at 3305 North Hwy 97, Bend, OR 97701, Facility ID No. 6564.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are an automatic tank gauge system with an overfill alarm.

Claimed facility cost	$18,878
(Documentation of cost was provided)	

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on July 1, 1996 and placed into operation on July 1, 1996. The application for certification was submitted to the Department on October 22, 1996, and was considered to be complete and filed on November 12, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For spill and overfill prevention - Overfill alarm.

2) For leak detection - Automatic tank gauge system

The Department concludes that the costs claimed by the applicant ($18,878) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considers the methods chosen to be the most cost effective alternative available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Spill & Overfill Prevention:			
Overfill alarm	$ 223	100%	$ 223
Leak Detection:			
Tank gauge system	8,709	100	8,709
Labor, material, misc. parts	9,946	100	9,946
Total	$18,878	100%	$18,878

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air.

This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $18,878 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4683.

Barbara J. Anderson
(503) 229-5870
November 12, 1996

Application No. TC-4684

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Truax Harris Energy LLC
P O BOX 607
Wilsonville, OR 97070

The applicant owns and operates a retail gas station at 125 Washington Street SW, Dallas, OR 97338, Facility ID No. 11386.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are two doublewall brine-filled fiberglass tanks, doublewall flexible plastic piping, spill containment basins, tank gauge system, overfill alarm, turbine leak detectors, sumps, automatic shutoff valves, oil/water separator, monitoring wells and Stage I vapor recovery equipment.

Claimed facility cost $187,412
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on October 1, 1995 and placed into operation on October 1, 1995. The application for certification was submitted to the Department on October 22, 1996, and was considered to be complete and filed on November 14, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Doublewall brine-filled fiberglass tanks and doublewall flexible plastic piping.

2) For spill and overfill prevention - Spill containment basins, sumps, automatic shutoff valves, oil/water separator and an overfill alarm.

3) For leak detection - Tank gauge system, monitoring wells and turbine leak detectors.

In addition, the following equipment was installed to reduce air quality emissions:

1) For VOC reduction - Stage I vapor recovery equipment.

The Department concludes that the costs claimed by the applicant ($187,412) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the methods chosen to be the most cost effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Doublewall fiberglass tanks and flexible piping	$30,064	70% (1)	$21,045
Spill & Overfill Prevention:			
Spill containment basins	426	100	426
Oil/water separator	2,504	100	2,504
Sumps	1,782	100	1,782
Automatic shutoff valves	1,112	100	1,112
Overfill alarm	223	100	223
Leak Detection:			
Tank gauge system	6,969	90% (2)	6,272
Turbine leak detectors	763	100	763
Monitoring wells	256	100	256
VOC Reduction:			
Stage I vapor recovery	385	100	385
Labor, material, misc. parts	142,928	100	142,928
Total	$187,412	95%	$177,696

(1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is $30,064 and the bare steel system is $9,023, the resulting portion of the eligible tank and piping cost allocable to pollution control is 70%.

(2) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 95%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $187,412 with 95% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4684.

Barbara J. Anderson
(503) 229-5870
November 14, 1996

Application No. TC-4685

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Truax Harris Energy LLC
P O Box 607
Wilsonville, OR 97070

The applicant owns and operates a retail gas station at 18777 SE McLoughlin, Milwaukie, OR 97222, Facility No. 6547.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I and II vapor recovery equipment.

The applicant has claimed equipment in this application that replaced equipment claimed in prior tax credit TC-4293 issued in 1994. The equipment was replaced before the end of its useful life. See Section 2 below for an explanation of the adjustment made to costs claimed in this application. TC-4293 will be submitted for revocation.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are two doublewall brine-filled fiberglass tanks, doublewall flexible plastic piping, spill containment basins, tank gauge system, overfill alarm, turbine leak detectors, sumps, oil/water separator and Stage I and II vapor recovery equipment.

Claimed facility cost $214,136
(Accountant's certification was provided)

The Department concludes that the eligible facility cost for the project is $206,289. This represents a difference of $7,847 from the applicant's claimed cost of $214,136. This is due to:

(1) an reduction of $1,396 to the claimed cost of spill containments basins and the proportional cost of their installation because the equipment replaced equipment claimed in prior tax credit TC-2590 issued in 1990 with no credit remaining, and is therefore ineligible to be claimed again.

(2) an adjustment of $6,451 made by the Department to the claimed cost of the tank gauge system with overfill alarm, stage I and II vapor recovery, and installation costs that replaced equipment claimed in prior tax credit TC-4293 issued in 1994. The previously claimed equipment was replaced before the end of its useful life and the adjustment reflects the amount of the tax credit remaining pursuant to Oregon Administrative Rules 340-16-025(3)(g)(B). The adjustment is detailed in Worksheet 1 attached to the end of this report.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on August 1, 1996 and placed into operation on August 1, 1996. The application for certification was submitted to the Department on October 22, 1996, and was considered to be complete and filed on November 13, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Doublewall brine-filled fiberglass tanks and flexible plastic piping.

2) For spill and overfill prevention - Spill containment basins, overfill alarm, sumps and an oil/water separator.

3) For leak detection - Tank gauge system, monitoring wells and turbine leak detectors.

In addition, the following was installed to reduce air quality emissions

1) For VOC reduction - Stage I & II vapor recovery equipment.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the methods chosen to be the most cost effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Doublewall fiberglass tanks and flexible piping	$35,310	74% (1)	$26,129
Spill & Overfill Prevention:			
Oil/water separator	10,292	100	10,292
Sumps	2,673	100	2,673
Leak Detection:			
Tank gauge w/alarm	5,720(3)	90 (2)	5,148
Turbine leak detectors	644	100	644
Monitoring wells	254	100	254
VOC Reduction:			
Stage I & II vapor recovery	16,422(3)	100	16,422
Labor and materials	134,974(3)	100	134,974
Total	$206,289	95%	$196,536

(1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is $35,310 and the bare steel system is $9,087, the resulting portion of the eligible tank and piping cost allocable to pollution control is 74%.

(2) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

(3) Adjusted for prior tax credit claim (see attached Worksheet 1).

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 95%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $206,289 with 95% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4685.

Barbara J. Anderson
(503) 229-5870
November 13, 1996

WORKSHEET 1.

