

Region 6 - Enforcement & Compliance Assurance Division

INSPECTION REPORT

Inspection Date(s):	June 27 – 30, 2022	
Media Program:	Air	
Regulatory Program(s)	Clean Air Act Section 112(r) and 40 C.F.R. Part 68 Chemical Accident Prevention Provisions (Risk Management Plan)	
Company Name:	Valero Refining – New Orleans, L.L.C.	
Facility Name:	Valero St. Charles Refinery and Terminal	
Facility Physical Location:	14902 River Road	
(city, state, zip code)	Norco, Louisiana 70079	
Mailing address:	P.O. Box 518	
(city, state, zip code)	Norco, Louisiana 70079	
County/Parish:	St. Charles Parish	
Facility Phone Number	(985) 764-8611	
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FRS Number:	110000448659	
Identification/Permit Number:		
Media Identifier Number:	1000 0009 3409 (RMP ID)	
NAICS:	324110 (Petroleum Refineries)	
SIC:	2911 (Petroleum Refining)	
Personnel participating in inspection:		
Justin McDowell	US EPA	Inspector
Glen Jenkins	LDEQ	Inspector
Erik Gadzinski	Valero	PSM Manager
Alan Brackey	Valero	Sr. Mgr. PS Excellence and Assurance
Rachel Dickerson	Valero	PSM Engineer
Dana Chiasson	Valero	Lead Trainer
Earl Incardona	Valero	Supervisor Technical Trainer
Timothy Hindman	Valero	Reliability Inspector
Douglas Fisher	Valero	Reliability Manager
Kenny Henning	Valero	Emergency Services Superintendent
EPA Lead Inspector Signature/Date		
	Justin McDowell	Date
Supervisor Signature/Date		
	Samuel Tates	Date

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

I, United States Environmental Protection Agency (EPA) Region 6 inspector Justin McDowell, and the Louisiana Department of Environmental Quality (LDEQ) inspector Glen Jenkins arrived at the Valero St. Charles Refinery and Terminal (Valero) at 9:00 AM on Tuesday, June 28, 2022, for an announced inspection. I met with Erik Gadzinski (PSM Manager), Rachel Dickerson (PSM Engineer), and Alan Brackey (Senior Manager PS Excellence and Assurance). I presented my credentials and informed Valero personnel that this was an EPA inspection to determine compliance with the federal Chemical Accident Prevention Program. The scope of the inspection was a partial compliance evaluation (PCE), which included an evaluation of the facility's compliance with the Clean Air Act (CAA) Section 112(r) and the Chemical Accident Prevention Provisions in 40 C.F.R. Part 68 and the General Duty Clause. Valero's Risk Management Plan (RMP) is listed as a Program Level Three (3), Title V facility. I inquired if an employee representative was available pursuant to section 112(r)(6)(L) of the CAA to participate in this inspection and was informed that Valero is a non-union facility.

FACILITY DESCRIPTION

The St. Charles Refinery operates a Crude Unit, Vacuum Unit, Delayed Coking Unit, Continuous Catalytic Reformer Unit, Fluidized Catalytic Cracker Unit (FCCU), Gasoline Desulfurization Unit (GDU), two Alkylation Units, two Hydrodesulfurization Units, a Hydrogen Plant, a Hydrotreater/Hydrocracker Unit, two Flare Gas Recovery Units, four Sulfur Recovery Units, a Hydrocracking Unit, and associated utilities and flares. The manned facility has approximately 552 employees as well as nested contractors. Valero's Risk Management Plan (RMP) is listed as a Program Level Three (3), Title V facility.

Section II – OBSERVATIONS

On Wednesday June 29, 2022, Glen and I were accompanied by Valero personnel to conduct a site tour of selected RMP covered processes, which included the Coker Unit (53-Coker) and the Diesel Hydrotreater (DHT – 15), which were chosen as the focus of this inspection. Prior to the facility tour, I was given a general site safety orientation, and was escorted by Valero employees throughout the facility tour.

