

Risk Management Plans

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What is Risk Management Planning?

- The U.S. Environmental Protection Agency (EPA) issued a new regulation - Risk Management Program (RMP) in June 1996.
- Requires facilities that store certain amounts of regulated chemicals to identify the hazards of those chemicals, to establish plans to prevent accidental releases of those chemicals, and to develop plans to minimize the consequences of releases should they occur.
- Information shall be available to the public.
- Three years from rule issuance to comply (June 1999), but dialogue is on-going.

What is the intent of RMP?

- “... value of RMP information is for the local community to understand the community’s risk from chemical accidents and to help them work with sources using these chemicals to reduce such risks.”
- “... designed principally to support a dialogue between the source and the community on release prevention, and not to serve as the sole or primary basis for local emergency planning.”

Prevent serious chemical accidents by encouraging good communication between communities and industry about ways to manage and respond to risks at facilities which store certain chemicals.

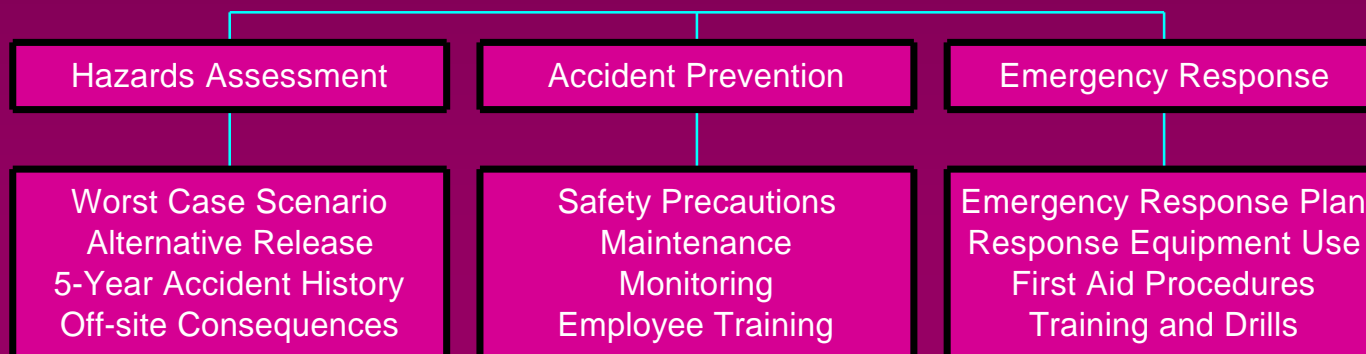
Is Koch regulated by RMP?

- Yes
- We store more than the “threshold quantity” of propane.
- We are reducing the inventory of ammonia and chlorine to below the “threshold quantity.”
- We are working as a part of the Pine Bend Industrial Group, under the guidance of the Dakota County Emergency Services Department, to share information surrounding RMP.

What are the RMP rule components?

- Conduct a hazard assessment; analyze scenarios (including worst case and alternative); complete a five-year accident history.
- Implement accident prevention requirements.
- Develop an emergency response program.

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Hazard Assessment

- A worst case scenario is defined as:
“the release of the largest quantity of a regulated substance from a vessel or a process line failure that results in the greatest distance to an endpoint.”
- Rule assumes worst-case meteorological conditions and allows use of passive mitigation measures (dikes, drains, etc.) in some instances.
- Worst case scenarios are highly unlikely.

Hazard Assessment

- An alternative release scenarios is defined as:
“the release of a regulated substance that is more likely to occur than the worst case release, reaches an endpoint offsite (unless no such scenario exists) and incorporates the mitigative effects of active and passive mitigation systems that are capable of withstanding the event triggering the release.”
- Alternative scenarios are more realistic and are to be used as emergency response planning tools.

Accident Prevention

- Inspections & maintenance
- Hazard analyses
- Permit program (e.g. hot work permits)
- Reduce inventory below “Threshold Quantity”
- Safety training/observations
- Total Safety Culture/Area Champions
- Unit specific procedures

Emergency Response

- Emergency shutdown procedures
- Firewater system & firefighting equipment
- Plans, training & drills
- Mutual aid partners
- Deluge system

What should you know?

There are several key points that Koch wants to acknowledge publicly.

1. Risks exist.

- We produce needed energy products which help get us from home to work, school, play, etc.
- Those products carry risks.

2. We continuously manage risks.

- We conduct routine design, maintenance and inspection on our facility, and we strive to refine policies and procedures.
- Employees and contractors are required to go through job-specific safety training.

What should you know?

3. Safety and environment are values; prevention is our first priority.

- Total Safety Culture Team/Observation Process
- Total Environmental Culture Team/Environmental Awareness Training

4. We are prepared to respond and mitigate if necessary.

- We have fully-equipped and trained emergency response professionals on our staff.
- We conduct regular table top and full-scale exercises, in partnership with local mutual aid partners.

What should you know?

5. We are working to create an awareness on how we manage risk.

- We are beginning discussions with our employees.
- Working with local emergency response partners, the Pine Bend Industrial Group and local community officials.

6. We are involving the community; we will continue the dialogue.

- Community Advisory Council
- Community Days/Community Matters newsletter

Questions or Comments?

We are going beyond complying with the law and taking it a step further.

We continuously manage and reduce risks.

We are prepared to respond and mitigate if necessary.

Thank you for participating.