

ENCLOSURE 2
EXPEDITED SETTLEMENT ALLEGED VIOLATIONS AND FINAL ADJUSTED PENALTY SUMMARY
Clean Air Act – Risk Management Program

Respondent: CPC International Apple Company
909 Naches Avenue
Yakima, Washington 98947

Facility: CPC International Apple Company
909 Naches Avenue
Yakima, Washington 98947

Responsible Official: Brandon Meara, Refrigeration Manager
(509) 673-3113

Inspection Date: August 23, 2021
Inspection Time: 9:00 am – 2:00 pm
Lead Inspector: Terry Garcia, RMP Inspector/EPCRA Investigator
206-553-1761

Inspection Findings and Alleged Violations

RMP Submission Date

Initial Submission Date: July 3, 2014
Date of Latest Update: December 20, 2021
RMP Facility ID: 1000 0022 6258
Program Level: 3
Chemical Name: Anhydrous Ammonia
Chemical Amount: 35,881 lbs.
NACIS Code: 1000123083
Facility Type: Private Industry
Employees: 325

Description of Alleged Violations

CAA Section 112(r) and its implementing regulations in 40 C.F.R. Part 68 require an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance (listed in Section 68.130) in a process, to develop a Risk Management Plan (RMP) and Risk Management Program.

On August 23, 2021, EPA inspectors initiated an Off-site Compliance Monitoring Inspection at the CPC International Apple Company facility listed above. The following is a summary of the Alleged Violations of the Risk Management Program which were identified during the inspection.

1. **Violation 1.** Process Hazard Analysis: CPC International Apple Company failed to perform an initial process hazard analysis (PHA), which identified, evaluated, and controlled the hazards involved in

the process. [68.67(a)]. An initial PHA for the anhydrous ammonia refrigeration system installed in 2016 in Engine Room #3 was not completed within the required timeline. At the time of inspection, Engine Room #3 had been in operation since 2016. CPC International Apple Company was unable to provide the initial PHA for Engine Room #3.

2. **Violation 2.** Process Hazard Analysis: CPC International Apple Company failed to update and revalidate the PHA for the anhydrous ammonia refrigeration system for Engine room #3, every five years, after the completion of the initial PHA, to assure that the PHA is consistent with the current process. [68.67(f)]. CPC International Apple Company was unable to provide an update and revalidation of the PHA for Engine Room #3 that has been in operation since 2016.
3. **Violation 3.** Process Hazard Analysis: CPC International Apple Company failed to retain PHAs and updates or revalidations for Engine Room #3, as well as the resolution of recommendations for the life of the process. [68.67(g)].
4. **Violation 4.** Training: CPC International Apple Company failed to provide sufficient documentation to identity of each the employees involved in the process, date of training, that the training is understood by the employee, and means used to verify understanding for initial and refresher training. [68.71(b)]. The ER#2 SOP Overview annual review documents dated between February 2021 and March 2016 that were provided do not list specific operating procedures to verify what operators were trained on. The training documents were only signed by the Refrigeration Manager and some of the Technicians employed at that time, records did not include previous employees.
5. **Violation 5.** Compliance Audits: CPC International Apple Company failed to promptly determine and document an appropriate response to each of the findings of the audit and document that deficiencies had been corrected. [68.79(d)]. CPC International Apple Company did not provide documentation regarding the tracking of findings for their 2017 and 2020 compliance audit reports. The 2020 audit included 13 open findings and many of the audit findings were carried over from the 2017 audit.
6. **Violation 6.** Incident Investigation: CPC International Apple Company failed to include all required elements of the investigation report for the anhydrous ammonia release that occurred at this facility on February 10, 2017. [68.81(d)(5)]. Specifically, no specific recommendations as a result of the investigation were included with documentation provided to the inspector in 2021.

Final Adjusted Penalty Calculation

The Final Adjusted Penalty for an RMP ESA is a non-negotiable penalty offer.

First the Unadjusted Penalty is calculated using the Risk Management Program Expedited Settlement Penalty Sheet, Enclosure 3. Each Alleged Violation listed above is assigned a penalty amount in the spreadsheet and the Unadjusted Penalty is determined by adding all the penalty amounts.

The Unadjusted Penalty is multiplied by the Size-Threshold Quantity Multiplier to determine the Adjusted Penalty. The Size-Threshold Quantity Multiplier is a factor that considers the size of the facility and the amount of regulated chemicals at the facility. See the Multiplier Factor tables below.

$$\text{Adjusted Penalty} = \text{Unadjusted Penalty} \times \text{Size-Threshold Quantity Multiplier}$$

Unadjusted Penalty Calculation

Adding the penalty numbers in the Risk Management Program Expedited Settlement Penalty Sheet, an unadjusted penalty of \$7,700 is derived.

Size-Threshold Quantity Multiplier

According to the RMP, the facility employs more than 100 people and uses and/or stores 1 to 5 times the threshold amount of Anhydrous Ammonia, which is regulated under the Clean Air Act Section 112(r) Risk Management Program. Using the tables below, the multiplier is determined to be 1.0.

Adjusted Penalty Calculation

$$\text{Adjusted Penalty} = \$7,700 \text{ (Unadjusted Penalty)} \times 1.0 \text{ (Size-Threshold Multiplier)}$$

$$\text{Final Adjusted Penalty} = \$7,700$$

EXPEDITED SETTLEMENT PENALTY MATRIX
Multiplier Factor for Calculating Proposed Penalties for RMP Violations

Private Industries

# of Employees	1 – 5*	5 – 10*	10*
0 – 9	0.4	0.6	0.8
10 – 100	0.6	0.8	1.0
100	1.0	1.0	1.0

Governmental Entities

(Primarily public drinking water and wastewater systems)

Total Population Served	1 – 5*	5 – 10*	10*
1 – 10,000	0.2	0.4	0.6
10,001 – 100,000	0.4	0.6	0.8
100,000	0.6	0.8	1.0

* Largest Multiple of Threshold Quantity of any Regulated Chemical(s) on Site.