PRIOR TAX CREDIT REMAINING ADJUSTMENT WORKSHEET

TRUAX HARRIS ENERGY LLC
Current Application: TC-4685
Prior Tax Credit: TC-4293

ADJUSTMENT OF CURRENT TAX CREDIT CLAIM BASED ON PRIOR TAX CREDIT REMAINING WHERE EQUIPMENT IS REPLACED BEFORE THE END OF ITS USEFUL LIFE (OAR 340-16-025(3)(g)(B)

A. DETERMINATION OF AMOUNT AND PERCENT OF PRIOR TAX CREDIT REMAINING:

Total amount of prior tax credit ($22,066 X .50)	=	$11,033
Total tax credit claimed to date on income tax returns	=	($2,162)
Total tax credit remaining on prior tax credit	=	$8,871
Tax credit remaining as a percent (8,871 / 11,033)	=	80%

B. ADJUSTMENT OF CURRENT TAX CREDIT APPLICATION CLAIMED COSTS:

Total current claimed costs of items replaced	=	$32,254
Adjusted total current claimed costs (32,254 X .80)	=	$25,803

C. AMOUNT REMAINING TO BE CLAIMED (breakdown below) = $25,803 (1)

ITEMS REPLACED	CURRENT APPLICATION CLAIMED COST	AMOUNT REMAINING TO BE CLAIMED (80%)
TOTAL	$32,254	$25,803
Tank gauge system with alarm	7,150	5,720
Installation cost (labor and materials)	4,576 (2)	3,661
Stage I & II vapor recovery (incl. labor and mat.)	20,528	16,422

D. AMOUNT OF ADJUSTMENT (32,254 - 25,803) = $6,451

(1) This is the full amount eligible to be claimed on the current tax credit application. The actual tax credit received will be no greater than 50% of that amount.
(2) Prorated from total project installation cost to represent installation cost of items replaced only.

Application No. TC-4686

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Truax Harris Energy LLC
P O Box 607
Wilsonville, OR 97070

The applicant owns and operates a retail service station at 1720 North Hwy 99 West, McMinnville, OR 97128, Facility ID No. 7172.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are doublewall flexible piping, sumps and automatic shutoff valves.

Claimed facility cost	$51,698
(Accountant's certification was provided)	

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on July 1, 1996 and placed into operation on July 1, 1996. The application for certification was submitted to the Department on October 22, 1996, and was considered to be complete and filed on November 13, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Doublewall flexible plastic piping.

2) For spill and overfill prevention - Sumps and automatic shutoff valves.

The Department concludes that the costs claimed by the applicant ($51,698) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considers the methods chosen to be the most cost effective alternative available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Doublewall plastic piping	$ 5,105	88%(1)	$ 4,492
Spill & Overfill Prevention:			
Sumps	3,366	100	3,366
Automatic shutoff valves	1,032	100	1,032
Labor, material, misc. parts	42,195	100	42,195
Total	$51,698	99%	$51,085

(1) The Department has determined the percent allocable on the cost of a corrosion protected piping system by using a formula based on the difference in cost between the protected piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is $5,105 and the bare steel system is $606, the resulting portion of the eligible piping cost allocable to pollution control is 88%.

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 99%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $51,698 with 99% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4686.

Barbara J. Anderson
(503) 229-5870
November 13, 1996

Application TC-4690

STATE OF OREGON
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. **Applicant**

John Knez Jr.
8185 S. W. Hunziker Road
Tigard, Oregon 97223

The applicant operates a solid waste collection service.

2. **Description of Facility**

The facility consists of the following equipment: Premier Gear and Machine Works sheetrock recycling machine; Vibrating Conveyor/screen, Model BC 30/30, Serial # 91372: John Deere Loader, Model 544B, Serial # 324175.

Total cost claimed for the processing equipment $126,437

The actual cost of the facility was certified by an independent public accountant.

3. **Procedural Requirements**

The facility is governed by ORS 468.150 - 468.190 and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

a. The components were purchased between February 29, 1996.
b. The facility was placed into operation on February 29, 1996.
c. The application for tax credit was submitted to the Department on November 6, 1996, within two years of substantial completion of the facility.

4. **Evaluation of Application**

a. The sole purpose of the facility is to recycle sheetrock. This recycling activity is a part of a material recovery process which obtains useful resources from material that would otherwise be solid waste, pursuant to Oregon Administrative Rule 340-16-025(1)(b) and (2)(d).

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility is used 100% of the time to process scrap sheetrock, a material recovery process.

2) The estimated annual percent return on the investment in the facility.

A) The Applicant has claimed a facility cost of $126,437. The Department has not identified any ineligible costs relating to the processing equipment.

B) Annual Percentage Return on Investment

The applicant has calculate the average annual cash flow for the for the processing equipment to be $1,659.

The useful life of the equipment is claimed as 10 years.

The annual return on investment from Table 1, OAR 340-16 is 0%. This return on investment is greater than the reference annual percent return on investment form Table 2, OAR 340-16 of 5.2%

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. **Summation**

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the sole purpose of the processing equipment recycling of scrap sheetrock.

c. The facility complies with DEQ statutes and permit conditions.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. **Director's Recommendation**

Based upon the findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $126,437 with 100% allocable to pollution control be issued for the facility claimed in Tax Credit Application TC-4690.

William R. Bree
TAX\TC4690RR.STA
(503) 229-6046
November 20, 1996

Application No. T-4691

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT
POLLUTION PREVENTION PILOT PROGRAM

---

1. Applicant

Webster Cleaners
6899 SE Thiessen Rd
Portalnd, Oregon 97267

The applicant owns and operates a percloroethylene dry cleaning shop located at 6899 SE Thiessen Road, Portland, Oregon.

Application was made for tax credit for an air pollution prevention facility.

2. Description of Facility

The claimed facility is a new non venting dry-to-dry perc dry-cleaning machine which was installed as a replacement for an old perc machine which vented emissions to the atmosphere during the drying cycle. The new perc machine reduces the creation of emissions by maintaining them within the machine.

Claimed Facility Cost: $ 28,000

3. Procedural Requirements

The facility is governed by ORS 468A.095 through 468A.098, and by OAR Chapter 340, Division 16.

