

**CLEAN AIR ACT (CAA) § 112(r)(7) AND EMERGENCY PLANNING,
COMMUNITY RIGHT-TO-KNOW ACT (EPCRA) §§ 312, & 313 INSPECTION
REPORT**

DCP Midstream - Spindle Plant

Facility Name and Address: DCP Midstream – Spindle Plant 9101 Weld County Road 14 Fort Lupton, Colorado 80621 Contact/Telephone: Lance Thomasson, Director of Environment (720) 357-6891 Mailing Address: DCP Midstream, LP 370 17 th Street, Suite 2500 Denver, Colorado 80202	Date of Inspection: 07/26/2023 RMP EPA ID #: 1000 0007 9942 • Program Level: 3 • Covered Substances: ○ Flammable Mixture ○ Propane TRIFID #: 8062WDCPMD911CU NAICS: 21113 Natural Gas Extraction # Employees at this location: 10
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INTRODUCTION

This report presents the observations of the CAA section 112(r)(7) and EPCRA sections 312 & 313 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 and TRI reporting requirements of EPCRA sections 312 and 313. This facility was chosen for inspection because the 5-year RMP resubmission was overdue. At the time of the inspection, the DCP Midstream - Spindle Plant (Spindle Plant) was shut down during installation of new piping with lower design temperatures in the A Plant.

The Facility uses, handles, and/or stores more than a threshold quantity of propane and flammable mixture which are regulated substances, 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] – Not reviewed due to lack of time.

10. Compliance audits [68.79]
11. Incident investigation [68.81]
12. Employee Participation [68.83]
13. Hot work Permit [68.85] – Not reviewed due to lack of time.
14. Contractors [68.87]
15. Emergency Response [68.90 – 68.95]
16. Risk Management Plan [40 CFR 68.190 – 68.195]

Nature of Business: The Spindle Plant uses cryogenics and fractionation to process wellhead gas into marketable natural gas and natural gas liquids (NGL). Several EPA regulated flammable substances are processed, recovered, and stored at the facility. On 04/01/2023, Phillips 66 (P66) became owner of DCP Midstream. The Spindle Plant is owned and operated by DCP Midstream.

OBSERVATIONS

CAA § 112(r)(7) (RMP):

1. Requirement found at Subpart B – Hazard Assessment – Alternate release scenario analysis [68.28]:

- (a) The number of scenarios. The owner or operator shall identify and analyze at least one alternative release scenario for each regulated toxic substance held in a covered process(es) and at least one alternative release scenario to represent all flammable substances held in covered processes.
 - (b) Scenarios to consider.
 - (1) For each scenario required under [paragraph \(a\)](#) of this section, the owner or operator shall select a scenario:
 - (i) That is more likely to occur than the worst-case release scenario under [§ 68.25](#); and
 - (ii) That will reach an endpoint offsite, unless no such scenario exists.
 - (2) Release scenarios considered should include, but are not limited to, the following, where applicable:
 - (i) Transfer hose releases due to splits or sudden hose uncoupling;
 - (ii) Process piping releases from failures at flanges, joints, weld, valves and valve seals, and drains or bleeds;
 - (iii) Process vessel or pump releases due to cracks, seal failure, or drain, bleed, or plug failure;
 - (iv) Vessel overfilling and spill, or over pressurization and venting through relief valves or rupture disks; and
 - (v) Shipping container mishandling and breakage or puncturing leading to a spill.
- **DCP Midstream provided several documents dated from 1998 – 2007 in response to this request for information in the Notice of Inspection letter emailed on 06/13/2023:**

Detailed offsite consequence analysis completed for the worst-case release scenarios and alternate release scenarios of your RMP covered processes including assumptions and data used for the analysis. The most recent alternate release scenario is dated 07/12/2007 and includes calculations for PSV-06048A failing to reseal after relief.

