

# Newsletter

# MOTIVA

ENTERPRISES LLC

## PORT ARTHUR REFINERY



March 2004



Tom Purves  
Refinery Manager

**W**e are proud to offer you this new Motiva Port Arthur Refinery newsletter. This newsletter has been developed to provide all of our external stakeholders the information for which you have been asking. We are proud of our performance and hope that, through this newsletter, you will get a sense for the things we are working to improve. We are committed to being an outstanding

industrial neighbor and we value your input and comments. Please let us know what you think of this newsletter and how we might improve it. Our goal is to make it useful to you, and in that spirit, we are always interested in any feedback you have for us. Thank you for taking time to read it. Please feel free to pass it along to other members of your family and to your friends.



## Motiva and Sustainable Development

So, what is Sustainable Development (SD) and why is it important?

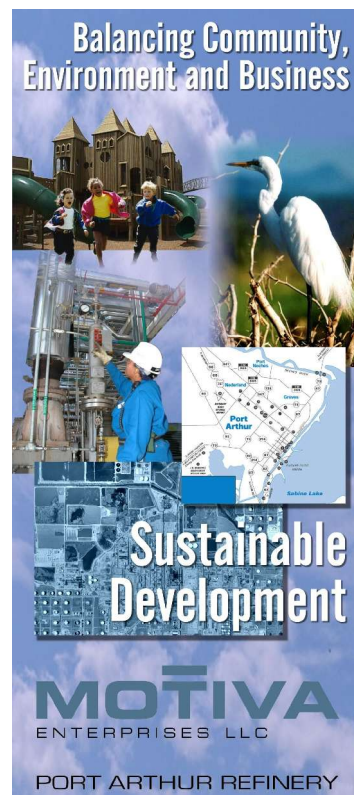
The idea of SD is maintaining the balance that would allow businesses to continue to grow and prosper, without harming the future of the neighborhoods surrounding those businesses. Sustainable Development carries the basic principles that communities should be better because of their businesses, not only economically, but also socially, and environmentally as well.

For Motiva's Port Arthur Refinery, operational excellence, premier environmental stewardship, and social responsibility are measures of our SD performance.

During 2003, the refinery formalized its Sustainable Development commitment by naming a Manager of Sustainable Development and launching a stakeholder engagement process that will be discussed later in this newsletter.

Motiva's emphasis on SD goes beyond maintaining a transparent organization to external stakeholders, but also focuses on internal efforts that may have potential external consequences, like operating procedures.

We believe SD is good for all that live and work in Port Arthur. Commitments to be environmentally and socially responsible



will enhance the quality of life, provide enrichment opportunities for our neighbors, and be good for business by resulting in a more reliable facility that is viewed positively by our neighbors and other stakeholders.

Motiva cannot “do” Sustainable Development and deliver it to the community, but rather, can help facilitate opportunities for our neighbors to partner with us to solve mutual concerns in ways that will make the community a better place to live and work.

The remainder of this newsletter will give some specific accomplishments in 2003, and look to more objectives in 2004.

## Environmental Stewardship

Each year Motiva sets a business goal of reducing the number of environmental incidents that occur at our refinery. In order to focus our efforts on environmental excellence, we adopt a definition of reportable environmental incidents that goes beyond regulatory reporting requirements.

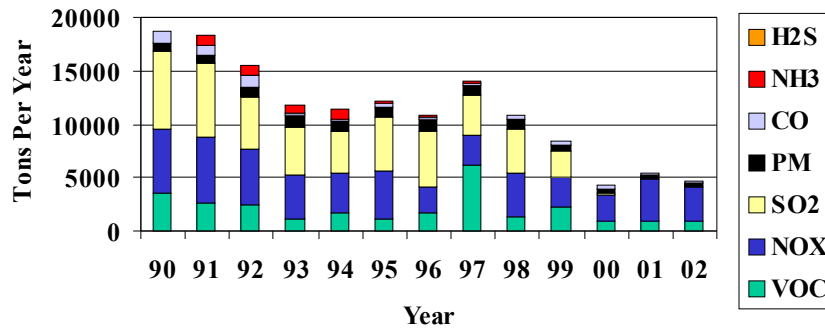
In 2003, Motiva’s Port Arthur Refinery had a goal of 70 or less environmental incidents, and met that target with 69 incidents. While most of the events were so minor that anyone outside the facility would have been hard pressed to know an incident had occurred, three of the events did result in significant flaring. Motiva is committed to reducing flaring from our facility, and to that end has embarked on a three-pronged approach to meet that goal. We installed, and placed in operation in December, a **\$30 million Flare Gas Recovery (FGR) System** that will help reduce flaring from minor events and in preparation for maintenance on equipment. The second effort is a technical study to determine what types of equipment is needed to eliminate flaring from major events, and the third approach to flaring reduction is a thorough review of operating procedures to find new ways to prevent flaring during unit upsets, start-ups, and shutdowns. Management has formed a **Flaring Reduction Steering Team** to oversee these efforts, and routinely report progress to refinery management.