Subpart A – General

40 C.F.R. § 68.10 Applicability – Valero is the owner/operator of a stationary source that has more than a threshold quantity of two regulated toxic substances (hydrogen sulfide and ammonia) and fifteen regulated flammable substances (flammable mixtures) in a covered process, as listed in 40 C.F.R. § 68.130; therefore, Valero is subject to the Chemical Accident Prevention Provisions. Valero is classified under the North American Industrial Classification System (NAICS) code 324110 (Petroleum Refineries). Valero is also subject to the Occupational Safety and Health Administration (OSHA) process safety management (PSM) standard, 29 C.F.R. § 1910.119, and has one Program Level Three (3) process under OSHA PSM.

40 C.F.R. § 68.10 Program Eligibility – Valero re-submitted an RMP registration five-year update, as required under 40 C.F.R. § 68.190 (b)(1), on December 30, 2020. Valero's next registration re-submittal

is due on December 30, 2025, unless an update or correction is required by 40 C.F.R. § 68.190 or 40 C.F.R. § 68.195 prior to the five-year renewal date.

40 C.F.R. § 68.12 General requirements – The re-submitted RMP plan requires the facility to: develop and implement a management system; conduct a hazard assessment; implement the prevention requirements of 40 C.F.R. § 68.65 - § 68.67; develop and implement an emergency response program; and, include the data elements from 40 C.F.R. § 68.175 in their RMP.

40 C.F.R. § 68.15 Management – Valero has developed a management system to oversee the implementation of the risk management program elements and provided an organizational chart that documents the lines of authority. The lines of authority are also listed on the facility's RMP submittal.

Subpart B – Hazard Assessment

40 C.F.R. § 68.20 Applicability – Valero has one Program Level 3 process subject to this subpart. The facility is required to prepare an off-site consequence analysis and complete the five-year accident history.

40 C.F.R. § 68.22 Off-site Consequence Analysis Parameters – Valero used RMP*Comp™ as the technique for modeling the release scenarios. For both the worst-case and alternative case scenarios involving toxics and flammables, the facility used the endpoints provided in Appendix A of 40 C.F.R. Part 68, appropriate wind speeds and stability classes, ambient temperatures and humidity values, values for height of the release, and surface roughness values for the release scenario analyses.

40 C.F.R. § 68.25 Worse-case Release Scenario Analysis – Valero analyzed and reported in the RMP one worst-case release scenario, estimated to create the greatest distance to endpoint, and resulting from an accidental release of a regulated toxic substance from a covered process under worst-case conditions. The facility also analyzed and reported one worst-case release scenario, estimated to create the greatest distance to endpoint and resulting from an accidental release of a regulated flammable substance from a covered process under worst-case conditions. The worst-case release quantity was determined as the greatest amount held in a single vessel, considering administrative controls that limit the maximum quantity released.

40 C.F.R. § 68.28 Alternative Release Scenario Analysis – Valero identified and analyzed one toxic release scenario for each toxic substance and one alternative release scenario to represent all flammable substances held in a covered process, using a scenario that is likely to occur.

40 C.F.R. § 68.30 Defining Off-site Impacts - Population – Valero used the MARPLOT mapping program to define the potential affected off-site population. The documentation describes how the facility estimated the population that would be affected in the distance to endpoint in the RMP, based on a circle with the point of release at the center.

40 C.F.R. § 68.33 Defining Off-site Impacts - Environment – Valero identified environmental receptors within a circle where its center is the point of the release and a radius determined by the distance to endpoint. The plant relied on information provided on local United States Geographical Survey (U.S.G.S.) maps and data to identify environmental receptors.

40 C.F.R. § 68.36 Review and Update – Valero reviewed and updated the off-site consequence analyses at least once every five years.