The facility met all regulatory deadlines in that:

Installation of the facility was substantially completed onJune 8, 1996. The application for final certification was received by the Department on November 6, 1996. The application was found to be complete on November 8, 1996, within one year of installation of the facility.

4. Evaluation of Application

Rationale For Eligibility

(1) The facility is eligible because it meets the requirement of avoiding the substantive requirements of the National Emission Standard for Hazardous Air Pollutants (NESHAP), specifically 40 CFR 63.320 to 63.325 national perchloroethylene air emissions standard for dry cleaning facilities.

The facility was installed between January 1, 1996 and December 31, 1999.

The facility does not qualify for a pollution control tax credit under ORS 468.165 and 468.170.

(2) The facility installed equipment which resulted in perchloroethylene use of less than 140 gallons per year and the facility qualifies as a small area source under the NESHAP

(3) The facility was registered under the Clean Air Act Title III National Emissions Standards for Hazardous Air Pollutants.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that it meets the definition of a pollution prevention facility for this pilot program.

c. The applicant indicated that the tax credit program was not a determining factor in installing this equipment.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Prevention Facility Certificate bearing the cost of $ 28,000, be issued for the facility claimed in Tax Credit Application No. T-4691.

DPK
12/04/96 8:35 AM

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Western Stations Co.
2929 NW 29th Ave.
Portland, OR 97210-1705

The applicant owns and operates a retail gas station at 1180 N. Virginia, North Bend, OR, Facility ID No. 6256.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are epoxy lining and impressed current cathodic protection on three steel tanks, doublewall flexible plastic piping, spill containment basins, tank gauge system, turbine leak detectors, overfill alarm, sumps, automatic shutoff valves and Stage I vapor recovery equipment.

Claimed facility cost $105,598
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on June 2, 1996 and placed into operation on June 3, 1996. The application for certification was submitted to the Department on November 6, 1996, and was considered to be complete and filed on December 3, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Epoxy tanklining, impressed current cathodic protection on three tanks and flexible plastic piping.

2) For spill and overfill prevention - Spill containment basins, sumps, automatic shutoff valves and an overfill alarm.

3) For leak detection - Tank gauge system and turbine leak detectors.

In addition, the following equipment was installed to reduce air quality emissions:

1) For VOC reduction - Stage I vapor recovery equipment.

The Department concludes that the costs claimed by the applicant ($105,598) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

   The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

   There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

   The applicant considers the methods chosen to be the most economical alternative available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

   The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

   There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Tank cathodic protection	$7,842	100%	$7,842
Epoxy tanklining	23,430	100	23,430
Flexible plastic piping	7,111	100	7,111
Spill & Overfill Prevention:			
Spill containment basins	1,064	100	1,064
Overfill alarm	277	100	277
Sumps	6,103	100	6,103
Automatic shutoff valves	813	100	813
Leak Detection:			
Tank gauge system	8,503	90% (1)	7,653
Turbine leak detectors	975	100	975
VOC Reduction:			
Stage I vapor recovery	554	100	554
Labor and materials	48,926	100	48,926
Total	$105,598	99%	$104,748

(1) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 99%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $105,598 with 99% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4692.

Barbara J. Anderson
(503) 229-5870
December 3, 1996

State of Oregon
Department of Agriculture

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Roger Neuschwander
31983 Harris Drive
Harrisburg, Oregon 97446

The applicant owns and operates a grass seed farm operation in Linn County, Oregon.

Application was made for tax credit for air pollution control equipment.

2. Description of Claimed Facility

The equipment described in this application is located at 31983 Harris Drive, Harrisburg, Oregon. The equipment is owned by the applicant:

John Deere model 2800, seven bottom plow	$ 5,500
Coastal Farm harrow	$13,634
John Deere model 4850, 195 hp tractor	$49,000

Claimed equipment cost: $68,134
Accountant's Certification was provided and
the applicant provided copies of invoices.

3. Description of Farm Operation Plan to Reduce Open Field Burning.

The applicant has 424 perennial and 557 annual grass seed acres under cultivation. The applicant has gradually reduced his open field burning acreage to an average of less than 250 acres annually.

In annual grass seed fields and some perennial grass seed fields at the end of their stand life the applicant flail chops the full straw load, plows the residue under, harrows and rolls the fields three times, levels the blue dobby soil for drainage and drills the seed into the ground.

In most perennial grass seed fields the applicant has the straw removed by baling and flails the stubble to help cleanse the field and stimulate growth.

4. Procedural Requirements

The equipment is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16. The equipment has met all statutory deadlines in that:

Purchase of the equipment was substantially completed on August 10, 1996. The application was submitted on November 12, 1996; and the application for final certification was found to

be complete on November 15, 1996. The application was filed within two years of substantial completion of the equipment.

5. Evaluation of Application

a. The equipment is eligible under ORS 468.150 because the equipment is an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution. This reduction is accomplished by reduction of air contaminants, defined in ORS 468A.005; by reducing the maximum acreage to be open burned in the Willamette Valley as required in OAR 340-26-013; and, the facility's qualification as a "pollution control facility", defined in OAR 340-16-025(2)(f) A): "Equipment, facilities, and land for gathering, densifying, processing, handling, storing, transporting and incorporating grass straw or straw based products which will result in reduction of open field burning."

b. Eligible Cost Findings

In determining the percent of the pollution control equipment cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1. The extent to which the equipment is used to recover and convert waste products into a salable or usable commodity.

   The equipment does not recover or convert waste products into a salable or usable commodity.

2. The estimated annual percent return on the investment in the equipment.

   There is no annual percent return on the investment as applicant claims no gross annual income.

3. The alternative methods, equipment and costs for achieving the same pollution control objective.

   The method chosen is an accepted method for reduction of air pollution. The method is one of the least costly, most effective methods of reducing air pollution.

4. Any related savings or increase in costs which occur or may occur as a result of the purchase of the equipment.

   There is an increase in operating costs of $13,552 to annually maintain and operate the equipment. These costs were considered in the return on investment calculation.

5. Any other factors which are relevant in establishing the portion of the actual cost of the equipment properly allocable to the prevention, control or reduction of air pollution.

