

Petroleum Fund Usage Survey Review

National Tanks Conference – Louisville, Kentucky
Wednesday, September 12, 2018

Presented by:

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Michigan Underground Storage Tank Authority

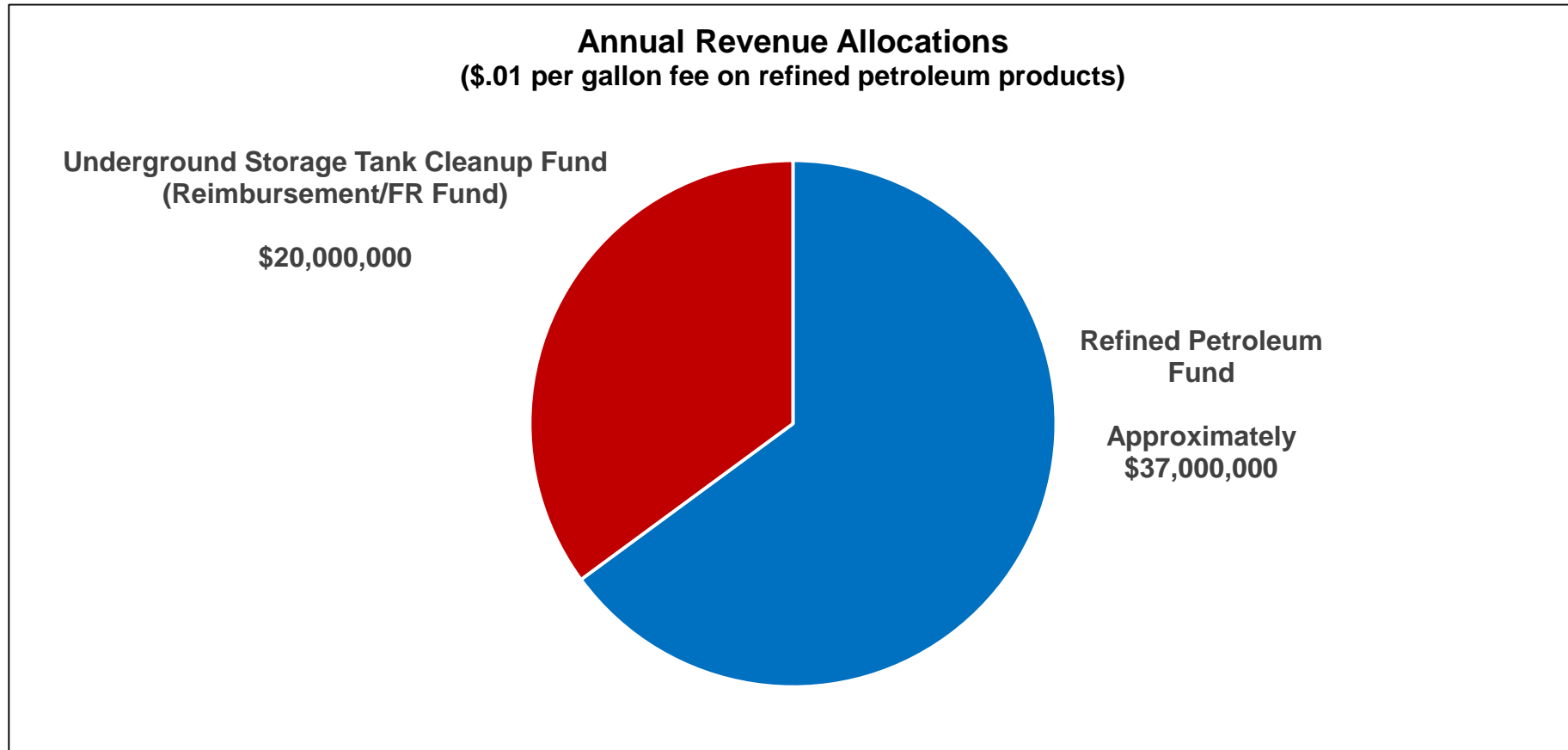


Presentation Outline

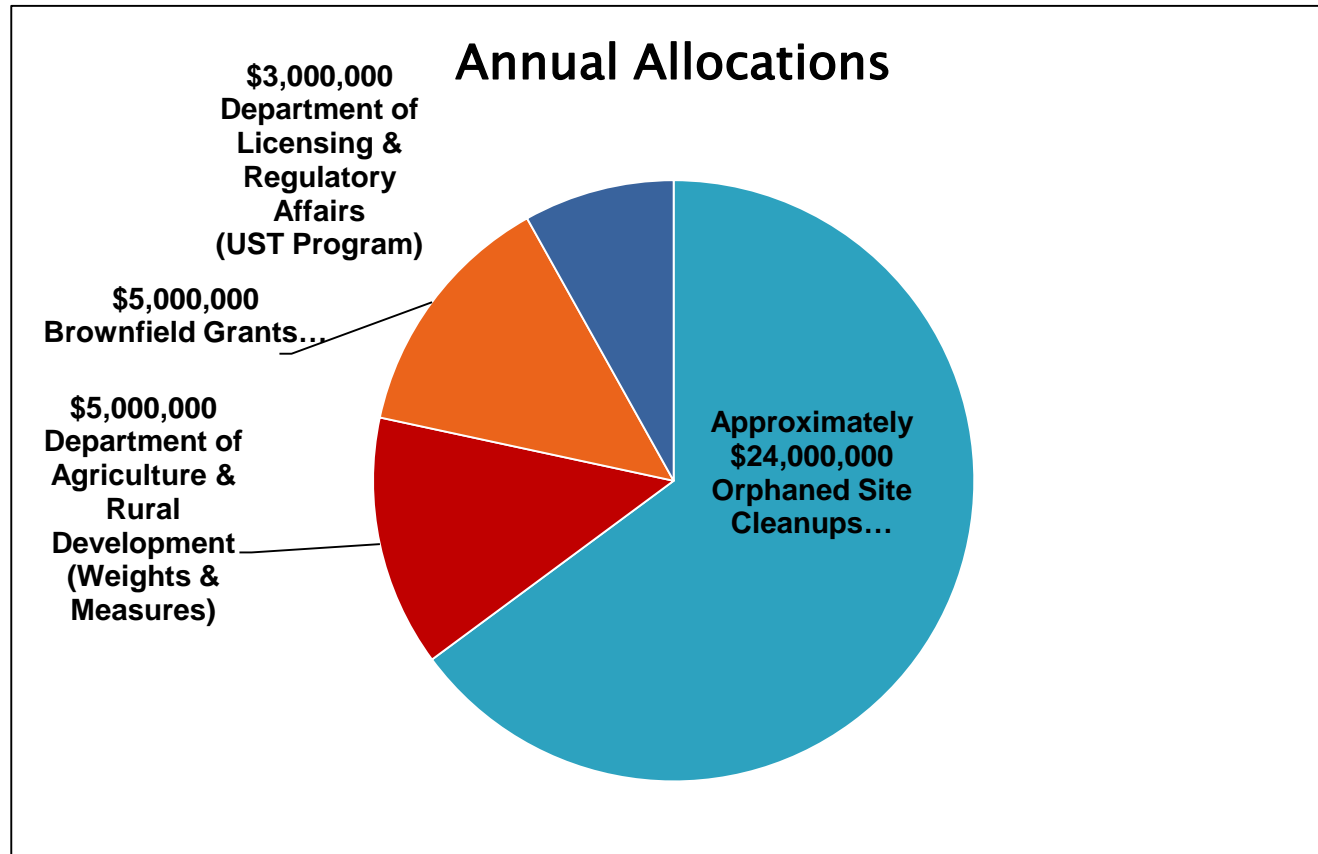
- Brief Description of Michigan's Funding & Uses
- Reason the Survey was Conducted
- Methodology
- Review of Results
- Discussion Regarding other Potential Uses of or Impacts to State Funds



Michigan's Fee



Michigan's Refined Petroleum Fund



\$36 million from the orphaned site balance fund a Legacy Release Program for open releases that were reported prior to 12/30/2014

Michigan's Fund Balances

- Reimbursement/Financial Responsibility Fund
 - Approximately \$69 million
- Refined Petroleum Fund
 - Approximately \$50 million




Reason the Survey Was Conducted

- To be prepared to present alternative uses for the funds in the case of a potential legislative or executive branch raids of fund balances
- Because UST owners and operators can benefit from the fees in ways other than corrective actions and FR
- To spur conversation of potential new and innovative uses for state petroleum funds



Legislature

Survey Methodology

- Drafted by Bob Reisner (MI) and Russ Olsen (WA) and provided members of the State Fund/FR task force for comments and updating
 - Sent to the state contacts by ASTSWMO
 - 39 Responses were received
 - Results were compiled and are being presented today
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The Survey....

