



CHALMETTE REFINING, L.L.C.

RECEIVED

SEP 10 2012

DEQ

Single Point of Contact

August 31, 2012

Louisiana Department of Environmental Quality

P.O. Box 4312

Baton Rouge, LA 70821-4312

ATTENTION: Assessment Division, Emergency Response Section - SPOC

"UNAUTHORIZED DISCHARGE NOTIFICATION REPORT"

Re: Letter of Notification
Unauthorized Discharge Report
State Police Incident #12-05752
NRC #102-2345
Agency Interest Number: 1376

P.O. BOX 1007
CHALMETTE, LA 70044
(504) 281-1212
RECEIVED
SEP 06 2012

DEPT. OF ENVIRONMENTAL QUALITY

Odem, Daniel
iscs 12-15091
T142422

Dear Sir or Madam:

This letter serves as Chalmette Refining, LLC's (CRLLC) notification of its intention to claim the Upset Provision affirmative defense pursuant to LAC 33:III.507.J. As detailed in the attached Discharge Notification Report, CRLLC shut down operations because of the approach of Hurricane Isaac. The emergency shut down resulted in potential permit deviations and reportable quantity exceedances. However, CRLLC believes that this event qualifies as an upset as defined in LAC 33:III.507.J.

Moreover, Pursuant to Paragraph 185 of the Chalmette Refining, L.L.C. NSR Consent Decree (Entry Date: April 26, 2006), CRLLC is providing notice that a force majeure event has occurred as a result of Hurricane Isaac beginning on August 27, 2012.

The NSR Consent Decree (CD) requires CRLLC to include many of the CD requirements in its Title V operating permits. Thus, a number of the issues identified in the force majeure notice are also Title V operating permit compliance matters. Most of the CD requirements relate to federal rules, and many of the exceedances identified in our force majeure notices in fact qualify for exemptions available for startup, shutdown or malfunctions. Where this is the case, no force majeure relief is needed. Where such exemptions do not exist, or where force majeure is not applicable, CRLLC asks that LDEQ and EPA exercise enforcement discretion and not seek penalties for the activities undertaken to respond to and recover from Hurricane Isaac. This letter provides preliminary information on each of the activities and items that may require notices of force majeure and requests for enforcement discretion. CRLLC will submit a detailed request post-startup with actual emissions, compliance performance data, and the specific relief being sought.

If you have any questions regarding this notification, please contact me at 225-977-0609.

Sincerely,



J. Derek Reese
Senior Section Supervisor
Permits & Compliance Coordination Section

Attachment

Certified Mail No.: 7011 0110 0001 3305 5220

cc: Local Emergency Planning Committee
State Police, HAZMAT Unit
Department of Health and Hospitals
Bobby Mayweather, LDEQ
MSU Facilities Dept., USCG
St. Bernard Parish Water Board

Certified Mail No.: 7011 0110 0001 3305 5237
Certified Mail No.: 7011 0110 0001 3305 5244

JLM

I:\BATON ROUGE AREA\Env\Complex\ReleaseReportingContact\laqcontact\NOTIFY\Chalmette
Items\083112In.doc

PM 9/21/12



CHALMETTE REFINING, L.L.C.

P.O. Box 1007
CHALMETTE, LA 70044
(504) 281-1212

September 21, 2012

Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, DC 20044-7611
Reference Case No. 90-5-2-1-07030
CERTIFIED MAIL 7012 1640 0001 2007 0238

AI:
1376

Odem, Daniel
iscs 12-15091
T142422

U.S. Environmental Protection Agency
Director, Air Enforcement Division
Office of Regulatory Enforcement
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code 2242-A
Washington, DC 20460
CERTIFIED MAIL 7012 1640 0001 2007 0245

Lemond, Lee
iscs 12-15171
T142489 ER

Chief
Air, Toxics, and Inspections Coordination Branch
Environmental Protection Agency, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
CERTIFIED MAIL 7012 1640 0001 2007 0252

Koetting, Donald
iscs 12-15355
T143217 ER

Celena Cage
Administrator, Enforcement Division
Office of Environmental Compliance
Louisiana Department of Environmental Quality
P.O. Box 4312
Baton Rouge, LA 70821-4312
CERTIFIED MAIL 7012 1640 0001 2007 0276

RECEIVED
SEP 24 2012
DEQ
Single Point of Contact

Re: Force Majeure Event and Request for Enforcement Discretion as a Result of Hurricane Isaac - Chalmette Refining, L.L.C.

Dear Sirs and Madams:

Pursuant to Paragraph 185 of the Chalmette Refining, L.L.C. (CRLLC) NSR Consent Decree (Entry Date: April 26, 2006), CRLLC is providing follow-up notice that a force majeure event occurred as a result of Hurricane Isaac beginning on August 27, 2012. Initial notice was provided on August 31, 2012 and discussed twice during teleconference calls on August 31, 2012 and September 1, 2012 with LDEQ and EPA. Updated emissions and event details were provided on September 7, 2012. As requested, this letter provides the event details for agencies to formalize their response.

The NSR Consent Decree requires CRLLC to include many of the CD requirements in Title V operating permits. Thus, a number of the issues identified in the force majeure notice are also Title V operating permit noncompliance matters. Most of the CD requirements relate to federal rules, and many of the exceedances identified in our force majeure notices in fact qualify for exemptions available for start up, shutdown or malfunctions. Where this is the case, no force majeure relief is needed. Where such exemptions do not exist, or where force majeure is not applicable, CRLLC asked EPA to exercise enforcement discretion and not seek penalties for the activities undertaken to respond to and recover from the Hurricane Isaac. This letter provides information on each of the items that may be requiring notices of force majeure and requests for enforcement discretion.

