

BASIS FOR DECISION

The proposed plan states that Alyeska tests the BWT pipelines annually, as required. However, the proposed plan does not incorporate a procedure for testing the pipelines at or above the normal operating pressure. Currently, the system is only tested at a pressure equivalent to the hydrostatic head of a full Ballast Water Treatment (BWT) Tank. That pressure is created by isolating the piping system and opening the valve of a full BWT tank.

However, in normal day-to-day operations the pipeline operating pressure is equal to the ship pump pressure. To transfer water from the ship to the tanks, the pressure exerted by the ship's pumps must exceed that of the hydrostatic pressure. Therefore, the current testing scheme involving the use of the BWT tank does not meet the requirement of testing the piping system at or above the normal operating pressures.

The current testing scheme, involving the use of the BWT tank, has a number of variables that might reduce the accuracy of the results. The test is conducted by lining up the tank to the test piping (as described above). Although the plan states that the "test segment of piping is isolated from any influent or effluent sources," this is not actually the case. Because the system *cannot* be completely isolated, several variables influence the gain/loss of ballast water in the target tank. For example, the sumps are monitored during the test and the amount of ballast water "lost" into the sump is estimated. This loss to the sumps occurs because some of the closed valves in the system 'leak by'. Although the ballast water is just re-circulated in the system, it can affect the accuracy of the pipe test.

The Department is granting a waiver to the requirement of testing the line at or above the normal operating pressure based on the following information. The system has a design pressure rating of 275 psig. The normal operating pressure is only 25% of the design pressure rating. The high design-pressure rating provides for substantial leak prevention margin of safety to prevent leaks from overpressure or from excessive corrosion losses (over the normal levels already provided by the piping design codes). In addition, the risk of oil contamination from a BWT pipeline leak is significantly lower than a pipeline carrying 100% oil, as the ballast fluid transported averages less than 1% oil. The Department has reviewed a more detailed procedure of the test described above, and finds that Alyeska has made significant improvements to increase repeatability and reliability, since the test's inception in 1997. As a compensatory measure and to determine the condition of the pipeline at this time, Alyeska has committed to inspect approximately 40% of the ballast water treatment piping in the year 2000. Additionally, Alyeska has agreed to submit an evaluation of those inspections, plus a proposed future inspection and maintenance schedule. Therefore, a waiver to the requirements of 18 AAC 75.080(c) will be granted under separate cover.

However, the Department reserves the right to revoke or amend this waiver to include further compensatory measures, pending the results of the inspections to be conducted this year.

ISSUE # 9: DISCHARGE HISTORY AND RISK ANALYSIS

STATEMENT OF ISSUE

1. Has the APSC met the spill prevention requirements of analyzing their spill history and developing and taking actions to prevent or mitigate similar spills in the future?
2. Has APSC met the spill prevention requirements of analyzing risks of potential oil spills and taking actions to prevent potential spills?
3. Has APSC met the spill prevention requirements by identifying any conditions that might increase the risk of a spill, and any measures that have been taken to reduce the spill risk related to that condition?

FINDINGS

The Department finds that Alyeska has generally met the requirements described above, and has updated the plan to include information regarding the slope stability studies and ongoing monitoring. The Department supports Alyeska's initiative to update this section and to perform a new risk assessment by January 2001. The details and schedule for this assessment were submitted as edits to the plan in Alyeska's February 22, 2000 response to request for information, and will be incorporated into the plan (see Condition No. 10, Plan Edits). This assessment will be subject to public review upon completion (see Condition No. 9). The Department and the Joint Pipeline Office support this initiative and will work with Alyeska in determining the scope of the new risk assessment.

REGULATORY AUTHORITY

Under 18 AAC 75.425(e)(2), the prevention plan "must include, at a minimum, the following information:

- (B) a history of all known discharges greater than 55 gallons that have occurred at the facility, with an analysis of the relationship, if any, between their frequency, cause, and size, and a description of actions to be taken to prevent or mitigate similar discharges in the future;..."
- (C) an analysis of potential oil discharges, including size, frequency, cause, duration, and location, and a description of actions taken to prevent a potential discharge:..."
- (D) a description of any conditions specific to the facility or operation that might increase the risk of a discharge, including physical or navigation hazards,

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traffic patterns, or other site-specific factors, and any measures that have been taken to reduce the risk of a discharge attributable to these conditions;..."

RESPONSE TO COMMENTS

RCAC initially requested details on which high-risk areas would be included in the proposed risk assessment, but later agreed that this issue could be addressed in the working group during the scoping of the risk assessment. In fact, RCAC commented in favor of the work group risk assessment proposed by Alyeska, provided they are allowed to participate. Alyeska has agreed to this, and the work group will be comprised of ADEC, JPO, RCAC and Alyeska representatives. Additionally, to ensure an opportunity for the public to evaluate the product of this workgroup, the final risk assessment will be submitted to the Department, and subject to public review (see Condition No. 9).

