

## Region 6 Compliance Assurance and Enforcement Division

### INSPECTION REPORT

|                                        |                                     |                  |      |
|----------------------------------------|-------------------------------------|------------------|------|
| Inspection Date(s):                    | 02/26/2020                          |                  |      |
| Media:                                 | Air                                 |                  |      |
| Regulatory Program(s)                  | RMP                                 |                  |      |
| Company Name:                          | <b>Branch Energy Partners, LLC.</b> |                  |      |
| Facility Name:                         | <b>Sherman Gas Plant</b>            |                  |      |
| Facility Physical Location:            | 880 Plainview Road                  |                  |      |
| (city, state, zip code)                | Sherman, Texas 75092                |                  |      |
| Mailing address:                       | 880 Plainview Road                  |                  |      |
| (city, state, zip code)                | Sherman, Texas 75092                |                  |      |
| County/Parish:                         | Grayson                             |                  |      |
| Facility Contact                       | Jonathon Smith                      | Area Manager     |      |
|                                        | 903892-2625                         |                  |      |
| FRS Number:                            | FRS: 110007206647                   |                  |      |
| Identification/Permit Number:          | N/A                                 |                  |      |
| Media Number:                          | RMP #: 1000 0006 4137               |                  |      |
| NAICS:                                 | 21113 Natural Gas Extraction        |                  |      |
| SIC:                                   |                                     |                  |      |
| Personnel participating in inspection: |                                     |                  |      |
| Adrienne Burchett                      | Altamira-Env. Consultant            | Project Manager  |      |
| Chris O'Shea                           | Branch Energy                       | Business Analyst |      |
| Jonathon Smith                         | Branch Energy                       | Area Manager     |      |
| Richard Black                          | Branch Energy                       | Principal        |      |
|                                        |                                     |                  |      |
| EPA Lead Inspector<br>Signature/Date   |                                     |                  |      |
|                                        | Blake Sieminski                     |                  | Date |
|                                        |                                     |                  |      |
| Supervisor<br>Signature/Date           |                                     |                  |      |
|                                        | Samuel Tates                        |                  | Date |

## **Section I – INTRODUCTION**

### **PURPOSE OF THE INSPECTION**

I, EPA Region 6 Inspector Blake Sieminski, arrived at Sherman Gas Plant, Inc. at 8:30 a.m. on February 26, 2020, for an announced inspection. I convened an opening conference and met with several representatives from the facility (as denoted in the table above). I presented my credentials to the opening conference attendees and informed them that this was an EPA inspection to determine compliance with the Clean Air Act (CAA) Sections 112(r)(1) and 112(r)(7). The scope of the inspection was a partial compliance evaluation of the facility pursuant to 40 CFR Subpart 68 – Chemical Accident Prevention Provisions.

### **FACILITY DESCRIPTION**

Sherman Gas Plant (SGP) handles the following regulated substances above threshold quantities subject to the Risk Management Program regulations: flammable mixture (344,250lbs per submitted Risk Management Plan (RMP)). This is a natural gas extraction facility. The regulated flammables used are propane, butane, isopentane, ethane, and isobutane. Approximately 11 full time employees work at this facility. SGP was purchased from SemGas, L.P. by Branch Energy Partners, LLC. in July 2019.

## **Section II - OBSERVATIONS**

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

#### **Subpart A – General**

**40 C.F.R. § 68.10 Applicability** - I observed that SGP is a stationary source that has more than a threshold quantity of regulated substances in their process. SGP re-submitted a RMP due to a change in ownership on February 6, 2020, which described the process containing flammables held at more than a threshold quantity.

**40 C.F.R. § 68.12 General Requirements** - I reviewed the re-submission of SGP's RMP, which was re-submitted on February 6, 2020. The RMP lists flammable chemicals in a Program Level 3 process.

**40 C.F.R. § 68.15 Management** - SGP developed a management system to oversee the implementation of the Risk Management Program elements. The organizational chart provided to me outlined the positions responsible for implementing individual elements of the RMP, as required by this subpart.