40 C.F.R. § 68.39 Documentation – For the worst-case and alternative release scenarios, a description of the vessel or pipeline and substance selected, assumptions and parameters used, the rationale for selection, the anticipated effect of the administrative controls, and passive mitigation on the release quantity and rate were provided.

40 C.F.R. § 68.42 Five-year accident history – Valero has not reported any accidental releases from the covered process that resulted in one or more of the following: on-site deaths, injuries, significant property damage on-site, known off-site deaths, injuries, evacuations, sheltering in place, property damage, or environmental damage in its accident history.

Subpart D – Program 3 Prevention Program

40 C.F.R. § 68.65 Process Safety Information – Valero compiled written process safety information, which includes information pertaining to the hazards of the regulated substances used or produced by the process, information pertaining to the technology of the process, and information pertaining to the equipment in the process. I reviewed the Safety Data Sheets (SDSs) for the process chemicals and final products (diesels fuels and heavy Coker gas oil). The SDSs detailed process safety information that includes the following data for the hazards of the substance used: toxicity information, permissible exposure limits, physical data, reactivity data, corrosivity data, thermal and chemical stability data, and the hazardous effects of inadvertent mixing of materials that could foreseeably occur. I reviewed documentation concerning the technology of the process, which included the process chemistry, a block flow diagram, maximum intended inventory, safe upper and lower limits for such parameters as temperature, pressure, flow, or composition, and an evaluation of the consequences of deviation. I reviewed documentation pertaining to the equipment of the process, including materials of construction, piping and instrumentation diagrams (P&IDs), electrical classification, relief system design and design basis for pressure safety valve (PSV) systems, design codes and standards employed, material and energy balances, and safety systems (i.e., process interlocks and safety instrumentation systems).

40 C.F.R. § 68.67 Process hazard analysis (PHA) – Valero provided its *Safety and Health Guidelines (SHG)* 9.4 procedure that discusses the facility's PHA program. Valero performed initial PHAs that identified, evaluated, and controlled the hazards involved in the processes. The facility completes each PHA based on the five-year cycle from the previous PHA, and the PHA is divided into sections that address the covered process units/work areas. The PHAs performed use a modified Layers of Protection Analysis (LOPA) technology to identify hazards. The 2018 53-Coker and 2017 15-DHT PHAs reviewed addressed: the hazards of the process; identification of any incident that had a likely potential for catastrophic consequences; engineering and administrative controls applicable to hazards and their interrelationships; consequences of failure of engineering and administrative controls; stationary source siting; human factors; and, a qualitative evaluation of a range of the possible safety and health effects of failed controls. The PHAs were completed by a team that consisted of both facility and third-party staff. The 2018 Coker PHA had recommendations with scheduled due dates of June 30, 2023, or June 30, 2024. The 2017 DHT PHA recommendations said "complete" but did not indicate what actions were done or the dates of completion. **[Area of Concern (AOC) 1 – §68.67(e)]** PHAs have been revalidated at least every five years after the completion of the initial or previous PHA. The facility has retained the PHA updates and revalidations for each process covered for the life of the process.

40 C.F.R. § 68.69 Operating Procedures – Valero’s *SHG 9.5* document describes how the facility has developed and implemented written operating procedures that provide instructions or steps for conducting activities associated with each covered process, consistent with the safety information. Operating procedures are developed, revised, approved, distributed and controlled by the facility. I reviewed the following procedures to confirm steps for each operating phase: Standard Operating Procedure (SOP) 53-120, Startup Frac Tower; 53-122A Startup; 53-203B Normal Frac; 53-313 Loss of Fractionator – temporary operations; 53-401 Loss of High Pressure – emergency response procedure; 53-509 Hydrocarbon Draining – shutdown; and, 53-600 emergency shutdowns. I also reviewed safety and health guidelines, including *SHG 4.1 Hot work* and *SHG 4.4 Lockout/ Tagout*. The Coker unit annual certification was past due for 2019, as shown in the following table. [(AOC) 2 – §68.69(c)]