	Response
State Name:	
Primary Type of Coverage (ex., State Fund, Insurance, Combination):	
Website:	
	Does Your Fund/Insurance Cover the Following, and Description of Coverage (Responses):
Fund Sunset Date	
Deductible for Corrective Actions	
Deductible for Third Party Liability	
Dates of UST Releases Covered	
Aboveground Tank Releases	
UST Replacement Loans	
UST Upgrade Loans	
UST Removal Costs	
Business Interruption Coverage	
Site Restoration	
Brownfield Grants/Loans	
Orphaned Site Cleanups	
New Fuels Infrastructure	
Release Prevention Activities	
Other: Describe	
	Response:
Does Your State Track Endorsements to Insurance Policies that Alter the Coverage that a Policy Provides? If so, please describe.	

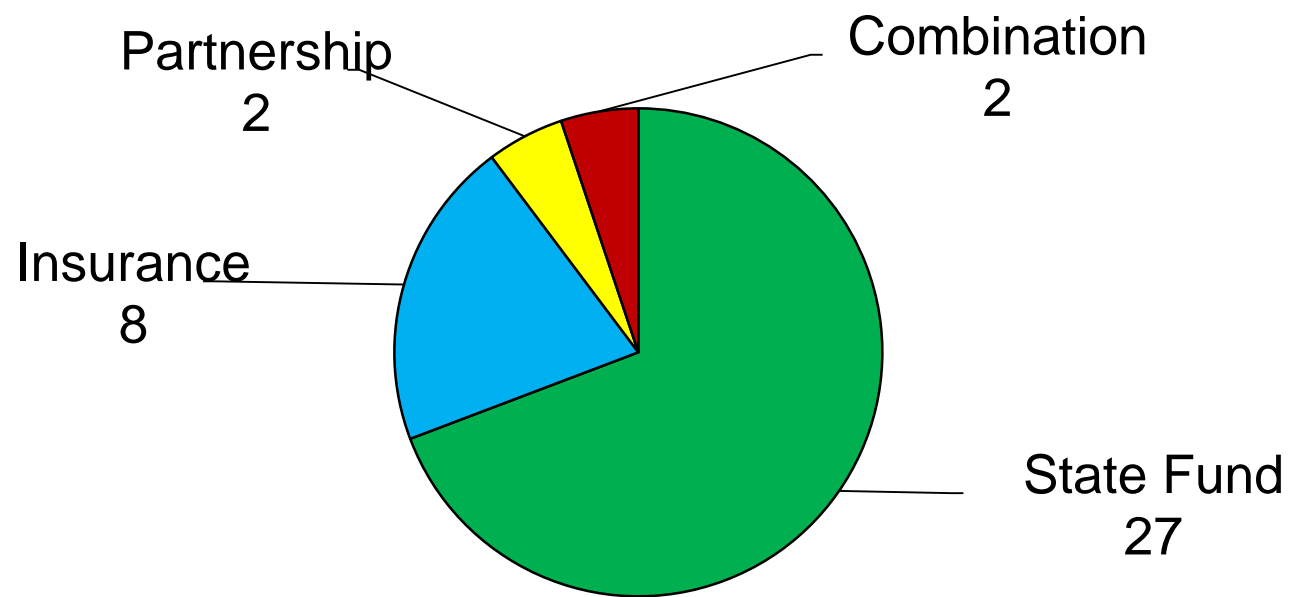
Raw Data Availability

[illegible]

- The compilation of the raw data is available in Excel format
- reisnerr@michigan.gov
or
- CharlesR@astswmo.org

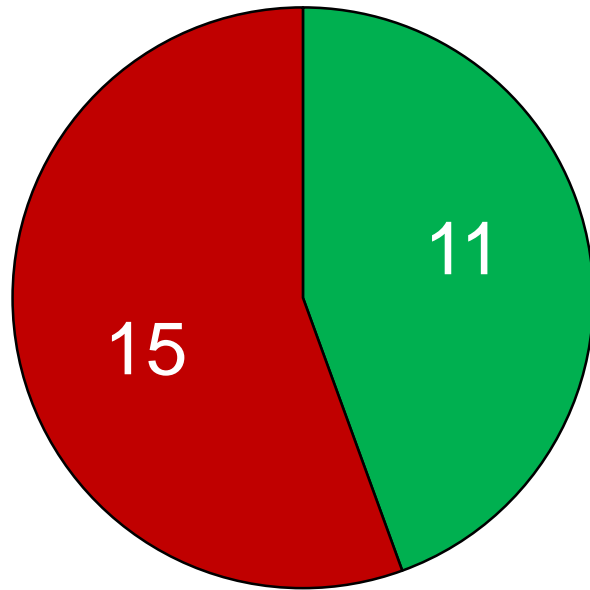
Primary Type of Coverage

(39 Responses)



Fund Sunset Dates


Fund Sunset Date?