#### **Subpart B – Hazard Assessment**

**40 C.F.R. § 68.20 Applicability** - SGP is a Program 3 stationary source subject to this part. The facility is required to prepare an offsite consequence analysis and complete a five-year accident history.

**40 C.F.R. § 68.22 Offsite Consequence Analysis parameters** - I reviewed the offsite consequence analysis and supporting documentation. I reviewed the documents and discussed them with Adrienne Burchett to assure the data was accurate.

**40 C.F.R. § 68.25 Worst-case Release Scenario Analysis** - SGP identified and documented a worse-case release scenario analysis for the RMP covered hazardous substances. The distance to endpoint was done by using the methodology in the RMP Offsite Consequence Analysis Guidance. The distance to the endpoint for hazardous substances was calculated using RMP\*Comp™.

**40 C.F.R. § 68.28 Alternative Release Scenario Analysis** - SGP identified and analyzed at least one alternative release scenario for hazardous substances held in the covered process. The distance to the endpoint was calculated using RMP\*Comp™.

**40 C.F.R. § 68.30 Defining Offsite Impacts-Population** - I discussed with SGP personnel about the completed offsite consequence analysis. SGP used the year 2010 Census Bureau population data to calculate population numbers reported in their RMP. It was noted that actual affected radius was incorrect and should be centered on the bullet tanks not the office building as previous SemGas documents showed.

**40 C.F.R. § 68.33 Defining Offsite Impacts-Environment** - SGP provided maps that identified the potential offsite impacts and identified public receptors.

**40 C.F.R. § 68.36 Review and Update** - I reviewed SGP's documentation that illustrated reviews and updates regarding the offsite consequences are occurring at least every five years.

**40 C.F.R. § 68.39 Documentation** - SGP provided documents of the offsite consequence analysis data. For worst-case and alternative case scenarios, a description of the vessel or pipeline, the substance selected as worst-case, and the rationale for selection was included; likewise, assumptions included use of any administrative controls and any passive mitigation that were assumed to limit the quantity that could be released, estimated quantity released, release rate, and duration of release. The methodology used to determine distance to endpoint was documented by the facility. The data used to estimate population was provided in the form of maps, which had the distance to endpoint labeled with a circle from the emission point.

**40 C.F.R. § 68.42 Five-year Accident History** - SGP did not report any accidental releases in their RMP that resulted in deaths, injuries, evacuations, or significant property damage.

#### **Subpart D – Program 3 Prevention Program**

**40 C.F.R. § 68.65 Process Safety Information** - I reviewed various process safety information (PSI) for the RMP units at SGP and all the information reviewed met the requirements of this subpart.

**40 C.F.R. § 68.67 Process Hazard Analysis** - I reviewed the Process Hazard Analysis (PHA) for the RMP

process. The PHA was conducted using the What-If/Checklist analysis technique.

**40 C.F.R. § 68.69 Operating Procedures** - I reviewed the operating procedures that were requested from SGP. SGP uses a paper and electronic document management system to maintain its operating procedures. I reviewed and discussed with SGP personnel operating procedures, which included the Standard Operating Procedure certification procedure, confined space entry, and lockout/ tag out procedures. SGP could not produce the annual certification of operating procedures because Branch Energy has only been operating the Sherman Gas Plant for approximately 8 months at the time of the inspection.

**40 C.F.R. § 68.71 Training** - I requested and was provided the training files for randomly selected employees at various experience levels. Of the employee files reviewed, refresher training had been provided at least every three years. SGP could not produce initial training documents for multiple employees that previously worked for SemGas, L.P. and were currently employed by Branch Energy; however, SGP was able to provide refresher training documents after the 2019 purchase.

**40 C.F.R. § 68.73 Mechanical Integrity** - I requested and was provided mechanical integrity records for inspections of RMP covered equipment and the written procedure for maintaining the integrity of the process.

**40 C.F.R. § 68.75 Management of Change (MOC)** - I reviewed SGP's written procedure for MOC and discussed the documentation with site personnel.