Year Due	Operating Procedure Certification Dates – Coker Unit
2021	September 15, 2021
2020	September 28, 2020
2019	January 30, 2020
2018	December 18, 2018

40 C.F.R. § 68.71 Training – Valero discussed their training program and progression of trainings. All operators start by taking basic operator training (BOT) for approximately 12 weeks. This covers a process overview, the emergency response plan overview, hazards of the chemicals, the different types of equipment in the unit (accompanied with hands-on field tasks), safe work practices, emergency response training, fire school, first aid, and hazardous waste operations (HAZWOPER). Valero started using the *Top-Class* software in 2012 to administer cognitive behavior therapy (CBT) courses and track when refresher training is due. A notice is sent out 30 days before the operator’s training will expire. Training also consists of On-the-Job training (OJT) which is a hands-on demonstration of operating the unit’s equipment, and being able to sketch the layout of the unit from memory. Valero has maintained the paper records of pre-2012 training that were produced before using *Top Class*. Operators start as an Operator V (in BOT training) and progress to an Operator I (most experienced). They can then advance to Board Operator if a position becomes available. All operators re-train on all levels they have progressed through for refresher training. This means that an Operator I or Board Operator will take all of the training that is required for their previous operator levels (II, III, IV, and V) every time they have refresher training. Eight operators were selected for the inspection team to review training records and documentation.

40 C.F.R. § 68.73 Mechanical Integrity – Valero provided the following established mechanical integrity procedures for selected equipment: *RIM Section 03 Pressure Vessel Inspection*; *4.7.3 ROTO – Basic Practice – Long range*; *Equipment Plan*; *RIM Section 9 Piping inspection*; and, *RIM Section 23 Risk Based Inspection - Pressure Vessel and Piping Basic Practice*. I interviewed Timothy Hindman, Reliability inspector at both the Valero and Diamond Green Diesel sites. The facility uses the *Plant Condition Management System* (PCMS) database to maintain equipment records. Valero uses both internal and third-party contractors to conduct inspections related to maintaining the on-going integrity of process equipment. Both the in-house Valero team and nested contractors have the applicable API 510, 570 and 580 certifications to qualify them to conduct inspections. Valero has an on-site metallurgist to manage corrosion rates at the crude unit, vacuum distillation (VAC), and Coker-to-frac systems, and documents corrosion reports. I asked Valero personnel to explain how they handle on-going integrity of process safety valves (PSVs). The facility’s procedure is to completely disassemble PSVs for testing and

inspection. The testing intervals are based on random testing and maintenance data. The facility has a “50% rule” to replace instead of repairing PSVs that are not in good condition. A PSV sizing study and design basis was implemented to make sure PSVs are properly inspected and managed based on scheduled report reviews. The following PSV records were reviewed with the most recent condition report dates: PSV 15 001, February 21, 2019; PSV 15 002, May 3, 2022; PSV 15 003, October 30, 2019; PSV 15 004, February 3, 2022; PSV 15 026, February 14, 2019; PSV 15 028, February 21, 2019; PSV 15 029, February 19, 2019; and, PSV 15 030, August 11, 2021. Based on information provided, Valero has not implemented its written procedures and associated standards to maintain the on-going integrity of process equipment. **[(AOC) 3 – §68.73(b)]** Valero has failed to follow the procedures related to API time-based interval inspections and has failed to follow procedures related to the inspection of buried piping in accordance with API 570 Section 9.

