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## **Whatcom plant agrees to settlement for alleged violations**

Petrogas West LLC has agreed to pay a \$4 million settlement and make operational changes to resolve multiple air quality issues tied to the company's Cherry Point facility in Whatcom County, according to the [Northwest Clean Air Agency](#).

In October 2021, NWCAA alleged Petrogas had undertaken projects without obtaining required permits and reporting emissions that resulted from those projects. This settlement resolves the agency's allegations.

"These were serious allegations," said Mark Buford, NWCAA's executive director. "Our notice of violation alleged that the company should have obtained permits before making physical and operational changes from 2015 through 2020 that increased facility emissions by hundreds of tons per year. The changes didn't go through air quality permitting review and the increased emissions weren't reported. If the company had obtained permits for the changes, controls would have been required that would have prevented most of those emissions. The facility did install interim controls in 2021 that have been effective while permanent controls are planned. But the emissions never should have happened."

Petrogas operates a liquid petroleum gas (LPG) export terminal on Cherry Point. It receives products via pipelines, as well as rail cars and trucks. Petrogas ships LPG out over its wharf, which it purchased in 2016 from Intalco.

NWCAA's investigation and subsequent notice of violation alleged that Petrogas:

- Failed to disclose uncontrolled emissions of volatile organic compounds (VOCs), mainly propane, from 2014 through 2020.
- Failed to apply for Prevention of Significant Deterioration permits and an Air Operating Permit as required for sources with larger overall emissions. The undisclosed emissions exceeded the thresholds that require these permits.
- Failed to install and operate according to Notices of Construction (NOCs) issued by NWCAA based on company-provided information in January 2016, May 2017, and October 2018.

Most of the unreported emissions consisted of propane, a volatile organic compound (VOC). VOCs can combine with heat, sunlight, and other chemicals to form ground-level ozone. The reaction takes time and, with wind, distance. Ozone exposure can

impact people who breathe it, including those with asthma and other lung issues.

NWCAA's air quality monitor downwind of the Petrogas facility did not indicate exceedance of a health-based standard over the period in question.

This penalty settlement comes after the facility installed temporary controls on the VOC vent to stop excess emissions, starting in June 2021, and submitted an application for required permits and orders. Current Petrogas management has worked diligently and cooperatively with NWCAA toward resolution of this matter.

This is the largest penalty settlement collected by NWCAA since the agency formed in 1967.

In conjunction with the settlement, NWCAA issued an interim regulatory order requiring operation of temporary controls while the permit addressing the projects cited in the notice of violation is processed through regulatory requirements.

The facility has also applied for a separate order that limits the facility-wide VOC emissions to below thresholds that were triggered and led to the alleged violations.

Buford noted that the alleged violations occurred when a different leadership group operated the Ferndale facility.

"The current leadership operating the Petrogas facility has been very open and forthcoming," Buford said. "In what was a difficult series of conversations for them, I noted their determination to understand rather than defend past mistakes to keep them from happening again. That's a good indicator of commitment to sustained positive change."

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**The Northwest Clean Air Agency** is responsible for enforcing federal, state, and local air quality regulations in Island, Skagit, and Whatcom counties. In addition to permitting and regulating industrial sources of air pollution, the agency provides services and information related to asbestos, indoor air quality, outdoor burning, woodstoves, and fireplaces. More information about the agency is available at <https://nwcleanairwa.gov/>.