



October 31, 2024

Mr. Sebastian Kallumkal
EGLE/Air Quality Division
Warren District Office
27700 Donald Court
Warren, Michigan 48092

**Subject: Bluewater Gas Storage, Omo Road Station, Ray Township
Facility ID# P0994, Permit-To-Install 9-19
Response to Violation Notice – Dated October 22, 2024**

Dear Mr. Kallumkal:

Bluewater Gas Storage, LLC (“Bluewater”) respectfully submits this written response to the October 22, 2024 Violation Notice made by Michigan Department of Environment, Great Lakes, and Energy – Air Quality Division (EGLE-AQD). The Violation Notice references the emergency natural gas venting event that occurred at the Bluewater’s Omo Road Compressor Station in Ray Township, Michigan.

Cited Violation:

Process Description	Rule/Permit Condition Violated	Comments
BWGS – Omo Compressor Station	R 336.1285(2)(mm)(iv) – Routine and emergency venting of natural gas from transmission and distribution systems or field gas from gathering lines.	An emergency venting of natural gas in the amount of 5.2 MMcf occurred at the facility on October 5, 2024. Rule 285(2)(mm)(iv) requires that emergency venting of natural gas above 1 MMcf must be reported to the Pollution Emergency Alert System within 24 hours of the incident. The incident was reported to the PEAS on October 11, 2024.



Background Information:

On October 5, 2024, at 03:09 ET, Bluewater Gas Storage – Omo Road Compressor Station (“the site” or “compressor station”) experienced a power-gas pressure loss causing the natural gas vent valve into a fail-safe (opened) venting position to the facility’s vent silencer. Venting of natural gas occurred until 05:36 ET on October 5, 2024 when Bluewater staff closed the natural gas inlet valve to the compressor station. This malfunction ultimately resulted in the unforeseen, unintentional venting of approximately 5,200,000 standard cubic feet (5.2 MMSCF) of natural gas to the atmosphere. Once the condition was recognized, on-duty employees closed an upstream valve, successfully terminating the release. This venting incident was not an immediate threat to human life, health, or property. It did not result in death, personal injury necessitating in-patient hospitalization, or property damage.

Though the release itself was promptly terminated by closing the upstream valve as soon as the issue was discovered, staff on site at the time of the venting did not recognize the condition as potentially reportable due to the volume released. Contributing to this, Bluewater’s procedures and the issued Permit-To-Install (PTI) air permit were silent regarding the need to notify EGLE-AQD within 24 hours of an unintentional natural gas venting incident with a volume greater than 1,000,000 standard cubic feet (1.0 MMSCF). Consequently, Bluewater staff did not notify the Pollution Emergency Alert System until first confirming the total volume of vented natural gas.

Following a review of the incident by management, on October 11, 2024, Bluewater Gas Storage completed calculations to determine the amount of natural gas vented on October 5. The amount of natural gas vented was approximately 5.2 MMSCF. The same day the calculations were completed, at 17:03 ET on October 11, Bluewater submitted the notifications as required by 49 CFR 191.5 to the National Response Center (NRC) and the Michigan Public Service Commission (MPSC) as the amount of natural gas vented was greater than 3,000,000 standard cubic feet (3.0 MMSCF). We understand that EGLE-AQD received this notification in accordance with standard NRC procedures.

EGLE-AQD issued this violation notice because Bluewater failed to notify the Pollution Emergency Alert System (PEAS) within 24 hours of an emergency pipeline natural gas venting in amounts greater than 1,000,000 standard cubic feet (1.0 MMSCF) per incident.



Bluewater's Corrective Actions:

Bluewater is implementing corrective actions both to prevent the future venting of large volumes of natural gas and to ensure prompt 24-hour reporting in the case of any future emergency natural gas venting incidents.

I. Add additional alarms and update control logic to prevent the likelihood of future large gas release incidents

In an effort to avoid similar emergency natural gas venting incidents of volumes greater than 1.0 MMSCF, Bluewater reviewed the alarm system and the operating control logic at the site.

Bluewater is adding three additional alarms to warn site operators of natural gas pipeline pressure and valve position malfunctions at the site. With these alarms, operators will receive notification a venting event is in progress and will be able to isolate the site quickly, precluding releases of the magnitude requiring notification.

Bluewater is changing the control logic for valve alignment at the site. The updated control logic will close the inlet valve to the compressor station if the site's vent valve is in any position other than closed. This change will automatically isolate the compressor station and limit the volume of natural gas vented to the atmosphere.

Bluewater will complete these updates by November 8, 2024.

II. Review and update internal written procedure to better direct when and under what conditions Bluewater is to make specific notifications for the venting of natural gas

Bluewater has reviewed its procedures for reporting natural gas venting events. Procedure updates include specific mention of the volumes and timeframe for notifying specific agencies, including EGLE-AQD, of natural gas venting events. Within the procedure, Bluewater defines notification requirements for both emergency venting incidents and planned venting activities. Bluewater will submit notifications to PEAS within 24 hours of an emergency venting incident with a volume of natural gas greater than 1.0 MMSCF.

Bluewater will complete updates to the written procedures by November 8, 2024.



III. Conduct training to ensure awareness of notification requirements

After updating the procedures for reporting natural gas venting events, Bluewater will train employees on the updates made to the natural gas venting report process. Training will review the updated procedure, newly installed alarms, and updated control logic. This training will emphasize the need to notify PEAS of an emergency natural gas venting within 24 hours of the incident.

Bluewater will complete this training by November 8, 2024. Bluewater will repeat this training as a refresher annually.

Conclusion:

Bluewater values environmental compliance and has taken a number of steps to ensure future reporting of an emergency natural gas venting is provided to PEAS within 24 hours of the incident's occurrence. Given the direct actions Bluewater is taking in response to this violation, Bluewater respectfully requests EGLE-AQD consider this violation notice resolved.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey Westrick".

Jeffrey Westrick
Asset Manager – Bluewater Gas Storage

cc: Mike Kolb, BWGS
Ashley Korrer, BWGS
Rita Reed, BWGS
Jeff Stafford, BWGS
James Jensen, BWGS
Christianne Whiting, BWGS

Ms. Jenine Camilleri
EGLE-AQD Enforcement Unit Supervisor
P.O. Box 30260
Lansing, Michigan 48909-7760