CLEAN AIR ACT (CAA) § 112(r)(7) AND EMERGENCY PLANNING, COMMUNITY RIGHT-TO-KNOW ACT (EPCRA) § 312 INSPECTION REPORT

Alta Fuels, LLC Pueblo Plant
Pueblo West, Colorado

Facility Name and Address: Alta Fuels, LLC Pueblo Plant 1739 E Platteville Blvd Pueblo West, Colorado 81007 **Contact/Telephone:** Spencer Hart, Operations Manager (719) 589-2312 **Mailing Address:** Same as above	**Date of Inspection:** June 28, 2023 **RMP EPA ID #:** 1000 0023 9681 • **Program Level:** 3 • **Covered Substances:** Butane **TRIFID #:** 8100WLTFLS1739E **NAICS:** 42471 Petroleum Bulk Stations and Terminals **# Employees at this location:** 10 plus drivers

INTRODUCTION

This report presents the observations of the CAA section 112(r)(7) and EPCRA section 312 inspection conducted by EPA Region 8. The purpose of this inspection was to determine compliance with the Risk Management Plan (RMP) requirements of CAA section 112(r)(7) and the Tier II reporting requirements of EPCRA section 312. The facility was chosen to be inspected because of its location in an Environmental Justice (EJ) focus area.

The Facility uses, handles, and/or stores more than a threshold quantity of butane, which is a regulated substance, as specified at 40 C.F.R. §§ 68.115 and 68.130.

CAA 112(r)(7) Program Elements Reviewed:

1. Applicability [68.10]
2. OCA/ACS [68.20 – 68.39]
3. Process Safety information [68.65]
4. Process Hazard Analysis [68.67]
5. Operating procedures [68.69]
6. Training [68.71]
7. Mechanical Integrity [68.73]
8. Management of Change [68.75]
9. Pre-startup Safety Review 68.77]
10. Compliance audits [68.79]
11. Incident investigation [68.81]
12. Employee Participation [68.83]
13. Hot work Permit [68.85] – Did not review due to time constraints.
14. Contractors [68.87] – Did not review due to time constraints.
15. Emergency Response [68.90 – 68.95]
16. Risk Management Plan [40 CFR 68.190 – 68.195]

Nature of Business: Alta Fuels, LLC Pueblo Plant (Alta Fuels) is a batch gasoline blending facility, blending diesel, ethanol, butane, and blend stock gasoline. All blending products and finished products are delivered in and out of the plant by cargo tank trucks.

OBSERVATIONS

CAA § 112(r)(7) (RMP):

1. **Requirement found at Subpart D – Program 3 Prevention Program – Process Hazard Analysis [68.67(e)]:** The owner or operator shall establish a system to promptly address the team's findings and recommendations; assure that the recommendations are resolved in a timely manner and that the resolution is documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed; communicate the actions to operating, maintenance and other employees whose work assignments are in the process and who may be affected by the recommendations or actions.

    - ***Alta Fuels did not assure that all recommendations are resolved in a timely manner and that the resolution is documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed.***
    - *There were four 2018 PHA recommendation actions not completed at the time of the 2023 inspection:*
        - *1.17.3 Consider evaluating and establishing PPE requirements for maintenance procedures (update LOTO and Hot Work procedure to refer to steps to dissipate chemical energy).*
        - *1.3.1 Consider finalizing Operating Procedures Section 3 to identify how to evacuate the tanks; modify piping and instrumentation if necessary (such as bypass loop around check valve, with locked manual valve.*
        - *3.20.2 Consider evaluating evacuation procedures for P-1000 (should be P-1100) suction and discharge piping in the event maintenance is required. Update procedures as necessary.*
        - *4.13.1 Consider evaluating evacuation procedure for draining KO pot in the event maintenance is required. Update procedures as necessary.*
    - *Alta Fuels conducted a PHA on 7/24-25/2018 for the butane blending system operations. This PHA used a previous 2016 HAZOP completed for the anticipated butane system as a starting point. The recommendation status table included in Section 6.1 of the 2018 PHA did not indicate when the actions were to be completed. The recommendation Status table was updated in May 2023.*

2. **Requirement found at Subpart D – Program 3 Prevention Program – Operating procedures [68.69(a)]:** The owner or operator shall develop and implement written operating procedures that provide clear instructions for safely conducting activities

involved in each covered process consistent with the process safety information and shall address at least the following elements.

