



Region 6 - Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	01/31/2023 – 02/09/2023	
Media Program:	Air	
Regulatory Program(s)	Clean Air Act Section 112(r) and 40 Code of Federal Regulations (C.F.R.) Part 68 Chemical Accident Risk Management Plan (RMP)	
Company Name:	Seatex	
Facility Name:	ChemQuest Chemicals – Pasadena	
Facility Physical Location:	9730 Bay Area Blvd.	
(city, state, zip code)	Pasadena, Texas 77507	
Mailing address:	9730 Bay Area Blvd.	
(city, state, zip code)	Pasadena, Texas 77507	
County/Parish:	Harris	
Facility Phone Number	(281) 291-9966	
Facility Contact:	Bill Van Horn	EHS&S Director
FRS Number:	1000 0023 2562	
Identification/Permit Number:	7750WCHMQS973BA	
Media Identifier Number:	-----	
NAICS:	325998	
SIC:	N/A	
Personnel participating in inspection:		
Sherronda Phelps	US EPA	Air Inspector
Bill Van Horn	ChemQuest Chemicals	EHS&S Director
Ken Babcock	ChemQuest Chemicals	Plant Manager
EPA Lead Inspector Signature/Date	<i>Sherronda Phelps</i> Sherronda Phelps	04/04/2023 Date
Supervisor Signature/Date	 Samuel Tates	 Date

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

I, Sherronda Phelps, United States Environmental Protection Agency (EPA) Region 6 inspector arrived at ChemQuest Chemicals Plant (Seatex) facility at 10:00 AM on January 31, 2023, for an announced inspection. I met with Bill Van Horn, , and other facility personnel at the opening conference. I presented my credentials to all present and informed them that this was an EPA inspection to determine compliance with CAA Section 112(r)(1) and 112(r)(7). The scope of the inspection was a partial compliance evaluation (PCE) and included evaluation of the compliance of the facility with 40 C.F.R. Subpart 68 – Chemical Accident Prevention Provisions. An employee representative was invited to participate in the inspection; however, this site is a non-union facility.

FACILITY DESCRIPTION

According to the facility's executive summary, ChemQuest, operates a batch chemical blending and manufacturing facility that includes processes that utilize ammonia and formaldehyde. Listed toxic, Formaldehyde, is stored in storage tanks, drums, totes and tank trucks. Ammonia, listed toxic, is held in storage tanks on site as well.

ChemQuest was recently acquired by Seatex, a leading specialty chemical manufacturer and formulator in September of 2022. Updates on name changes has been submitted to CDX and the name change became official in January of 2023. The facility employs approximately 65 full-time employees (FTE's) and there are no nested contractors onsite. This is a non-union facility.

Section II – OBSERVATIONS

The initial documentation review began on-site with ChemQuest personnel as listed on the attached, Appendix A, sign in sheets.

40 C.F.R. Part 68 – CHEMICAL ACCIDENT PREVENTION PROVISION

Subpart A – General

40 C.F.R. § 68.10 Applicability – ChemQuest is a stationary source that has more than a threshold quantity of regulated substances in their process. The last submittal was made March 26, 2020, due to the addition of a new regulated substance. ChemQuest is a RMP Program 3 facility. The facility is subject to the Occupational Safety and Health Administration's (OSHA) Process Safety Management (PSM) Standard (29 CFR § 1910.119).

40 C.F.R. § 68.12 General requirements – ChemQuest submitted their most recent RMP submission on March 26, 2020. The regulated substance(s) under the toxic and flammable tables are listed over the threshold quantity for the RMP Program Level 3 processes.

40 C.F.R. § 68.15 Management – ChemQuest developed a management system to oversee the implementation of the risk management program elements. ChemQuest provided an organizational

chart titled, Seatex Organization Chart. This was accompanied by Seatex Management System which, outlined the positions to implement the individual elements of the RMP, as required by this subpart.

Subpart B – Hazard Assessment

40 C.F.R. § 68.20 Applicability – ChemQuest operates an RMP program level 3 process which is subject to this subpart and thus is required to prepare a worst-case release scenario analysis and complete the five-year accident history. I reviewed the documentation provided to make this analysis and identified no areas of concern with this subpart.

40 C.F.R. § 68.22 Offsite Consequence Analysis Parameters – ChemQuest employed the parameters specified by EPA in this rule by using the RMP*Comp™ software. I reviewed the offsite consequence analysis and supporting documentation to assure the data was accurate and correct.