BASIS FOR DECISION

A risk assessment on potential spills for the Terminal was originally conducted in 1995 to meet the requirements of the oil spill contingency plan review. During October 1999, this analysis was updated. The changes made to the risk assessment included: an update of individual oil spills to include spills since 1997, additional graphics of spills by location (cause and date), updated information on the facility itself including throughput statistics, modifications to the Terminal (including the Vapor Recovery System, the back pressure control system, and the Bailey control system). The section on hazard identification was updated to include a preliminary discussion of potential releases caused by the vapor recovery system problems, the overall assessment of different release frequencies was modified, and the discussion of conditions that might increase the risk of discharge was expanded.

During the 1997 review of the oil spill plan, the Department required APSC to take several additional measures to address conditions that might increase the risk of discharge, specifically the issue of slope stability at the facility. As a result of the condition of approval that was issued, the plan holder instituted an on going, aggressive maintenance and monitoring program of the Terminal slopes. A discussion of this slope stability issue, and the corresponding mitigating measures taken, has been included in the section.

In the introduction to the risk assessment and in Section 2.7, Compliance Schedule and Waivers, Alyeska commits to performing a new risk assessment by January 2001. Alyeska states that this study will target specific high-risk areas in which additional prevention measures could lower the risk of spills. The Department and the Joint Pipeline Office support this initiative and will work with Alyeska and stakeholders in determining the scope of this assessment.

ISSUE # 10: REALISTIC MAXIMUM RESPONSE OPERATING LIMITATIONS

STATEMENT OF ISSUE

Does the plan describe weather and other conditions that would be expected to limit the ability to respond to an oil spill and should the Department require the plan holder to take specific temporary prevention measures during periods when planned spill response methods are rendered ineffective?

FINDINGS

The revised plan has been expanded to include additional information on spill induced limitations and the plan holder's position regarding the potential effect of vapors from a crude oil spill on the Terminal facility. The information provided to give a range of potential periods when a response may be inhibited is not very precise, and the plan holder argues that information to refine these periods of potential response limitations is not available and therefore any assumptions made would be flawed. Given current information gaps and uncertainties in this subject area, the Department has been unable to support or reject the analysis presented in the plan. As a result, the Department is requiring, through the scenarios work group and the risk assessment project that Alyeska has agreed to, that Alyeska more fully explore the potential effects of vapors on a response given RPS scenarios, including what compensatory measures (equipment and/or procedural) are available and effective. This additional analysis, in order to develop information not now available, will better verify the accuracy of the plan's "Realistic Maximum Response Operating Limitations" (RMROL) discussion concerning potential limitations on response due to crude oil vapors.

REGULATORY AUTHORITY

The regulations require that the contingency plan provide the following background and verification of information under 18 AAC 75.425(e)(3)(D):

"(D) Realistic maximum response operating limitations - a description of the realistic maximum response operating limitations that might be encountered at the facility or operation and, based on environmental and safety considerations, an analysis of the frequency and duration, expressed as a percentage of time, of limitations that would render mechanical and other response methods ineffective; the realistic maximum operating limitations for a response must be defined, with a description of any measures that will be taken to compensate for those periods when environmental conditions exceed this maximum; environmental conditions to be considered in this analysis must include:

- (i) weather, including wind, visibility, precipitation and temperature;
- (ii) sea states, tides, and currents;

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- (iii) ice and debris presence;
- (iv) hours of daylight; and
- (v) other known environmental conditions that might influence the efficiency of the response equipment or the overall effectiveness of a response effort;"

The Department must use the criteria set out in 18 AAC 75.445(f) to review an oil discharge prevention and contingency plan. The portion of this regulation applicable to this issue as stated above is "... The department will, in its discretion, require the plan holder to take specific temporary prevention measures until environmental conditions improve to reduce the risk or magnitude of an oil discharge during periods when planned spill response methods are rendered ineffective by environmental limitations."

RESPONSE TO COMMENTS

RCAC commented they believe that vapor's limiting effects on a spill response needs further development. They commend APSC for recognizing the importance of this issue, and wish to use the scenarios work group to explore solutions and address their concerns.

The Department agrees with this comment and plans to use the scenarios workgroup to address these concerns.

RCAC also expressed concern about Alyeska's policy and standard operating procedures for reducing the pipeline throughput, and the tanker's schedule. They have requested that the plan be revised to add an acknowledgement of the existence of a policy of reducing the pipeline throughput to keep crude tank inventories low during times when weather may preclude or delay loading or tanker transits. The Department shares the desire to better understand the plan holder's policy, and will continue to pursue a better description of that policy.

