ITC Tank Farm Fire and Spill Response Transition to Long-Term Remediation UPDATE – June 19, 2019

Incident Overview

On March 17, 2019, an above ground storage tank containing Naphtha, caught fire within the 2nd 80's Tank Farm at the Intercontinental Terminals Company (ITC), LLC facility in Deer Park Texas. The affected ITC tank farm consisted of fifteen 80,000-barrel capacity above ground storage tanks containing petroleum products including: naphtha, xylene, toluene, pyrolosis gas (pygas), gasoline blendstock, and base oil. All 15 tanks in the 2nd 80's Tank Farm were impacted by the fire and ten of the tanks collapsed, or partly collapsed. Water runoff from fighting the tank farm fire and the partial failure of the secondary containment surrounding the tank farm, discharged tens of thousands of barrels of material into Tucker Bayou, which empties into the Houston Ship Channel. This also resulted in the release of contaminants into the atmosphere, and the discharge of some of the tank contents to drainage pathways that led to the Houston Ship Channel.

Transition from Emergency Response to Long-Term Remediation

On June 19, 2019, the U.S. Environmental Protection Agency (EPA) Federal On-Scene Coordinator (FOSC) is transitioning this incident from the emergency response phase to the long-term remediation phase, in which the Texas Commission on Environmental Quality (TCEQ) State On-Scene Coordinator (SOSC) and Remediation Division will oversee and approve the remaining cleanup efforts relative to this incident.

Emergency Response Activities

<u>Tank Farm</u>

As of June 17, 2019, ITC has emptied and cleaned, to the extent possible, all the tanks within the 2nd 80's Tank Farm and has flushed and cleaned all piping within the tank farm system. However, because many of the tanks are severely damaged, ITC indicated that it was impossible to completely clean and remove all residual contents from the tanks without first demolishing them.

ITC is currently in the process of demolishing all 15 tanks in the 2nd 80's Tank Farm to remove any residual contents. To date, demolition of the pygas tanks (Tanks 80-15, 80-14, 80-10 and 80-7), and the toluene tank (80-13) have been completed. It is anticipated that on site volatile organic compounds (VOC) emissions and flash fires may occur during the tank demolition activities. However, that risk has been greatly reduced with the removal of the pygas tanks. The sampling and monitoring activities associated with this effort will remain in place as there are public roadways and industrial neighbors close to the tank farm. The TCEQ SOSC and Remediation Division will continue to oversee and approve all subsequent plans associated with the ultimate clean-up actions for the tank farm.

Impacted Ditches between the Tank Farm and Tucker Bayou

The water runoff from fire-fighting activities during the tank farm fire and the partial failure of the secondary containment surrounding the tank farm discharged tens of thousands of barrels of material into Tucker Bayou, which empties into the Houston Ship Channel. Multiple ditches along the release pathway were impacted. ITC is currently addressing the ditches and the

accumulation of residual materials along these pathways. The TCEQ SOSC and Remediation Division will continue to oversee and approve all subsequent plans associated with the ultimate clean-up along the impacted ditches associated with this event including those between the tank farm and Tucker Bayou.

Impacted Waterways

The water runoff from fighting the tank farm fire and the failure of the secondary containment discharged tens of thousands of barrels of material into Tucker Bayou, which empties into the Houston Ship Channel. Under the oversight of the EPA, with assistance from the U.S. Coast Guard (USCG), ITC has completed the main recovery of materials in the Houston Ship Channel and is continuing to address any areas causing sheens on the impacted waterway. The Unified Command for this incident (ITC, EPA, TCEQ, and Harris County) has signed-off on the completion of emergency response cleanup activities in the Houston Ship Channel and surrounding waterways, except for Tucker Bayou. Unified Command partners agreed that the final cleanup of Tucker Bayou would be transitioned and addressed under the long-term remediation phase and not as part of the emergency response. The TCEQ SOSC and Remediation Division will oversee further cleanup efforts in Tucker Bayou.

The USCG Sector for Houston-Galveston will provide assistance as needed to the TCEQ by monitoring the waterways in the impacted area during normal patrol activities and report any findings to ITC and the TCEQ SOSC.

ITC will:

- 1. Continue to conduct patrol and monitoring activities within the affected area for the presence of material or sheen observance associated with this incident and take appropriate response actions to address those issues. ITC will work with the TCEQ on the timeframe for this activity;
- 2. Complete weekly documentation noting the observations from the impacted area as well as special areas designated under the monitoring and maintenance plan; and,
- 3. Report any new areas of material or sheen observance to the National Response Center at (800) 424-8802 and indicate that it is associated with the ITC Fire Incident (NRC# 1240304) of March 17, 2019.

Transition to Long-Term Remediation Phase

After the EPA FOSC has transitioned the ITC Tank Fire response from the emergency response phase to the long-term remediation phase, the TCEQ will provide responsible party oversight for the remaining activities. ITC will be required to perform an affected property assessment to fully assess all affected environmental media (e.g., sediment, soil, surface water, and groundwater as applicable).

The TCEQ will require ITC to submit a detailed schedule and supporting workplan of post ERrelated interim actions.

ITC will also be required to provide a schedule and supporting workplan to conduct the assessment and delineation of soil, groundwater, sediment and surface water impacted by the releases.

Upon completion of the assessment and approval from the TCEQ, ITC will be required to develop and implement any necessary remedial actions in accordance with state rules and standards.

Natural Resources Damage Assessment

The Natural Resource Damage Assessment (NRDA) Trustees from the TCEQ, Texas Parks and Wildlife Department and Texas General Land Office will participate in the long-term documentation of damages to state resources, wildlife and wildlife habitat during the remediation process.

Community Air Monitoring/Sampling

ITC will continue air monitoring and sampling activities in accordance with the currently approved Analytical Air Sampling Plan, dated May 9, 2019. Any reduction in the air monitoring/sampling activities will require the approval of the TCEQ SOSC and/or Remediation Division.