What to Expect when you're Expecting... A Regulatory Inspection

By: Marie Samson, SCS Engineers

With the current pandemic, a regulatory inspection is probably the last thing on anyone's minds right now, especially when many regulatory inspectors are not able to come on-site to conduct the inspection. In California, some of the local administrating agencies (CUPAs) are beginning to send out notices that they will be performing a desk audit on the facility's PSM/RMP/CalARP program with the intention of a follow up on-site meeting once the stay-at-home orders have been lifted. So what does that mean for facilities with ammonia refrigeration systems?

Regulatory inspectors are going to inspect you sooner or later, which means now is the best time to organize your safety and compliance documentation and ensure everything is prepared for the inevitable visit by a regulatory inspector.

Now more than ever, a regulatory inspector will send out an inspection notice to notify the facility of the impending inspection. It may be sent via email or perhaps by the postal service, otherwise known as "snail mail." In that notice, especially if the

inspection will start as a desk audit, the regulatory inspector will provide a list of documents that they expect to review. When a lot of people receive that inspection notice, feelings of anxiousness and unpreparedness may seem overwhelming, but taking some simple steps to prepare for the site inspection will help ease those feelings.

One method of preparation that may be overlooked is mentally preparing yourself for the actual inspection. Be honest with yourself and determine what can easily be addressed prior to the inspection and what cannot be completed. If you feel that the amount of tasks that need to be completed is overwhelming, reach out to your co-workers, colleagues, consultants, etc. to help with the preparation. Another helpful way to mentally prepare yourself is putting yourself in the regulatory inspector's shoes. By that, consider the kind of questions they may ask or what documents they would like to see, if they didn't provide a list of documents already. Common documents that would be requested follow EPA's Ammonia Refrigeration List of Key Safety Measures. Continue to ask yourself if you have the proper documentation, aka the proof, which shows that you fulfilled each requirement in the regulations. Now what happens when you don't think you can show the proof or have the proper documentation? At a minimum, try to do your due diligence and show why you don't have that documentation. An example would be if your facility has an older piece of equipment and you can't find the original U1-A or U-3 form. With a U1-A form, that vessel was registered with the National Board, and if you are able to access the nameplate that form can be ordered from the National Board. However, with the U-3 form, that piece of equipment was not registered with the National Board and the form should have been given to the facility by the manufacturer. When this is the case, all you can do is email the manufacturer, or the company that bought out that manufacturer, and try to request that form. Document that correspondence to show you've done your due diligence of trying to obtain the documentation that is needed. Remember, when it comes to PSM, your books say what you're going to do, but you need to follow through and do what your books say, and then have the documentation that shows you followed through. In addition, once the regulatory inspector is on-site, try to help the inspection flow efficiently by clarifying which specific documents they would like to see. This can also help with avoiding additional questions being thrown at you if they just open a binder and look over your entire PSM program. As a friendly reminder, regulatory inspectors are humans too and deserve respect throughout the inspection as well.

The most obvious key to preparation is documentation, documentation, documentation, aka looking at your PSM books. Preparing the documentation can be broken up into two parts: (1) does your program meet the regulation, and is it up to date; and (2) do your records documenting the implementation of your program, match your program?

STARTING WITH PART 1, gather all PSM / RMP related documents, audits, and technical studies in a central location. Once all the documents have been gathered, review the document retention, and only keep what you actually need. For example, the two most recent Compliance Audits (typically those having been completed within the last six years), the last five years of Incident Investigation reports, and all of the technical studies (i.e. Process Hazard Analysis (PHA) studies, Hazard Assessment reports, and Seismic Assessment reports, as applicable) for the facility. When it comes to Compliance Audits and PHAs, review the recommendations generated from each study and ensure those recommendations have been addressed within a timely manner, or an updated action plan is in place to address them. As part of the EPA's List of Key Safety Measures, review the facility's registration information, as well as the emergency contact information, and ensure both are up to date. Additionally, be aware of how the regulation can be interpreted differently state to state and how that can affect your facility specifically. For example, New Jersey requires personnel to be properly licensed to operate an ammonia refrigeration system (N.J.S.A. 34:7-1), as well as requiring facilities to evaluate inherently safer technology for their processes. In California, power distribution diagrams of the refrigeration process are required as part of the process safety information. In addition, Cal-OSHA has recently been requiring that facilities equip Machinery Rooms with at least two 10-minute Emergency Escape Breathing Apparatuses (EEBAs) under §5144(d)(2), which is based upon the federal OSHA regulation in §1910.134(d)(2). However, the difference between the two regulations is that the Cal-OSHA regulators are interpreting the regulation to require facilities to equip Machinery Rooms with a respirator, while the federal OSHA regulators have not; §1910.134(d)(2) does not explicitly require respirators to be provided, but rather requires facilities to evaluate the hazards and determine if they are necessary to provide a safe workplace.

MOVING ON TO PART 2 that deals with the documentation of the implementation of your PSM program, try to address the "low hanging fruit" that regulatory inspectors easily cite. This includes ensuring that the annual operating procedure certification has been completed within the last 12 months, and that pressure relief valves that relieve to atmosphere have all been replaced within the last five years. In addition, ensure that your preventative maintenance records match the preventative maintenance schedule in your program, as well as that the employee training records match the training program. However, bear in mind that if the records don't match the programs, that is not something that can likely be addressed prior to the inspection. It does help to make note of the deficiencies and to begin to take steps to correct them prior to an inspection. Stating to the regulatory inspector that you have identified the deficiency and that you are already taking steps to address it goes a long way in

demonstrating that you are trying to keep your employees and the public safe. It is important to review and prepare both the program and implementation documentation, especially during a desk audit where the regulatory inspector is taking a deep dive into the facility's PSM program and assessing the program and records at face value.

When it comes to preparing for the on-site inspection, you are going to want to focus on your facility's appearance. In the Machinery Room, ensure it is clean and uncluttered, and that there are no ammonia odors. Ensure that there are plugs on all oil drain lines, as well as any valves that open to atmosphere, except for pressure relief valves. Additionally, ensure oil drain lines are equipped with a spring-loaded, self-closing valve. For the ammonia piping and equipment, ensure that the labeling fully complies with the specific edition of the labeling standard or guideline that is listed in your program. If your program makes no mention of a particular edition of a labeling guideline or standard, you may want to address this as the you might have labels in your facility that comply with different editions depending on when they were installed. For more information on pipe and equipment labeling, you may want to refer to the article series on this topic that was published in the Sep-Oct 2019, Nov-Dec 2019, and Jan-Feb 2020 editions of the RETA Breeze. As mentioned earlier, some items may not be able to be properly addressed prior to the on-site inspection. However, there is often the possibility of temporarily "fixing" it. If you do decide to temporarily "fix" an issue prior to the on-site inspection, be sure to go back later to address the issue in a permanent manner. For example, facilities often are tempted to slap a quick coat of paint over rust and corrosion in order to improve the appearance of the system. While this is understandable, it is critical that once the inspection is complete, the paint and underlying rust and corrosion is cleaned off thoroughly and that the pipe or equipment is then repainted.

With the steps outlined above, you have prepared as best as you can for the inspection. With luck, the inspection will go well and you can then breathe a little easier. Typically a regulatory inspector will review any findings with you prior to leaving; and in due time you can expect an inspection report that will be sent over afterwards that summarizes the meeting, as well as any of those findings that may need addressing.

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