Mr. Lakosh's comments related to this issue are closely tied to Issue #3, *Response Strategies*. He supported the concept of the scenarios work group to address his concerns, however, he questions the Department's legal standing in conditionally approving the Valdez Marine Terminal plan before all issues regarding the effects of hazardous vapors on oil spill response have been resolved.

AS 46.04.030(e) authorizes the department to place conditions on its contingency plan approval. The condition imposed here is necessary to better verify the accuracy of the Plan's RMROL discussion of explosive vapors. The plan is not incomplete; rather, incomplete information exists presently for the Department to completely verify the range of limitations discussed in the RMROL section with respect to vapor limitations on spill response. Incomplete scientific knowledge is not a unique situation in the field of spill response. The regulatory process does not dictate that the Department enter regulatory gridlock in the face of such scientific uncertainty. Robert Johnson, the Deciding Officer in the 1995 PWS Tank Plan Adjudication, recognized the Department's authority to require additional analyses as part of plan approval in situations such as the one presented

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here. Moreover, AS 46.04.030(e) specifically empowers the Department to impose conditions to verify provisions of the plan. Under the terms of Condition No. 3 at issue here, changes to the scenarios resulting from these additional analyses are subject to full public review as part of the July 8, 2002 plan renewal application.

BASIS FOR DECISION

Part 3, SID 1, Section 11 of the plan provides a discussion and explanation of realistic maximum response operating limitations. The plan lists environmental conditions that might affect response activities, and gives a discussion of their limitations. Compensating measures are also discussed for the periods when the ability to respond to an oil spill are diminished. A new section was added to this revised plan Section 11.9, Spill-Induced Operating Limitations. This section identifies limitations that may be caused by a large, uncontrolled spill and includes vapor dispersion and transportation issues.

The plan states that high vapor concentrations could considerably delay a response effort due to safety considerations and fire potential that may preclude response activities. The inability to promptly respond could have significant consequences for the severity of the spill or the subsequent response effort. The Department agrees with the plan holder that the extent of the vapor problem is related to many complicated factors such as size of spill, wind, temperature and precipitation. However, it is the Department's position that there is not a clear understanding of when or what duration of time the realistic maximum response operating limitations may be encountered due to the vapors of a large crude oil spill. Therefore, as part of the scenarios work group required by Condition of Approval No. 3, the Department requires the plan holder to provide a detailed analysis of the potential vapor levels under a range of conditions and the potential periods for which response may be precluded. Additionally, compensating measures for spill induced vapor limitations must be explored and evaluated as part of the scenarios and/or risk assessment work group(s).

Issue #11 – Oil Spill Response Resources, Equipment and Personnel

STATEMENT OF ISSUE

- a) Does the plan list a sufficient amount of oil spill response equipment to effectively meet the regulatory requirements listed below?
- b) Does the "Response Personnel" section of the plan present an increase in the amount of time required to muster personnel?
- c) Do the procedures for storage, maintenance and inspection of the spill response equipment meet the requirements of 18 AAC 75.425(e)(3)(F)(vii)?
- d) Does the plan contain adequate provisions to notify the department if a significant change occurs which could diminish the plan holder's response capability, or upon the removal or inactivation of any major response item for maintenance or repair?

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FINDINGS

- a) The Department finds that the plan holder does have a sufficient amount of oil spill response equipment to effectively meet the regulatory requirements, even with the removal of the Marco Class II and Class V skimmers from the equipment listed in the plan.
- b) The Department finds that, although the current plan states the any initial responders not at the facility could be mustered in 30 minutes and the new plan states it would take 60 minutes, it is an appropriate change that more accurately reflects the time needed to reach the facility.
- c) The Department finds that the edits to Part 3, SID 1, Section 1.3 – *Maintenance System*, and the documents referenced therein, adequately describes the procedures for storage, maintenance and inspection of spill response equipment, and meets the requirements of 18 AAC 75.425(e)(3)(F)(vii).
- d) The plan holder has adequately addressed the concerns of the Department regarding notification of significant changes or loss of equipment, and therefore finds the requirements of 18 AAC 75.475(b) have been met. In addition, the plan has been edited to reflect that the ADEC Anchorage office will be notified, rather than the Valdez office.

REGULATORY AUTHORITY

18 AAC 75.425(e)(3)(F) requires that the plan include a complete list of contracted or other oil discharge containment, control, cleanup, storage, transfer, lightering, and related response equipment.

18 AAC 75.425(e)(3)(F)(vii) states that the plan must contain "procedures for storage, maintenance, and inspection of spill response equipment under the immediate control of the operator when not in use, including procedures for periodic testing and maintenance of response equipment."