(3) Safety and health considerations:

(i) Properties of, and hazards presented by, the chemicals used in the process;

(ii) Precautions necessary to prevent exposure, including engineering controls, administrative controls, and personal protective equipment;

(iii) Control measures to be taken if physical contact or airborne exposure occurs;

(iv) Quality control for raw materials and control of hazardous chemical inventory levels; and,

(v) Any special or unique hazards.

- *Alta Fuels SOP-BUTANE-01 includes a section for physical contact or airborne exposure control measures for eyes exposure which includes this step, "Immediately flush with plenty of water for at least 15 minutes."*
- *Alta Fuels does not have an emergency eyewash installed at the Butane unloading area that would allow this control measure for eyes exposure to be conducted. Emergency eyewash equipment shall follow ANSI/ISEA Z358.1-2014 American National Standard for Emergency Eyewash and Shower Equipment.*

3. **Requirement found at Subpart D – Program 3 Prevention Program – Operating procedures [68.69(c)]:** The operating procedures shall be reviewed as often as necessary to assure that they reflect current operating practice, including changes that result from changes in process chemicals, technology, and equipment, and changes to stationary sources. The owner or operator shall certify annually that these operating procedures are current and accurate.

- ***Alta Fuels did not certify annually that the operating procedures are current and accurate. SOP-Butane-01 operating procedure, original effective date 2018-0910 has a table titled ANNUAL REVIEW OF OPERATING PROCEDURES. The only review was dated 5/15/2023. There was no annual certification for 2019, 2020, 2021, or 2022.***
- *Alta Fuels indicated this document serves as the annual certification that the procedure is current and accurate.*

4. **Requirement found at Subpart D – Prevention Program – Training [68.71(a)]:**
(a) ***Initial training.***

(1) Each employee presently involved in operating a process, and each employee before being involved in operating a newly assigned process, shall be trained in an overview of the process and in the operating procedures as specified in § 68.69. The training shall include emphasis on the specific safety and health hazards, emergency operations including shutdown, and safe work practices applicable to the employee's job tasks.

- ***Alta Fuels did not provide training records for initial training on SOP-BUTANE-01 when the butane blending process went on-line 9/28/2018.***

- *Alta Fuels provided a Training and Drill Log dated 5/9/2023 for operating procedures initial training for the Plant Technician who was involved in the Butane process since start-up in 2018.*
- *Alta Fuels provided records of RMP and PSM Awareness training for the Operator, dated 6/13/2023, and for the Operations Manager, dated 5/15/2023.*

5. **Requirement found at Subpart D – Prevention Program – Training [68.71(b)]:** ***Refresher training.*** Refresher training shall be provided at least every three years, and more often, if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process. The owner or operator, in consultation with the employees involved in operating the process, shall determine the appropriate frequency of refresher training.

   - ***Alta Fuels provided no documentation that refresher training was provided at least every three years to each employee involved in operating the Butane process.***

6. **Requirement found at Subpart D – Prevention Program – Mechanical Integrity [68.73(c)]:** ***Training for process maintenance activities.*** The owner or operator shall train each employee involved in maintaining the on-going integrity of process equipment in an overview of that process and its hazards and in the procedures applicable to the employee's job tasks to assure that the employee can perform the job tasks in a safe manner.

   - ***Alta Fuels did not provide records for maintenance procedures training for the Plant Technician prior to 5/16/2023. The butane blending process went on-line 9/28/2018.***

7. **Requirement found at Subpart D – Prevention Program – Mechanical Integrity [68.73(d)(2)]:** Inspection and testing procedures shall follow recognized and generally accepted good engineering practices.

