The Washington Post

Critics say EPA air pollution fines show Shell is not ready for Arctic offshore drilling

The U.S. Environmental Protection Agency announced Thursday that Shell subsidiaries agreed to pay fines as part of a settlement for air quality violations last year from two drill vessels or their support fleet. The Noble Discoverer worked in the Chukchi Sea and the Kulluk drilled in the Beaufort Sea for nearly two months starting in September 2012.

The EPA recorded 23 violations connected to the Noble Discover, a 571-foot drill ship, and assessed \$710,000 in penalties. The agency noted 11 violations for the Kulluk, a 266-foot diameter circular barge and assessed \$390,000 in penalties.

Shell spokesman Curtis Smith said by email that the EPA did not report negative effects from the fleets on Arctic villages and that Shell did not exceed its allowable annual emissions. The emission limits were based on modeling and assumptions, he said, and Shell now has a better understanding of how emissions equipment works in the Arctic.

Environmental groups, however, said the violations show Shell has not acknowledged the risk of drilling in the remote region.

"Shell downplays the ugly effects of its lack of preparedness for Arctic drilling, but these fines tell a different story," said Rebecca Noblin of the Center for Biological Diversity in Anchorage by email. "The Arctic environment is significantly harsher and more dynamic than Shell has accounted for. Unless the Obama administration puts a stop to Arctic drilling, companies like Shell will continue to foul the Arctic air and water."

Colin O'Brien, an Earthjustice attorney who sued EPA over Shell air permits, said Shell violated limits in its original permit and a more lenient temporary order issued just before drilling began. EPA has since ended that compliance order.

Shell failed to install some required air pollution control equipment, failed to properly calibrate monitoring equipment, exceeded emission limits and failed to report them in the time required by law, according the settlement.

Shell in some cases could not maintain high enough temperatures for pollution control equipment to treat exhaust.

"Call me naive but one would expect that in the Arctic, cold temperatures might be an obstacle," O'Brien said. "It highlights that conditions were challenging and Shell was not prepared to meet them,"

Shell declined to install pollution controls on the Discoverer's propulsion engines and promised not to use them while anchored. However, on Oct. 27, high seas prevented an anchor handling vessel, the Tor Viking, from connecting to the Discoverer and crews fired up the Discoverer's engine.

"High seas — not a surprising condition in the Arctic, but something they were not prepared to deal with," he said.