



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1201 ELM STREET, SUITE 500
DALLAS, TEXAS 75270

March 8, 2023

Kate Mareno
Environmental Director
Phillips 66 Company
15551 Hwy 23
Belle Chasse, Louisiana 70037

Sent via email: Katie.Mareno@P66.com

Re: Clean Air Act Notification of Violation and Opportunity to Confer

Dear Ms. Mareno:

The United States Environmental Protection Agency, Region 6 ("EPA") has identified Phillips 66 ("P66") as having violated the Clean Air Act ("CAA"). This Notice of Violation and Opportunity to Confer ("NOVOC") is issued to P66 for violations of the CAA, 42 U.S.C. § 7401, *et seq.*, at its Alliance Refinery in Belle Chasse, Louisiana ("Facility"). Based on information currently available, EPA finds that P66¹ has committed violations of the CAA and the federal New Source Performance Standards ("NSPS"), 40 C.F.R. Part 60, Subpart A. By this letter, EPA is extending to you an opportunity to advise the Agency, via a conference call or in writing, of any further information EPA should consider with respect to the potential violations.

This NOVOC is issued pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3). The authority to issue this NOVOC has been delegated to the Director of the Enforcement and Compliance Assurance Division, EPA Region 6.

EPA contracted helicopter flyovers in Louisiana during August 24 to September 24, 2021, to assess emission sources using Optical Gas Imaging ("OGI") technology. On October 28, 2021, EPA sent a letter informing P66 of potentially unauthorized emissions from a facility that EPA believed was owned/operated by P66, along with OGI video captures for the facility. EPA asked P66 to verify facility ownership, provide current site-specific permit information, and take any necessary corrective action to address unauthorized hydrocarbon emissions. EPA considered information provided by P66 to determine whether violations occurred at the facility.

¹ Please be advised that some companies may qualify as a "small business" under the Small Business Regulatory Enforcement and Fairness Act ("SBREFA"). The U.S. Small Business Administration has established a Table of Small Business Size Standards, which can be found at: http://www.sba.gov/sites/default/files/Size_Standards_Table.pdf. The SBREFA Information Sheet provides information on compliance assistance to entities that may qualify as small businesses as well as to inform them of their right to comment to the SBREFA Ombudsman concerning EPA enforcement activities. The SBREFA Information Sheet can be found at: <http://nepis.epa.gov/Exec/ZyPDF.cgi/P100BYAV.PDF?Dockey=P100BYAV.PDF>.

Notice of Violation and Opportunity to Confer

CAA Violations

We are sending this NOVOC to inform P66 of violations of NSPS at the Facility:

The Facility's EQT 95 Crude Oil ("Tank-004") is subject to 40 C.F.R. Part 60, Subpart Ka ("NSPS Subpart Ka"), *see* Title V Permit No. 2513-V9, which contains standards for control of petroleum liquids from such storage vessels. Additionally, the Facility's EQT 96 Crude Oil Storage Tank ("Tank-005") is subject to 40 C.F.R., Part 60, Subpart Kb ("NSPS Subpart Kb"), *see* Title V Permit No. 2513-V9, which contains standards for control of volatile organic compounds ("VOCs") from such storage vessels.

Specifically, the Facility is required to maintain the shoe, seal fabric, or seal envelope of the external floating roof on Tank-004 without holes, tears, or other openings, *see* 40 C.F.R. 60.112a(a)(1)(i)(D), and is required to maintain the cover, seal or lid in a closed position at all times, *see* 40 C.F.R. § 60.112a(a)(1)(iii). The Facility is required to equip Tank-005 with a secondary seal that completely covers the annular space between the external floating roof and the wall of the tank, *see* 40 C.F.R. § 60.112b(a)(2)(i)(B), and is required to inspect gap widths of the secondary seal, *see* 40 C.F.R. § 60.113b(b)(2).

Based on its review, EPA finds that P66 committed the following violations:

1. Violated 40 C.F.R. 60.112a(a)(1)(i)(D) by having holes in the seal fabric of Tank-004;
2. Violated 40 C.F.R. § 60.112a(a)(1)(iii) for having a hole in varel well cover of Tank-004;
3. Violated 40 C.F.R. § 60.112b(a)(2)(i)(B) for having significant gaps in the secondary seal between the external floating roof and the wall of Tank-005; and,
4. Violated 40 C.F.R. § 60.113b(b)(2) by failing to properly determine gap widths in secondary seal of Tank-005

Please review the specific violations and information we have provided in the Enclosure regarding the Facility.

Opportunity to Confer

This NOVOC provides you with the opportunity to confer with EPA. We request P66 contact Lindsay Rich Steinmetz, Assistant Regional Counsel, at Richsteinmetz.Lindsay@epa.gov or 214-665-7425 within ten (10) business days to discuss this pending matter.

Sincerely,

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

Enclosure

cc: Eura DeHart, Louisiana Department of Environmental Quality (aura.dehart@la.gov)