

Briefing for PWSRCAC Board of Directors – May 2025

ACTION ITEM

Sponsor: Sadie Blancaflor and the TOEM Committee

Project number and name or topic: 5057 - Air Quality Review of the VMT

1. **Description of agenda item:** The Board is being asked to accept the report titled “Volatile Organic Compound (VOC) Emissions from the Snow Removal Incident at the Alyeska Pipeline Service Company’s Valdez Marine Terminal East Tank Farm in Early 2022,” by Dr. Ranajit (Ron) Sahu.

2. **Why is this item important to PWSRCAC:** The 2022 VMT Crude Oil Storage Tank Vent Incident resulted in several tank vents being severely damaged or sheared off entirely due to excessive snow load and ice accumulation, resulting in VOC and Hazardous Air Pollutant (HAP) emissions being released into the surrounding atmosphere. These emissions may pose adverse environmental and health impacts to residents of Prince William Sound, necessitating the need to better understand the volume of VOC and HAP emissions that were released. Since its inception, PWSRCAC has had a continuing interest in reducing or eliminating emission of HAPs at the VMT, and this study satisfies the Council’s role of monitoring the actual and potential environmental impacts at the VMT.

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

Meeting	Date	Action
Board	1/25/2024	The Board authorized a contract with Ron Sahu, Ph.D., in an amount not to exceed \$50,000 to conduct work related to VMT Title V air quality permit review and associated air quality issues under project 5570 - Valdez Air Quality.
Board	3/19/25	The Board authorized a FY2025 budget modification transferring \$20,000 from the contingency fund to project 5057 Air Quality and authorized a corresponding change order to increase the contract with Dr. Ranajit (Ron) Sahu in an amount not to exceed \$70,000.

4. **Summary of policy, issues, support, or opposition:** A Notice of Violation (NOV) letter was issued to Alyeska on May 3, 2022. The letter alleges that Alyeska violated the VMT’s Air Quality Permit No. AQ0082TVP02, Air Quality Control Regulations as established by Alaska Administrative Code, 18 AAC 50, and Alaska Statute Title 46, Chapter 14. Violations (2) and (3) each have 12 separate counts. Each of the 12 counts of violation (2) state, “The Department is still investigating the circumstances and the actual volume of vapor released from the Crude Oil Storage Tank,” and each of the 12 counts of violation (3) state, “The Department is still investigating the circumstances and the volume of Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs) that was released to the atmosphere from the Crude Oil Storage Tank.”

It is the Council’s understanding that this Alaska Department of Environmental Conservation (ADEC) investigation is still ongoing.

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These NOVs were issued against the VMT's 2012 Title V Air Quality permit AQ0082TVP02, under which Alyeska is being allowed to indefinitely continue operating through a "permit shield." After the ADEC Division of Air Quality published a 2017 Public Notice for renewal of Alyeska's Title V Air Quality Permit for the VMT (Permit Number AQ0082TVP03), the permit did not advance due to changes made by the EPA to the Organic Liquids Distribution Maximum Achievable Control Technology (MACT) under the National Emission Standards for Hazardous Air Pollutants (NESHAP) Organic Liquids Distribution (OLD). Furthermore, it is the Council's understanding that Alyeska's October 7, 2020 Motion to Stay the Final NESHAP-OLD Rule submitted to U.S. Circuit Court of Appeals for the District of Columbia (D.C. Circuit) and the petition for reconsideration granted by the EPA to Alyeska on December 15, 2020, regarding the final Residual Risk and Technology Review of NESHAP-OLD (85 Fed. Reg. 40740 dated July 7, 2020), is adding to these delays.

A draft of Dr. Sahu's report was provided to Alyeska on February 4, 2025, for their feedback and input. Alyeska responded on February 25, 2025, confirming receipt of the draft report. Alyeska transmitted a second letter on March 7, 2025, respectfully disagreeing with the report findings. However, the reasoning provided in the transmitted letter did not provide enough details about what they disagreed with for our contractor to understand if revisions to the report are warranted. Alyeska was asked at the March 7, 2025 TOEM meeting if they would like to provide more detailed feedback. On March 13, 2025, Alyeska staff informed Council staff verbally that Alyeska would not be providing additional feedback on this report.

5. **Committee Recommendation:** On March 7, 2025, the TOEM Committee recommended Board acceptance of the report, titled "Volatile Organic Compound (VOC) Emissions from the Snow Removal Incident at the Alyeska Pipeline Service Company's Valdez Marine Terminal East Tank Farm in Early 2022," as meeting the terms and conditions of contract number 5057 pending any contractor review and response to Alyeska's GL 60176, which was received immediately prior to this meeting.

6. **Relationship to LRP and Budget:** Work associated with this project was included in the FY2025 budget under contract 5057.24.01 that was approved by the Board in an amount not to exceed \$70,000.

7. **Action Requested of the Board of Directors:** Accept the report titled "Volatile Organic Compound (VOC) Emissions from the Snow Removal Incident at the Alyeska Pipeline Service Company's Valdez Marine Terminal East Tank Farm in Early 2022," as meeting the terms and conditions of contract 5057.24.01 with Dr. Ranajit (Ron) Sahu.

8. **Attachments:**

- Report titled "Volatile Organic Compound (VOC) Emissions from the Snow Removal Incident at the Alyeska Pipeline Service Company's Valdez Marine Terminal East Tank Farm in Early 2022"
- Alyeska's letter GL 60176 response dated March 7, 2025.