BP Agrees to Add More Than $400 Million in Pollution Controls at Indiana Refinery and Pay $8 Million Clean Air Act Penalty

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WASHINGTON – The U.S. Environmental Protection Agency (EPA) and the U.S. Department of Justice announced that BP North America Inc. has agreed to pay an $8 million penalty and invest more than $400 million to install state-of-the-art pollution controls and cut emissions from BP’s petroleum refinery in Whiting, Ind. When fully implemented, the agreement is expected to reduce harmful air pollution that can cause respiratory problems such as asthma and are significant contributors to acid rain, smog and haze, by more than 4,000 tons per year.

"Today’s settlement will protect the residents of northwestern Indiana from harmful air pollution by requiring state-of-the-art pollution controls," said Cynthia Giles, assistant administrator for EPA’s Office of Enforcement and Compliance Assurance. "BP’s agreement to install fenceline monitoring will also ensure that residents have access to critical information about pollution that may be affecting their community."

"In this case, BP North America has not lived up to all of its obligations under an earlier settlement agreement and has committed new violations of the Clean Air Act at its Whiting refinery in Indiana," said Ignacia S. Moreno, Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice. "This settlement secures a significant penalty, requires state-of-the-art controls, and is a fair and just resolution that will address BP’s violations. We will continue to hold BP accountable and ensure that it complies with the nation’s environmental laws."

The complaint alleges violations of Clean Air Act (CAA) requirements at the Whiting refinery in connection with construction and expansion of the Whiting Refinery, as well as violations of a 2001 consent decree with the company that covered all of BP’s refineries and was entered into as part of EPA’s Petroleum Refinery Initiative.

Today’s settlement will lead to the installation of innovative pollution controls on the largest sources of emissions at the Whiting refinery, including extensive new controls on the refinery’s flaring devices. Flaring devices are used to burn-off waste gases. The more waste gases sent to a flare, and the less efficient the flare is when burning those gases, the more pollution that will occur. Under the settlement, BP will install new equipment that will limit the amount of waste gas sent to flaring devices in the first place, as well as implement innovative, cutting-edge controls to ensure proper combustion efficiency for any gases that are burned in a flaring device. The requirements, similar to those included in a recent settlement with Marathon Petroleum Corp., are part of EPA’s national effort to reduce emissions from flares at refineries, petrochemical and chemical plants.

In addition to the controls on the refinery’s flares, the settlement will also result in reduced emissions by imposing some of the lowest emission limits in refinery settlements to date, enhancing controls on wastewater containing benzene and providing for an enhanced leak detection and repair program. Today’s settlement also requires the Whiting refinery to spend $9.5 million on projects at the refinery to reduce the emissions of greenhouse gases.

BP will perform a supplemental environmental project in which they will install, operate and maintain a $2 million fence line emission monitoring system at the Whiting refinery and will make the data collected available to the public by posting the information on a publicly-accessible website. Fenceline monitors will continuously monitor benzene, toluene, pentane, hexane, sulfur dioxide, hydrogen sulfide and all compounds containing reduced sulfur.

BP Products North America Inc., headquartered in Warrenville Ill., engages in the exploration, development, production and marketing of oil and natural gas, and additionally operates petroleum refineries in California, Indiana, Ohio, Texas and Washington. BP North America Inc. is a subsidiary of BP p.l.c., headquartered in London, England. The Whiting Refinery has a refining capacity of approximately 405,000 barrels per day, and is the 6th largest refinery in the United States.

The state of Indiana, the Sierra Club, Save the Dunes, the Natural Resources Defense Council, the Hoosier Environmental Council, the Environmental Law and Policy Center, the Environmental Integrity Project, Susan Eleuterio and Tom Tsourlis also joined in this settlement.

The consent decree is subject to a 30-day public comment period and final court approval.

More information about the settlement: http://www.epa.gov/compliance/resources/cases/civil/CAAbp-whiting.html

More about EPA’s civil enforcement of the Clean Air Act: http://www.epa.gov/compliance/civil/CAA/index.html