

**Briefing for PWSRCAC Board of Directors – January 2025**

**INFORMATION ITEM**

**Sponsor:** Linda Swiss and the OSPR Committee  
**Project number and name or topic:** 6510 - Valdez Marine Terminal  
Contingency Plan Renewal

1. **Description of agenda item:** On November 6, 2024, the Alaska Department of Environmental Conservation (ADEC) approved the renewal of the Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan (VMT C-Plan) and issued its Basis of Decision on the renewal. The 5-year renewal is effective as of November 6, 2024, and expires on November 5, 2029. ADEC's approval letter and Basis of Decision document can be found <https://pwsrcac.net/committees/vmt-contingency-plan-2023-renewal/>.

Alyeska submitted the VMT C-Plan renewal to ADEC for a sufficiency review in October 2023, followed by two public reviews and three rounds of requests for additional information.

ADEC's recent approval includes **Condition of Approval (COA) #1 East Tank Farm Secondary Containment Area Required Evaluation**. As outlined in Issue #7 in the Basis of Decision document, section 2.1.7.1 of the plan, further analysis of the liners is required. This renewal requires Alyeska to complete the following:

- A. *Submit the final report of secondary containment liner testing method to be used to evaluate the condition of the East Tank Farm secondary containment area by March 1, 2025.*
- B. *Complete liner investigations of the East Tank Farm secondary containment area within the plan cycle (prior to plan submittal of the 2029 renewal).*

On November 26, 2024, the Board approved filing a Request for Informal Review on this COA to include the following:

1. The COA should specify that the submissions required of Alyeska by the COA, the schedules of inspections, and corrective actions because the liner inspections will be reviewed as major amendments to the Prevention Plan with formal public review as required by 18 AAC 75.415(a)(4)-(5).
2. The COA should establish a schedule for completing inspections of the liners by the end of 2025.
3. The COA should include requirements for corrective action if the liner inspections fail to demonstrate that the existing liner meets the "sufficiently impermeable" standard of 18 AAC 75.075.

## Update on Request for Informal Review on the VMT C-Plan 4-1

This informal review request was directed to ADEC's Spill Prevention and Response (SPAR) Director Teresa Melville for resolution. On December 3, 2024, PWSRCAC was notified by Director Melville that our request has merit under 18 AAC 15.185(b). A decision on the informal review is expected by February 24, 2025.

2. **Why is this item important to PWSRCAC:** The VMT C-Plan approval process includes important actions which could potentially impact every member organization of PWSRCAC. The VMT C-Plan establishes state and federal oil spill prevention and response requirements that Alyeska is required to comply with to prevent a spill from occurring, as well as requirements that Alyeska would be obligated to address should an oil spill occur. This plan is renewed every five years. Reviewing contingency plans is a major task for PWSRCAC, as outlined in both the PWSRCAC/Alyeska contract and OPA 90.

Additionally, this renewal and request for an informal review are important to PWSRCAC because the secondary containment liners in the East Tank Farm are there to prevent the contamination of ground and surface water in the event of an oil or other hazardous liquid spill. The issue with the secondary containment liner (also known as the "catalytically blown asphalt liner" or "CBA liner") is if the integrity of the liner is compromised, such as having through holes, cracks, and gaps, the risk of an oil spill causing environmental damage increases.

Furthermore, Alyeska receives a 60% prevention credit from the Response Planning Standard volume from a catastrophic spill for a "sufficiently impermeable secondary containment liner." PWSRCAC has been following this issue for more than 20 years and has questioned the reasonableness of this prevention credit when the integrity of the liners cannot be verified. This integrity issue was also the subject of a 2019 Request for Informal Review and a 2022 Request for Adjudicatory Hearing.

### 3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
XCOM Board	12/4/19 1/27/22	Authorized staff to submit requests for informal review on VMT C-Plan renewal
XCOM Board	4/28/22 1/26/23	Approval to authorize Executive Director to file request for adjudicatory hearing on the VMT C-Plan related to secondary containment liner.
XCOM Board	4/28/22 1/26/23	Approval of contract with Dr. Craig Benson for secondary containment liner work.
XCOM Board	1/26/23	Accepted report "Methodologies for Evaluating Defects in the Catalytically Blown Asphalt Liner in the Secondary Containment System at the Valdez Marine Terminal" by Dr. Craig Benson dated 11/29/22 as meeting the terms of contract 6512.22.02; direct staff to send report to Alyeska, state and federal regulators with cover letter.
Board	5/2/24	Authorized individual contracts with Nuka Research and Planning Group, LLC. and Attorney Breck Tostevin for professional services in FY2025 with the aggregate total not to exceed \$80,000.
Board	11/26/24	Authorized staff to request an informal review to ADEC pertaining to COA #1 related inspection of the secondary containment liners in the recently approved VMT C-Plan.

4. **Committee Recommendation:** Staff and members of the C-Plan Project Team from the OSPR and TOEM Committees have been briefed on the status of the VMT C-Plan renewal.

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5. **Relationship to LRP and Budget:** Work associated with this project was included in the FY2025 budget under project 6510, in an amount not to exceed \$80,000.
6. **Action Requested of the Board of Directors:** None, this item is for information only.
7. **Attachments:** None.