



**Testimony of
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Deputy Secretary for Field Operations
Pennsylvania Department of Environmental Protection
Before the Senate Environmental Resources & Energy Committee
Wednesday, November 17, 2021**

Introduction

Good morning Chairman Yaw, Chair Comitta, Senator Williams, and members of the committee. My name is Joe Adams and I am DEP's Deputy Secretary for Field Operations.

Thank you for the opportunity to discuss the environmental conditions, cleanup efforts, and future opportunities at the former Philadelphia Energy Solutions refinery site associated with the June 2019 incident. When I last appeared before this committee in July 2019, I described DEP's regulatory oversight of the facility, providing a current conditions report, detailing the historic and current remediation efforts on site, and explaining what could be done to prepare for the closure, sale, or transfer of the site.

Today, I am here to provide an update on each of these items and to explain how the site is being decommissioned, remediated, and redeveloped in preparation of a transition from its historical use as a refinery to its new use as a multi-modal logistics facility.

The June 2019 hearing took place during a period of great uncertainty about future viability of the site, including whether it would remain a refinery. At that time, I committed that

the Department of Environmental Protection was prepared to ensure continued compliance with the environmental laws that we administer regardless of ownership and what the future had in store for the site. Today, I am happy to report that DEP has made good on that commitment.

Emergency Response/Immediate Aftermath

In the immediate aftermath of the fire, the most pressing issue was the safe removal of the stored hydrofluoric acid (HF) from the site. Although the hydrofluoric acid was stored in pressure vessels regulated by the Pennsylvania Department of Labor and Industry, our emergency response and bureau of investigation staff coordinated closely with PES, the Philadelphia Fire Department, Philadelphia's Office of Emergency Management, the Environmental Protection Agency, and the U.S. Department of Labor, among others, to ensure that site hazards were being addressed as quickly and safely as possible. DEP approved the facility's request for neutralization of hazardous waste at the 433 Unit to facilitate the removal of the HF from the site.

DEP also focused on ensuring that there were no offsite impacts from runoff and that all radiological sources were accounted for and secured during this period.

Consent Order & Agreement

Once the immediate safety concerns were addressed by DEP and our partner agencies, we pivoted to mapping out what DEP requirements would look like in the context of future scenarios on site. As I previously mentioned, in the immediate aftermath of the fire, it was still unknown whether refining operations would continue, or transition to other uses.

Those efforts led to a Consent Order and Agreement, otherwise known as a CO&A, being signed with the owner of the refinery on January 15, 2020. This CO&A performed three primary functions:

1. It resolved all past violations at the site;
2. It established the obligations that the owner of the refinery would have to meet during an idling period while it determined the future use of the site; and
3. It established the requirements that the facility would have to meet both if it continued to operate as a refinery and in the event that it closed refining operations and transitioned to another use.

Through its participation in the bankruptcy proceedings, DEP learned who the new prospective purchaser of the facility would be and how it would be using the site. From the outset, DEP has been working with this new owner, Hilco Redevelopment Partners, on its compliance with the CO&A.

Clean Water

The CO&A required an update to the refinery's Operation and Maintenance Plan and its Integrated Spill Response Plan to reflect post-explosion conditions. We also required the preparation of a closure report for the two wastewater treatment plants on site in the event of the cessation of refining operations. The facility updated the plans, and preparation of the closure report is currently underway.

Storage Tanks

The CO&A prioritized the inspection, repair, and closure of the 246 regulated storage tanks at the facility based on their size, contents, past inspections, and proximity to the explosion. As of this testimony, 43 tanks have been demolished, 38 have been emptied and are ready for demolition, and 37 are in various stages of emptying and cleaning. We expect any tanks that will not continue to be used at the site to be removed by December 31, 2025.

Waste Management

The CO&A required the proper operation and then closure of the three hazardous waste units at the site. The facility has since provided notice and documentation for the closure of the first of three treatment systems on site and held a public hearing to accept comments on its closure plans.

Radiation Protection

The CO&A required the facility to comply with transfer and disposal obligations regarding radiation producing equipment at the site. At this time, all radioactive material has been removed from the site and the radioactive material license has been terminated.

Site Remediation

After finalizing the Consent Order and Agreement, and once a prospective buyer of the facility became known, DEP quickly pivoted towards amending a 2012 Buyer-Seller Agreement between Sunoco and PES, the two previous owners of the property, to accommodate the future redevelopment of the site.

On June 26, 2020, DEP, Sunoco, and PES (now owned by Hilco Redevelopment Partners) agreed to an amendment to the 2012 Buyer-Seller Agreement. This amendment, among other things, did the following:

1. Amended provisions of the agreement that would have prevented the redevelopment of the site and incorporated a new Soil Management plan to allow for redevelopment;
2. Added provisions to ensure appropriate restrictions remain in place; and
3. Set forth and clarified Sunoco's responsibilities and set a schedule that includes specific milestones and opportunities for public participation to complete the remediation, now scheduled to be completed by December 31, 2030.

The refinery's prior owner, Sunoco, through its affiliate Evergreen Resources Management Operations, has been remediating the site and is responsible for all contamination existing prior to the acquisition by PES in 2012. Any contamination occurring under PES's ownership will be the responsibility of PES/Hilco.

The remediation work being performed by Evergreen is subject to public participation under Act 2, DEP's Land Recycling Program. DEP has been actively involved in public participation efforts due to the site being in an Environmental Justice area. We have been involved in outreach and community efforts, including attending and presenting at community meetings, participating in coordination calls, directing the production of plain-language report summaries, and responding to citizen questions.

DEP is in frequent communication with Evergreen, the Sunoco affiliate responsible for cleaning up pre-2012 contamination, on their Act 2 progress, joining regular in-depth technical meetings to discuss significant issues, visiting the site to inspect active remedial systems, and consulting on the pending shutdown of the two wastewater treatment plants I mentioned previously, anticipated in 2022.

Additionally, DEP has asked Evergreen to investigate per- and polyfluoroalkyl substance (PFAS) contamination in groundwater at the site. Although outside of the current Act 2 scope, PFAS has been raised as a concern by the public and may be a potential source of pollution to the Schuylkill River. Evergreen has conducted sampling requested by DEP of groundwater remediation system discharges, identifying potential sources, and sampled groundwater monitoring wells. DEP continues to offer guidance to PES on how to proceed with the PFAS investigation. At this time, DEP has not determined that there is a human exposure pathway for PFAS contamination at the site.

Additional remedial work is being conducted by Hilco for PES-era petroleum releases, including corrective actions for contamination uncovered during the removal of the storage tanks onsite. DEP is also in regular contact with Hilco to ensure the successful completion of this work.

Site Redevelopment

The redevelopment of the site to a logistics facility will require DEP authorizations and approvals, including stormwater and wastewater permits. To help facilitate those efforts, on July 15, 2021, DEP participated in a pre-application meeting with Hilco Redevelopment Partners on this project to discuss Department needs and expectations to ensure that there are no delays in the future redevelopment of this site.

Conclusion

There is much more work to be done, but DEP is proud of the work it has already completed over the past two years to respond to the explosion, ensure the safe operation of the site while its future was being determined, ensure the proper closure of the refinery once the future of the site became known, and finally work with the new owner of the site to help make that future a reality.

Thank you again for the opportunity to present today. I'm happy to answer any questions you may have at this time.