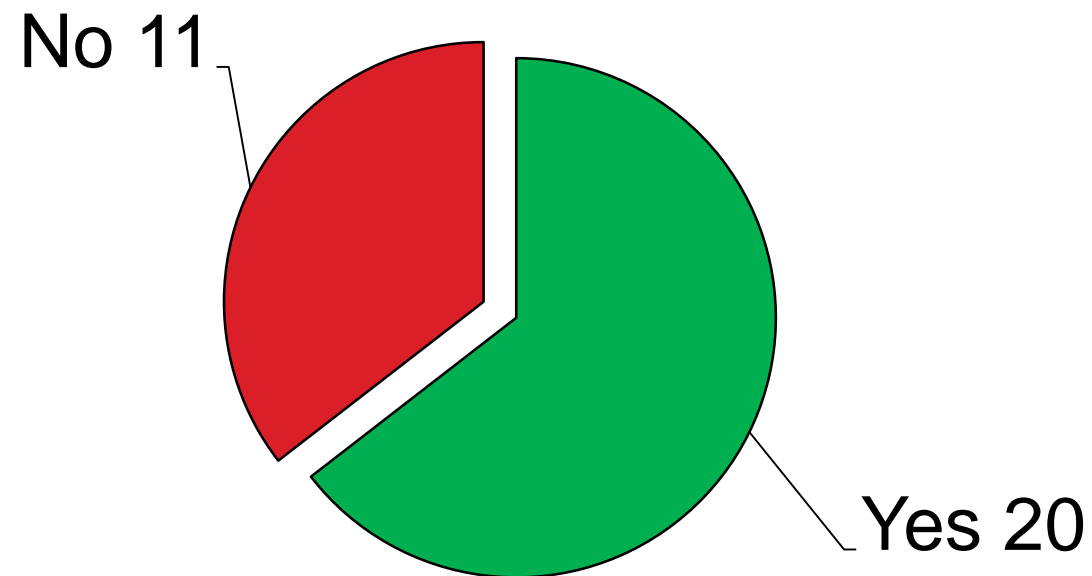
■ Yes ■ No

- Range from July 2019 to July 2030
- Vermont has recently pushed back their date until 2029
- Washington has an expiration date of July 1, 2030 rather than a sunset