**40 C.F.R. § 68.77 Pre-startup Review** - SGP provided documentation regarding its pre-startup safety review process.

**40 C.F.R. § 68.79 Compliance Audits** - I requested and reviewed the last two RMP compliance audits. PHA recommendations from the SemGas October 2018 PHA audit were not completed by the March 2019 target dates, which was four months before to the sale of SGP.

**40 C.F.R. § 68.81 Incident Investigation** - I requested a complete list of incident reports/ investigations, which resulted in, or could reasonably have resulted in, a catastrophic release of a regulated substance for the last five years. SGP did not have any incident reports/ investigations that met these criteria.

**40 C.F.R. § 68.83 Employee Participation** - I reviewed SGP's written plan of action regarding employee participation and its implementation in their RMP. SGP's written plan met the requirements of this subpart.

**40 C.F.R. § 68.85 Hot Work Permit** - I discussed the process for conducting hot work onsite and reviewed several hot work permits. The hot work permits that I reviewed looked satisfactory and met the requirements of this subpart.

**40 C.F.R. § 68.87 Contractors** - SGP assures that all contractors that may work onsite have been trained

on the potential hazards related to both the process equipment and the work that the contractor may perform.

#### **Subpart E – Emergency Response**

**40 C.F.R. § 68.90 Applicability** - SGP employees are not first responders that respond to accidental releases of regulated substances.

**40 C.F.R. § 68.95 Emergency Response Program** - I requested and reviewed the SGP Emergency Response Plan and discussed the emergency response program with appropriate SGP personnel.

#### **Subpart G - Risk Management Plan**

**40 C.F.R. § 68.190 Updates** - SGP's RMP was re-submitted on February 6, 2020, and there have been no updates since this re-submission.

**40 C.F.R. § 68.195 Required Corrections** - The next RMP re-submission is due by August 19, 2020, unless an update or correction is required by 40 C.F.R. § 68.190 and § 68.195. It was observed that the emergency contact was updated after the announcement of the inspection from the previous SemGas emergency contact. It was also noted that the previous emergency contact was still an employee at SGP.

#### **Section III – AREAS OF CONCERN**

I conducted a closing conference at SGP at approximately 4:15pm on February 26th. During the closing conference, I noted the following Areas of Concern were observed during the inspection.

**1. 40 C.F.R. § 68.30(a)** - *The owner or operator shall estimate in the RMP the population within a circle with its center at the point of the release and a radius determined by the distance to the endpoint defined in § 68.22(a).*

It was noted that actual affected radius was incorrect and should be centered on the bullet tanks not the office building as previous SemGas documents showed.

**2. 40 C.F.R. § 68.67(g)** - *The owner/operator shall retain PHAs and updates or revalidations for each process covered, as well as the resolution of the recommendations for the life of the process.*

Recommendations from the SemGas October 2018 PHA audit were not completed by the March 2019 target dates which was four months before to the sale of SGP.

**3. 40 C.F.R. § 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.*

SGP could not produce the annual certification of operating procedures because Branch Energy has been operating the SGP for approximately 8 months at the time of the inspection.

**4. 40 C.F.R. § 68.71(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.*

SGP could not produce initial training documents for multiple employees that previously worked for SemGas, L.P. and were currently employed by Branch Energy but was able to provide refresher training documents after the 2019 purchase.

**5. 40 C.F.R. § 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.*

It was observed that the emergency contact was updated after the announcement of the inspection from the previous SemGas emergency contact. It was also noted that the previous emergency contact was still an employee at Sherman Gas Plant.

#### **Section IV – FOLLOW UP**

The following information was received by EPA after exiting the Facility on 3/13/20:

2020-03-02 RMP Inspection Follow-Up\_FINAL.pdf

#### **Section V – LIST OF APPENDICES**

Appendix 1 – Checklist

Key: Y – Yes, N-No, N/A – Not Applicable, M-Marginal, U-Unsatisfactory.