The established average annual operating hours for tractors is set at 450 hours. To obtain a total percent allocable, the annual operating hours per implement used in reducing acreage open field burned is as follows:

Implement	Acres worked	Acres/hour	Operating Hours
Flail Chopper	739	7	106
Plow	300	7	43
Harrow/roller	900 (300x3)	7	129
Leveler	300	7	43
Total annual operating hours			321

The total annual operating hours of 321 divided by the average annual operating hours of 450 produces a percent allocable of 71%.

Equipment	Claimed Cost	Percent Allocable	Allocable Cost
John Deere plow	$ 5,500	100%	$ 5,500
Coastal Farm harrow	$13,634	100%	$13,634
John Deere Tractor	$49,000	71%	$34,790
	$68,134	79%	$53,924

The actual cost of the equipment properly allocable to pollution control as determined by using these factors is 79%.

6. Summation

a. The equipment was constructed in accordance with all regulatory deadlines.

b. The equipment is eligible under ORS 468.150 as an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution as defined in ORS 468A.005

c. The equipment complies with DEQ statutes and rules.

d. The portion of the equipment that is properly allocable to pollution control is 79%.

7. The Department of Agriculture's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $68,134, with 79% allocated to pollution control, be issued for the equipment claimed in Tax Credit Application Number TC-4695.

Jim Britton, Manager
Smoke Management Program
Natural Resources Division
Oregon Department of Agriculture
(503) 986-4701
FAX: (503) 986-4730

JB:bk
November 15, 1996

Application No. T-4697

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT
POLLUTION PREVENTION PILOT PROGRAM

---

1. Applicant

Terry L. Stragey
982 Newmark
Coos Bay, Oregon 97420

The applicant owns and operates a percloroethylene dry cleaning shop located at 982 Newmark, Coos Bay, Oregon

Application was made for tax credit for an air pollution prevention facility.

2. Description of Facility

The claimed facility is a new non venting dry-to-dry perc dry-cleaning machine which was installed as a replacement for an old perc transfer machine which vented emissions to the atmosphere. The new perc machine reduces the creation of emissions by maintaining them within the machine.

Claimed Facility Cost: $ 30,395

3. Procedural Requirements

The facility is governed by ORS 468A.095 through 468A.098, and by OAR Chapter 340, Division 16.

The facility met all regulatory deadlines in that:

Installation of the facility was substantially completed on April 10, 1996. The application for final certification was received by the Department on November 12, 1996. The application was found to be complete on November 14, 1996, within one year of installation of the facility.

4. Evaluation of Application

Rationale For Eligibility

(1) The pollutoin prevention facility is eligible because it meets the requirement of avoiding the substantive requirements of the National Emission Standard for Hazardous Air Pollutants (NESHAP), specifically 40 CFR 63.320 to 63.325 national perchloroethylene air emissions standard for dry cleaning facilities.

The facility was installed between January 1, 1996 and December 31, 1999.

The facility does not qualify for a pollution control tax credit under ORS 468.165 and 468.170.

(2) The owner installed equipment which resulted in perchloroethylene use of less than 140 gallons per year and the dry cleaning facility qualifies as a small area source under the NESHAP.

(3) The dry cleaning facility is registered under the Clean Air Act Title III National Emissions Standards for Hazardous Air Pollutants.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that it meets the definition of a pollution prevention facility for this pilot program.

c. The applicant indicated that the tax credit program was not a determining factor in installing this equipment.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Prevention Facility Certificate bearing the cost of $ 30,395 be issued for the facility claimed in Tax Credit Application No. T-4697.

DPK

12/04/96 8:35 AM

Application No. TC-4698

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Pete & Gaynell Bourikas
Gearhart Texaco
P O Box 2483
Gearhart, OR 97138

The applicant owns and operates a retail gas station at 3420 Hwy 101 North, Gearhart, OR 97138, Facility No. 6323.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

The applicant received a 75% not to exceed $75,000 essential services grant through DEQ's Underground Storage Tank Financial Assistance Program for expenses claimed in this tax credit application. The required deduction of grant funds from the applicant's tax credit claim is summarized in Section 2 below.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are two fiberglass/steel tanks and doublewall flexible plastic piping, spill containment basins, tank gauge system, automatic shutoff valves and sumps.

Claimed facility cost $49,467
(Accountant's certification was provided)

The above claimed facility cost is based on a total facility cost of $103,679. The applicant subtracted grant funds received for the project prior to submitting this tax credit claim of $49,467 using the Department's adjustment methodology.

After adjusting for grant funds received, the Department concurs that $49,467 is the actual facility cost to the applicant when an adjustment is made deducting an essential services grant previously awarded the project under DEQ's UST financial assistance program (see Attachment A for details of the calculation) with a breakdown as follows:

	Claimed Facility Cost	Percent Adjustment	Adjusted Claimed Facility Cost
Fiberglass/steel tanks and flexible piping	$16,870	47.7115%	$ 8,049
Spill containment basins	530	"	253
Tank gauge system	4,600	"	2,195
Automatic shutoff valves	320	"	153
Sumps	1,280	"	611
Labor & Materials	80,079	"	38,206
Total	$103,679	47.7115%	$49,467

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on July 21, 1996 and placed into operation on July 21, 1996. The application for certification was submitted to the Department on November 12, 1996, and was considered to be complete and filed on November 18, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Fiberglass/steel tanks and doublewall flexible plastic piping.

2) For spill and overfill prevention - Spill containment basins, sumps and automatic shutoff valves.

3) For leak detection - Tank gauge system.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant chose the most cost effective method available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Fiberglass/steel tanks and flexible plastic piping	$ 8,049	100%	$ 8,049
Spill & Overfill Prevention:			
Spill containment basins	253	100	253
Automatic shutoff valves	153	100	153
Sumps	611	100	611
Leak Detection:			
Tank gauge system	2,195	100	2,195
Labor, material, misc. parts	38,206	100	38,206
Total	$49,467	100%	$49,467

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $49,467 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4698.

Barbara J. Anderson
(503) 229-5870
November 18, 1996

ATTACHMENT A.