- Recommendation 11 in the 2017 PHA for Spindle Gas Plant included the recommendation to review the alternate scenario and update because PSV-06048 no longer exists. Recommendation 11 was marked completed on 03/05/2018, however this update was not among the alternate release analyses provided to the EPA.

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.

(1) Steps for each operating phase:

- (i) Initial startup;
- (ii) Normal operations;
- (iii) Temporary operations;
- (iv) Emergency shutdown including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner.
- (v) Emergency operations;
- (vi) Normal shutdown; and,
- (vii) Startup following a turnaround, or after an emergency shutdown.

- Copies of two operating procedures were requested for offsite review after the inspection: SOP-Propane Refrigeration System and SOP-Regen Gas System. These operating procedures did not have steps for these operating phases:
 - (iii) temporary operations
 - (iv) emergency shutdown including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner.
 - (v) Emergency operations
 - (vi) Startup following a turnaround, or after an emergency shutdown.

3. Requirement found at Subpart D – Program 3 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.

- DCP Midstream provided two PSM-RMP Audit Final Reports and RMP Audit Action

Plans for compliance audits conducted in 2018 and 2021. The 2018 audit had a finding regarding deficiencies in some emergency exits in the perimeter fencing. The 2018 Action Plan indicated this finding was completed on 03/05/2019.

- However, the 2021 audit had a repeat finding regarding the same deficiencies in these same emergency exits. The 2018 Action Plan incorrectly documented these deficiencies were corrected.

4. Requirement found at Subpart E – Emergency Response – Emergency response

coordination activities [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.
- (b) Coordination shall include providing to the local emergency planning and response organizations: The stationary source's emergency response plan if one exists; emergency action plan; updated emergency contact information; and other information necessary for developing and implementing the local emergency response plan. For responding stationary sources, coordination shall also include consulting with local emergency response officials to establish appropriate schedules and plans for field and tabletop exercises required under [§ 68.96\(b\)](#). The owner or operator shall request an opportunity to meet with the local emergency planning committee (or equivalent) and/or local fire department as appropriate to review and discuss those materials.
- (c) The owner or operator shall document coordination with local authorities, including: The names of individuals involved and their contact information (phone number, email address, and organizational affiliations); dates of coordination activities; and nature of coordination activities.

- DCP Midstream provided annual documentation of the coordination with local emergency planning and response organizations for 2020, 2021, and 2022. This coordination did not include providing a copy of the Spindle Plant ERP.

5. Requirement found at Subpart G – Risk Management Plan – Updates [68.190(b)]: The owner or operator of a stationary source shall revise and update the RMP submitted under [§ 68.150](#) as follows:

- (1) At least once every five years from the date of its initial submission or most recent update required by [paragraphs \(b\)\(2\)](#) through [\(b\)\(7\)](#) of this section, whichever is later. For purposes of determining the date of initial submissions, RMPs submitted before June 21, 1999 are considered to have been submitted on that date.

- **DCP Midstream did not revise and update the Spindle Plant RMP within 5 years from the 10/31/2017 re-submission, which was the most recent 5-year update. The Spindle Plant was updated on 03/29/2023.**

6. Requirement found at Subpart G – Risk Management Plan – Required corrections

[68.195(b)]: Emergency contact information – Beginning June 21, 2004, within one month of any change in the emergency contact information required under § 68.160(b)(6), the owner or operator shall submit a correction of that information.

- **A new supervisor for the Spindle Plant was assigned on 11/30/2019. He replaced the previous supervisor and emergency contact for the Spindle Plant RMP. The correction of this emergency contact information in the RMP was completed on 08/24/2021, which was not done within one month of the change.**

EPCRA § 312:

1. Requirement found at Part 370 Hazardous Chemical Reporting: Community Right-to-Know

– What is Tier II inventory information? [370.42]: 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:

(s) For each hazardous chemical that you are required to report, you must:

(6) Provide an estimate (in ranges) of the maximum amount of the hazardous chemical present at your facility on any single day during the preceding calendar year. If you are reporting a mixture, provide an estimate of the total amount of the mixture present at your facility on any single day during the preceding calendar year. If the mixture contains any EHS, provide the total amount of each EHS in that mixture. You must use the codes that correspond to different ranges. The amounts and associated range codes are in [§ 370.43](#).

