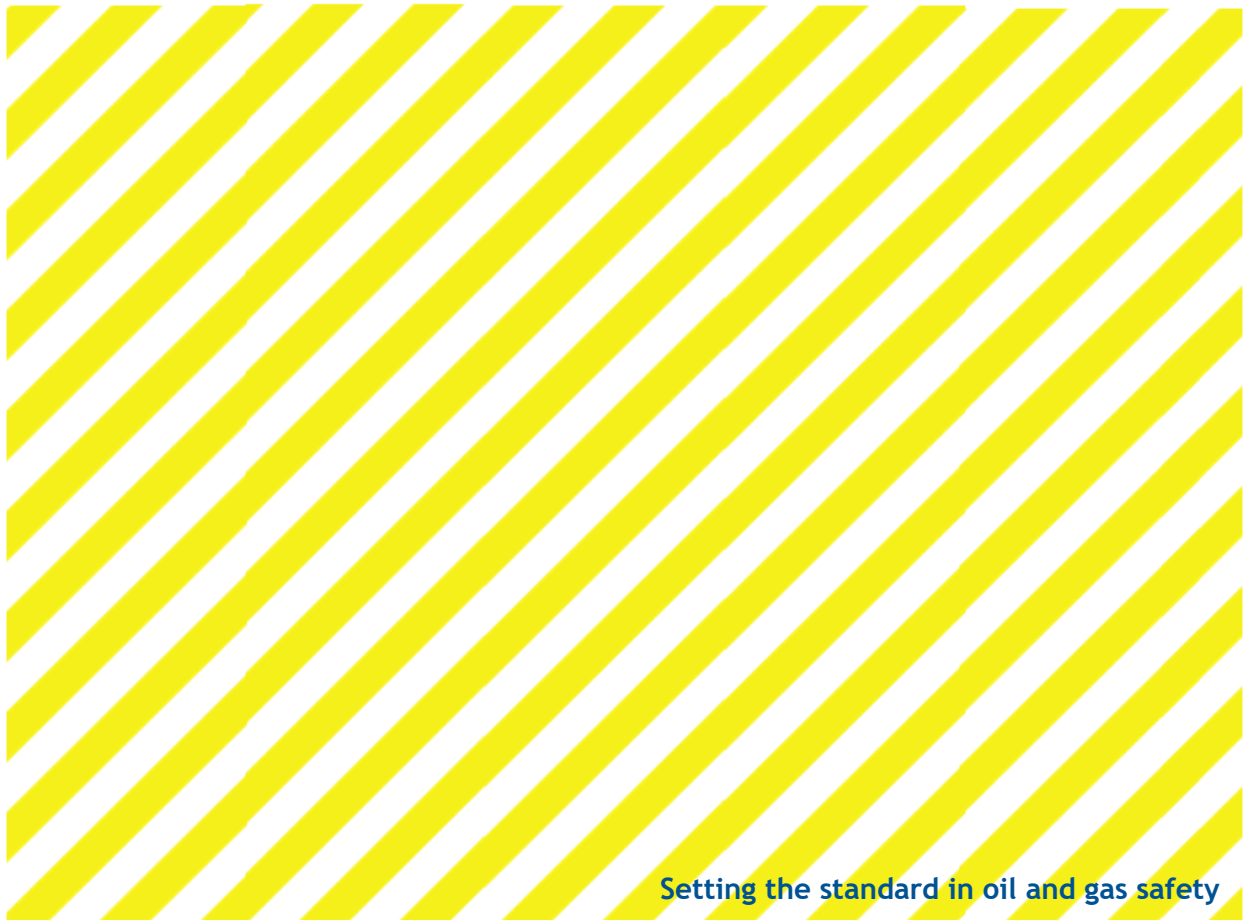




MEASURE WHAT YOU ALREADY DO

How to Get Started with Process Safety
Volume 3

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Setting the standard in oil and gas safety

ENDORSEMENT

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- Explorers and Producers Association of Canada (EPAC)
- Petroleum Services Association of Canada (PSAC)

ABOUT ENERGY SAFETY CANADA

Energy Safety Canada is the oil and gas industry's advocate and leading resource for the continuous improvement of safety performance. Our mission is to help companies achieve their safety goals by providing practices, assessment, training, support, metrics and communication.