TAX CREDIT/GRANT ADJUSTED FACILITY COST WORKSHEET
APPLICATION NO. TC-4698

Gearhart Texaco
3420 Hwy 101 North
Gearhart, OR 97138
Fac. ID No. 6323

A. TOTAL STATE GRANT AWARDED TO APPLICANT: $75,000

B. PROJECT EQUIPMENT AND COSTS:	UST PROJECT WORK ELIGIBLE FOR GRANT	POLLUTION CONTROL EQUIPMENT ELIGIBLE FOR TAX CREDIT	ADJUSTED EQUIPMENT COSTS (Using % in F. below)
Two fiberglass/steel tanks	$12,500	$12,500	$5,964
Doublewall flexible plastic piping	4,370	4,370	2,085
Spill containment basins	530	530	253
Tank gauge system	4,600	4,600	2,195
Automatic shutoff valves	320	320	153
Sumps	1,280	1,280	611
Labor, material and misc. parts	79,359	80,079	38,206
Fuel pumps	9,500	0	0
Canopy	16,875	0	0
Contaminated soil/groundwater cleanup costs	14,101	0	0
C. TOTAL PROJECT COST	$143,435	$103,679	$49,467

D. CALCULATION OF APPLICANT'S ACTUAL EQUIPMENT COST AND ADJUSTMENT PERCENT:

1. Equipment costs eligible for tax credit as a percent of total project cost: $103,679 / 143,435 = 72.28%

2. Portion of State grant applicable to equipment costs eligible for tax credit: $75,000 x .7228 $54,212

E. APPLICANT'S ACTUAL EQUIPMENT COST: $103,679 - 54,212 = $49,467

F. Applicant actual equipt cost percent: $49,467 / 103,679 = 47.7115%

TCG6323

Application No. TC-4699

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Richard A. Wallace
dba Fred's Shell
7304 SW 53rd Avenue
Portland, OR 97219

The applicant owns and operates a retail gas station at 6503 SE 52nd Ave., Portland, OR 97219, Facility ID No. 9132.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included related air quality Stage I & II vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are epoxy lining in four steel tanks, doublewall flexible plastic piping, impressed current cathodic protection on tanks, spill containment basins, tank gauge system, overfill alarm, turbine leak detectors, sumps, automatic shutoff valves, oil/water separator and Stage I & II vapor recovery equipment.

Claimed facility cost $118,220
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on September 4, 1996 and placed into operation on September 4, 1996. The application for certification was submitted to the Department on November 12, 1996, and was considered to be complete and filed on November 12, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - Epoxy tank lining, impressed current cathodic protection and doublewall flexible plastic piping.

2) For spill and overfill prevention - Spill containment basins, sumps, automatic shutoff valves, oil/water separator and an overfill alarm.

3) For leak detection - Tank gauge system and turbine leak detectors.

In addition, the following equipment was installed to reduce air quality emissions:

1) For VOC reduction - Stage I & II vapor recovery equipment.

The Department concludes that the costs claimed by the applicant ($118,220) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

   The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

   There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

   The applicant did not indicate that alternatives were considered. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

   The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

   There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
Epoxy tank lining	$23,702	100%	$23,702
Cathodic protection	7,800	100	7,800
Doublewall plastic piping	1,820	84% (1)	1,529
Spill & Overfill Prevention:			
Spill containment basins	2,685	100	2,685
Oil/water separator	2,800	100	2,800
Sumps	1,920	100	1,920
Automatic shutoff valves	364	100	364
Leak Detection:			
Tank gauge w/alarm	6,761	90% (2)	6,085
Turbine leak detectors	975	100	975
VOC Reduction:			
Stage I & II vapor recovery	2,000	100	2,000
Labor, material, misc. parts	67,393	100	67,393
Total	$118,220	99%	$117,253

(1) The Department has determined the percent allocable on the cost of a corrosion protected piping system by using a formula based on the difference in cost between the protected piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is $1,820 and the bare steel system is $298, the resulting portion of the eligible piping cost allocable to pollution control is 84%.

(2) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 99%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $118,220 with 99% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4699.

Barbara J. Anderson
(503) 229-5870
November 12, 1996

Application No. TC-4701

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Georgia Van Wormer
Van Wormer's Service
P O Box 5
Langlois, OR 97450

The applicant owns and operates a retail gas station at 94244 Kerber St., Langlois, OR 97450, Facility No. 8889.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

The applicant received a 75% not to exceed $75,000 essential services grant through DEQ's Underground Storage Tank Financial Assistance Program for expenses claimed in this tax credit application. The required deduction of grant funds from the applicant's tax credit claim is summarized in Section 2 below.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are two STI-P3 tanks and doublewall flexible plastic piping, spill containment basins, tank gauge system, automatic shutoff valves and sumps.

Claimed facility cost $18,840
(Documentation of cost was provided)

The above claimed facility cost is based on a total facility cost of $83,797. The applicant subtracted grant funds received for the project prior to submitting this tax credit claim of $18,840 using the Department's adjustment methodology.

After adjusting for grant funds received (and correcting the amount claimed for tanks by the applicant to reflect total rather than net cost), the Department determined that $21,135 was the actual facility cost to the applicant when an adjustment is made deducting an essential services grant previously awarded the project under DEQ's UST financial assistance program (see Attachment A for details of the calculation) with a breakdown as follows:

	Claimed Facility Cost	Percent Adjustment	Adjusted Claimed Facility Cost
STI-P3 tanks and flexible plastic piping	$17,000	25.2221%	$ 4,288
Spill containment basins	1,036	"	261
Tank gauge system	6,500	"	1,639
Automatic shutoff valves	290	"	73
Sumps	1,400	"	353
Labor & Materials	57,571	"	14,521
Total	$ 83,797	25.2221%	$21,135

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on March 22, 1995 and placed into operation on March 22, 1995. The application for certification was submitted to the Department on October 31, 1996, and was considered to be complete and filed on November 19, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - STI-P3 tanks and doublewall flexible plastic piping.

2) For spill and overfill prevention - Spill containment basins, sumps and automatic shutoff valves.

3) For leak detection - Tank gauge system.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant chose the most cost effective method available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
STI-P3 tanks and flexible plastic piping	$ 4,288	100%	$ 4,288
Spill & Overfill Prevention:			
Spill containment basins	261	100	261
Automatic shutoff valves	73	100	73
Sumps	353	100	353
Leak Detection:			
Tank gauge system	1,639	100	1,639
Labor, material & parts	14,521	100	14,521
Total	$21,135	100%	$21,135

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $21,135 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4701.