1. Flares, Acid Gas and Hydrocarbon Flaring (Paragraphs 55, 56.a, 58, 65 – 68, 75) - It was necessary to shut down the flare gas recovery system on Flare No. 1 with resultant flaring because the processes receiving the recovered gases were not operational. As part of multiple simultaneous start-up activities, CRLLC experience some acid gas and hydrocarbon flaring as our gas generating and gas collection/handling capacity was brought into balance.

On August 27, 2012 CRLLC safely shut down and prepared equipment for Hurricane Isaac. During the shutdown and equipment preparation, excess process gases were vented to the flare system in order to reduce emissions to the atmosphere. The duration of the flaring was approximately 21.1 hours. Below are the emissions which occurred during shutdown activities: 23.6 Tons of SO₂, 126 lbs H₂S, 133 lbs NO/NO₂, 714 lbs CO, 558 lbs VOC, 72 lbs PM₁₀.

On August 31, 2012 CRLLC began start-up operations and equipment preparation which required periodic hydrocarbon flaring. There were temporary visible emissions of smoke from flaring activities. Further, during startup of the SRU, there was a transient period which resulted in flaring amine acid gas prior to directing to the SRU. Below are the estimated emissions during startup of refinery operations. The duration of the amine acid gas flaring was 89 minutes and the duration of the intermittent hydrocarbon flaring during startup was 123 hours. Actual emissions were: 10.03 tons SO₂, 0.03 tons H₂S, 0.28 tons NO/NO₂, 1.52 tons CO, 0.69 tons VOC, 0.08 tons PM₁₀, less than 100 lbs Benzene.

There were approximately 9 hours where the H₂S ppm 3-hour rolling flare limitation was exceeded during shutdown and startup activities. These excess emissions are covered under start-up/shutdown provisions provided in NSR CD Paragraph 58. As such no additional action is required by agency.

CRLLC will submit the Acid Gas, Hydrocarbon Flaring reports and H₂S concentration limit exceedances due to start-up/shutdown as part of the Consent Decree Semi-Annual Report.

2. Use of Flares as Alternative Control Device – Flare Gas Recovery (FGR) equipment was being repaired and prepared for use. In the interim during this repair period, CRLLC utilized Flare #1 and Flare #2 as alternative control device to re-commission equipment or route vent streams normally routed to FGR. This expedited recovery efforts and re-start of the Benzene Recovery Unit (BRU) sooner. Emissions estimates from these steps are included in the flaring emissions stated above. This scenario enabled startup activities to progress with minimal emissions as directed by

LDEQ and EPA. CRLLC requests enforcement discretion for use of the alternative control device until FGR was re-commissioned. As discussed, this activity will be treated as hydrocarbon flaring and included in the Consent Decree Semi-Annual Report.

3. FCCU CO and PM/Opacity Limits (Paragraphs 22, 27, 31.d) – On August 27, 2012 CRLLC safely shut down and prepared equipment for Hurricane Isaac. During the shutdown and subsequent start-up operations, the refinery exceeded the emission concentration limit for CO for 14 hours and the differential pressure parameter for 32 hours at the FCCU. These excess emissions are covered under start-up/shutdown provisions provided in the NSR CD Paragraph 23 and 29. As such, no additional action is required by Agency. The CO emission concentration limit and differential pressure parameter will be included in the Consent Decree Semi-Annual Report and noted as start-up/shutdown related.
4. SRU Limits and Sulfur Pits (Paragraphs 50 and 51) – On August 27, 2012 CRLLC safely shut down and prepared equipment for Hurricane Isaac. During the shutdown and subsequent start-up operations, the refinery exceeded the emission limit of 95 lbs/hr for SO₂ for three (3) hours at the Sulfur Recovery Unit. The 250ppm concentration limit was exceeded for approximately 48 hours. In addition, there was pit venting from the sulfur pits actual emissions were approximately 72 lbs H₂S and 50 lbs of SO₂. These excess emissions are covered under start-up/shutdown provisions provided in the NSR CD Paragraph 23, 29 and 50, respectively. As such no additional action is required by the agency. The SO₂ concentration limit and hourly emission limit for SO₂ will be included in the Consent Decree Semi-Annual Report and noted as start-up/shutdown related.
5. Flare Pilot Outages – On August 27, 2012 the CRLLC began to safely shut down and prepared equipment for Hurricane Isaac. During the shutdown due to higher than normal rain and wind volumes, flare pilots experienced temporary outages. CRLLC requests force majeure for short-lived pilot outages during hurricane duration.
6. Continuous Emissions Monitoring (CEMS) (Paragraphs 14, 18, 30, 45.a, 50.b, 57.a.iii, 133.b.(3)) – The CEMS analyzers at CRLLC may be adversely affected by nitrogen constraints. Some selected CEMS may have reduced data availability during the time period of storm landfall, recovery and start-up activities. The specific duration of reduced data availability will be provided in the 30 day follow-up report. CRLLC requests force majeure for short-lived CEMS outages during the hurricane duration.
7. Leak Detection and Repair (Paragraph 97, 104, 111) – CRLLC is subject to several Louisiana & Federal Regulations requiring Leak Detection and Repair (LDAR) as noted below. Hurricane Isaac and its aftermath have not allowed completion of some of the timing obligations, and will prevent us from meeting all the timing obligations of the required August monitoring. Approximately 255 monthly LDAR components will receive delayed monitoring, but will be monitored in September. In addition, 7 leaks that missed the 5 day attempt and 6 leaks that missed the 15 day attempt due to Hurricane Isaac. Consistent with USEPA's decision for Hurricane Gustav, CRLLC requests that the delayed monitoring and repair be exempted from enforcement under the applicable Force Majeure provisions.