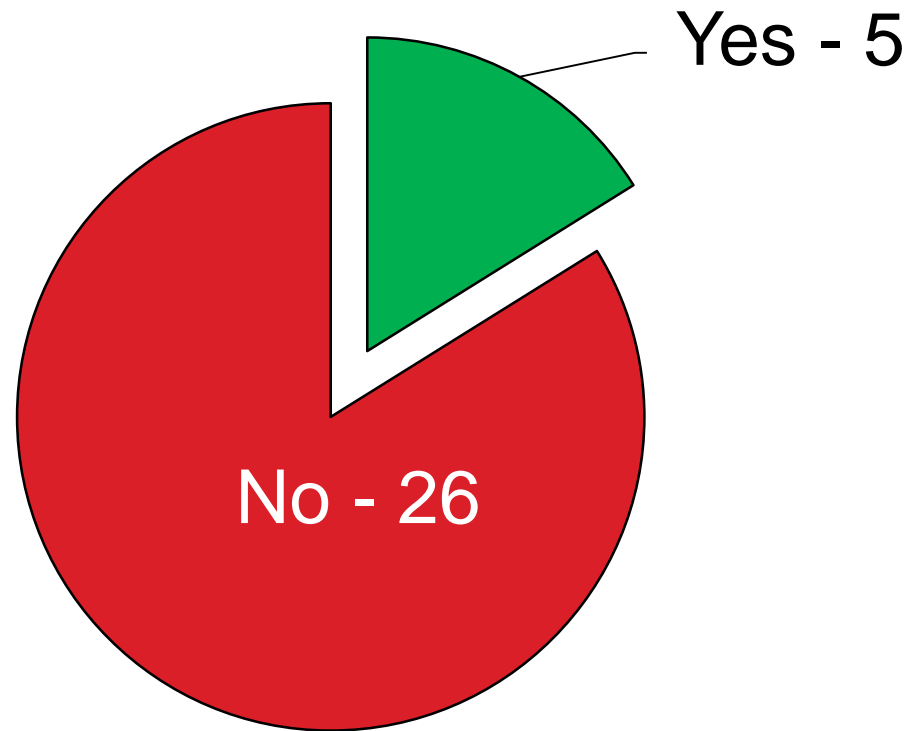
Dates of UST Releases Covered

- 28 Responses
 - 7 states do not have a date limitation
 - 17 states cover from the late 1980s forward
 - 3 states cover from the early 1990s forward
 - Michigan's new fund covers from December 30, 2014 forward
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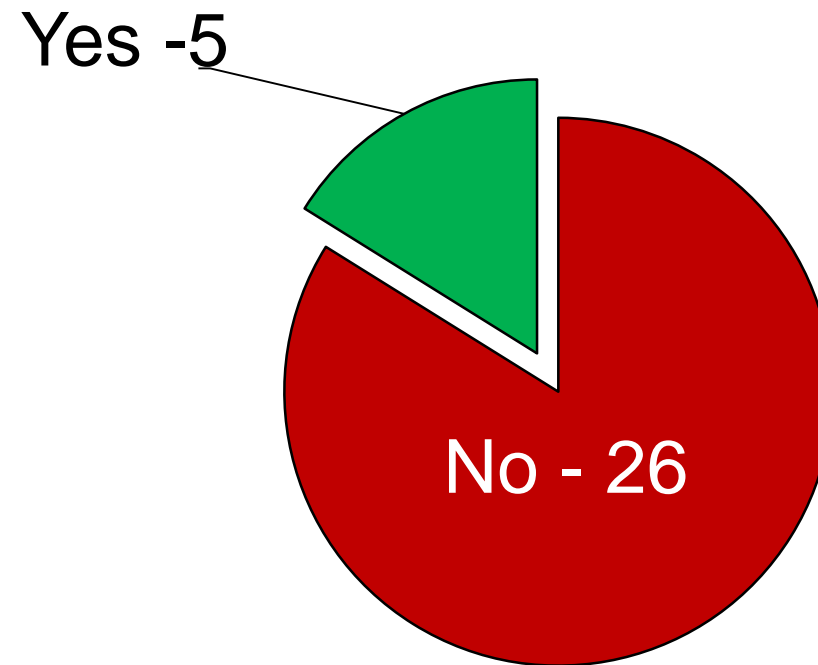
Aboveground Tank Releases



