CERCLA Cost Recovery: U.S. Environmental Protection Agency and Irwindale, California Refrigerant Reclamation/Recycling Facility Enter into Settlement Agreement

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03/25/2026

The United States Environmental Protection Agency ("EPA") and Refrigerant Exchange Corp. ("REC") entered into a Proposed Settlement Agreement ("Agreement") pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). See 91 Fed. Reg. 13845 (March 23, 2026).

The Agreement addresses the recovery of past response costs for a response action at a refrigerant reclamation and recycling facility located in Irwindale, California.

The Agreement provides that on July 5, 2021, a fire and explosion occurred at the facility causing the release and threatened release of hazardous substances.

EPA is stated to have undertaken response actions at the stie pursuant to Section 104 of CERCLA to remove waste and empty containers and perform soil and air monitoring.

The hazardous substances EPA addressed are stated to have included:

- Lithium Bromide.
- Chlorofluorocarbon (CFC-11).
- R-22.
- Hydrofluorocarbon (HCFC-123).

EPA alleges that REC's two corporations are responsible parties pursuant to Section 107(a) of CERCLA and therefore jointly and severally liable for response costs incurred or to be incurred at the facility. However, the Agreement provides that actions undertaken by the settling parties do not constitute an admission of liabilities and do not admit, and retain the right controvert in any subsequent proceedings other than proceedings to implement or enforce this Agreement.

The Agreement addresses:

- Payment of net proceeds of sale of property.
- Required maintenance of the property.
- Rental income.
- Marketing of the property.

- EPA's prior written approval for contract of sale is required.
- Notice to EPA of sale.
- Status of property if has not been sold within 5 years of commencement of efforts to do so.
- Funds to the United States at the time of sale.

The Agreement also addresses:

- Failure to comply with Settlement Agreement.
- Covenants for settling parties by EPA.
- Reservation of rights by EPA.
- Covenants by settling parties.
- Effect of settlement/contribution.
- Property requirements.
- Agreements regarding access and non-interference.
- Notice to successors-in-title.
- Access to information.
- Retention of records.
- Notices of submissions.
- Integration Appendices.
- Public Comment.
- Effective Date.

A copy of the Agreement can be found here.