40 C.F.R. § 68.25 Worse-case release scenario analysis – ChemQuest identified and analyzed at least one worst-case scenario in its Program 3 processes using the RMP* Comp™ software, thus meeting the requirements of the regulation.

40 C.F.R. § 68.28 Alternative Release Scenario Analysis – ChemQuest identified and analyzed at least one alternative release scenario in its Program 3 processes using the RMP* Comp™ software, thus meeting the requirements of the regulation.

40 C.F.R. § 68.30 Defining offsite impacts- Population – ChemQuest used the most current Census Bureau population data and the distances to endpoints, as specified in the regulation, to calculate the population numbers reported in their RMP.

40 C.F.R. § 68.33 Defining offsite impacts- Environment – ChemQuest used US Geological Survey maps data to determine the environmental receptors and the distances to endpoints.

40 C.F.R. § 68.36 Review and update - ChemQuest understands documentation associated with the worst-case scenarios that should be updated and reviewed at least every five years and are anticipating a review in 2025.

40 C.F.R. § 68.39 Documentation - ChemQuest operates a RMP program level 3 process which is subject to this subpart and thus is required to prepare a worst-case release scenario analysis and complete the five-year accident history. I reviewed the documentation provided to make this analysis and identified no areas of concern with information pertaining to this subpart to include the Offsite Consequence Analysis (OCA) data. The facility used the EPA Model RMP*Comp™.

40 C.F.R. § 68.42 Five-year accident history – ChemQuest did not report any accidental release(s) in their RMP that resulted in deaths, injuries, or property damage.

Subpart D – Program 3 Prevention Program

40 C.F.R. § 68.65 Process safety information (PSI) - I reviewed various sections of the process safety information (PSI) for the RMP covered process at ChemQuest. There were no areas of concern identified.

40 C.F.R. § 68.67 Process Hazard Analysis (PHA) – ChemQuest provided me with their PHA Schedule detailing completion dates and due dates. All revalidation dates were met per the regulation. I reviewed the PHA's conducted for the two covered processes, Ammonia and Formaldehyde. The initial Ammonia PHA was completed in November of 2017 and the revalidation was then completed in October of 2020. Meanwhile the initial Formaldehyde PHA was completed in March of 2020. The facility noted that the revalidation for the ammonia unit was completed early so that both units could be on a similar schedule with the 5 year Revalidation. The next revalidation is due in the year 2025. The PHA study was conducted using the Hazard and Operability Analysis (HAZOP) method along with What If Checklists. No areas of concern were observed from the information reviewed.

40 C.F.R. § 68.69 Operating procedures - I reviewed several operating procedures for the covered processes. I reviewed and discussed with ChemQuest personnel operating procedures on the Ammonia process, which included the Standard Operating Procedure (SOP) certification procedure, confined space entry, and lockout/tag out procedures. On the topic of annual certifications, I requested the last 5 years of certifications. Of the procedures reviewed certifications were missing for the year 2020 and 2021 and signatures as well. According to the facility's procedure, GEN-1006, on reviewing and tracking the procedures, "all procedures are to be sent to document control where each procedure will be checked for format, effective date and required signatures". From the procedures reviewed effective dates were listed where the required signatures for all were missing. Operating procedures are available to the operators via the facility share point site. Chemquest has failed to properly implement their certification procedure as required per subpart 68.69.

40 C.F.R. § 68.71 Training – Operator Training consists of both On the Job Training and Computer Based Training. Written Tests were use in the past to evaluated operator competency, however, PureSafety Training Software is now used in place of this and a grade of at least 80% or better must be made to prove competency. As a new hire, at least three to six months is allocated to initial job training. Refresher training is required every three years per the regulation or sooner. I requested training records for review and was provided the files for several employees at different experience levels. Of the employee files I reviewed, all took the initial training to operate within the unit and should be up for refresher training later this year while others are scheduled to refresh well into the year 2024 and into 2025.

40 C.F.R. § 68.73 Mechanical integrity –EPA reviewed what was to be noted as the MI procedure for their Mechanical Integrity program. Given the recent acquisition it's a work in progress to merge/updte procedures between the ChemQuest and Seatex. Mechanical integrity records for randomly selected inspections of RMP covered process equipment and the written procedure for maintaining the integrity of the process were reviewed. EPA also requested a query of any past due/overdue inspections in the program no items were identified as such. The facility makes use of the Data Management & Analysis for Process Systems (DMAPS) for historical inspection records. There were no areas of concern noted from the review and follow up on implementation of the Mechanical Integrity program.