For rotating equipment, employees monitor and document inspections using round shift sheets in the crude, Coker and VAC units. Eleven of fifty-five deep well pump cans had not yet been inspected. This was also a finding of the 2017 Compliance Audit. **[(AOC) 4 – §68.73(d)(1)]** Process piping circuits are located underground beneath dike walls, train tracks, and under river roads, and the facility is developing a plan to inspect underground piping, including at the soil to air interface. This plan is currently in development and not expected to be complete until October 31, 2022. This was also a finding of the 2020 Compliance Audit. The facility has observed no loss of containment by not completing underground piping inspections. I discussed the implementation of API 570 Section 9 with regard to underground piping, dead legs, and the condition monitoring location (CML) inspection plan. Valero has 163 underground piping circuits, and the facility has not inspected portions of the piping containing process chemicals. **[(AOC) 5 – §68.73(d)(2)]**

Valero’s overall inspection procedure document did not describe the inspection deferral program for process equipment in procedures *RIM Section 23 Risk Based Inspection, Pressure Vessel and Piping Basic Practice 2.12*, and *RIM Section 03 Pressure Vessel Inspection 2.1.3*. Valero did not document that inspection and testing deferrals were performed in accordance with recognized and generally accepted good engineering practices, such as API 510 Section 6.7, *Deferral of Inspections, Tests, and Examinations*. This includes 37 identified process equipment inspections that the facility has extended to 2025 for the LEU +2, -66, SRU-67 and HCU-973 units, which were commissioned in July 2013. All equipment had initial due dates for internal inspection in 2018. These dates were extended further by 10 years with a Risk Management and Consequence (RMC) review, as defined by the Corrosion Testing and Equipment Management System (CTEMS) document “*Inspection Management Program*”. The initial intrusive inspections required for most of the equipment will be completed during a turnaround in 2023, and a CTEMS exception will be completed to extend the due date for the 37 remaining pieces of equipment, until the next turnaround scheduled for the third quarter of 2025. Valero stated they did not defer anything with high risk, and they prioritized critical equipment with scheduled non-intrusive inspections on all but 2 of 57 equipment items by the end of 2025 to be compliant with the inspection standard. There are no currently overdue deferrals until July 2023. **[(AOC) 5 – §68.73(d)(2)]**

Valero stated that API standard time-based deadlines are exceeded due to the quantity of equipment present being too large for the facility to be able to meet 10-year inspection requirements. Valero stated that risk-based inspection (RBI) data determinations are considered in the deferral process and the data is shared among Valero sites. Deferral inspections performed on-site (with 95% being non-intrusive) are formalized with a documented commitment to review, and, if accepted, are then managed and delayed up to 10 years or longer with corporate approval. There are currently 37 equipment items in deferral. This total includes: the Unit 66 LEU #2 with 13 deferrals (8 fin fans, 4 pressure vessels, and 1 heat

exchanger); the Unit 67 SRU with 6 deferrals (5 pressure vessels and 1 column); and, the Unit 943 HCU with 18 deferrals (9 pressure vessels, 8 fin fans and 1 heat exchanger).

Valero employs RBI on its process equipment vessels only. The facility stated that they do not employ RBI on piping, tanks or PSVs, or in the C5 Alkylation Unit. The facility stated the plant is 90% RBI compliant for process units 7 years or older, and that the only unit not 100% compliant is the hydrocracker unit, which is 60% RBI compliant.

For fixed equipment, I requested inspection records for the C5 ALKY Unit, which was commissioned in 2020, to ensure that baseline inspection CMLs were established, if applicable. The RIM Section 23 *Risk Based Inspection, Pressure Vessel and Piping Basic Practice 2.12* states that “*External visual inspections for pressure vessels and piping shall be performed on the fixed interval defined by API 510 and API 570.*” RIM Section 03 *Pressure Vessel Inspection 2.1.3* states that “*Under certain conditions, API 510 allows pressure vessel intrusive inspection frequencies greater than 10 years. Assigning a pressure vessel intrusive inspection frequency greater than 10 years shall require review and approval of the engineer and inspector at an interval not to exceed 10 years*”. Section 2.1.3.1 furthermore states that “*This requirement does not apply to pressure vessels that are excluded from the specific requirements of API 510.*” There were examples of equipment inspections reviewed that were not consistent with the time-based inspection schedule listed in API 510, as listed in the following Tables 1 and 2. According to the Valero’s Compliance to Inspection Plan, the equipment listed in Table 2 is non-complaint. [(AOC 4 – §68.73(d)(1)), [(AOC 6 – §68.73(d)(3))].