AVAILABILITY

This document as well as future revisions and additions, is available from:

Energy Safety Canada
150 - 2 Smed Lane SE
Calgary, Alberta T2C 4T5
Phone: 403 516 8000
Toll Free: 1 800 667 5557
Fax: 403 516 8166
EnergySafetyCanada.com

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PREFACE

PURPOSE

The purpose of the *How to Get Started with Process Safety* library of documents is to provide practical steps for companies in the oil and gas industry managing process safety risks (as “process safety” risks). While managing risks that are process safety risks is not new to the industry, for some companies managing these risks under the banner of process safety is new. This library is designed to help companies rapidly understand what is meant by process safety and assist them in identifying their most significant process safety risk as well as their existing management components and operational practices that fall under process safety management.

This volume, *Measure What You Already Do*, provides an introduction to process safety management (PSM) systems and how a company might use a PSM standard to arrive at an initial measurement of what they are already doing to manage their process safety risks.

HOW TO USE THIS GUIDELINE

The intended audience for this document is senior management or senior operational managers who have risk management responsibilities. This would also include, but not be limited to, those specifically assigned senior roles in either process safety or, more likely, assigned health, safety, and environmental (HSE) roles. It should also be of interest to anyone assigned the task of developing and/or implementing process safety for an organization in the oil and gas industry.

LIMITATIONS

This document does not represent an industry standard on process safety. Process safety as a discipline and process safety management practices are established in a number of well-known standards. This document and the How to Get Started library are limiting themselves to offering advice on the practical demands of process safety implementation.

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1.0 What is Process Safety Management?

The concept of Process Safety Management, or PSM, has been around for several decades. Here is a technical definition of PSM:

Process Safety Management is the application of management principles and systems to the identification, understanding, and control of process hazards to prevent process-related injuries and incidents.

(Taken from Process Safety Management Guide, 4th ed., CSChE)

Essentially, PSM uses systems and management principles to address process hazards.

PSM Standards

What is a PSM Standard?

A PSM standard is a document that outlines how to combine management systems and programs in order to comprehensively manage process safety risks. Typically, a PSM captures these systems and programs under a series of elements.

Several standards are available. They are all slightly different in terms of how they label and organize the PSM elements.

However, if a company uses any of the standards below, it usually has nearly all the systems and programs required by the other standards.

Here are five example PSM standards:

- CSChE: Process Safety Management Standard
- CSA: Z767 Process Safety Management
- AIChE CCPS: Guidelines for Risk Based Process Safety
- Energy Institute (UK): Process Safety Management (PSM) home page
- US Department of Labor OSHA: Process Safety Management

Energy Safety Canada and its industry association members are not endorsing any one PSM standard at this point in time. For the rest of this guideline, we will reference the Canadian Society for Chemical Engineering (CSChE) PSM standard for practicality.

The CSChE PSM Standard

The Canadian Society for Chemical Engineering (CSChE) PSM Division has adopted a twelve element PSM standard originally developed by the CCPS (Center for Chemical Process Safety). While the CCPS moved to a new risk-based twenty element approach in 2007, the CSChE PSM Division has retained the original, shorter standard.

For some companies, the CSChE PSM Standard may be ideal. It is freely available online for companies to download and use. The CSChE has also provided ready-to-use free tools and audit protocols for companies or facilities just starting their PSM journey.



CSA PSM Standard

Please be aware that the Canadian Standards Association (CSA) has published a standard (Z767-17 Process safety management) on process safety management. This standard refers to 16 elements and can be purchased here.

12 Elements	
Accountability: Objectives and Goals	Human Factors
Process Knowledge and Documentation	Training and Performance
Capital Project Review and Documentation	Incident Investigation
Process Risk Management	Company Standards, Codes and Regulations
Management of Change	Audits and Corrective Actions
Process and Equipment Integrity	Enhance of Process Safety Knowledge

Figure 1: The CSChE PSM Standard Elements

2.0 Comparing Your Existing Efforts with a PSM Standard

Measure What You Already Do

Your company's existing management systems and programs probably already fulfil many of the elements in a PSM standard.

Measuring what you already do is the first step to evaluating and improving process safety performance. The goal of performing a gap analysis is to identify which of your company's systems already align with accepted practice in process safety management.

The Value of a Gap Analysis

The value of a gap analysis will depend on your company's operations and current

management systems and programs.