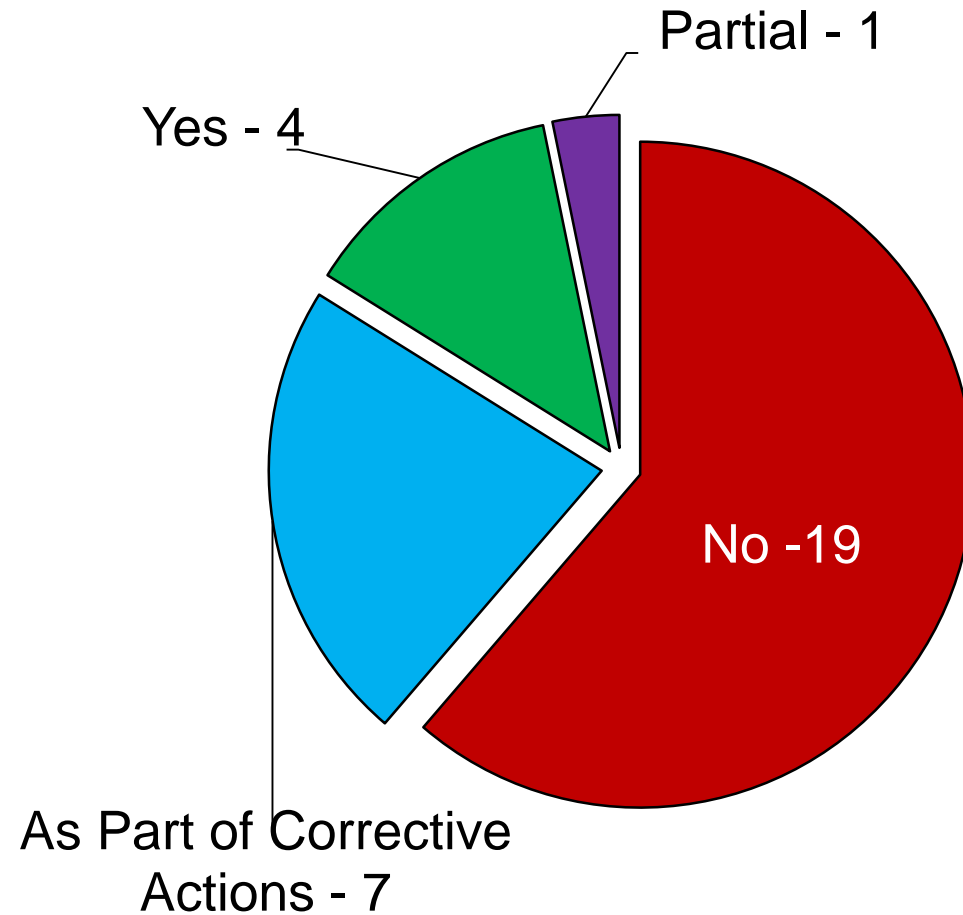
UST Replacement Loans




UST Upgrade Loans



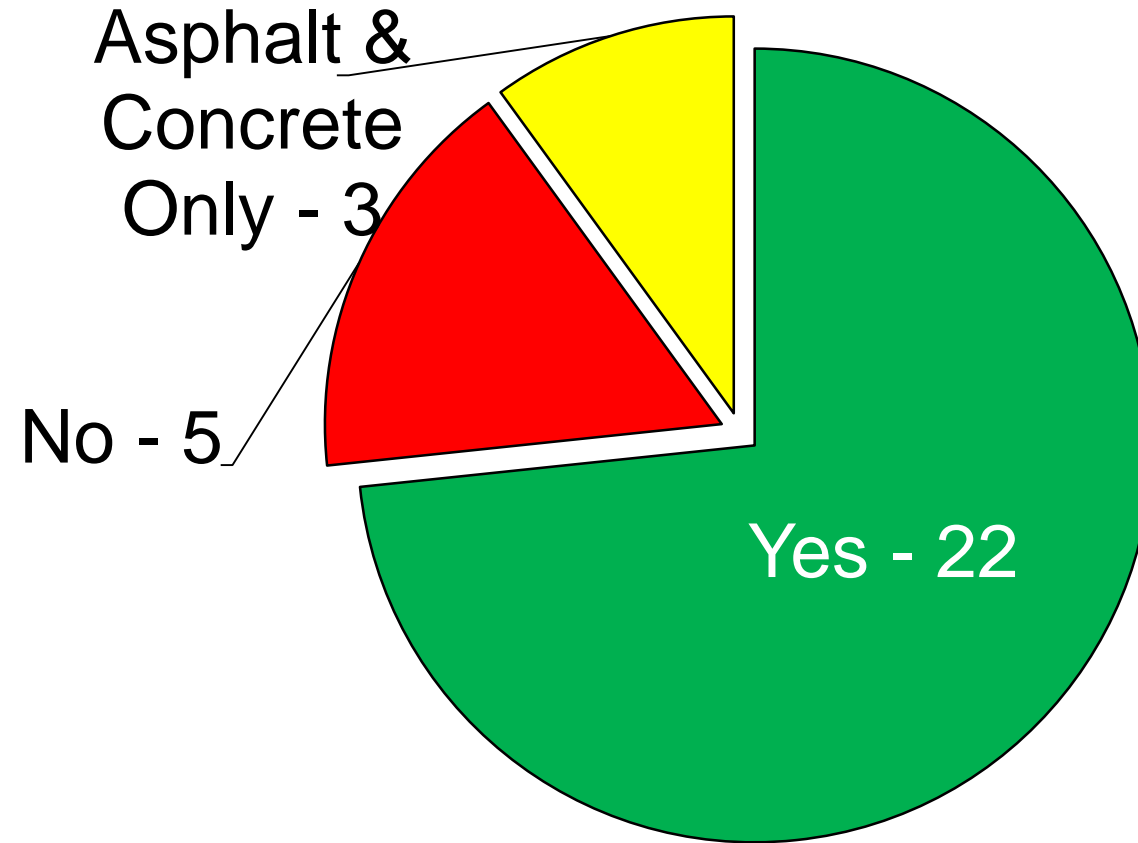
UST Removal Costs



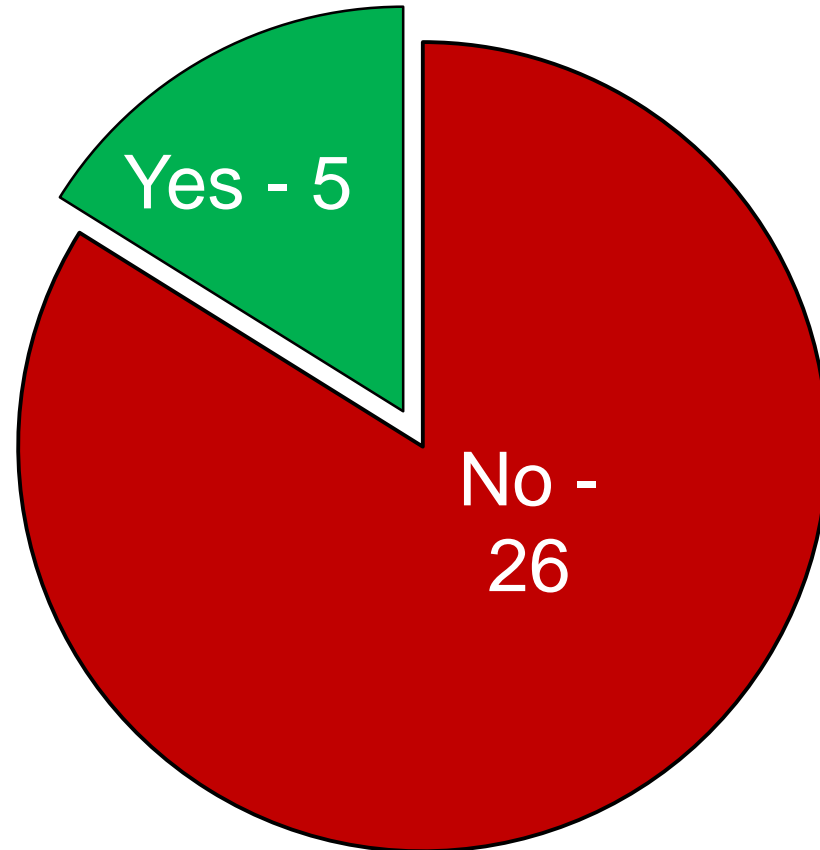
Business Interruption Coverage

- None of the state funds pay for business interruption coverage for