



Whatcom County and Petrogas West LLC Reach Agreement on Compliance Path for Cherry Point Facility

Whatcom County and Petrogas West LLC have reached agreement on the permitting compliance pathway for the Petrogas Ferndale Terminal located in Cherry Point at 4100 Unick Road. The County initiated an investigation in 2022 into alleged code violations at the Petrogas liquid petroleum gas (LPG) export facility.

The agreement establishes a path forward to obtain required County land use and construction permits and to address compliance with the Washington State Environmental Policy Act (SEPA). The County has determined that, at a minimum, Petrogas must apply for and obtain a Conditional Use Permit, certain other building and construction permits, and prepare an Environmental Impact Statement (EIS) under SEPA that evaluates facility modifications and changes in the amount of product throughput since the last SEPA evaluation for the plant was completed in 2016.

Under the agreement, Petrogas retains its right to formally disagree with the County's determinations, but the parties have agreed on a permitting path forward in a good faith attempt to bring the facility into compliance with Whatcom County regulations and avoid costly litigation. The permitting and SEPA compliance processes will follow standard County procedures and will be transparent and open to public participation during both the Conditional Use Permit process and the SEPA EIS process.

Petrogas retains its right to file an appeal of the County's final SEPA determination while the permitting and SEPA review process moves forward. However, should Petrogas withdraw from this compliance pathway at some future point, the County retains its ability to initiate enforcement actions.

Whatcom County became aware of modifications to the Petrogas facility last year because of an investigation of air permitting violations conducted by the Northwest Clean Air Agency (NWCAA). Upon notification to the County of the facility modifications by NWCAA, the County began its own investigation into compliance with past and current County permitting requirements.

NWCAA issued a \$4 million penalty to Petrogas earlier this year for violations of air quality regulations and established air permitting requirements. However, those requirements are distinct from County land use and construction permitting requirements.

Mark Personius, Whatcom County Planning and Development Services Director said: "We have reached agreement with Petrogas on a compliance process to address and evaluate changes made at the Petrogas plant. The path forward will allow the public to participate in a transparent public review of permit applications and to provide comment on preparation of a full environmental impact statement under the state's SEPA process, including evaluation of appropriate conditions for the facility."