8. Isolated Areas of Standing Stormwater - There were isolated pockets of stormwater in the refinery which contained some sheen material and potential hydrocarbon. All of these areas were contained within the refinery boundaries and no material migrated offsite. Areas include tank firewall areas, overflow of sumps, and low-lying areas. All hydrocarbon and sheen material is being removed and properly disposed/treated. Any contaminated soil is being remediated. There is the potential to exceed more than one (1) barrel of total oil accumulative across the complex from all the isolated areas. Summary of clean-up and remediation activities will be provided in the 30-days follow-up report. CRLLC request enforcement discretion from Louisiana Department of Environmental Quality for spills directly related to the hurricane.
9. Coke Conveyor Facilities - The coke conveyor facilities sustained some minor damage which resulted in loss of covers over portions of conveyor belt system. There are also minor amounts of coke material on the ground which is being collected. Some small particulate emissions may result from recovery and re-start operations. Covers will be repaired/replaced as soon as possible. The 30-day follow-up report will describe the specific repairs and dates of completion. CRLLC requests enforcement discretion from Louisiana Department of Environmental Quality for damaged conveyor covers caused by hurricane.
10. Tank Maintenance - Tank 1013 was filled with oily water from the No. 1 Surge Sump as a mitigation effort to prevent damage in preparation for Hurricane Isaac. No damage occurred as a result of this storm preparation effort. CRLLC is continuing to conduct inspections during start-up on all remaining tanks to determine any damages incurred due to Hurricane Isaac. Results of these inspections will be provided in the 30-day follow-up report. CRLLC requests enforcement discretion from Louisiana Department of Environmental Quality for tank repairs required due to damage caused by the hurricane.
11. Compliance with Title V Emissions Limits and Other Specific Requirements - The shutdowns for the hurricanes and subsequent start-up/troubleshooting of the refinery may result in exceedances of federally enforceable emissions limits and non-compliance with other specific requirements in the Title V Permits. Summary of any additional exceedances and other compliance issues at the Refinery for which we are seeking enforcement discretion not included in this submittal will be provided in the 30-day follow-up report.
12. Bypass of Wastewater Treatment Unit - CRLLC initiated emergency discharge bypass for Outfall 004 from wastewater treatment facilities to Mississippi River. Rainfall predictions indicated 18"- 22", in addition to the storm water already collected, which exceeded the refinery's storm water retention and storage facilities. Actual storm rainfall was 30". Wind speeds were expected to exceed 58 mph, which is unsafe for personnel to be outside. This did occur for several hours that evening and into the following morning. In consideration of personnel safety and increasing weather severity, the refinery initiated the emergency discharge bypass on August 28, 2012. It is important to note that the refinery process operations were shutdown previously which mitigated wastewater hydrocarbon content. Water discharge was essentially storm water. CRLLC worked in coordination with the St. Bernard Parish Water Board to suspend the water intake during bypass operations.

Samples were collected to document wastewater quality. On August 28, 2012, all parameters were within current LPDES permit limits. On August 29, 2012, all parameters were within current permit limits with the exception of Total Suspended Solids. Preliminary analysis indicates a potential exceedance of 4,444 lbs/day versus permitted limit of 3,180 lbs.

This action is also covered under the Emergency Order Paragraph 1 for Wastewater Treatment System upsets. CRLLC requests enforcement discretion from Louisiana Department of Environmental Quality for the single day exceedance.

Unless otherwise requested by EPA, all reporting on the above items will be performed as specified in the Consent Decree or in applicable reports. In addition, we will report all totals of Consent Decree related excess emissions from this situation in the next Semi-Annual Report.

If you have any questions or concerns about this notice, please contact me at (225) 977 - 0609.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "J. Derek Reese". The signature is fluid and cursive, with a large initial "J" and "R".

J. Derek Reese
Senior Section Supervisor
Permits & Compliance Coordination Section Supervisor

cc:

Director, Air Enforcement Division
Office of Regulatory Enforcement
c/o Matrix NewWorld Engineering, Inc.
26 Columbia Turnpike
Florham Park, NJ 07932
CERTIFIED MAIL 7012 1640 0001 2007 0283

Granta Nakayama
EPA Administrator
Mail Code: 2201A
1200 Pennsylvania Ave. NW
Washington, DC 20460
CERTIFIED MAIL 7012 1640 0001 2007 0290

Adam Kushner
Air Enforcement Division Director
Mail Code: 2242A
1200 Pennsylvania Ave. NW
Washington, DC 20460
CERTIFIED MAIL 7012 1640 0001 2007 0313

Richard Greene
Regional Administrator
1445 Ross Ave., Suite 700
Dallas, TX 76202
CERTIFIED MAIL 7012 1640 0001 2007 0320

Electronic copies:

John Fogarty (fogarty.johnpc@epamail.epa.gov)
John Jones (jones.john@epa.gov)
Jody Mack (jmack@matrixnewworld.com)
Robert Parrish (parrish.robert@epa.gov)
Steve Thompson (thompson.steve@epa.gov)
Cheryl Nolan (cheryl.nolan@la.gov)

PM 9/7/12



CHALMETTE REFINING, L.L.C.