Table 1 -Fixed Equipment		
Equipment Type/Equipment ID	External Inspection Date	Internal Inspection Date
015 DHT C-15-01 – Distillate Stripper (in service: September 6, 1973)	August 2005	March 2003
	June 2006	October 2007
	August 2010	August 2010
	May 2014	May 28, 2014
	February 2019	
015 DHT C-15-02 – HP Absorber (replaced in 2004)	April 21, 2004	May 2014
	March 26, 2009	
	May 2, 2014	
	March 26, 2019	
015 DHT C-15-03 – LP Absorber (in service: 2004)	March 2004	May 12, 2014
	May 22, 2006	March 26, 2019
	March 26, 2009	
	May 2, 2014	
	March 26, 2019	
	September 21, 2021	
015 DHT E-15-01A2 – Dist Charge/ Effluent Exchanger (installed: September 26, 2014)	April 28, 2014	
	January 25, 2019	January 29, 2019
015 DHT E-15-01B1 – Dist Charge/ Effluent Exchanger (in service: December 17, 2005)	December 27, 2005	2014
	February 2, 2010	February 18, 2019
	April 28, 2014	
	January 26, 2019	
	March 10, 2010	February 18, 2019

Table 1 -Fixed Equipment		
Equipment Type/Equipment ID	External Inspection Date	Internal Inspection Date
015 DHT E-15-03C – Dist Stripper Chrg/ Bttms Exchanger (in service: January 13, 2010)	April 28, 2014	
	January 26, 2019	
053 COKER C-53-01 COKER Fractionator (in service: June 1, 2009)	February 2010	February 6, 2019
	February 2012	
	February 14, 2017	
	January 29, 2019	
053 COKER C-53-103 Stub Tower (in service: November 14, 1995)	August 7, 2008 February 2, 2010 February 14, 2012 May 12, 2014 January 28, 2019	February 2009 March 2012 February 14, 2019

Table 2			
Equipment Type	Inspections Due March 2022	Inspections Due April 2022	Inspections Due May 2022
Number of Overdue External piping circuit inspections	172	188	116
Number of tank CMLs overdue	48	126	44

I inquired about the use of pipe clamps and wraps at the facility. Valero stated that pipe clamps and wraps are used as a result of inspection findings or as preventative maintenance measures. First, maintenance technicians attempt to isolate and repair a piping deformity rather than installing a clamp or wrap on the affected section. During the facility tour, I noticed a pipe wrap on a segment at the DHT heat exchanger 15-01 A / B, and I requested the associated management of change record and inspection history records. This vessel has needed multiple MOCs for engineer clamps. Repairs will be addressed during the 2024 turnaround.

40 C.F.R. § 68.75 Management of Change (MOC) – Valero has established written procedures to manage changes, except for “replacements in kind”, to process chemicals, technology, equipment, and procedures; and, to changes to stationary sources that affect a covered process, as described in Valero’s *SHG 9.11 MOC Procedure* document. I reviewed the types of changes outlined in the procedure, which include: section 4.1 Normal Change; section 4.2 Temporary Change; and, section 4.3 Emergency Change. MOCs are typically started by operations or maintenance staff who have identified a need for change in a covered process unit. MOCs are managed to completion in the electronic MOC (*eMOC*) System Applications and Products (SAP) database system. The procedures are intended to assure that the required considerations are addressed prior to any change. MOCs for wraps and clamps go through the MOC process, then are added to the Plant Condition Management (PCMS) maintenance database for tracking and assigned a new MOC to return to original status, if needed.