18 AAC 75.432(a) requires that, for a crude or noncrude oil terminal facility, a plan holder shall maintain or have available under contract within the plan holder's region of operation, sufficient oil discharge containment, storage, transfer, and cleanup equipment, personnel, and other resources to contain or control and cleanup within 72 hours that portion of the response planning standard volume that enters open water, and contain and control within 72 hours, and clean up within the shortest possible time consistent with minimizing damage to the environment, that portion of the response planning standard volume that enters a receiving environment other than open water.

18 AAC 75.442(d)(4) describes criteria the Department must consider when evaluating a plan submitted for review. One such criteria is to ensure that sufficient oil discharge response equipment, personnel, and other resources are maintained and available for the specific purpose of preventing discharged oil from entering an environmentally sensitive area or an area of public concern that would likely be impacted if a discharge occurs.

“(a) All spill response and other equipment identified in the approved oil discharge prevention and contingency plan to meet the response planning standards set out at 18 AAC 75.430 – 18 AAC 75.442 must be maintained in operational condition. Any equipment found not to be operating properly must be repaired or replaced immediately.

(b) Except for a transfer approved under 18 AAC 75.470, if significant change occurs in, or is made to, any component of a plan that would diminish the plan holder’s response capability, the plan holder shall, within 24 hours, notify the department in writing and provide a schedule for a prompt return to operational status. A facsimile delivered to the appropriate regional office will be considered written notice for purposes of this subsection. If the department finds that, as a result of the change, the plan holder is no longer able to execute the plan, it will take appropriate action under 18 AAC 75.490.

(c) Notwithstanding (a) and (b) of this section, removal or inactivation of any major response item for maintenance or repair must be approved by the department before removal or inactivation. A request under this subsection must be submitted at least 10 days before the scheduled action or as soon as possible for an unanticipated repair. The request must state what substitute or temporary measures will be taken to provide equivalent response capability, reduce the time out of service, or otherwise ensure that equivalent response capability is maintained.”

RESPONSE TO COMMENTS

RCAC commented that they questioned the availability of personnel necessary to meet the requirements of 18 AAC 75.445(c) and (g) because the plan gave specific information for only the first 24 hours. They also questioned the availability of personnel for source control and skimmer operation. However, RCAC commented that any required modifications to the plan could be achieved through the scenarios work group, and they were willing to resolve this issue through that process.

RCAC expressed concern about the plan holder’s ability to fill key ICS positions and have the necessary depth to keep qualified persons in those positions throughout a lengthy response. However, they defer to ADEC to verify the plan.

All other comments aligned with the Department’s findings, and editorial comments were resolved with the plan holder’s submittals.

BASIS FOR DECISION

a) The proposed plan has removed the following pieces of equipment, as compared to the plan currently in place: two (2) docking tugs, one (1) Marco Class V self-propelled skimmer, and one (1) Marco Class I self-propelled skimmer. The plan holder has demonstrated that the regulatory requirements can still be met with the remaining equipment. The scenario work group will further analyze equipment needs and availability.

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- b) Although the total number of initial responders was reduced from 33 to 30, the proposed change to 30 represents those people available 24 hours a day. The current plan actually reflects 33 responders during the day shift, and only 28 at night and on weekends. There has been no reduction in the amount of personnel. Next, for responders not at the facility at the time of an incident, the initial response time was increased from 30 minutes to 60 minutes. However, the change was based on a "worst case" situation, based on transportation from the SERV's building to the terminal. Because this information is used for planning purposes, this change appears reasonable and necessary. Finally, the proposed plan asserts that of the six SERV's skimmer operators initial responders *includes* the four personnel on the Valdez Star. As there has been no change from the current plan, the Department will pursue verification of the adequacy of this number of skimmer operators through drills, exercises and other means.
- c) The plan states that personnel arriving from Anchorage could take up to 12 hours to arrive, and therefore the Department believes that key ICS personnel should be in Valdez at all times. The plan holder has submitted edits to the plan that ensure that the Incident Command, Logistics Chief, Operations Chief, Finance Chief, and Planning Chief positions are covered by at least two adequately trained and qualified personnel, one of whom is in Valdez at all times.
- c) Part 3, SID 1, Section 1.3 has been updated to better describe the maintenance system for the response equipment.
- d) Part 3, SID 1, Section 1.4 has been updated to state that "Alyeska will notify the Anchorage Office of the Alaska Department of Environmental Conservation as soon as possible, but not later than 24 hours after any primary equipment has been identified as being out-of-service or is expected to be out-of-service for more than 24 hours." The plan holder has explained to the Department's satisfaction why certain equipment is not listed as requiring notification if unavailable. This is because that equipment is either small items or items with sufficient redundancy as to not diminish the response capabilities in unavailable.

ISSUE #12: RESULTS OF RECENT INTERNAL AUDITS

STATEMENT OF ISSUE

Has APSC demonstrated that it has the ability/mechanisms in place to maintain compliance with the plan?