For 2004, our goal is to reduce environmental incidents by 10% over our 2003 performance, that is, to have 62 or fewer reportable environmental incidents. This commitment continues Motiva’s history of environmental stewardship demonstrated by projects such as:

- Remediation and closure of historical waste management areas
- Enclosure of our entire process wastewater collection system
- Construction of a separate, uncontaminated, storm water system
- Retrofitting of every heater in the refinery with low NOx burner technology
- Installation of a Wet Gas Scrubber on our Fluid Catalytic Cracking Unit

- Installation of a Staged Activated Sludge Treating Unit in our wastewater system
- Shutting down and demolishing outdated operating technology

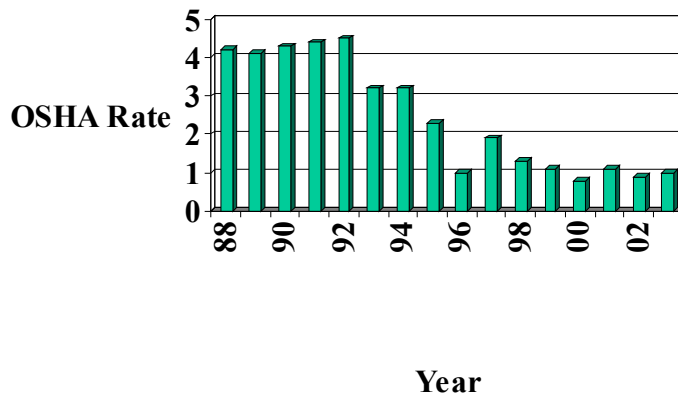
The result of many of these projects is demonstrated by Motiva's reduction in air emissions, as shown below.



### Safety Performance

Motiva's Safety Performance for 2003 was good, but we did not achieve our goal for OSHA Recordable Injuries of less than 0.8 for Motiva employees and contractors combined. As shown in the Safety Performance Chart below, Motiva's safety performance has dramatically improved over the years, but has reached a plateau of around the 1.0 OSHA rate. Some of the initiatives underway, discussed later in this newsletter, are geared to help us break through the 1.0 floor and achieve world-class safety performance.

### Motiva OSHA Rate History



**Respecting and safeguarding people** is one of our Sustainable Development Principles, and that philosophy extends beyond our fence line. The work processes we are implementing will provide a safer

workplace for our employees and a facility that is more reliable and will be a positive example of good corporate citizenship.



**Today or Tomorrow**



***HSE  
MS  
Core  
Team***

***members***

**Performance Initiatives Underway**

Motiva's Port Arthur Refinery has been embarked on a series of work process enhancements that started over two years ago. The idea behind these company-wide work processes is to develop and implement standardized ways of doing business, using consistent methods, and measuring the effectiveness of the processes by a series of performance metrics. These processes will result in a more reliable and efficient facility in all aspects of our business.

The work processes being enhanced have to do with Ensuring Safe Production, Reliability Centered Maintenance, Pressure Equipment Integrity, Operating Procedures, Operator Training, Instrument Protective Function, Audits/Assessments, and Investigations (of Accidents and Near Misses), among others. Many of these work processes are well along and are being embedded in how we conduct our daily business.

During 2004, we will be implementing a comprehensive **Health, Safety, and Environment Management System (HSEMS)**. We have formed an employee Core Team to spearhead development and implementation of the tools and communication methods to ensure that the HSEMS is a success in contributing to improved performance. This effort includes focusing on aspects of hazard recognition, analysis of those hazards, and assuring that the systems we have in place will prevent the hazard from becoming an incident. As a part of the HSEMS implementation, we will be seeking third party certifications that our HSE Management System will indeed perform to expectations. The environmental certification will be conducted by a contractor approved by the International Organization for Standardization (ISO) to certify Motiva's HSE Management System under the ISO 14001 Environmental Standard. The refinery will be applying for Health and Safety recognition under OSHA's **Voluntary Protection Program (VPP)**, wherein OSHA conducts a facility inspection based on written programs, physical inspection of the plant, and employee interviews. If approved, the refinery will have to be re-certified every three years by OSHA.