the liable/responsible party (not to be confused with third-party liability)
 - Some insurance companies have indicated that they pay for this coverage to facilitate soil removal
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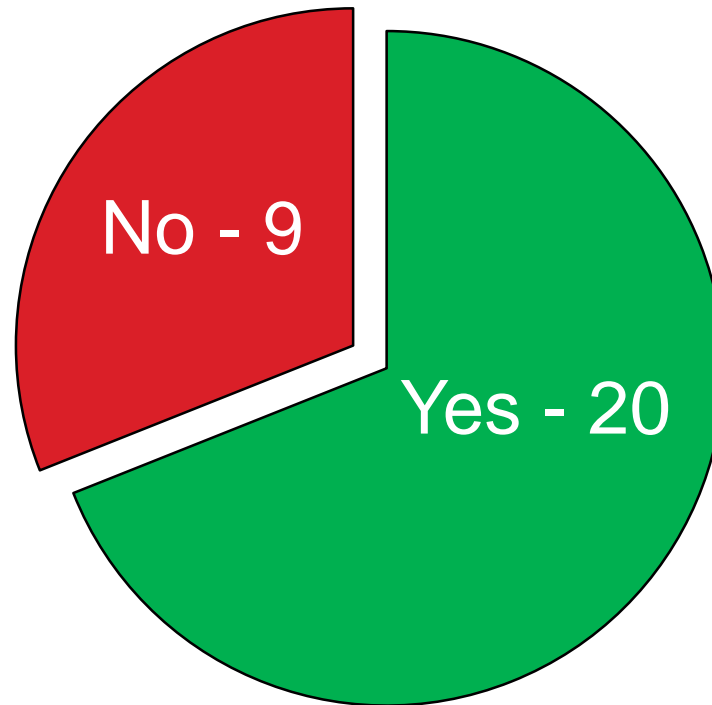
Site Restoration



