AQMD and BP Settle Refinery Emission Violations

FOR $25 MILLION IN CIVIL PENALTIES, $6 MILLION IN PAST FEES, AND $50 MILLION FOR COMMUNITY AND CLEAN AIR PROJECTS

March 17, 2005

Officials with the South Coast Air Quality Management District (AQMD) and BP West Coast Products LLC jointly announced today that they have agreed to settle a lawsuit filed by the AQMD against BP and its predecessor, Atlantic Richfield Company (ARCO), regarding past air quality rule violations at the company’s Carson, Calif., refinery. Under the terms of the settlement, BP will pay the agency $25 million in cash penalties and $6 million in past emissions fees.

“This historic settlement resolves the significant and numerous violations found at the Carson refinery. The substantial penalty and other terms are consistent with the AQMD’s intent to vigorously pursue compliance with all of its regulations and procedures,” said Dr. William Burke, AQMD’s Governing Board Chairman.

“We are pleased to have resolved this dispute and look forward to forging a strong partnership with the AQMD for the future,” said Ross Pillari, President of BP America, Inc. “This settlement allows the parties to put past disputes behind them and work towards a common goal of making BP’s Carson refinery a model citizen in the community.”
AQMD filed its initial complaint in March 2003. A second complaint was filed in January 2005. The settlement resolves all issues in the two complaints, including claims of inadequate inspection and maintenance of large above-ground storage tanks, failure to adequately perform flare data collection, inconsistencies in refinery record-keeping, and numerous air emission releases into the surrounding community from the refinery during recent years.

The $25 million in cash penalties is the largest such settlement with AQMD to date. Previous settlements included AES Alamitos, LLC for $17 million in December 2000 for excess power plant emissions.

“The AQMD and BP have a common goal of improving performance at the Carson refinery and benefiting the communities in which we operate,” added Pillari. “To underscore this commitment, BP is providing $30 million over ten years in community programs directed at asthma diagnosis and treatment, and $20 million in new refinery improvements aimed at reducing emissions.”

Lastly, as part of a commitment BP gave to the AQMD last year, BP is undertaking a program to upgrade the refinery’s existing sour water system. This equipment was the source of odor allegations in the March 2003 complaint. These improvements, expected to be completed in 2006, are designed to prevent future releases.

“All these projects will advance the District’s mission of protecting the health and welfare of residents in the community around the Carson refinery and improving air quality in the South Coast Basin,” added Dr. William Burke.

AQMD is the air pollution control agency for Orange County and major portions of Los Angeles, San Bernardino, and Riverside Counties.

BP West Coast Products LLC operates the Carson refinery located at 1801 East Sepulveda Boulevard in Carson, California.

-#-
AQMD and BP Settle Refinery Emission Violations

This page updated: March 17, 2005

Click Here for Information On Any of These Items

Off-road Emission Reduction Technology Forum and Roundtable Discussion
AQMD Diamond Bar HQ - Tuesday May 1, 2007