Barbara J. Anderson
(503) 229-5870
November 19, 1996

ATTACHMENT A.

TAX CREDIT/GRANT ADJUSTED FACILITY COST WORKSHEET
APPLICATION NO. TC-4701

Van Wormer's Service
94244 Kerber St.
Langlois, OR 97450
Facility ID No. 8889

A. TOTAL STATE GRANT AWARDED TO APPLICANT: $75,000

B. PROJECT EQUIPMENT AND COSTS:	UST PROJECT WORK ELIGIBLE FOR GRANT	POLLUTION CONTROL EQUIPMENT ELIGIBLE FOR TAX CREDIT	ADJUSTED EQUIPMENT COSTS (Using % in F. below)
Two split STI-P3 tanks	$14,000	$14,000	$3,531
Doublewall Flexible Plastic piping	3,000	3,000	757
Spill containment basins	1,036	1,036	261
Tank gauge system	6,500	6,500	1,639
Sumps	1,400	1,400	353
Automatic Shutoff Valves	290	290	73
Labor & materials	57,571	57,571	14,521
Fuel pumps	16,500	0	0
C. TOTAL PROJECT COST	$100,297	$83,797	$21,135

D. CALCULATION OF APPLICANT'S ACTUAL EQUIPMENT COST AND ADJUSTMENT PERCENT:

1. Equipment costs eligible for tax credit as a percent of total project cost:	$83,797 / 100,297 =	83.55%
2. Portion of State grant applicable to equipment costs eligible for tax credit:	$75,000 x .8355	$62,662
E. APPLICANT'S ACTUAL EQUIPMENT COST:	$83,797 - 62,662 =	$21,135
F. Applicant actual equipt cost percent:	$21,135 / 83,797 =	25.2221%

Application No. TC-4702

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

William J. & Joyce A. Reller
dba Pistol River Store
24670 Pistol River Loop
Pistol River, OR 97444-1575

The applicant owns and operates a retail gas station at 24670 Pistol River Loop, Pistol River, OR 97444, Facility No. 7960.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

The applicant received a 75% not to exceed $75,000 essential services grant through DEQ's Underground Storage Tank Financial Assistance Program for expenses claimed in this tax credit application. The required deduction of grant funds from the applicant's tax credit claim is summarized in Section 2 below.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are one two compartment STI-P3 tank and fiberglass piping, spill containment basins, tank gauge system, automatic shutoff valves and monitoring wells.

Claimed facility cost $10,085
(Documentation of cost was provided)

The above claimed facility cost is based on a total facility cost of $40,341. The applicant subtracted grant funds received for the project prior to submitting this tax credit claim of $10,085 using the Department's adjustment methodology.

After adjusting for grant funds received, the Department determined that $10,085 was the actual facility cost to the applicant when an adjustment is made deducting an essential services grant previously awarded the project under DEQ's UST financial assistance program (see Attachment A for details of the calculation) with a breakdown as follows:

	Claimed Facility Cost	Percent Adjustment	Adjusted Claimed Facility Cost
STI-P3 tanks and fiberglass piping	$ 5,794	25.0006%	$ 1,448
Spill containment basins	400	"	100
Tank gauge system	4,836	"	1,209
Automatic shutoff valves	240	"	60
Monitoring wells	211	"	53
Labor & Materials	28,860	"	7,215
Total	$ 40,341	25.0006%	$10,085

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on December 23, 1994 and placed into operation on December 23, 1994. The application for certification was submitted to the Department on November 18, 1996, and was considered to be complete and filed on November 25, 1996, within two years of the completion date of the project.

4. Evaluation of Application

a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

1) For corrosion protection - STI-P3 tanks and fiberglass piping.

2) For spill and overfill prevention - Spill containment basins and automatic shutoff valves.

3) For leak detection - Tank gauge system and monitoring wells.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant did not indicate that alternative methods were available. The methods chosen are acceptable for meeting the requirements of federal regulations.

4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
Corrosion Protection:			
STI-P3 tanks and fiberglass piping	$ 1,448	100%	$ 1,448
Spill & Overfill Prevention:			
Spill containment basins	100	100	100
Automatic shutoff valves	60	100	60
Leak Detection:			
Tank gauge system	1,209	100	1,209
Monitoring wells	53	100	53
Labor, material & parts	7,215	100	7,215
Total	$10,085	100%	$10,085

5. Summation

a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.

b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of $10,085 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4702.

Barbara J. Anderson
(503) 229-5870
November 25, 1996

ATTACHMENT A.

TAX CREDIT/GRANT ADJUSTED FACILITY COST WORKSHEET
APPLICATION NO. TC-4702

Pistol River Store
24670 Pistol River Loop
Pistol River, OR 97444
Fac. ID No. 7960

A. TOTAL STATE GRANT AWARDED TO APPLICANT: $33,506

B. PROJECT EQUIPMENT AND COSTS:	UST PROJECT WORK ELIGIBLE FOR GRANT	POLLUTION CONTROL EQUIPMENT ELIGIBLE FOR TAX CREDIT	ADJUSTED EQUIPMENT COSTS (Using % in F. below)
One (two compartment) STI-P3 tank	$4,789	$4,789	$1,197
Fiberglass piping	1,005	1,005	251
Spill containment basins	400	400	100
Tank gauge system	4,836	4,836	1,209
Automatic shutoff valves	240	240	60
Monitoring wells	211	211	53
Labor, material and misc. parts	28,860	28,860	7,215
Fuel pumps	4,159	0	0
CPA	175	0	0
C. TOTAL PROJECT COST	$44,675	$40,341	$10,085

D. CALCULATION OF APPLICANT'S ACTUAL EQUIPMENT COST AND ADJUSTMENT PERCENT:

1. Equipment costs eligible for tax credit as a percent of total project cost:	$40,341 / 44,675 =	90.30%
2. Portion of State grant applicable to equipment costs eligible for tax credit:	$33,506 x .9030	$30,256
E. APPLICANT'S ACTUAL EQUIPMENT COST:	$40,341 - 30,256 =	$10,085
F. Applicant actual equipt cost percent:	$10,085 / 40,341 =	25.0006%

TCG7960

Application TC4703

STATE OF OREGON
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. **Applicant**

United Disposal
2215 N. Front Street
Woodburn, Oregon 97071

The applicant operated solid waste collection and recycling service in Marion, Clackamas and Washington Counties.