FINDINGS

The APSC management plan and agency/stakeholder/Alyeska meetings described in Part 2, Section 2.7.5 of the C-plan adequately address the concerns of the Department.

REGULATORY AUTHORITY

The regulations under 18 AAC 75.490 (a) state that "if a plan holder fails to comply with an approved oil discharge prevention and contingency plan, demonstrates an inability to maintain continuous access to the quality or quantity of resources identified in the plan, fails to respond with those resources in the shortest possible time if a discharge occurs, or is in any other way subject to the terms of AS.04.030(f)(1)-(4) the department will in its discretion,

- (1) revoke its approval of the plan after notice and opportunity for hearing under c) of this section;
- (2) suspend its approval of the plan after notice and opportunity for hearing under c) of this section, stating the condition under which the department will reinstate its approval and allow operations to resume;
- (3) order the plan holder to file an application to amend the plan within a specified time under 18 AAC 75.415; or
- (4) take other necessary action to correct the failure to comply.

RESPONSE TO COMMENTS

No public comment was received regarding results of recent audits.

BASIS FOR DECISION

An Alyeska internal audit conducted during the period March 1-25, 1999 and published May 24, 1999 identified four findings to support a concern that APSC is not able to readily demonstrate adequate internal controls in place to manage the plans. The audit concluded, "management lacked a process or system to meet contingency plan commitments as demonstrated by:

1. Responsible and accountable resources for activities required under the plan have not been identified or assigned.
2. Documentation is not maintained in an accessible manner and as a result there is uncertainty regarding the completeness of training and drill experience for spill response personnel.
3. Records required to support the completion of regulatory requirements are not always identified as such and are not practically traceable to the storage location
4. Management has not established verification and measurement procedures for the plans."

In response to this audit, Alyeska has stated in the proposed plan that a management plan has been instituted to ensure the requirements of the contingency plan are met and that the management plan will be under the responsibility of the Terminal Manager. In the plan's compliance section under Section 2.7, APSC states that "A regular group comprised of Terminal and SERVs personnel will meet regularly with ADEC to discuss the status of the contingency plan."

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The Department supports this initiative and requested APSC to further define the activities of this group such as frequency of meetings, methods of reporting progress in meeting plan conditions (if any) and/or items in the plan compliance schedule, coordination of drills, inspections or training, review of BAT requirements, review of plan amendments and identification/resolution of any issues that may arise to ensure the success of the renewal process.

Alyeska complies with this request by revising the plan compliance section, Section 2.7.5. The plan edits will be incorporated within 45 days of plan approval. See Condition of Approval No. 10.

COMMENTS REGARDING BEST AVAILABLE TECHNOLOGY (BAT)

COMMENTS

- 0.0 RCAC's comments were adequately addressed by the applicant through the requests for additional information, except perhaps in the area of technology justification. RCAC requested more detailed, written justification of the technology chosen. They also requested the plan holder add discussion about recent work ADNR has done with oil spill trajectory software.
- 1.0 Mr. Lakosh provided general comments on the BAT section of the plan, which focused on his interpretation of what equipment used in the contingency plan requires what type of BAT analysis. In his comments, he states that "non-RPS" equipment should be subject to the multi-factor BAT analysis in 18 AAC 75.455(k)(3). He provides the loose definition that any equipment could be "non-RPS" equipment, if used in an "non-RPS" role. He also suggests that "Protection of sensitive areas also requires a BAT assessment because this equipment does not contribute in any manner to meeting RPS"
- 3.0 More specific comments from Mr. Lakosh questioned the analysis of the surveillance and tracking of spills, and the analysis of source control equipment.

RESPONSE TO COMMENTS

- 1.0 The Department finds that the plan holder did supply adequate information to evaluate the technologies listed in the plan. The Department appreciates RCAC's review of the BAT section of this plan, and will work with RCAC and the plan holder over the life of the plan to explore technologies and alternatives in all areas of BAT.
- 2.0 The Department does not agree with the commentor's interpretation of the BAT regulations. Any regulatory required response equipment (that is, to meet the RPS) is subject to the BAT analysis at 18 AAC 75.445(k)(1):

"technology used for oil discharge containment, storage, transfer, and cleanup to satisfy a response planning standard in 18 AAC 75.430 – 18 AAC 75.442

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will be considered best available technology if the technology of the applicant's oil discharge response system as a whole is appropriate and reliable for the intended use as well as the magnitude of the applicable response planning standard;"

Any other equipment listed in the plan would be subject to a (k)(3) multi-factor BAT analysis only if it was integral to one of the technologies identified in 18 AAC 75.425(e)(4)(A).

- 3.0 The Department finds the BAT analysis of procedures and methods for real-time surveillance and tracking of the discharged oil on open water and forecasting of its expected points of contact adequate. The Department also finds the plan holder's analysis of procedures to stop the discharge at its source and prevent its further spread adequate.