Organizations that have completed a gap analysis report the following benefits:

- Companies discover they have more “process safety” related systems in place than they initially assumed.
- “Process safety” and PSM are demystified: now you can apply the theory to your own real-world operations and systems.
- The domain of “safety” is expanded beyond front line worker injuries to matters that lie at the heart of operations. The singular focus on managing personal injury hazards (often with the onus on the front-line worker and their actions) now becomes a broader focus.
- With a broader focus, safety now includes business and management personnel that used to be seen as “outside the scope of safety management”. For example, procurement and maintenance operations are now just as “safety critical” as the morning tailgate safety meeting
- The link between senior management and safety becomes more obvious than if you think of safety primarily as “personal safety”. As more operations are linked to safety, the need for senior management sponsorship and support becomes clear.
- Taking a look at process safety can help you ask: “Are our current efforts doing enough to manage process safety risk? Should we be doing more?”
- In the same way, the gap analysis may reveal inefficiencies. You may need to rebalance resources if you find duplicate efforts in places and serious gaps elsewhere.

Keeping It Simple

PSM standards are created with very complex, high hazard process facilities in mind. Your company may not match that degree of complexity in its equipment and operations.

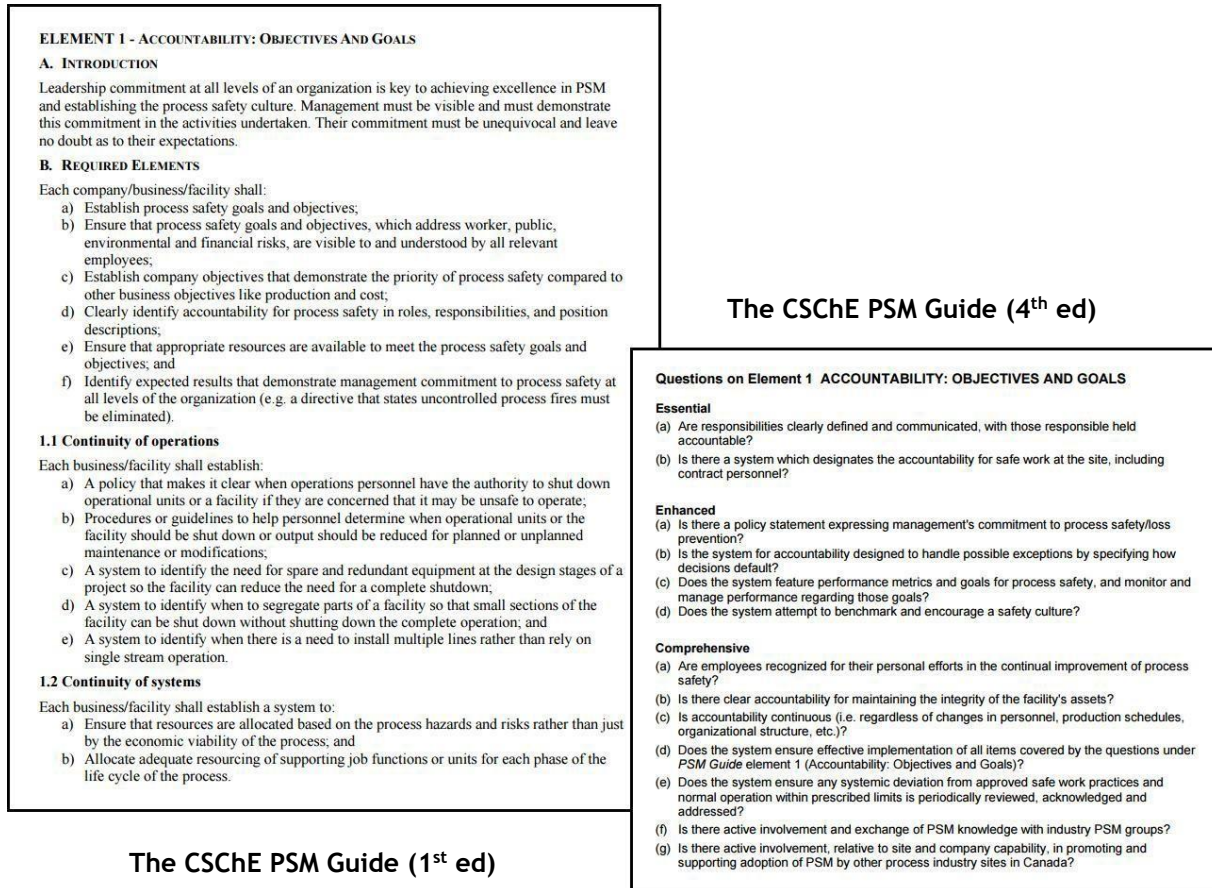
Keep in mind that each company varies and PSM elements should be fit for purpose. A complex system that is poorly understood and not well-used will not benefit your operations. A simple, carefully executed and well-understood approach may be more valuable.