Application is for a pollution control facility tax credit certification.

2. **Description of Facility**

The facility consists of a TL Industries TVB vertical baler, Model TVB-60.

Total cost claimed is $8,800

Invoices and copies of checks documenting the cost of the facility were provided.

3. **Procedural Requirements**

The facility is governed by ORS 468.150 - 468.190 and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

a. The facility purchased, installed and placed in operation on July 15, 1996.
b. The application for tax credit was submitted to the Department on November 18, 1996, within two years of substantial completion of the facility.

4. **Evaluation of Application**

a. The sole purpose of the facility is to prevent or reduce a substantial amount of solid waste. This prevention or reduction uses a material recovery process which obtains useful material from material that would otherwise be solid waste, pursuant to Oregon Administrative Rule 340-16-025(1)(b) and (2)(d). The facility, located at a food distribution facility, recycles waste cardboard that would otherwise be disposed of as solid waste.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility is used 100% of the time for recycling newsprint, a material recovery process.

2) The estimated annual percent return on the investment in the facility.

A) The applicant has claimed a facility cost of $8,800.
The Department as identified no ineligible costs relating to the facility.

B) Annual Percentage Return on Investment

The facility falls under the provisions of ORS 468.190(3). The portion of the actual cost properly allocable to pollution control is calculated as the proportion that the ratio of the time the facility is used for recycling bears to the entire time the facility is used for any purpose. The facility is used 100% of the time as part of a material recovery process so the portion of cost properly allocable is 100%.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. **Summation**

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for tax credit certification in that the sole purpose of the baler is recycling of a material that would otherwise be disposed of as solid waste.

c. The facility complies with DEQ statutes and permit conditions.

d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. **Director's Recommendation**

Based upon the findings, it is recommended that a Pollution Control Facility certificate bearing the cost of $8,800 with 100% allocable to pollution control be issued for the facility claimed in Tax Credit Application TC-4703.

William R. Bree
TAX\TC4703RR.STA
(503) 229-6046
November 21, 1996

Application No. T-4704

State of Oregon
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT
POLLUTION PREVENTION PILOT PROGRAM

---

1. Applicant

Campus Cleaners & Laundry Inc.
1465 Siskiyou Blvd.
Ashland, Oregon 97520

The applicant owns and operates a clothes cleaning shop located at 1465 Siskiyou Blvd. Ashland, Oregon.

Application was made for tax credit for an air pollution prevention facility.

2. Description of Facility

The claimed facility is an aqua-clean-wet cleaning system which was installed as a replacement for production capacity of a perc dry-cleaning machine. The wet cleaning system reduces the emissions of perc by wet cleaning (using water and detergents) 50% of the facility's total volume in lieu of dry-cleaning 100% of the clothes processed.

Claimed Facility Cost: $ 31,000

3. Procedural Requirements

The facility is governed by ORS 468A.095 through 468A.098, and by OAR Chapter 340, Division 16.

The applicant met all regulatory deadlines in that:

Installation of the pollution prevention facility was substantially completed on February 21, 1996. The application for final certification was received by the Department on November 18, 1996. The application was found to be complete on November 20, 1996, within one year of installation of the facility.

4. Evaluation of Application

Rationale For Eligibility

(1) The pollution prevention facility is eligible because it meets the requirement of avoiding the substantive requirements of the National Emission Standard for Hazardous Air Pollutants (NESHAP), specifically 40 CFR 63.320 to 63.325 national perchloroethylene air emissions standard for dry cleaning facilities.

The facility was installed between January 1, 1996 and December 31, 1999.

The facility does not qualify for a pollution control tax credit under ORS 468.165 and 468.170.

(2) The applicant installed an aqua-clean-wet cleaning system as a partial replacement for the production capacity of a perc dry-cleaning machine (i.e.: the system was installed in lieu of a new perc machine or as a partial replacement of an existing machine).

(3) The dry-cleaning facility has registered under the Clean Air Act Title III National Emissions Standards for Hazardous Air Pollutants.

5. Summation

a. The facility was constructed in accordance with all regulatory deadlines.

b. The facility is eligible for final tax credit certification in that it meets the definition of a pollution prevention facility for this pilot program.

c. The applicant indicated that the tax credit program was not a determining factor in installing this equipment.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Prevention Facility Certificate bearing the cost of $ 31,000 be issued for the facility claimed in Tax Credit Application No. T-4704.

DPK
11/26/96 10:22 AM

Application No. TC-4705

State of Oregon
Department of Environmental Quality

RECLAIMED PLASTIC TAX CREDIT
TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

WWDD Partnership
230 N. W. 10th
Portland, OR 97209

The applicant is a partnership which leases the claimed plastic recycling equipment to Denton Plastic. Denton Plastic is a recycling company located at 4427 NE 158th, Portland Oregon 97230. The claimed equipment will be used for plastic recycling at that location.

Application was made for Reclaimed Plastic Tax Credit.

2. Description of Equipment, Machinery or Personal Property

The claimed equipment consists of a 200 hp Cal Sierra densifier for plastic recycling.

The claimed facility investment costs: $18,300

A copy of the sales invoice and check for payment for the densifier were provided.

3. Procedural Requirements

The investment is governed by ORS 468.451 through 468.491, and by OAR Chapter 340, Division 17.

The investment met all statutory deadlines in that:

a. The request for preliminary certification was received on November 19, 1996. The 30 day waiting period was waived and the request for preliminary certification was approved on November 19, 1996.

b. The investment was made on November 25, 1996.

c. The request for final certification was submitted on November 26, 1996 and was filed complete on November 27, 1996.

4. Evaluation of Application

a. The investment is eligible because the equipment is necessary to process reclaimed plastic.

b. Allocable Cost Findings

In determining the portion of the investment costs properly allocable to reclaiming and recycling plastic material, the following factors from ORS 468.486 have been considered and analyzed as indicated:

1) The extent to which the claimed collection, transportation, processing or manufacturing process is used to convert reclaimed plastic into a salable or usable commodity.