GENERAL COMMENTS, RECOMMENDATIONS AND REQUESTED PLAN EDITS

COMMENTS

- 1.0 RCAC commented with numerous editorial or recommended changes to the plan. Most of RCAC's comments made the plan clearer and more user-friendly but did not make substantive changes to the plan. These types of comments were addressed by the plan holder in their responses dated January 23, 2000 and February 22, 2000. The resulting edits to the plan will occur within 45 days of the plan approval (see Condition No. 10).
- 2.0 RCAC recommended other changes that did substantively change the plan. These changes included a more detailed description and inventory of electronic oil spill tracking devices in Section 5.1.1.1 *Trajectory Analysis*, and Part 3, SID 3, Section 3.2.1. Also, more detailed descriptions of all facility job positions with regular duties that may affect the risk or size of an oil spill were added in Part 2, Section 2.1.1.1.
- 3.0 Mr. Lakosh expressed concern about the contingency plan review procedures
- 3.1 First he commented that "All of the information necessary to finally determine APSC's [the plan holder's] ability to conduct an effective response under normal operating conditions must be made available to the public for inspection and copying no less than 10 days before the end of the public comment period. 18 AAC 75.455(d)(2)." (December 27, 1999 letter, RE: Public Comment on the DEC/BLM Approval of the VMT C-Plan).
- 3.2 Second, he states "DEC's failure to include the September '99 drill reports in the record after my prior comments is an unconscionable abandonment of its regulatory duty to require incorporation of lessons learned in

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successive permit renewal reviews" (March 20, 2000 letter, re: Public Comments on the VMT C-Plan.)

3.3 and, "DEC cannot continue to issue permits when it is commonly acknowledged that this un-addressed issue could substantially impair the response represented in scenarios and subsequently require numerous C-plan amendments to meet minimum regulatory standards. New, more complete RFAs must be issued and the public review must remain open until this issue is competently resolved, (see SJ ruling on "Phasing" in '95 Tanker C-plan Adjudication)." (March 20, 2000 letter, re: Public Comments on the VMT C-Plan).

RESPONSE TO COMMENTS

1.0 and 2.0. The Department finds that the plan holder has adequately addressed all RCAC's comments in this section.

3.1 The Department finds that the commenter's interpretation of 18 AAC 75.455(d)(2) is inaccurate.

3.2 Mr. Lakosh's comments regarding the Valdez Marine Terminal exercise in September 1999 have been considered in this plan review, specifically in the Department's *Final Findings Document* – Issues #3. There is no "record" for this plan review at this time. Documents relating to the proposed plan and information requests were provided at ARLIS for public review. Any reports or documents in the Department's public files are available upon request.

3.3 The Department has reviewed the plan according to the procedures set out in 18 AAC 75.455. The Department has found the plan complete per the requirements of 18 AAC 75 et al. The commenter has not provided compelling evidence to the contrary and has not identified any regulatory deficiencies in the plan.

However, in the interest of continuous improvement and cooperation, the plan holder, ADEC, JPO and RCAC will meet over the life of the plan to address concerns, technical alternatives and plan development (see the conditions of the plan approval for more information).

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will be considered best available technology if the technology of the applicant's oil discharge response system as a whole is appropriate and reliable for the intended use as well as the magnitude of the applicable response planning standard;"

Any other equipment listed in the plan would be subject to a (k)(3) multi-factor BAT analysis only if it was integral to one of the technologies identified in 18 AAC 75.425(e)(4)(A).

- 3.0 The Department finds the BAT analysis of procedures and methods for real-time surveillance and tracking of the discharged oil on open water and forecasting of its expected points of contact adequate. The Department also finds the plan holder's analysis of procedures to stop the discharge at its source and prevent its further spread adequate.

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- 2.0 RCAC recommended other changes that did substantively change the plan. These changes included a more detailed description and inventory of electronic oil spill tracking devices in Section 5.11.1 *Trajectory Analysis*, and Part 3, SID 3, Section 3.2.1. Also, more detailed descriptions of all facility job positions with regular duties that may affect the risk or size of an oil spill were added in Part 2, Section 2.1.1.1.
- 3.0 Mr. Lakosh expressed concern about the contingency plan review procedures
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RESPONSE TO COMMENTS

- 1.0 and 2.0. The Department finds that the plan holder has adequately addressed all RCAC's comments in this section.
- 3.1 The Department finds that the commenter's interpretation of 18 AAC 75.455(d)(2) is inaccurate.
- 3.2 Mr. Lakosh's comments regarding the Valdez Marine Terminal exercise in September 1999 have been considered in this plan review, specifically in the Department's *Final Findings Document* – Issues #3. There is no "record" for this plan review at this time. Documents relating to the proposed plan and information requests were provided at ARLIS for public review. Any reports or documents in the Department's public files are available upon request.
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However, in the interest of continuous improvement and cooperation, the plan holder, ADEC, JPO and RCAC will meet over the life of the plan to address concerns, technical alternatives and plan development (see the conditions of the plan approval for more information).