   - ***Alta Fuels did not inspect the two Butane pressure vessels at the time of installation. API 510 Pressure Vessel Inspection Code, 10th edition, May 2014 section 6.2.1 requires pressure vessels be inspected at the time of installation.***
   - *Table 3-3. Butane System RAGAGEP for Alta Fuels lists API 510 for Inspection/Maintenance of the Butane Tanks.*
   - *The Operations Manager stated they have scheduled an API 510 external and internal inspection for the end of July 2023.*

8. **Requirement found at Subpart D – Prevention Program – Mechanical Integrity [68.73(d)(3)]:** The frequency of inspections and tests of process equipment shall be consistent with applicable manufacturers' recommendations and good engineering practices, and more frequently if determined to be necessary by prior operating experience.

- ***Section 3.5.4 Inspection and Testing in the Alta Fuels Risk Management Program & Process Safety Management Program, Revision 1 document has a statement that appears to conflict with the frequency of inspections and tests requirements in 68.73(d)(3):***
    - *"Plant operating experience may be used to justify deviations from the inspection and testing requirements outlined in the applicable codes and standards. Specifically, plant operating experience may be used as the basis to justify more or less stringent inspection and testing requirements, as appropriate. Such deviations are to be documented, including all supporting data."*

9. **Requirement found at Subpart D – Prevention Program – Mechanical Integrity [68.73(d)(4)]:** The owner or operator shall document each inspection and test that has been performed on process equipment. The documentation shall identify the date of the inspection or test, the name of the person who performed the inspection or test, the serial number or other identifier of the equipment on which the inspection or test was performed, a description of the inspection or test performed, and the results of the inspection or test.

- ***Alta Fuels did not document the following inspections and tests were performed on process equipment for 2020, 2021, and 2022:***
    - ***REGO Pressure Relief Valve (PRV) Annual Inspections***
    - ***Emergency Shutdown System – Unloading Annual functionality tests for ESV-100 and ESV-101***
    - ***LEL Combustible Gas Sensor quarterly calibrations***
    - ***LEL Combustible Gas Sensor annual visual inspections***
- *In the Alta Fuels Risk Management Program & Process Safety Management Program, Revision 1 document, relevant information about the Mechanical Integrity Program can be found in Appendix G: Mechanical Integrity Inspection & Testing Plan and Appendix H: Mechanical Integrity Forms.*
- *The only quarterly and annual maintenance checklists Alta Fuels could provide were dated 5/16/2023.*
- *The Butane Quarterly Maintenance Checklist does not include the quarterly calibrations for the LEL Combustible Gas Sensor. Alta Fuels confirmed these calibrations are not documented.*

10. **Requirement found at Subpart D – Prevention Program – Management of Change [68.75(c)]:** Employees involved in operating a process and maintenance and contract employees whose job tasks will be affected by a change in the process shall be informed of, and trained in, the change prior to start-up of the process or affected part of the process.

- ***Alta Fuels could not provide documentation that operations, maintenance, and contract employees involved in the Butane process were trained prior to start-up***

of the process.

- *MOC # 2018-01 involved the installation of the two butane tanks and butane blending process.*
- *The only training records provided were dated between May and June 2023.4*

9. **Requirement found at Subpart D – Prevention Program – Pre-startup review [68.77(b)]:** The pre-startup safety review shall confirm that prior to the introduction of regulated substances to a process:
(4) Training of each employee involved in operating a process has been completed.

- ***Alta Fuels could not provide documentation confirming that training of the Plant Technician, who is involved in operating the Butane process, was completed prior to the introduction of the butane to the process.***
    - *The training record provided for the Plant Technician was dated 5/9/2023.*

10. **Requirement found at Subpart D – Prevention Program – Compliance Audits [68.79(a)]:** The owner or operator shall certify that they have evaluated compliance with the provisions of this subpart at least every three years to verify that procedures and practices developed under this subpart are adequate and are being followed.