Motiva believes that well-established, standardized ways of conducting our business will benefit the refinery, its employees, and our neighbors by being able to reproduce positive results, and tweaking improvements where needed, so that our facility will be a positive force in the community.

## **Community Engagement Activities**

Motiva's Port Arthur Refinery has been a part of the Port Arthur Community for a hundred years. We have a long-established reputation as an active participant in our community, but we realize that expectations are constantly rising. To that end, we have begun several activities geared toward being more proactive in engaging our neighbors.

Motiva is a member of the industry group that instituted the Southeast Texas Alerting Network – a system designed to allow citizens to call and find out what sorts of activities are occurring at local industrial facilities. The system is also able to alert citizens of incidents and natural disasters that require action on the part of citizens.

We are also a member of the **Port Arthur Industrial and Community Leaders Advisory Group (PAIG)** – an industry/citizen group committed to working together to address concerns of the community. That group developed, and industry voluntarily funded, a summer jobs program for 30 Port Arthur High School Students, provided four-year college scholarships for 10 Port Arthur High School students, and made available 30 two-year scholarships to the Lamar Institute of Technology, for Port Arthur High School students interested in pursuing careers in Instrumentation, Electrical, or Process Operator areas. Unfortunately, only two students applied for the LIT scholarships, so the group is re-assessing how to better communicate the career opportunities available to students. The group also funded installation of an ambient air monitoring station near the Carver Terrace Apartments in Port Arthur. The Southeast Texas Regional Planning Commission, as part of its area-wide monitoring system, operates the station. The PAIG has also committed support to the Gulf Coast Health Center in Port Arthur, and recently contributed \$30,000 to that facility.

In addition to participating in industry group activities, Motiva has initiated a community engagement effort on its own. In December of 2002, Motiva retained a firm to conduct a telephone survey of Port Arthur, with a particular emphasis on West Port Arthur, to determine those issues of concern to citizens. As a result of that survey, Motiva met with church groups, and other citizens to obtain feedback on their concerns, and to provide a forum for citizens to express their views. We then sought volunteers from among citizens attending the meetings to work with us to address issues facing Port Arthur residents.

Motiva is currently facilitating two citizen-led groups that are developing solutions to issues voiced. While jobs and education were the top two issues, health, pollution, and drugs/crime were concerns as well. The work groups are tackling pieces of all the top five concerns and plan to have informational presentations and proposed programs aimed at addressing the issues in place this year.

In addition to the Community Environmental Coordinator (CEC) position established in 2002, Motiva has appointed a Manager of Sustainable Development to coordinate the refinery's interface with its neighbors, and to provide Motiva employees the feedback from our neighbors. We have also placed one of our CEC's on a special assignment to visit our neighbors, one-on-one, thereby providing an additional communication conduit.

Motiva, as a company and through its employees volunteering, is actively involved in a wide variety of community activities, from participation in charity events to philanthropic donations to education, health care, and social services facilities, and we will continue to support endeavors that provide meaningful services to the area's citizens.

Informational flyers have been developed and are distributed by our CEC's as they make rounds through the neighborhoods surrounding the refinery and at appropriate meetings.

Throughout 2004, Motiva will continue to utilize flyers, meetings with neighbors, and other forums to provide meaningful ways to facilitate better communications between our neighbors and us.

In an effort to further enhance our transparency, we are currently developing a comprehensive web site that will provide citizens a valuable tool to obtain timely information about Motiva's

activities and a forum to express their concerns. We are targeting to have the site in operation by July 1, 2004, and will provide more information as the project progresses.

This newsletter is one more way for Motiva to communicate with its neighbors, and trust you have found this report on our activities useful.

For further information, please contact us:

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Pager: 1-888-444-1505

**Community Relations Coordinator – Sue Parsley**

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Pager: 1-888-444-1482

**If you have a concern, complaint, or smell an offensive odor – call our Community Environmental Coordinator @ 409-284-8060 – 24 hours/day, 7 days/week.**

**Other useful numbers:**

**Southeast Texas Alerting Network – 1-877-843-7826**

**Texas Commission on Environmental Quality – Beaumont Office: 409-898-3838**