**DEPT. OF ENVIRONMENTAL CONSERVATION
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April 18, 2001

File No. 304.30.1 (VMT)

Robert J. Shoaf
Vice President
Alyeska Pipeline Service Company
1835 S. Bragaw Street, MS 528
Anchorage, Alaska 99512

Dear Mr. Shoaf:

SUBJECT: Valdez Terminal Oil Discharge Prevention and Contingency Plan (C-plan),
ADEC Plan number: 993-CP-4097. Conditions of Approval #7 – Testing of
Tank 53 through 56 Leak Detection Systems

We are in receipt of Government Letter #00-16928 dated March 22, 2001, which describes the testing of the leak detection systems for Tanks 53 through 56 at the Valdez Marine Terminal.

With the information provided and the systematic submission of data to verify the preliminary results, the Department finds that the system meets the requirements of 18 AAC 75.065(i)(1)(A). Therefore, the condition is now considered complete and closed.

Please note that this condition resolution is contingent on the submission of the additional data. Specifically, for Tanks 53 and 54 additional monthly test data and threshold and sensitivity results must be submitted on or before February 28, 2002, and for Tanks 55 and 56 the two-year evaluation threshold and sensitivity results must be submitted on or before September 30, 2001.

Please submit edits to update the C-plan appropriately. If you have any questions or comments, contact me at 271-4389, or Section Manager Bonnie Friedman at 271-4113.

Sincerely,



Betty Schorr
Environmental Specialist

cc: Mr. Michael Thomas, ADFG, Anchorage
Mr. Jerry Brossia, AO, BLM/JPO
Mr. Bill Britt, SPC, ADNRR/JPO
Mr. Carl Lautenberger, EPA/JPO
Mr. Mike Wrabetz, BLM/JPO
Mr. Jim Taylor, USDOT/OPS, Washington DC
Commander Payton Coleman, COTP, USCG/MSO Valdez
Mr. Joe Banta, Project Manager, PWS RCAC, Anchorage
Ms. Lynda Hyce, PWS RCAC, Valdez
Mr. Dennis Maguire, Alyeska SERVS, Valdez
Ms. Jule Magee, Alyeska SERVS, Valdez
Mr. Paul Hankins, Alyeska SERVS, Valdez

BEFORE THE COMMISSIONER OF THE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

In the matter of:

City of Valdez,

Requester.

v.

Alaska Department of Environmental
Conservation, Division of Spill
Prevention and Response and Alyeska
Pipeline Service Company,

Respondents.

OAH No. 25-0950-DEC

CERTIFICATE OF SERVICE

I certify that on **May 30, 2025**, true and correct copies of the **Division's Motion for Reconsideration, Exhibits A-E** and this **Certificate of Service** were served on the following via email:

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/s/ Jenna Combs
Jenna C. Combs
Law Office Assistant

ATTACHMENT AK

APSC Government Letter No. 53083, Enclosure C, Section 2.1.6.3 Leak Detection
(Proposed Changes).

- Routine in-service inspections performed and recorded monthly;
- Five-year external inspection for in-service tanks greater than 10,000 gallons;
- Annual inspections for tanks less than 10,000 gallons; ~~and~~
- Re-inspection interval designed to prevent the occurrence of tank-bottom penetration prior to the next scheduled inspection.

If there is evidence a leak may have occurred in a tank bottom, the tank is removed from service and hydrostatically tested. Tank inspections are documented, and the records are retained at the VMT for a minimum of ~~five~~5 years.

A notification to ADEC is provided if an oil storage tank undergoes major repairs or alteration per 18 AAC 75.065(e).

There are no oil storage tanks with internal heating coils at the VMT.

2.1.6.3 Leak Detection ~~[18 AAC 75.065(h)(1)(A)]~~

Regulation at 18 AAC 75.065(h)(1) requires field-constructed oil storage tanks be equipped with leak detection or spill prevention systems. Field-constructed oil storage tanks at the VMT are equipped with gauging systems.

The ground in secondary containment areas around each tank is normally frozen (during winter) or covered with a layer of water. There is no specific tank-bottom leak detection system; however, leakage from a tank may be visible on the surface or in the snow. Olfactory recognition may replace visual in the case of very deep snow. Each tank ~~site~~dike/cell is normally visited daily unless restricted by adverse weather or safety conditions.

When the tanks at the VMT are blocked in (block valves closed at both tank inlet and manifold valves), the gauging system is accurate enough to detect small leaks. The precision of the electro-mechanical tank gauges is ± 0.004 inches of liquid level.

