

ORICA AMMONIA PLANT START UP COMMITTEE

Minutes: Meeting 9, 5 December 2011.

Venue: Government Offices 117 Bull Street, Newcastle, NSW

Attendees:

Chair- Gary Davey - Director North East Branch EPA
Grahame Clarke – Regional Manager EPA
Tony Merritt - Hunter New England Health
Trevor Shiels - NSW Police
Adam Gilligan - Compliance Services Manager Newcastle City Council
Dave Chamings - WorkCover
John Watson - WorkCover
Stuart Harvey - Major Hazard Facilities Team - Fire and Rescue NSW
Felicity Greenway - Department of Planning and Infrastructure
Lilia Donkova - Department of Planning and Infrastructure

Apologies:

Stephen Davis - Fire and Rescue NSW
Greg Sullivan – Chief Environmental Regulator EPA
Paul Minett – Port Stephens Council

Invitees:

Dr Wayne Davies SN2 Pty Ltd

Item 1: Introduction and Welcome.

The Chair opened the meeting at 8.45am and welcomed the members of the Committee.

Item 2: Previous Meeting Minutes.

The draft minutes of meeting 8 were confirmed as an accurate record of the meeting.

Item 3: Committee Briefing for Minister for the Environment.

The Minister for the Environment – the Hon Robyn Parker MP, was introduced to members of the Committee by the Chair. The Minister thanked members of the Committee for the work they had done to ensure that when the EPA approved Orica restarting the ammonia plant and the ammonia feed tanks it will be done as safely as practicable.

The meeting continued with agency updates (Item 4).

Item 4: Review of Outstanding Issues/Actions.

- WorkCover - Advised that it had investigated a complaint raised at the previous Start Up meeting. WorkCover had met with Orica staff and, based on material tendered by Orica, concluded that there was no evidence of the allegation.

WorkCover also updated the Minister and the Committee on communications between WorkCover and Orica regarding the company's provisional registration as a Major Hazardous Facility. WorkCover was satisfied with Orica's response to date.

- EPA - Updated the Minister and the Committee on Orica's decision to suspend work on pressure testing of the ammonia plant due to fluctuating low level chromium results in the condensate draining from vent stack SP8. Alternative options to clean this section of the stack will be considered before pressure testing resumes. This delay would not affect the work being done and verified by an independent engineer to return the ammonia storage facility to service.

Representations made by a delegation of Stockton residents to the 30 November meeting of the Start-up Committee and the requirements of the EPA's Mandatory Environmental Audit attached to Orica's Environment Protection Licence were also briefly discussed.

The Minister left the meeting.

- Independent Expert Update - The Chair invited Dr Wayne Davies to report on a meeting with Orica on 1 December 2011 to finalise his assessment of the issues identified by the Committee at meeting 8 for further consideration.

Dr Davies reported that Orica had satisfactorily responded to his questions concerning the start-up procedures and the circumstances when it may be necessary to implement a shutdown to 'cold' status and other circumstances when a 'hold/not proceed' would be appropriate. Dr Davies was also satisfied with the plant operator's understanding of the start-up and abort procedures and the 'size-up' procedure for assessing an appropriate course of action for scenarios not specifically covered by the operating procedures.

Dr Davies was satisfied with Orica's response to his questions concerning safety procedures for nitrogen heating of the HT Shift catalyst. Staff will wear oxygen monitors to ensure conditions are safe.

Dr Davies was satisfied with the field inspection and explanation by Orica of the safety systems recommended by the independent engineer (Honeywell) and installed on the plant. Dr Davies noted that the EPA will direct Orica, by notice, to implement the medium and long term recommendations in the Honeywell report.

Item 5: Updates on Pre-Start Up Testing.

See EPA update in Item 4.

Item 6: Review of Verification Matrix Actions.

- Ammonia Plant - Given that Orica had suspended work on pre-start up testing of the ammonia plant and that this was the only item 'pending' on the verification actions matrix, the Committee did not review this document.

- Ammonia feed tanks - The EPA circulated to Committee members the final report from the independent engineer (Honeywell). The report confirmed that Orica had completed all of the 'must complete' tasks in order for the storage facility to be re-commissioned into service. The Committee accepted the report and agreed that all items on the matrix could be updated to 'complete'.

Item 7: Review of Recommendations Report.

A draft recommendations report prepared by the EPA was circulated to members of the Committee. The Chair led the Committee through the report and the recommendations.

The Chair sought the Committee's views as to whether all steps had been taken as required to address the matters that led to the 9 November 2011 incident, where by ammonia was discharged from the ammonia feed tanks. The Committee noted that all actions in the verification actions matrix had been finalised and verified (see Item 6). Further, Dr Davies questions had been satisfactorily addressed.

The Committee concluded that the ammonia feed tanks could be recommissioned, with NSW Health noting it would defer decisions on readiness to operate and revoking prevention notices to the EPA. NSW Health otherwise raised no objection.

The Chair then sought the Committee's views on the start-up of the ammonia plant. As the pre-start up pressure testing had not been completed, the Committee's view was that the prevention notice, issued by the EPA, should remain in place.

Action: The EPA to consider the recommendations of the Committee to permit Orica to operate the ammonia feed tanks by revoking the prevention notice issued to Orica by the EPA, but to maintain the prevention notice on the ammonia plant.

Item 8: General Business

The Committee noted that Orica's community newsletter requires updating to reflect that Mr Sean Winstone is the current Kooragang Island Plant Manager. These new arrangements must be reflected in all of Orica procedures etc, so it was clear who was responsible for particular actions/decisions.

Action: EPA to bring this issue to Orica's attention.

Item 9: Next meeting

No date was set for the next meeting.

The Chair thanked all committee members for their attendance and closed the meeting.