- ***Alta Fuels did not evaluate compliance with provisions of this subpart at least every three years. The first compliance audit was conducted on 6/7-8/2023, 4 years and 9 months after the first-time submission of the Alta Fuels RMP on 9/18/2018.***
- *The Operations Manager was going to conduct the first compliance audit in early 2020, with the help of consultants. This had to be postponed due to Covid-19.*
- *The Certification statement signed by the Operations Manager and the Consultant Lead Auditor did not include the requirement to evaluate compliance <u>at least every three years.</u>*

11. **Requirement found at Subpart D – Prevention Program – Compliance Audits [68.79(d)]:** The owner or operator shall promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that deficiencies have been corrected.

- ***Alta Fuels has not documented that the deficiencies for the 14 findings in the June 2023 Compliance Audit have been corrected. However, this Compliance Audit was completed less than a month prior to the inspection.***

12. **Requirement found at Subpart E – Emergency Response [68.93]:** The owner or operator of a stationary source shall coordinate response needs with local emergency planning and response organizations to determine how the stationary source is addressed in the community emergency response plan and to ensure that local response organizations are aware of the regulated substances at the stationary source,

their quantities, the risks presented by covered processes, and the resources and capabilities at the stationary source to respond to an accidental release of a regulated substance.

(a) Coordination shall occur at least annually, and more frequently, if necessary, to address changes: At the stationary source; in the stationary source's emergency response and/or emergency action plan; and/or in the community emergency response plan.

- ***The was no record of annual coordination with the Pueblo West Fire Department, the local emergency response organization, in 2021, and 2022.***
- *Alta Fuels provided documentation that coordination occurred with an email sent to the Pueblo West Fire Department on 5/24/2023.*
- *The Operations Manager stated that ever since the previous Fire Chief left, Alta Fuels has had difficulty getting any response to requests to coordinate.*

EPCRA § 312:

1. **Requirement found at Subpart C – Reporting Requirements [40 CFR 370.40(a)]:** If you are required to comply with the hazardous chemical reporting requirements of this part, then by March 1 every year you must submit inventory information regarding any hazardous chemical present at your facility at any time during the previous calendar year in an amount equal to or in excess of its threshold level.

    - ***Alta Fuels did not report ATF-DM on the Tier II report for reporting year 2021.***
    - *ATF-DM is a lubricating oil with an SDS that indicates it has a multiple health hazards of skin corrosion, serious eye damage, and specific target organ toxicity.*
    - *Alta Fuels provided records for deliveries of ATF-DM in 2020, 2021, and 2022. The Bulk Unloading Ullage Form dated 5/24/2021 indicates there were 1552 gallons of ATF-DM in the 2000-gallon tank after delivery. ATF-DM weighs 7.218 lbs/gal, so there were 11,202 lbs. of ATF-DM on site, which is greater than the 10,000 lb. threshold level for Tier II reporting.*

2. **Requirement found at Subpart C – Reporting Requirements – [40 CFR 370.42(l)]:** Tier II information provides State and local officials and the public with specific information on the amounts and locations of hazardous chemicals present at your facility during the previous calendar year. Some states may require you to use a state reporting format including electronic reporting and certification for submitting your hazardous chemical inventory. Contact your state for the specific requirements in that state. Tier II inventory form includes the following data elements:
(l) An indication whether your facility is subject to the chemical accident prevention requirements under section 112(r) of the Clean Air Act (CAA), codified in 40 CFR part 68, Chemical Accident Prevention Provisions, also known as the Risk Management Program.

    - *The Tier II reports for Alta Fuels had the "No" box checked next to the whether* *the facility is subject to the Risk Management Program. The "Yes" box should be checked.*

INSPECTION REPORT REVIEW RECORD		
		Date:
Author:	*Toxics and Pesticides Enforcement Section Inspector*	*8/25/2023*
Final Reviewer:	*Section Supervisor*	*9/6/2023*