

KCBX defends pet coke operation on Chicago's Southeast side

November 20, 2013

WBEZ 91.5 (wbez.org) - Michael Puente

Bowing to pressure from residents, the Illinois Environmental Protection Agency will not approve a construction permit for KCBX Terminals Inc. In recent weeks the company has been at the center of a controversy over its handling of the ash-like substance known as “pet coke.”

“After the overwhelming response, and in recognition of the various legal and regulatory deliberations still taking place, the IEPA has decided to not issue the construction permit to KCBX this week,” Illinois EPA Director Lisa Bonnett said in a written statement Tuesday. “The Illinois EPA will continue working with the community and other government officials to ensure that a comprehensive solution is reached that will protect human health and the environment.”

Bonnett’s announcement came on the heels of a Tuesday morning protest by a dozen Southeast side residents who oppose KCBX because of the pet coke dust they say has been polluting their neighborhood. Huge piles of pet coke are stored on KCBX property along the Calumet River. The black powdery dust is a byproduct of refining crude oil and often used as a cheap fuel in overseas markets.

Bonnett spoke Tuesday morning before the Union League Club of Chicago where a handful of residents arrived beforehand with makeshift signs chanting “Pet coke makes us choke!” The IEPA director said she met with the protesters following her speech.

Tom Shepherd, who works with the Southeast Side Environmental Task Force, was among them. “Our area is getting dumped on. The folks are upset over it. It’s a blight on our neighborhood. It’s dangerous, it’s toxic, it’s polluting our area. And we’ve pretty much had enough of it,” Shepherd said.

KCBX is already facing two lawsuits filed in recent weeks; One filed by four Southeast side residents and another by the Illinois Attorney General. Tuesday’s action to deny KCBX an approval for its construction permit is likely to do little to stop operations at the company.

NOTE: The residents in the class action lawsuit are being represented by attorney Tom Zimmerman of the Zimmerman Law Offices, in Chicago.

Laurie C. McCausland, deputy general counsel for Koch Companies Public Sector, LLC., the parent company of KCBX, says the permit was simply to move conveyor belts from one facility to another.

In a sit down meeting with WBEZ Tuesday, McCausland provided KCBX’s first response to the pet coke dust storm that engulfed the Southeast side and South Deering neighborhoods in late August during a major thunderstorm. McCausland wasn’t ready to admit that the dust storm came from KCBX’s property.

“I do understand that there was a very significant wind event. I do understand that visually there was a dust storm. What that was...I have no idea.” McCausland said.

McCausland said at the time of the dust storm, a new \$10 million, state-of-the-art automated dust suppression system was not yet in place at its South facility at 10730 South Burley Avenue, a plant surrounded by homes. In fact, the new system only came on line two weeks ago.

It involves 42 water cannons, up from six, oscillating on 60-foot-high poles. The cannons are supposed to douse the pet coke piles with up to 1,800 gallons of water per minute to keep it from blowing away.

McCausland says the system can anticipate wind speed and wind direction and if the conditions are right for a storm. The water sprayed on the piles is collected into two retention ponds on site. She said the system was operating Sunday when much of the Chicago area experienced heavy winds and rain.

“With the system we have in place today, if we have another wind event, we hope to have a very good experience,” McCausland said. “We think this new system is going to provide very good protection for this product. We’re two weeks in and we kind of want to see how it works. We’re hopeful that it’s going to provide good protection.”

McCausland, who is based in Wichita, Kansas, emphasized KCBX’s long relationship with the Southeast side. KCBX has operated its North facility there for more than 20 years.

In December, KCBX, owned by the wealthy Koch Brothers, purchased its South facility previously owned by DTE Chicago Fuels Terminal. The company employs about 40 workers. In July, the City of Chicago issued a construction permit to allow it to begin installing its dust suppression system, according to the company.

McCausland said the company stores both coal and pet coke, which reaches its property by truck from BP’s refinery in nearby Whiting, Indiana. BP processes about 2,000 tons of pet coke every day. Once it’s new advanced coker is brought on line in the coming months, BP will process up to 6,000 tons of pet coke every day. BP contracts with KCBX Terminal to store the pet coke, which eventually is sent to other markets via barge.

McCausland said she did not know if KCBX will handle all of BP’s new pet coke production. She says huge piles at the site may have developed since workers were moving some of the pet coke to clear other areas of the company’s property. Overall, she said, the product is safe.

“It’s unfair for people to be overly scared about this product,” McCausland said. “I think people just don’t have a lot of information.”