40 C.F.R. § 68.77 Pre-startup Safety Review (PSSR) – I reviewed selected pre-startup safety review records for associated MOCs, which were also reviewed. The PSSRs documented that, when the facility installed a new stationary source, or significantly modified an existing source, a review was conducted prior to the introduction of the newly regulated substances, including the appropriate communication elements and training.

40 C.F.R. § 68.79 Compliance Audits – Valero certified 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 for the two most recent audits that took place from July 17-21, 2017 (certified April 19, 2018), and from May 4- July 9, 2020 (certified May 23, 2022). The audits were conducted by at least one person knowledgeable in the processes. Valero has determined and documented an appropriate response to each of the findings of the compliance audits and documented those deficiencies have been corrected.

40 C.F.R. § 68.81 Incident Investigation – Valero provided for review their *SHG 7.1 Procedure for Incident Investigations and Reporting*. The facility uses an online database to manage, track and implement correction action items related to incident investigations. Valero has investigated each incident which resulted in, or could reasonably have resulted in, a catastrophic release. For each investigation reviewed, the investigation was initiated not later than 48 hours following the incident, and the investigation team consisted of at least one person knowledgeable in the process involved, including a contract employee if the incident involved work of the contractor, and other persons with appropriate knowledge and experience, to thoroughly investigate and analyze the incident. The online tracking system has allowed Valero to promptly address and resolve incident report findings and recommendations, as well as to document the resolutions and corrective actions and to serve as a records repository.

40 C.F.R. § 68.83 Employee Participation – Valero has developed a written plan of action regarding implementation of employee participation as required by this section. The plant has consulted with employees and their representatives on the methods to be used for development of process hazard analyses, and on the development of the other elements of process safety management in the Chemical Accident Prevention Provisions. The plant has provided employee access to the process hazard analyses and all other information required to be developed under this rule.

40 C.F.R. § 68.85 Hot Work Permit – Valero provided their hot work procedure that includes guidance for performing hot work that generates an external flame or spark (*SHG 4.1 – Hot Permit Policy*). The facility has issued hot work permits for hot work operations conducted on or near a covered process. Permits are kept for one year. All permits reviewed were completed properly. Permits reviewed included: 2022/025705WP; 2022/025688WP; 2022/025786WP; 2022/025669WP; 2022/025517WP; 2022/025608WP; 2022/025556WP; and 2022/025174WP.

40 C.F.R. § 68.87 Contractors – Valero uses the *ISNetWorld* contractor database to evaluate information regarding a contractor's safety performance and programs. All contractors must have a minimum grade of "B" or an approved variance to be permitted to work on site. Contractors report to the external Safety Council to receive OSHA basic plus (8-hour) and site-specific (8-hour) training prior to gaining access to work on site. Once on site, the contractors continue the onboarding process with additional trainings, and are recognized by wearing a green hard hat band along with an employee escort. I reviewed the status of several contractors actively working on site in *ISNetWorld*. The on-site unit supervisors or a Health, Safety, and Environmental (HSE) employee periodically evaluate a contractor's ability to work on site by conducting monthly assessments.

Subpart E – Emergency Response

40 C.F.R. § 68.90 Applicability – Valero is designated as a responding stationary source and is subject to the requirements of 40 C.F.R. § 68.93 to 40 C.F.R. § 68.95.

40 C.F.R. § 68.93 Emergency Response Coordination Activities – Valero has coordinated response needs with local emergency planning and response organizations to determine how the covered processes at the facility are addressed in the community emergency response plan. The facility provided documentation of coordination with the St. Charles Parish Mutual Aid, the local fire department and Emergency Operations Center.