P.O. Box 1007
CHALMETTE, LA 70044
(504) 281-1212

September 7, 2012

Louisiana Department of Environmental Quality
P.O. Box 4312
Baton Rouge, LA 70821-4312
ATTENTION: Emergency & Radiological Service Division - SPOC
"UNAUTHORIZED DISCHARGE NOTIFICATION REPORT"

Koetting, Donald

*ER iscs 12-15355
T143217*

Re: Letter of Notification
Unauthorized Discharge Report
State Police Incident # 12-05752 and 12-05878
NRC # 102-2345 and 102-2865
Agency Interest Number: 1376

Odem, Daniel

*iscs 12-15091
T142422*

Dear Sir or Madam:

This letter serves as Chalmette Refining, LLC's (CRLLC) follow up notification of its original Upset Provision affirmative defense letter dated August 31, 2012, pursuant to LAC 33:III.507.J. As detailed in the attached Discharge Notification Follow-up Report, the CRLLC shut down operations because of Hurricane Isaac. The emergency shut down resulted in potential permit deviations and reportable quantity exceedances. This letter documents the actual occurrences as of September 7, 2012, in accordance with the 7-day reporting requirement. CRLLC will supplement these submittals in a 30-day follow-up letter.

The NSR Consent Decree (CD) requires CRLLC to include many of the CD requirements in its Title V operating permits. Thus, a number of the issues identified in the force majeure notice are also Title V operating permit compliance matters. Most of the CD requirements relate to federal rules, and many of the exceedances identified in our force majeure notices in fact qualify for exemptions available for startup, shutdown or malfunctions. Where this is the case, no force majeure relief is needed. Where such exemptions do not exist, or where force majeure is not applicable, CRLLC asks that LDEQ and EPA exercise enforcement discretion and not seek penalties for the activities undertaken to respond to and recover from Hurricane Isaac.

If you have any questions regarding this notification, please contact me at 225-977-0609.

Sincerely,

J. Derek Reese
Senior Section Supervisor
Permits & Compliance Coordination Section

Attachment

Certified Mail No.: 7012 1640 0001 2007 0078

RECEIVED

SEP 11 2012

DEQ
Single Point of Contact

cc: Chief Thomas Stone, Chairperson
Saint Bernard Parish Emergency Planning Committee
c/o Saint Bernard Parish Government Complex
Office of Emergency Preparedness
8201 West Judge Perez Drive, Suite #207
Chalmette, LA 70043

Certified Mail No.: 7012 1640 0001 2007 0085

Louisiana Emergency Response Commission
c/o Department of Public Safety and Corrections
Office of State Police
P.O. Box 66168
Baton Rouge, LA 70896

Certified Mail No.: 7012 1640 0001 2007 0092

Louisiana Department of Health and Hospitals
LDEQ Southeast Regional Office, Attn. Mr. Mike Algero
LASP, Attn. Mr. Gene Dunegan
LDEQ, Capitol Regional Office, Bobby Mayweather
MSU Facilities Dept., USCG
St. Bernard Parish Water & Sewer

PM 10/5/12



CHALMETTE REFINING, L.L.C.

October 5, 2012

P.O. Box 1007
CHALMETTE, LA 70044
(504) 281-1212

Louisiana Department of Environmental Quality
P.O. Box 4312
Baton Rouge, LA 70821-4312
ATTENTION: Assessment Division, Emergency Response Section - SPOC
"UNAUTHORIZED DISCHARGE FOLLOW-UP REPORT"

Re: Letter of Notification
Unauthorized Discharge Report
State Police Incident #12-05752 and 12-05878
NRC #102-2345 and 102-2865
Agency Interest Number: 1376

Koetting, Donald
ER
iscs 12-15355
T143217

Alem, Daniel
iscs 12-15091
T142422

Dear Sir or Madam:

This letter serves as the Chalmette Refining, L.L.C. (CRLLC) 30-day follow up notification of its original Upset Provision affirmative defense letter dated August 31, 2012, and subsequent 7-day notification dated September 7, 2012, pursuant to LAC 33:III.507.J. As detailed in the attached Discharge Notification Follow-up Report, the CRLLC shut down operations because of Hurricane Isaac. The emergency shut down resulted in potential permit deviations and reportable quantity exceedances. This letter documents the actual occurrences as of October 5, 2012, in accordance with the 30-day follow up requirement. Please accept this letter as an update to the September 7, 2012 letter. The updates in each section are provided in italics.

The NSR Consent Decree (CD) requires CRLLC to include many of the CD requirements in its Title V operating permits. Thus, a number of the issues identified in the force majeure notice are also Title V operating permit compliance matters. Most of the CD requirements relate to federal rules, and many of the exceedances identified in our force majeure notices in fact qualify for exemptions available for startup, shutdown or malfunctions. Where this is the case, no force majeure relief is needed. Where such exemptions do not exist, or where force majeure is not applicable, CRLLC asks that LDEQ and EPA exercise enforcement discretion and not seek penalties for the activities undertaken to respond to and recover from Hurricane Isaac.

If you have any questions regarding this notification, please contact me at 225-977-0609.