Brownfield Grants and/or Loans



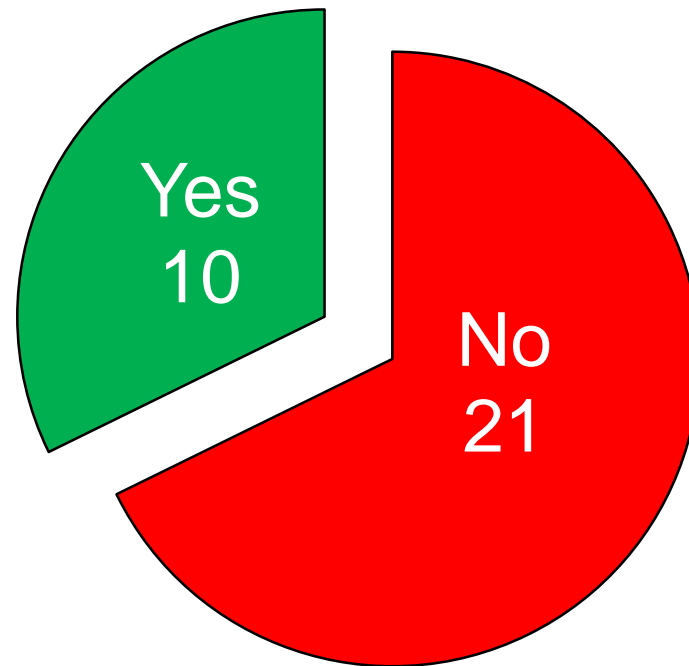
Orphaned Site Cleanups



New Fuels Infrastructure

- Washington was the only state to respond that they do fund the installation of infrastructure such as EV charging stations:
 - ✓ Up to \$2 million available per site for cleanup of petroleum contamination and replacement/installation if UST infrastructure
 - ✓ 1.0% loan interest rate discount available for installation of EV charging stations
 - ✓ 21 of 51 applicants have proposed EV station installation

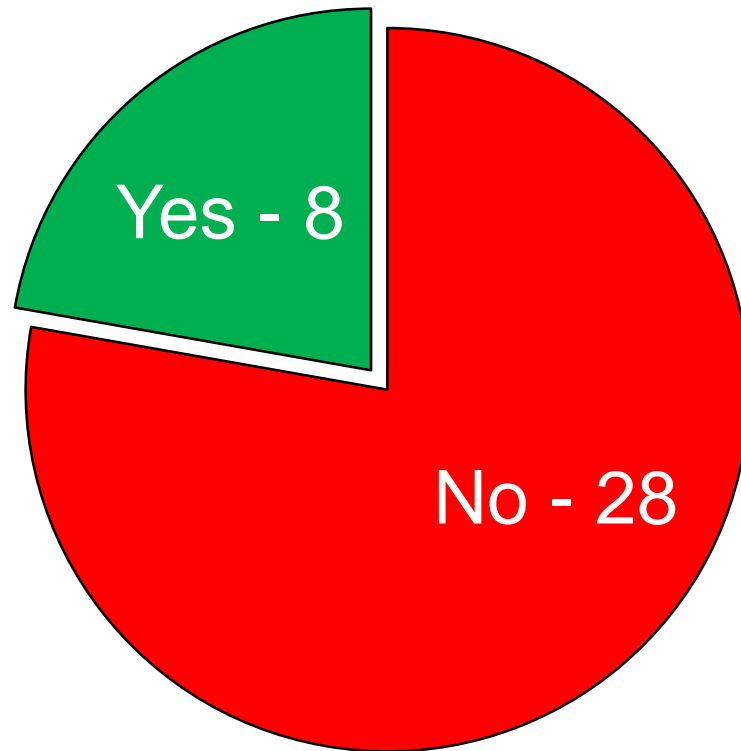
Release Prevention Activities




Other Uses.....

State	Other Use
Colorado	For 2017 and 2018, offering an incentive of waiver of the \$10,000 deductible if found during the replacement of spill buckets testing of under dispenser containment or permanent removal of tank without any replacement of a new tank
Pennsylvania	Competitive Bidding for Corrective Action; Allocations to PADEP for Pump & Plug, Investigation & Closure Costs, Catastrophic Releases, and (home) heating oil grants for cleanup
Virginia	Heating Oil UST and AST releases

Does Your State Track Endorsements to Insurance Policies that Alter the Coverage Provided?



Potential Factors That May Impact State Funds

- Spill bucket/sump testing requirements
 - Vapor intrusion sampling/response
 - Perfluoroalkyl and polyfluoroalkyl substances (PFAS)
 - New fuels and fuel blends that may not be compatible with UST systems
 - Higher CAFÉ standards
 - Others?
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Discussion/Brainstorming



← Group

Me →



Any other new ideas regarding uses of state funds?

For Questions or Data Requests

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517-284-5141

Thank You for Attending!