40 C.F.R. § 68.75 Management of change (MOC) – EPA discussed ChemQuest written procedure for MOC and the documentation with site personnel. The MOCs were implemented using their onsite share

point site. I reviewed several MOCs to evaluate the implementation of the procedures in place. No areas of concern were identified.

40 C.F.R. § 68.77 Pre-startup safety review – ChemQuest provided documentation regarding pre-startup safety review which accompanied several MOC's reviewed. All PSSR requirements were satisfied before startup.

40 C.F.R. § 68.79 Compliance audits – EPA requested the two most recent compliance audits for review. ChemQuest provided compliance audit reports for the Ammonia processes while the Formaldehyde Process will have its first Compliance Audit in March of 2023. It should be noted that the Formaldehyde process started up in March of 2020. The Ammonia process had an audit that was last completed in March of 2020 and the next is scheduled for March 2023. There were no recommendations or action items created from the audit. Any action items or recommendations made are placed in an electronic database to track to completion. The Compliance Audit certification for the Ammonia process was requested and could not be produced. ChemQuest failed to certify the 2020 Ammonia Process Compliance Audit as required by the regulation.

40 C.F.R. § 68.81 Incident investigation - I reviewed a list of incident reports/investigations for all incidents, which resulted in, or could have reasonably resulted in, a catastrophic release of a regulated substance for the last five years. All incident investigations appear to have been conducted as required per the subpart.

40 C.F.R. § 68.83 Employee participation – ChemQuest implemented the requirements of this subpart.

40 C.F.R. § 68.85 Hot work permit – ChemQuest discussed the process for conducting hot work onsite and several hot work permits were reviewed. All hot work permits are retained for one year upon completion of work.

40 C.F.R. § 68.87 Contractors – ChemQuest selects contracts from the ISNetworld database. While they have nested contractors in place there are occasions when they may bring on additional contractors for a specific matter. Prior to selecting a contractor, a thorough evaluation of safety performance of the contractor is carried out. That contractor must be subscribed to ISNetworld as well. A Pre-Job Meeting is held with the contractors to discuss known potential hazards related the contractor's work and the processes. Contractors are also informed of all the procedures for emergency response should an accidental release of a regulated substance occur. Daily audits and Engagement Analysis are conducted to keep a hand on the happenings at the jobsite. No areas of concern were identified.

Subpart E – Emergency Response

40 C.F.R. § 68.90 Applicability – ChemQuest is not a first responder stationary source in case of an accidental release of a regulated substance, therefore, the facility need not comply with the requirements of part 68.95.

40 C.F.R. § 68.93 Emergency Response Coordination Activities – ChemQuest coordinates with the local emergency planning and response organizations to ensure that local response organization are aware of the regulated substances of the stationary source. EPA reviewed ChemQuest's, Emergency Action Plan and the coordination notification documentation which included the names of the individuals involved,

their contact information, dates of the coordination activities, and the nature of the coordination activities. ChemQuest is not a first responding facility. The Emergency Action Plan details the steps to take in the event of a release of the regulated substances Ammonia and Formaldehyde. The Emergency Action Plan is reviewed and updated at least once a year to incorporate any facility change.

40 C.F.R. § 68.96 Emergency response exercises – As part of coordination with local emergency response officials required by §68.93, ChemQuest consults with officials to establish an appropriate frequency for tabletop exercises.

Subpart G – Risk Management Plan

40 C.F.R. § 68.190 Updates – The recent addition of the Formaldehyde process in 2020 is what triggered an update to the Risk Management Plan.

40 C.F.R. § 68.195 Required corrections -The next RMP re-submission is due by March 26, 2025, unless an update or correction is required by 40 C.F.R. § 68.190 and § 68.195.

Section III – AREAS OF CONCERN (AOC)

- 1) **40 C.F.R. § 68.79** – ChemQuest failed to certify the 2020 Ammonia Compliance Audit as required by the regulation.
- 2) **40 C.F.R. § 68.69** – ChemQuest failed to properly implement their operating procedure certification as required by the regulation.

EPA Region 6 inspector, Sherronda Phelps, conducted a closing conference Closeout/Exit Briefing was conducted via Teams on February 9, 2023, for the inspection. During the closing conference, Sherronda Phelps, reviewed the AOC noted during the inspection.

Section IV – FOLLOW UP

ChemQuest point of contact provided follow up information on February 13, 2023 via email. The information will be reviewed and considered

Section V – LIST OF APPENDICES

Appendix A – Sign-In Sheets