Sincerely,

J. Derek Reese
Senior Section Supervisor
Permits & Compliance Coordination Section

Attachment

Certified Mail No.:

RECEIVED

OCT 12 2012

DEQ
Single Point of Contact

cc: Chief Thomas Stone, Chairperson
Saint Bernard Parish Emergency Planning Committee
c/o Saint Bernard Parish Government Complex
Office of Emergency Preparedness
8201 West Judge Perez Drive, Suite #207
Chalmette, LA 70043

Certified Mail No.: 7011 0110 0001 3305 5626

Louisiana Emergency Response Commission
c/o Department of Public Safety and Corrections
Office of State Police
P.O. Box 66168
Baton Rouge, LA 70896

Certified Mail No.: 7011 0110 0001 3305 5718

Louisiana Department of Health and Hospitals
LDEQ Southeast Regional Office, Attn. Mr. Mike Algero
LASP, Attn. Mr. Gene Dunegan
LDEQ, Capitol Regional Office, Bobby Mayweather
MSU Facilities Dept., USCG
St. Bernard Parish Water and Sewer

PM 10/11/12



CHALMETTE REFINING, L.L.C.

P.O. Box 1007
CHALMETTE, LA 70044
(504) 281-1212

October 11, 2012

Certified Mail No.: 7012 1640 0001 2007 0726

Louisiana Department of Environmental Quality
P.O. Box 4312
Baton Rouge, LA 70821-4312
ATTENTION: Assessment Division, Emergency Response Section - SPOC
"UNAUTHORIZED DISCHARGE FOLLOW-UP REPORT"

Re: Letter of Notification – Update
Unauthorized Discharge Report
State Police Incident #12-05752 and 12-05878
NRC #102-2345 and 102-2865
Agency Interest Number: 1376

ODEM, DANIEL
ISCS 12-15091
T142422
AI#183605 -

KOETTING, DONALD
ER
ISCS 12-15355
T143217

Dear Sir or Madam:

This letter serves as an update to the Chalmette Refining, L.L.C. (CRLLC) 30-day follow up notification of the Upset Provision affirmative defense letter(s) dated October 5, 2012, August 31, 2012, and subsequent 7-day notification dated September 7, 2012, pursuant to LAC 33:III.507.J. As detailed in the attached Discharge Notification Follow-up Report, the CRLLC shut down operations because of Hurricane Isaac. The emergency shut down resulted in potential permit deviations and reportable quantity exceedances. This letter documents the actual occurrences as of October 5, 2012, in accordance with the 30-day follow up requirement. Please accept this letter as an update to the October 5, 2012 letter. The subsequent update is provided in italics.

The NSR Consent Decree (CD) requires CRLLC to include many of the CD requirements in its Title V operating permits. Thus, a number of the issues identified in the force majeure notice are also Title V operating permit compliance matters. Most of the CD requirements relate to federal rules, and many of the exceedances identified in our force majeure notices in fact qualify for exemptions available for startup, shutdown or malfunctions. Where this is the case, no force majeure relief is needed. Where such exemptions do not exist, or where force majeure is not applicable, CRLLC asks that LDEQ and EPA exercise enforcement discretion and not seek penalties for the activities undertaken to respond to and recover from Hurricane Isaac.

If you have any questions regarding this notification, please contact me at 225-977-0609.

Sincerely,

J. Derek Reese
Senior Section Supervisor
Permits & Compliance Coordination Section

Attachment

RECEIVED

OCT 17 2012

DEQ
Single Point of Contact

cc: Chief Thomas Stone, Chairperson
Saint Bernard Parish Emergency Planning Committee
c/o Saint Bernard Parish Government Complex
Office of Emergency Preparedness
8201 West Judge Perez Drive, Suite #207
Chalmette, LA 70043

Certified Mail No.: 7012 1640 0001 2007 0733

Louisiana Emergency Response Commission
c/o Department of Public Safety and Corrections
Office of State Police
P.O. Box 66168
Baton Rouge, LA 70896

Certified Mail No.: 7012 1640 0001 2007 0740

Louisiana Department of Health and Hospitals
LDEQ Southeast Regional Office, Attn. Mr. Mike Algero
LASP, Attn. Mr. Gene Dunegan
LDEQ, Capitol Regional Office, Bobby Mayweather
MSU Facilities Dept., USCG
St. Bernard Parish Water and Sewer

**Louisiana Department of Environmental Quality
Unauthorized Discharge Notification Report (LAC I:3925)**

- I. **Company Name:** Chalmette Refining, L.L.C
Physical Address: 500 W. St. Bernard Highway
Chalmette, LA. 70043
- Mailing Address:** P.O. Box 1007
Chalmette, LA 70044
- Contact Name:** J. D. Reese
Telephone Number: (225) 977-0609
- II. **Date and Time of Verbal Notification:** Shutdown August 27, 2012 at 15:25.
Startup August 31, 2012 at 19:15
- Official Contacted:** See table below
Officials Making Notifications: See table below
Site Identification: CRLLC
- III. **Date and Time Incident Started:** Shutdown August 27, 2012 at 15:15
Date and Time Incident Ended: Startup August 31, 2012 at 19:15
- IV. **Upset Description, Cause, and Offsite Impact (If Applicable):**

This letter serves as follow-up notification of our intention to claim the Upset Provision affirmative defense pursuant to LAC 33:III.507.J. In preparation for Hurricane Isaac, Chalmette Refining, L.L.C. (CRLLC) initiated the shutdown of unit operations prior to the hurricane and is completing startup of unit operations as of this notification. These activities resulted in potential permit limit exceedances and/or unauthorized discharges. The activities described herein resulted from the hurricane either directly or indirectly. As such, we are claiming the Upset Provision for the activities listed below, as Hurricane Isaac was an "act of God".