The equipment is to be used 100 percent of the time for processing reclaimed plastic.

2) Any other factors which are relevant in establishing the portion of the actual cost of the investment properly allocable to the collection, transportation or processing of reclaimed plastic or to the manufacture of a reclaimed plastic product.

No other factors were considered relevant.

The actual cost of the investment properly allocable to processing reclaimed plastic as determined by using these factors is 100%.

5. Summation

a. The investment was made in accordance with all regulatory deadlines.

b. The investment is eligible for final tax credit certification in that the equipment is necessary to process reclaimed plastic.

c. The qualifying business complies with DEQ statutes and rules.

d. The portion of the investment cost that is properly allocable to reclaiming and recycling plastic is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Reclaimed Plastic Tax Credit Certificate bearing the cost of $18,300 with 100% allocated to reclaiming plastic material, be issued for the investment claimed in Tax Credit Application No. TC-4705.

William R. Bree
TAX\TC4705STA
(503) 229-6046
November 27, 1996

Attachment B

STATE OF OREGON
DEPARTMENT OF ENVIRONMENTAL QUALITY

POLLUTION CONTROL FACILITY CERTIFICATE

Certificate No: 3397
Date of Issue: 12/2/94
Application No: 4293

ISSUED TO:	LOCATION OF POLLUTION CONTROL FACILITY:
Truax Harris Energy Company P.O. Box 607 Wilsonville, Oregon 97070 ATTENTION: Rob Forrest	18777 SE McLoughlin Blvd. Milwaukie fac. 6547

AS: ( ) LESSEE (X) OWNER ( ) INDIV ( ) PARTNER (X) CORP ( ) NON-PROFIT ( ) CO-OP

DESCRIPTION OF POLLUTION CONTROL FACILITY:
Tank gauge with alarm and Stage II vapor recovery.

TYPE OF POLLUTION CONTROL FACILITY:
( ) AIR ( ) NOISE (X) WATER ( ) SOLID WASTE ( ) HAZARDOUS WASTE ( ) USED OIL

DATE FACILITY COMPLETED: 6/21/94 PLACED INTO OPERATION: 6/21/94

ACTUAL COST OF POLLUTION CONTROL FACILITY: $22,066.00

PERCENT OF ACTUAL COST PROPERLY ALLOCABLE TO POLLUTION CONTROL: 98%

Based upon the information contained in the application referenced above, the Environmental Quality Commission certifies that the facility described herein was erected, constructed or installed in accordance with the requirements of subsection (1) of ORS 468.165, and is designed for, and is being operated or will operate to a substantial extent for the purpose of preventing, controlling or reducing air, water or noise pollution or solid waste, hazardous wastes or used oil, and that it is necessary to satisfy the intents and purposes of ORS Chapters 454, 459, 467 and 468 and rules adopted thereunder.

Therefore, this Pollution Control Facility Certificate is issued this date subject to compliance with the statutes of the State of Oregon, the regulations of the Department of Environmental Quality and the following special conditions:

1. The facility shall be continuously operated at maximum efficiency for the designed purpose of preventing, controlling, and reducing the type of pollution as indicated above.
2. The Department of Environmental Quality shall be immediately notified of any proposed change in use or method of operation of the facility and if, for any reason, the facility ceases to operate for its intended pollution control purpose.
3. Any reports or monitoring data requested by the Department of Environmental Quality shall be promptly provided.

NOTE: The facility described herein is not eligible to receive tax credit certification as an Energy Conservation Facility under the provisions of Chapter 512, Oregon Law 1979, if the person issued the Certificate elects to take the tax credit relief under ORS 316.097 or 317.072.

Signed: William W. Wessinger (William W. Wessinger, Chairman)

Approved by the Environmental Quality Commission on the 2nd day of December, 1994.

Staff: Stephanie Holmes
PCFCERT.MSD (08/92)

Certificate No. 1889

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

Date of Issue 12 Sept 86

Application No. T-1833

POLLUTION CONTROL FACILITY CERTIFICATE

Issued To: Boise Cascade Corp. Timber & Wood Products Div. One Jefferson Square Boise, Idaho 83728	Location of Pollution Control Facility: 90 South 21st Street Union County Elgin, Oregon
As: ☐ Lessee ☒ Owner	
Description of Pollution Control Facility: Two Burley Industry scrubbers to control air contaminant emmissions from two veneer dryers.	
Type of Pollution Control Facility: ☒ Air ☐ Noise ☐ Water ☐ Solid Waste ☐ Hazardous Waste ☐ Used Oil	
Date Pollution Control Facility was completed: September 1985	Placed into operation: 1 Oct 1985
Actual Cost of Pollution Control Facility: $ 196,728.83	
Percent of actual cost properly allocable to pollution control: 100 percent	

Based upon the information contained in the application referenced above, the Environmental Quality Commission certifies that the facility described herein was erected, constructed or installed in accordance with the requirements of ORS 468.175 and subsection (1) of ORS 468.165, and is designed for, and is being operated or will operate to a substantial extent for the purpose of preventing, controlling or reducing air, water or noise pollution or solid waste, hazardous wastes or used oil, and that it is necessary to satisfy the intents and purposes of ORS Chapters 454, 459, 467 and 468 and rules adopted thereunder.

Therefore, this Pollution Control Facility Certificate is issued this date subject to compliance with the statutes of the State of Oregon, the regulations of the Department of Environmental Quality and the following special conditions:

1. The facility shall be continuously operated at maximum efficiency for the designed purpose of preventing, controlling, and reducing the type of pollution as indicated above.
2. The Department of Environmental Quality shall be immediately notified of any proposed change in use or method of operation of the facility and if, for any reason, the facility ceases to operate for its intended pollution control purpose.
3. Any reports or monitoring data requested by the Department of Environmental Quality shall be promptly provided.

NOTE — The facility described herein is not eligible to receive tax credit certification as an Energy Conservation Facility under the provisions of Chapter 512, Oregon Law 1979, if the person issued the Certificate elects to take the tax credit relief under ORS 316.097 or 317.072.

Signed James E. Petersen

Title James E. Petersen, Chairman

Approved by the Environmental Quality Commission on the 12th day of September, 19 86.