

Texas City Refinery Violations Cost BP Products \$180M

WASHINGTON, DC, February 19, 2009 (ENS) - BP Products North America Inc. must spend more than \$161 million on pollution controls, better maintenance and monitoring, and improved internal management practices to resolve Clean Air Act violations at its Texas City, Texas refinery, the federal government announced today.

The settlement addresses violations relating to mismanagement of benzene, asbestos, and hydrochlorofluorocarbons at the refinery.

Third largest in the nation, the Texas City refinery has a production capacity of more than 460,000 barrels per day.

The company will also pay a \$12 million civil penalty and spend \$6 million on a supplemental project to reduce air pollution in Texas City.

The settlement addresses the company's noncompliance with a 2001 consent decree and Clean Air Act regulations requiring strict controls on benzene and benzene-containing wastes generated during petroleum refining operations.

Exposure to benzene, a hazardous air pollutant, is known to cause a number of acute and chronic health effects, including cancer, nerve and immunity impairment, and adverse reproductive and developmental effects.

"BP failed to fulfill its obligations under the law, putting air quality and public health at risk," said Catherine McCabe, acting assistant administrator for EPA's Office of Enforcement and Compliance Assurance. "Today's settlement will improve air quality for the people living in and around Texas City, many of whom come from minority and low-income backgrounds."

EPA identified the violations addressed in today's settlement during a series of inspections of the Texas City refinery initiated after a catastrophic explosion and fire in March 2005 that killed 15 people and injured more than 170 others.

In October 2007, the company pleaded guilty to a felony violation of the Clean Air Act and agreed to pay a \$50 million fine for violations related to the explosion, the largest criminal fine ever assessed against a corporation for Clean Air Act violations.

The plea is still under review by the U.S. District Court for the Southern District of Texas, and today's settlement does not address any claims arising from the March 2005 explosion.



Crane operator's view of the BP Texas City refinery the day after the deadly explosion and fires. March 24, 2005. (Photo by [David Hrod](#))

John Cruden, acting assistant attorney general for the Justice Department's Environment and Natural Resources Division, said, "This new agreement requires stringent new measures to protect air quality and public health in Texas beyond those originally required at the Texas City Refinery."

Under today's settlement, the company is required to upgrade control equipment and processes used to handle the benzene and conduct in-depth audits to ensure compliance and minimize the amount of benzene-containing wastes generated at the refinery, the U.S. Environmental Protection Agency and the U.S. Justice Department said today, announcing the settlement.

Benzene wastes are typically managed in a refinery's wastewater collection and treatment system, which is designed to prevent the benzene contained in the wastewater from volatilizing to the atmosphere before

the wastes are safely treated. EPA estimates that actions taken under the settlement will reduce emissions of benzene and other volatile organic compounds by three tons annually.

The settlement requires that BP address violations of Clean Air Act requirements limiting emissions of stratospheric ozone-depleting hydrochlorofluorocarbons (HCFCs) from leaking cooling appliances.

BP will eliminate 51,000 pounds of HCFCs by retrofitting industrial and commercial cooling appliances at Texas City to use refrigerants that do not deplete the ozone layer.

The company has also agreed to improve its oversight and management of wastes containing asbestos generated during routine renovation and demolition activities at the Texas City Refinery. Exposure to asbestos, a known human carcinogen, can cause asbestosis and two types of cancer - lung cancer and mesothelioma.

As part of the settlement, the company will spend an additional \$6 million to reduce air pollution from diesel vehicle emissions in Texas City and the surrounding area. BP will convert 100 diesel municipal vehicles, including several dozen school buses, to operate on compressed or liquefied natural gas and will construct four refueling stations for the converted vehicles.

As a result, emissions of particulate matter, nitrogen oxides, and hydrocarbons from these vehicles will be substantially reduced, the EPA said.

Located just south of Houston, the plant includes 29 oil refining units and four chemical units spread over a 1,200 acre site. The Texas City refinery makes about 2.5 percent of all the gasoline sold in the United States – enough to fill the tank of a car every seven seconds, the company says.

BP Products North America, headquartered in Warrenville, Illinois, operates petroleum refineries in California, Indiana, Ohio, Texas and Washington. BP North America Inc. is a subsidiary of BP p.l.c., headquartered in London, England.

The proposed settlement, lodged today in the U.S. District Court for the Northern District of Indiana, is subject to a 30-day public comment period and final court approval. Click [here](#) for a copy of the proposed consent decree.

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