Moreover, Pursuant to the CRLLC NSR Consent Decree (CD) (Entry Date: April 26, 2006), CRLLC is providing notice that a force majeure event has occurred as a result of Hurricane Isaac beginning on August 27, 2012.

The NSR CD requires CRLLC to include many of the CD requirements in Title V operating permits. Thus, a number of the issues identified in the force majeure notice are also Title V operating permit compliance matters. Most of the CD requirements relate to federal rules, and many of the potential exceedances identified in our force majeure notices in fact qualify for exemptions available for startup, shutdown or malfunctions (SSM). Where this is the case, no force majeure relief is needed. Where such exemptions do not exist, or where force majeure is not applicable, CRLLC asks that LDEQ and EPA exercise enforcement discretion and not seek penalties for the activities undertaken to respond to and recover from Hurricane Isaac. This letter provides information to date on each of the activities and items that will be requiring notices of force majeure and requests for enforcement discretion. *This letter serves as an update to the 30-day letter (October 5, 2012) to supplement the original submittals.*

**Louisiana Department of Environmental Quality
Unauthorized Discharge Notification Report (LAC 1:3925)**

AIR Incidents / Issues

Acid Gas and Hydrocarbon Flaring:

(No. 1 and No. 2 Flares Permit No. 3016-V2) & NSR CD Paragraphs 55, 56.a, 65-68,75)

On August 27, 2012 the CRLLC began to safely shut down operations due to Hurricane Isaac. During the shutdown and equipment preparation, excess process gases were vented to the flare system in order to reduce emissions to the atmosphere. The duration of flaring was approximately 21.1 hours. Below are the emissions which occurred during shutdown activities:

- 23.6 Tons SO₂
- 126 lbs H₂S
- 133 lbs NO
- 133 lbs NO₂
- 714 lbs CO
- 558 lbs VOC
- 72 lbs PM₁₀

On August 31, 2012, CRLLC began start-up operations and equipment preparation which required periodic hydrocarbon flaring. There were temporary visible emissions of smoke from flaring activities. Further, during startup of the SRU, there was a transient period which resulted in flaring amine acid gas prior to directing to the SRU. Below are the estimated emissions during startup of refinery operations. The duration of the amine acid gas flaring was 89 minutes and the duration of the *intermittent hydrocarbon flaring during startup was 84 hours*. Actual emissions were:

- 10.03 Tons S₀₂ (> 500 lbs RQ)
- 0.03 Tons H₂S (> 100 lbs RQ)
- 0.28 Tons NO/NO₂ (> 1000 lbs RQ)
- 1.52 Tons CO
- 0.69 Tons VOC (>5000 lbs RQ)
- 0.08 Tons PM₁₀
- <100 lbs Benzene (> 10 lbs RQ)

There were approximately 9 hours where the H₂S 162 ppm 3-hour rolling flare limitation was exceeded during shutdown and startup activities. These excess emissions are covered under start-up/shutdown provisions provided in NSR CD Paragraph 58. As such, no additional action is required by agency.

Tail Gas Incident:

(Sulfur Recovery Unit Permit No. 3023-V5 & NSR CD Paragraph 73)

On August 27, 2012 the CRLLC Sulfur Recovery Unit was safely shut down and equipment was prepared. During this process Tail Gas Incident resulted from Source ID EIQ193. Predicted emission estimates were approximately 25 tons S₀₂ for the shutdown. On September 5-6, 2012 the Sulfur Recovery Unit was started-up. There were no tail gas incidents during this process. As such, no additional action is required by agency.

Sulfur Pit Venting:

(Sulfur Recovery Unit Permit No. 3023-V5 & NSR CD Paragraphs 50 & 41)

On August 27, 2012 the CRLLC Sulfur Recovery Unit was shut down and equipment was prepared. Emission estimates were expected to be less than 200 pounds H₂S during shutdown and start-up operations. It is important to note that these exceedances occurred during the period when CRLLC was shutting down equipment and subsequently starting up and lining out operations. Actual

Louisiana Department of Environmental Quality
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emissions were ~72 lbs H₂S and ~50 lbs SO₂. These excess emissions are covered under start-up/shutdown provisions provided in NSR CD Paragraph 58. As such, no additional action is required by agency.

Use of Flares as Alternative Control Device:
(No. 1 and No. 2 Flares Permit No. 3016-V2)

Flare Gas Recovery (FGR) equipment is being repaired and prepared for use. In the interim, CRLLC will utilize Flares #1 and/or #2 as alternative control device to re-commission equipment or route vent streams normally routed to FGR. This will expedite recovery efforts and re-start Benzene Recovery Unit (BRU) sooner. Emissions estimates from these steps are included in the flaring emissions stated above. This scenario enabled startup activities to progress with minimal emissions as directed by LDEQ and US EPA. CRLLC requests enforcement discretion for use of alternative control device until FGR was re-commissioned.

H₂S Concentration of 162 ppm in Fuel Gas:
(Utilities Permit No.(2500-00005-V4)

On August 27, 2012, CRLLC safely shutdown and prepared equipment for Hurricane Isaac. The refinery had the potential to exceed the H₂S concentration of 162 ppm in the fuel gas system. There were no exceedances of the H₂S limitations during shutdown and startup activities. As such, no additional action is required by agency.