40 C.F.R. § 68.95 Emergency Response Program – Valero has developed and implemented an emergency response program for the purpose of protecting public health and the environment. Valero employee emergency responders received a combination of cardiopulmonary resuscitation (CPR), hazardous materials (HAZMAT) and National Fire Protection Association (NFPA) Standard 1081 fire brigade training prior to joining the response team. In addition, select members may receive additional specialty training, such as confined space, high angle, rescue, and medical. The site requires a minimum of six members on duty to be ready to respond. The emergency program includes the following elements: (1) An emergency response plan, which is maintained at the facility and contains procedures for informing the public and the appropriate federal, state, and local emergency response agencies about accidental releases; documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures via safety data sheets (SDSs); and, procedures and measures for emergency response after an accidental release of a regulated substance; (2) Procedures for the use of emergency response equipment, and for its inspection, testing, and maintenance, provided by a contractor, Austin; (3) Training for all employees in relevant procedures, including emergency medical response, hazardous materials, confined space, incident response, firefighting, and incident command; and, (4) Procedures to review and update the emergency response plan to reflect changes at the facility and to ensure that employees are informed of changes. Valero reviews and updates the plan as appropriate, based on changes at the facility, or if new information is obtained from coordination activities, emergency response exercises, incident investigations or other available information, and ensures that employees are informed of the changes.

40 C.F.R. § 68.96 Emergency Response Exercises – Valero conducts triennial tabletop drills for emergency response and security purposes in coordination with the local Emergency Operations Center (EOC) and meets monthly with St. Charles Parish emergency response representatives.

Subpart G – Risk Management Plan

40 C.F.R. § 68.190 Updates – Valero's RMP was re-submitted on December 30, 2020, per a 5-year update, pursuant to 40 C.F.R. § 68.190 (b)(1).

40 C.F.R. § 68.195 Required corrections – Valero's next RMP registration re-submission is due by December 30, 2025, unless an update or correction is required by 40 C.F.R. § 68.190 or 40 C.F.R. § 68.195 prior to the five-year renewal deadline.

Closing Meeting- On the last day of the inspection (June 30, 2022), I conducted a closing conference, during which I presented the following areas of concern identified during the inspection.

Section III – AREAS OF CONCERN

AOC 1 – 40 C.F.R §68.67 (e) Process Hazard Analysis

“(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.”

The 2018 Coker PHA had recommendations with scheduled due dates of June 30, 2023, or June 30, 2024. The 2017 DHT PHA recommendations said “complete” but did not indicate what actions were done or the dates of completion.

AOC 2 – 40 C.F.R §68.69 (c) Operating Procedures

“(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.”

The Coker unit annual certification was past due for 2019. The certification went from December 18, 2018 (2018) to January 30, 2020 (2019).

AOC 3 – 40 C.F.R §68.73 (b) Mechanical Integrity

“(b) *Written procedures.* The owner or operator shall establish and implement written procedures to maintain the on-going integrity of process equipment.”

Valero has failed to follow the procedures related to API time-based interval inspections and has failed to follow procedures related to the inspection of buried piping in accordance with API 570 Section 9.

AOC 4 – 40 C.F.R §68.73 (d)(1) Mechanical Integrity

“(d) Inspection and testing. (1) Inspections and tests shall be performed on process equipment.”

Finding #2 in the 2017 Compliance Audit indicated that eleven of fifty-five deep well pump cans had not yet been inspected. The inspections were completed November 20, 2020.

AOC 5 – 40 C.F.R §68.73 (d)(2) Mechanical Integrity

“(d) Inspection and testing. (2) Inspection and testing procedures shall follow recognized and generally accepted good engineering practices.”

Valero has 163 underground piping circuits. The facility has not inspected portions of piping containing process chemicals. Valero did not document that inspection and testing deferrals were performed in accordance with recognized and generally accepted good engineering practices, such as API 510 Section 6.7, *Deferral of Inspections, Tests, and Examinations*.

AOC 6 – 40 C.F.R §68.73 (d)(3) Mechanical Integrity

“(d) Inspection and testing. (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.”

See Table 2 on page 8 of this inspection report for a summary of this AOC.

Section IV – FOLLOW UP

There were no follow up actions or additional records requested subsequent to the inspection.

Section V – LIST OF APPENDICES

There are no appendices to this report.