(7) Provide an estimate (in ranges) of the average daily amount of the hazardous chemical present at your facility during the preceding calendar year. If you are reporting a mixture, provide an estimate of the average daily amount of the mixture. You must use the codes that correspond to different ranges. The amounts and associated range codes are in [§ 370.43](#).

- **DCP Midstream provided Tier II Chemical Inventory Reports for calendar years 2020, 2021, and 2022. The Tier II reports were divided into two facilities: DCP Midstream – Spindle Gas Plant and DCP Midstream – Spindle Scale / Load Rack. A Teams meeting was scheduled for 08/03/2023 with the EPA inspector and four Spindle Plant representatives to discuss the Tier II reports. A spreadsheet titled 2019 SARA Title III**

Tier II Quantity Calculations for the Spindle Plant and the Spindle Load Rack was reviewed during the Teams meeting. A copy of this spreadsheet was requested and received by the EPA on 08/04/2023.

- The estimate (in ranges) of the amounts of the following hazardous chemicals reported on the 2020, 2021, and 2022 Tier II reports did not agree with the quantities in the Tier II Quantity Calculations spreadsheet:
 - DCP Midstream – Spindle Gas Plant: Natural Gas (Methane), Natural Gas Liquids, Produced Salt Water, and Propane
 - DCP Midstream – Spindle Load Rack: Butane/Gasoline Mix, and Natural Gas Liquids
2. **Requirement found at Part 370 Hazardous Chemical Reporting: Community Right-to-Know – What substances are exempt from these reporting requirements? [370.13]:** You do not have to report substances for which you are not required to have an MSDS (or SDS) under the OSHA regulations, or that are excluded from the definition of hazardous chemical under EPCRA section 311(e). Each of the following substances are excluded under EPCRA section 311(e):
- (a) Any food, food additive, color additive, drug, or cosmetic regulated by the Food and Drug Administration.
 - DCP Midstream – Spindle Gas Plant stated they did not report a heat transfer fluid on the Tier II reports because it is regulated by the Food and Drug Administration (FDA). EPA considers a substance to be regulated by the FDA if the substance is used in a manner which is consistent with the FDA regulations. The Safety Data Sheet (SDS) for this substance indicates the conditions for FDA regulations are found at 21 CFR 172.878. The use of this substance at Spindle Gas Plant is not consistent with the list of conditions in the FDA regulations.
 - There is further guidance in the Frequent Questions section for EPCRA § 312 regarding the FDA exemption. <https://www.epa.gov/epcra/fda-regulated-flour-bleaching-exempt> “EPA considers a substance to be regulated by the FDA as long as the substance is used in a manner which is consistent with the FDA regulations. FDA regulations (21 CFR part 137) regulate the bleaching of flour with chlorine. Chlorine, therefore, is exempt from reporting under EPCRA Sections 311/312 when its use at a facility is consistent with this FDA regulation (i.e., the bleaching of flour). However, if the facility uses part of the chlorine stored on-site for other purposes, such as waste water treatment or for cleaning process equipment, then that amount of chlorine should be considered for threshold determination.”

EPCRA § 313:

Nothing of note from observations. In November 2021, EPA added natural gas processing facilities to the industrial sectors covered by the Toxics Release Inventory (TRI). The Spindle Gas Plant reported eight TRI chemicals for calendar year 2022.

INSPECTION REPORT REVIEW RECORD		
		<i>Date:</i>
<i>Author:</i>	<i>Toxics and Pesticides Enforcement Section Inspector</i>	<i>12/7/2023</i>
<i>Final Reviewer:</i>	<i>Section Supervisor</i>	<i>12/26/2023</i>