

IMPROVING CHEMICAL FACILITY SAFETY AND SECURITY

OSHA'S DIRECTIVE TO MODERNIZE PSM

Rocky Mountain EHS Peer Group



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Presented by *LT Environmental, Inc.*

Process Safety Management

- *Process Safety Management of Highly Hazardous Chemicals (29 CFR 1910.119)*
 - ▣ Adopted May 26, 1992
- Process Safety Management (PSM) is the application of management principles and systems to the identification, understanding, and control of process hazards to protect employees, facility assets, and the environment.



Process Safety Management

- Employee Participation
- Process Safety Information
- Process Hazard Analysis
- Operating Procedures
- Employee Training
- Contractors
- Pre-Startup Safety Review
- Mechanical Integrity
- Hot Work (Non-routine Work Authorizations)
- Management of Change
- Incident Investigation
- Emergency Planning and Response
- Compliance Audits



Application of Rule

- Appendix A of 29 CFR 1910.119 contains a listing of toxic and reactive highly hazardous chemicals which present a potential for a catastrophic event at or above the threshold quantities listed.
 - > 10,000 lbs. of flammable chemical stored on site



Application of Rule

- Exempts
 - Retail facilities
 - Oil or gas well drilling or servicing operations
 - Normally unoccupied remote facilities
 - Hydrocarbon fuels used solely for workplace consumption as a fuel, if such fuels are not part of a process containing another highly hazardous chemical covered by this standard
 - Flammable liquid stored in atmospheric tanks or transferred, which are kept below their normal boiling point without benefit of chilling or refrigerating and are not connected to a process



Application of Rule

□ Exempts

□ Normally unoccupied remote facilities

- “Normally unoccupied remote facility” means a facility which is operated, maintained, or serviced by employees who visit the facility only periodically to check its operation and to perform necessary operating or maintenance tasks. No employees are permanently stationed at the facility. Facilities meeting this definition are not contiguous with, and must be geographically remote from all other buildings, processes, or persons.
 - OSHA Interpretation letter = average 14 hours per week



Executive Order 13650

- 9/1/2013
 - Authorizes enhanced information collection with the purpose of suggesting changes to the PSM Standard
- Asked 17 Questions on Topics of Potential Rulemaking or Policy Change



Potential Rulemaking or Policy Change

- Clarifying the PSM exemption for atmospheric storage tanks
 - Original intent to include but excluded by a judge's ruling in 1997.
 - OSHA wants to include atmospheric storage tanks within or connected to a process.
 - Not terminals or tank batteries, but....



Potential Rulemaking or Policy Change

- Removing the oil & gas well drilling and servicing exemption
 - Original pre-amble stated that these would be exempt from this rule because a separate one would be established.
 - Would thresholds still apply?



Potential Rulemaking or Policy Change

- Removing the oil & gas production facility exemption
 - Originally included, however an objection by API about OSHA not completing an economic analysis on this portion stayed enforcement.
 - What about multiple well site pads?



Potential Rulemaking or Policy Change

- Clarifying PSM Standard with explicit requirement to manage organizational changes
 - The original intent of the MOC element in the PSM Standard did not include or contemplate organizational changes.
 - OSHA's current interpretation of the PSM Standard MOC provisions is that if changes to personnel, budgets, etc., can affect process safety then they should be covered by MOC.



Potential Rulemaking or Policy Change

- Requiring third-party compliance audits
 - ▣ Current Standard requires a facility audit every three years, but no requirements for make up of audit team.
 - ▣ SEMS requires the audit lead be an independent third party.



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