FCCU NO_x, SO₂, CO, PM, and Opacity Permitted Emission Limits:
(FCCU/ALKY Permit No.3022-V5 & NSR CD Paragraph 12b, 16b, 17, 22, 27, 31d)

On August 27, 2012 CRLLC safely shut down and prepared equipment for Hurricane Isaac. During shutdown and subsequent start-up operations, the refinery exceeded the emission concentration limit for CO for 14 hours and the differential pressure parameter for 32 hours at the FCCU. There were no Title V permit limit lb/hr exceedances during these times. These excess emissions are covered under start-up/shutdown provisions provided in NSR CD Paragraph 23 & 29. As such, no additional action is required by Agency.

SRU Permitted Emission Limits (lbs/hr & concentration):
(Sulfur Recovery Unit Permit No. 3023-V5 and NSR CD Paragraphs 50-51)

On August 27, 2012 CRLLC safely shut down and prepared equipment for Hurricane Isaac. During the shutdown and subsequent start-up operations, the refinery exceeded the permitted emission limit of 95 lbs/hr for SO₂ for three (3) hours at the Sulfur Recovery Unit. The 250 ppm concentration limit was exceeded for approximately 48 hours. It is important to note that these exceedances occurred during the period when CRLLC was starting up and lining out operations. These excess emissions are covered under the start-up/shutdown provisions provided in NSR CD Paragraph 23 and 29. As such, no additional action is required by Agency.

Boiler & Process Heater Permitted Emission Limits (lb/hr):
(All Permits within CRLLC, except WWTP)

On August 27, 2012 CRLLC safely shut down and prepared equipment for Hurricane Isaac. During the shutdown and subsequent start-up operations, the refinery had the potential to exceed the permitted emission limits set forth for boilers and process heaters. There were not any heater or boiler exceedances during the shutdown and subsequent startup. As such, no additional action is required by Agency.

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Flare Pilot Outages:

(No. 1 and No. 2 Flares Permit No.3016-V2)

On August 27, 2012 the CRLLC began to safely shut down unit operations due to Hurricane Isaac. During the shutdown due to the higher than normal rain and wind volumes, flare pilots experienced temporary outages. CRLLC requests enforcement discretion for short-lived pilot outages during hurricane duration.

Data Availability from Continuous Emission Monitoring Systems (CEMS):

(NSR CD Paragraphs 14, 18, 30, 45a, SOb, 57a, 133b)

The CEMS analyzers at the CRLLC may be adversely affected by nitrogen constraints. Some selected CEMS may have reduced data availability during the time period of storm landfall, recovery, and start-up activities. The specific duration of reduced data availability will be provided in the 30-day follow-up report. CRLLC requests enforcement discretion for short-lived CEMS outages during hurricane duration.

Missing LDAR Monitoring:

(NSR CD Paragraphs 97, 104, 111)

CRLLC is subject to several Louisiana & Federal Regulations requiring Leak Detection and Repair (LDAR) as noted below. Hurricane Isaac and its aftermath have not allowed completion of some of the timing obligations, and will prevent us from meeting all the timing obligations of the required August monitoring. Approximately 250 components will receive delayed monitoring, but will be monitored in September. Details of the number of components subject to delay will be provided in the 30-day follow-up report. Consistent with USEPA's decision for Hurricane Gustav, CRLLC requests that the delayed monitoring and repair be exempted from enforcement under the applicable Force Majeure provisions.

Approximately 255 monthly LDAR components received delayed monitoring, but were monitored in September. In addition, 7 leaks that missed the 5 day attempt and 6 leaks that missed the 15 day attempt due to Hurricane Isaac.

Isolated Areas of Standing Stormwater:

There were isolated pockets of stormwater in the refinery which contained some sheen material and potential hydrocarbon. All of these areas were contained within the refinery boundaries and no material migrated offsite. Areas include tank firewall areas, overflow of sumps, and low-lying areas. All hydrocarbon and sheen material is being removed and properly disposed/treated. Any contaminated soil is being remediated. There is the potential to exceed more than one (1) barrel of total oil accumulative across the complex from all the isolated areas. Summary of clean-up and remediation activities will be provided in the 30-day follow-up report. CRLLC requests enforcement discretion for spills directly related to the hurricane.

All hydrocarbon and sheen material was removed and properly disposed/treated. Any contaminated soil has been remediated. This information is reported in accordance with the site waste management plan.

Coke Conveyor Facilities:

The coke conveyor facilities sustained some minor damage which resulted in loss of covers over portions of the conveyor belt system. There are also minor amounts of coke material on the ground which is being collected. Some small particulate emissions may result from recovery and re-start Operations. Covers will be repaired/replaced as soon as possible. The 30-day follow-up report will describe the specific repairs and dates of completion. CRLLC requests enforcement discretion for

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damaged conveyor covers caused by hurricane.

The conveyor covers that were damaged during the hurricane have been repaired/replaced.

Carbon Canister Monitoring Completed

CRLLC has a requirement per 40 C.F.R. 61.354(d) to perform regularly scheduled weekly monitoring on nine carbon adsorption systems (carbon canisters) located on-site. Weekly monitoring was scheduled to be performed on 8/27/12, CRLLC completed the required monitoring on 8/31/12. As post-hurricane assessments of operations are made, if carbon breakthrough is indicated the existing carbon is required to be replaced with fresh carbon immediately (55 gallon or less within 8 hrs, greater than 55 gallons within 24 hrs). Since all monitoring was completed on time, no action is required by Agency.

