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October 23, 2024

Honorable Members of the Public Safety Committee
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California 90012

**Report Back in Response to the Public Safety Committee Motion on Rancho LPG Facility
(CF: 11-1813-S9)**

Background:

On January 26, 2024, the Public Safety Committee requested a comprehensive report on the inspection oversight, public safety measures, and resource needs for the Rancho LPG facility located in San Pedro. Rancho LPG has been in operation since 1973, storing large quantities of butane and propane and transporting these materials via rail lines. The facility comprises two 12.5 million-gallon refrigerated butane tanks and five smaller 60,000-gallon horizontal tanks for propane storage, with materials supplied by a nearby petroleum refinery. Due to California Air Resources Board regulations that limit butane blending in summer, Rancho LPG plays a role in balancing seasonal fuel storage needs within the region.

The facility's location near the Port of Los Angeles and within close proximity to residential communities has led to significant public interest and concern over the years, especially regarding the safety of transporting and storing hazardous materials. Responding to these concerns, this report outlines current oversight mechanisms by the Los Angeles City Fire Department (LAFD) and recommends steps to bolster inspection resources for Rancho LPG.

Requested Actions and Responses:

1. Resources Needed for Rail Line Inspections:

The Los Angeles City Fire Department (LAFD) currently oversees Rancho LPG operations through two primary inspection programs that address fire safety, hazardous materials management, environmental compliance, and risk management:

- **Industrial and Commercial Inspection Program:** This program conducts routine inspections of industrial and commercial sites across Los Angeles, assessing fire safety and compliance with local fire codes, ordinances, and preventive standards. Regular inspections under this program help identify potential fire hazards, unsafe practices, and deficiencies in fire prevention protocols, supporting a safer industrial environment.

- **Certified Unified Program Agency (CUPA):** Under California’s environmental regulatory framework, CUPA enforces a broad range of hazardous materials and environmental programs, including the California Accidental Release Prevention (CalARP) program. CalARP specifically addresses facilities that handle large quantities of hazardous substances and is highly relevant to Rancho LPG’s butane and propane storage operations. The CalARP program mandates that regulated facilities develop and maintain comprehensive Risk Management Plans (RMPs), which include engineering controls, employee training, maintenance protocols, and emergency response measures to prevent accidental releases and safeguard public health and the environment. Among these programs, the California Accidental Release Prevention (CalARP) program is particularly relevant to Rancho LPG’s storage and transfer of butane and propane, including the bulk storage tanks and rail cars utilizing the rail spur.

Current Resource Gaps:

Rancho LPG is subject to CalARP inspections every three years, with a site audit conducted between the routine inspections. Currently, CUPA has one dedicated Risk Management Prevention Program Specialist (RMPPS) inspector overseeing all CalARP facilities within Los Angeles. Given the technical demands of evaluating high-risk facilities like Rancho LPG, where complex engineering assessments are frequently required, the CUPA program’s inspection resources are stretched thin.

To meet these needs, two new Process Safety Engineer (PSE) positions were approved in the Department budget for the current fiscal year. These roles are critical for ensuring effective oversight at facilities with complex technical requirements. However, the recruitment of these positions is pending approval from the Mayor’s office. Once filled, these positions will bring essential engineering expertise to the CUPA unit, enabling thorough evaluation of Rancho LPG’s technical safety documents, operational protocols, and emergency preparedness plans.

2. Practices in Other Municipalities for Butane and Propane Inspections:

Inspection protocols for the storage and transportation of hazardous materials, including butane and propane, are consistent across California municipalities due to the statewide CUPA program and California Fire Code requirements. Municipalities overseeing similar facilities employ CUPA programs that enforce rigorous inspection schedules and standards to maintain regulatory compliance and public safety.

Municipalities typically engage their fire departments alongside CUPA units to conduct detailed inspections and safety checks at hazardous materials facilities. In addition to these inspections, local fire departments collaborate with CUPA programs to carry out incident response exercises and coordinate emergency preparedness efforts with facility operators. The LAFD’s CalARP oversight at Rancho LPG aligns with these best practices, ensuring that Rancho LPG meets safety and preparedness standards comparable to other hazardous materials sites throughout the state.

Recommendations:

- **Recruitment and Engineering Capacity:** The LAFD recommends: 1) for the Mayor to approve or expedite the approval process for the Process Safety Engineer exemption request; and 2) for the Chief Administrative Office to expedite the Prioritized Critical Hiring approval to unfreeze and allow the commencement of the Process Safety Engineer recruitment. The specialized technical support these engineers will provide is crucial for enhancing the department’s regulatory capacity at Rancho LPG and similar high-risk sites, allowing for more thorough assessments of engineering controls, safety protocols, and risk mitigation measures.

- **Legislative Support for Compliance Enforcement:** The CUPA Forum Board, a body representing CUPA programs statewide, is currently advancing a legislative proposal to increase penalties for unreported hazardous materials releases and violations of the CalARP program. This measure aims to improve compliance across high-risk facilities and ensure that facilities adhere to stringent safety protocols. This issue is statewide in scope, and the board seeks a legislator to author a bill. The City's endorsement of this proposal would demonstrate its commitment to public safety and help establish a higher standard of accountability at facilities handling hazardous materials.

Conclusion:

The Los Angeles City Fire Department is committed to strengthening its oversight of the Rancho LPG facility and other high-risk sites through a combination of advanced technical expertise and robust inspection protocols. By prioritizing the recruitment of Process Safety Engineers and supporting legislative measures to enhance compliance enforcement, the LAFD will further bolster public safety efforts and improve risk management associated with hazardous materials storage and transportation. These actions align with the City of Los Angeles's broader public safety objectives, ensuring comprehensive oversight and enhanced safety for the communities near Rancho LPG.

For further inquiries or additional information, please contact Royce Long at Royce.Long@LACity.org.



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