The ~~VMT comprehensive Data Monitoring and Supervisory Control~~ and Data Acquisition (SCADA) control system also provides an additional level of tank volume, transfer, and in-storage monitoring to detect spills or overfilling during transfer, and also acts as a leak detection system. The SCADA system ~~checks volumes and produces a report called, "Terminal Receipts and Deliveries."~~

~~This computer based system~~ takes data points from the incoming metering system, the storage tank level gauges, the outgoing meter system, the recovered crude injection system, the tank water draw, and the header fill volume system to calculate a net gain or loss value between the amount of oil received, in-storage, and loaded onto tankers ~~every 30 minutes.~~

~~This net gain or loss is calculated every 30 minutes and is monitored every 60 minutes by the OCC Controller for anomalies. When an anomaly exceeding $\pm 3,000$ barrels occurs in a one-hour period, notification of VMT personnel is made and a facilities check is initiated to resolve the anomaly. The OCC receives a terminal gain/loss alarm if the incoming flow rate exceeds the calculated threshold, which is determined by multiplying the average VMT incoming flow rate by the leak detection sensitivity set-point. The OCC Controller takes investigative action by verifying take level readings, meter accuracies, and measurements of cargo loaded aboard tankers. If unable to determine the cause of the anomaly, the OCC Controller will notify VMT Operations and request a facilities check to rule out potential tank(s), valve(s), or piping leak(s).~~

If the 24-hour summary report shows a cumulative ~~differential of over 3,000 barrels~~ difference exceeding the calculated threshold, the OCC Controller resolves the difference by verifying tank level ~~gauge~~ readings, meter accuracies, and measurements of cargo loaded aboard tankers. If the ~~differential~~ difference remains ~~unresolved~~ undetermined, the OCC Controller notifies the

Measurement Team management is notified for further review. An attempt to resolve the differential difference is made, and based on circumstances, the differential may be treated as a possible leak or oil spill.

Another feature of this system is the ~~ability of the OCC Controller to establish specific set points for crude oil storage tanks and ballast water storage tanks. The OCC Controller can program an individual set point for each tank with a static level.~~ SCADA system is programmed at one-tenth (0.10) of a foot below and above for each crude oil tank with a static level. If the set point for a minimum or maximum level is exceeded, an alarm will ~~sound~~ annunciate in the OCC and the OCC Controller will take investigative action. The sensitivity of this system is variable and ranges from measured feet of level change to fractions (1/100th) of a foot. The average is to set alarms at 0.30 of a foot range. This equates to a sensitivity of approximately 2,595 barrels for a crude oil storage tank.

~~The sensitivity of the systems is discussed below.~~ The VMT static Crude oil tank leak detection method allows for determining a leak size with a minimum of 872 bbls., per one-tenth (0.10) of a foot range, should a sudden leak develop on one of the active storage tanks.

Crude Oil System

~~The “Terminal Receipts and Deliveries” 30 minute summary (monitored hourly by OCC) would indicate an anomaly. The OCC Controller would be expected to take investigative action if the anomaly exceeded an unresolved volume in excess of 3,000 barrels in both a 1 hour and a 24 hour period. Based on an average transfer rate of 700,000 barrels per day, this constitutes a sensitivity of 0.429 percent daily.~~

Ballast Water System

Routine operations of the BWT facility include daily verifications and reporting tools that can be used to determine leakage from the ballast water tanks and the recovered crude oil tank.

- Operators record the levels and status of the BWT and recovered crude tanks every 4 hours; operator must account for variations of +/-0.01 feet on a static tank. The level readings are taken from an electro-mechanical tank level indicator.
- At midnight, operators compare the ballast water effluent outfall flow meter reading to the total BWT tank drop (as recorded every 30 minutes on the VMT mainframe computer supervisory control system). If the two readings are not within ± 5 percent, the BWT Control Room Operator will investigate the cause of the difference.
- BWT operators record the beginning and ending tank levels of the BWT and recovered crude tanks every time a tank's on-line or off-line status is changed. This record enables the operator to account for tank volume changes.
- Operators perform daily inspections inside the BWT and recovered crude tank secondary containment areas for leaks from tanks, piping, and valves. Running water or evidence of sheen around the tanks or piping indicates damage.

Fuel Oil System

A daily net gain/loss calculation is performed. This calculation balances receipts and deliveries against inventory and has a resolution that exceeds the 0.5 percent required by ~~the DOT/PHMSA.~~ In addition, trending analysis of the gains/losses is used to detect leaks or measurement problems. If a calculation reflects a negative trend, an investigation of the system is initiated. The first response is to verify the daily readings and data entry. If a measurement or data entry error is not found that explains the discrepancy, a visual inspection of the system will be performed. If the cause of the discrepancy is still not determined, more extensive actions will be taken until the source of the unaccountable loss is identified.