Tank Maintenance:

(Oil Movements and Loading Permit No.3004-V2)

Tank 1013 was filled with oily water from the No. 1 Surge Sump as a mitigation effort to prevent damage in preparation for Hurricane Isaac. No damage occurred as a result of this storm preparation effort. CRLLC is continuing to conduct inspections during start-up on all remaining tanks to determine any damages incurred due to Hurricane Isaac. Results of the inspections will be provided in the 30-day follow-up report. CRLLC requests enforcement discretion for tank repairs required due to damage caused by hurricane.

No tanks were damaged during the hurricane and therefore no enforcement discretion is required.

WATER Incidents / Issues

Bypass of Wastewater Treatment Unit:

LPDES Permit # LA 0004260

(LSP Incident #12-05781; NRC Incident #102-2486)

CRLLC initiated emergency discharge bypass for Outfall 004 from wastewater treatment facilities to Mississippi River. Rainfall predictions indicated 18"- 22", in addition to the storm water already collected, which exceeded the refinery's storm water retention and storage facilities. Actual storm rainfall was 30". Wind speeds were expected to exceed 58 mph, which is unsafe for personnel to be outside. This did occur for several hours that evening and into the following morning. In consideration of personnel safety and increasing weather severity, the refinery initiated the emergency discharge bypass on August 28, 2012. It is important to note that the refinery process operations were shutdown previously which mitigated wastewater hydrocarbon content. Water discharge was essentially storm water. CRLLC worked in coordination with the St Bernard Parish Water Board to suspend the water intake during bypass operations.

Samples were collected to document wastewater quality. On August 28, 2012, all parameters were within current LPDES permit limits. On August 29, 2012, all parameters were within current permit limits with the exception of Total Suspended Solids. Preliminary analysis indicates a potential exceedance of 4,444 lbs/day versus permitted limit of 3,180 lbs.

This action is also covered under the Emergency Order Paragraph 1 for Wastewater Treatment System upsets. CRLLC requests enforcement discretion as necessary for the single-day exceedance.

V. Specific Pollutants Emitted and Amount Released:

See incident descriptions in section IV.

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VI. Disposition:

Air & Water

VII. Remedial Action Taken:

Following established shutdown procedures and protocols, CRLLC was safely and systematically shutdown due to the approach of Hurricane Isaac. Likewise, CRLLC followed standard startup procedures and protocols and minimized excess emissions during recovery and startup efforts.

CRLLC conducted offsite monitoring during periods of acid gas flaring and during startup operations. All readings during the flaring and startup operations were non-detect. CRLLC has provided these results to the LDEQ each day during these operations.

VIII. Specific Actions Taken and/or Planned to Prevent Recurrence:

Lessons learned from this event will be incorporated into future hurricane preparations.

IX. Permit Number (If Applicable):

See incident descriptions in Section IV for applicable permit numbers.

X. Reporting Party Status: Present Owner; Operator

XI. For Discharges to the Ground or Groundwater (If Applicable): Not Applicable

XII. Other Responsible Parties: Not Applicable

XIII. Was the Release Preventable Yes **NO**

If No, Explain Why the Release Was Not Preventable:

The incidents described in Section IV occurred as a result of Hurricane Isaac and the subsequent shutdown and startup of the CRLLC. Hurricane planning procedures were followed to prepare the refinery to the greatest extent possible for the effects of the hurricane. The refinery was shut down and re-started in a manner that minimized any potential impacts on the environment.

XIV. Agencies Notified:

Shut Down Notifications:

Agency	Official Notified	Time	Date	Incident #
State Police/DEQ	S. Shows	15:25	8/27/2012	12-05752
LEPC	Holmes	15:35	8/27/2012	-
DEQ	Celena Cage	13:27	8/27/2012	-
NRC	P.O. Hardy	15:38	8/27/2012	102-2345

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Bypass of Wastewater Treatment Unit:

Agency	Official Notified	Time	Date	Incident #
State Police/DEQ	Shaneisha Harris	19:47	8/29/12	12/05781
LEPC	Operator 4	19:47	8/29/12	
St. Bernard Parish Water Board	S. Lombardo	-	8/29/12	-
NRC	A. Green	20:12	8/29/12	102-2486
Local Coast Guard	Moore	20:45	8/29/12	102-2486
Lake Borne Levee	Angel Sheppard	20:26	8/29/12	-
WWN	John Williams	20:35	8/29/12	-
St. Bernard Parish Water Board	S. Lombardo	19:52	8/30/12	-

Start up Notifications:

Agency	Official Notified	Time	Date	Incident #
State Police/DEQ	Dennis M	19:45	8/31/12	12-05878
LEPC	Ronnie	19:50	8/31/12	12-05878
NRC	Arsenault	19:55	8/31/12	102-2865
EPA/DEQ	<u>EPA</u> John Jones <u>DEQ</u> Cheryl Nolan, Celena Cage	1530	8/31/2012	
EPA/DEQ	<u>EPA</u> John Jones, John Blevins, John Fogarty, Sam Tate, & Steve Thompson <u>DEQ</u> Cheryl Nolan, Celena Cage, Sam Phillips	13:00	9/1/12	