In an initial gap analysis, keep it simple. If an existing practice or system is a reasonable match to a PSM element, place it there. The goal is to capture all existing process safety related management systems and programs. In the future, working forward from existing programs may prevent duplicate efforts or reinventing the wheel.

3.0 Practical Tools for the CSChE PSM Standard

One of the reasons the CSChE PSM Standard is included here is that it already provides freely available resources online (see PSM Publications). If your company is using the CSChE PSM Standard to measure existing PSM maturity, review all of the following before beginning the process.

- Process Safety Management Standard (1st ed)
- Process Safety Management Guide (4th ed)
- Process Safety Management Standard Audit Protocol
- PSM Audit Protocol Workbook



The CSCHE PSM Guide (1st ed)

Figure 2: The CSCHE PSM Standard versus Guide

4.0 The PSM Gap Analysis Examples

This section will provide some practical examples of how companies have conducted a gap analysis using the twelve CSChE elements and their existing management systems. Please note these examples are not specific to one company and may look different from one organization to the next.

PSM Gap Analysis Example

Scenario:

A small oil production company with well sites, battery facilities and some pipelines. The company employs operations and maintenance personnel, plus contract staff for construction work and turnarounds, and is run by a small management team.

Tools and Resources:

- CSChE Process Safety Management Guide
- Excel workbook or other means to track results (whiteboard, notebook)
- Staff from operations, maintenance, management and regular contractors (1-2 people from each group)

Gap Analysis Process:

1. The team read through each element in the Process Safety Management Guide and then answered “yes” or “no” to each question. They included comments in their excel workbook about specific documents, activities or programs that related to each question for that element.
2. Once all the questions were answered for an element, they scored that element in terms of “complete” or “not complete” for each of the three components (Essential, Enhanced and Comprehensive). They also noted the specific questions where gaps were found.
3. When all the elements were complete, they tallied the information for all the elements. See example table below.
4. Using the compiled information, they prioritized the gaps based on company requirements. For example, this company prioritized items related directly to safe day-to-day operations as the most urgent, followed by incident investigations, training and management expectations. Capital project requirements were deemed a lower priority as the company has no plans to execute capital projects this year.
5. They assigned specific actions, deadlines and accountabilities for each gap item, in order of priority, to the team members present. They tracked this information along with item completion inside their excel workbook.
6. The team decided to focus on filling the gaps noted under Essential first, followed by Enhanced and then Comprehensive. They set a target to be compliant to all Essential requirements by year end, and to be compliant to all Enhanced items by the end of the following year.

Element		Essential		Enhanced		Comprehensive		Priority
		Score	Gaps	Score	Gaps	Score	Gaps	
1	Accountability, Objectives and Goals	C		NC	a, b, c, d	NC	all	2
2	Process Knowledge and Documentation	NC	b, c	NC	all	NC	all	1
3	Capital Project Review and Design Procedures	NC	c, d	NC	all	NC	all	3
4	Process Risk Management	NC	a, d	NC	all	NC	all	1
5	Management of Change	NC	a(i), b, d	NC	all	NC	all	1
6	Process and Equipment Integrity	NC	a(iv), b(i), b(v), c	NC	all	NC	all	1
7	Human Factors	NC	a, b	NC	all	NC	all	3
8	Training and Performance	NC	d	NC	b(i), b(ii), c	NC	all	2
9	Incident Investigation	NC	d	NC	a	NC	all	2
10	Company Standards, Codes and Regulations	C		NC	a	NC	all	3
11	Audits and Corrective Actions	NC	all	NC	all	NC	all	2
12	Enhancement of Process Safety Knowledge	NC	b(iii), b(vi), b(vii)	NC	all	NC	all	3

C = Complete

NC = Not Complete



CALGARY

T 403 516 8000 5055 11 Street NE
F 403 516 8166 Calgary, AB T2E 8N4

NISKU

T 780 955 7770 1803 11 Street
F 780 955 2454 Nisku, AB T9E 1A8

FORT MCMURRAY

T 780 791 4944 Box 13 - 8115 Franklin Avenue
F 780 715 3945 Fort McMurray, AB T9H 2H7

BRITISH COLUMBIA

T 250 784 0100 2060 - 9600 93 Avenue
F 250 785 6013 Fort St. John, BC V1J 5Z2

SASKATCHEWAN

T 306 842 9822 208 - 117 3 Street
F 306 337 9610 Weyburn, SK S4H 0W3

Info@EnergySafetyCanada.com
Enrolment Services and Certificate of Recognition:
1 800 667 5557

EnergySafetyCanada.com