



Colorado's Evolving Tanks Program

EPA National Tanks Conference

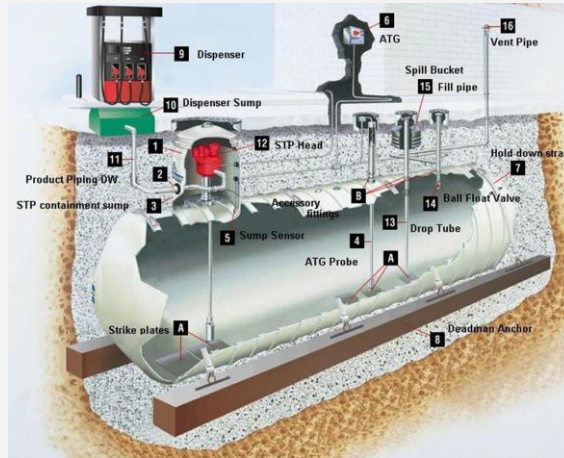
September 23, 2025

Mahesh Albuquerque
Director

OPS Petroleum Program

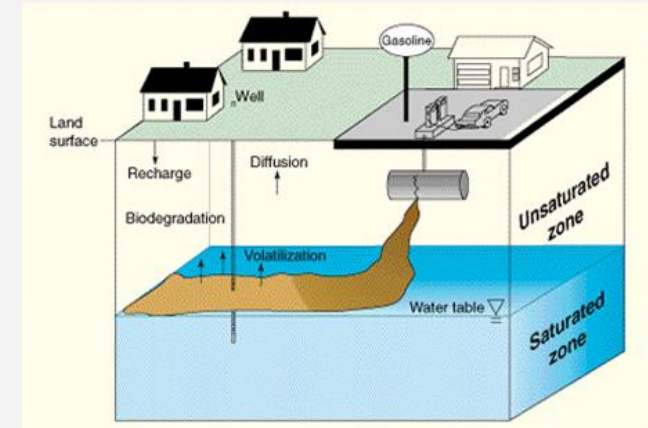
Storage Tank Compliance

Petroleum USTs 110+ gallons and ASTs between 660 and 40,000 gallons; liquefied petroleum gas (LPG) and retail sale of compressed natural gas (CNG), liquefied natural gas (LNG), and hydrogen



Petroleum Remediation

Reduce damage to the environment and risk to the public caused by leaking petroleum storage tanks



Weights and Measures

Marketplace equity, fuel quality, and consumer complaints



Petroleum Storage Tank Fund

Reimbursement of costs related to assessment and cleanup of petroleum contaminated sites



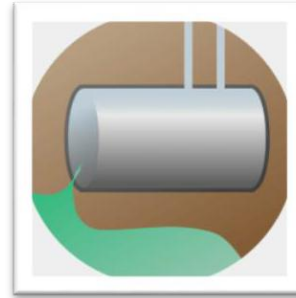
12,139

OPS regulated petroleum storage tanks – aboveground and underground



90.8%

Technical Compliance Rate



\$32 million

2024 reimbursement to tank owners for petroleum cleanup



98%

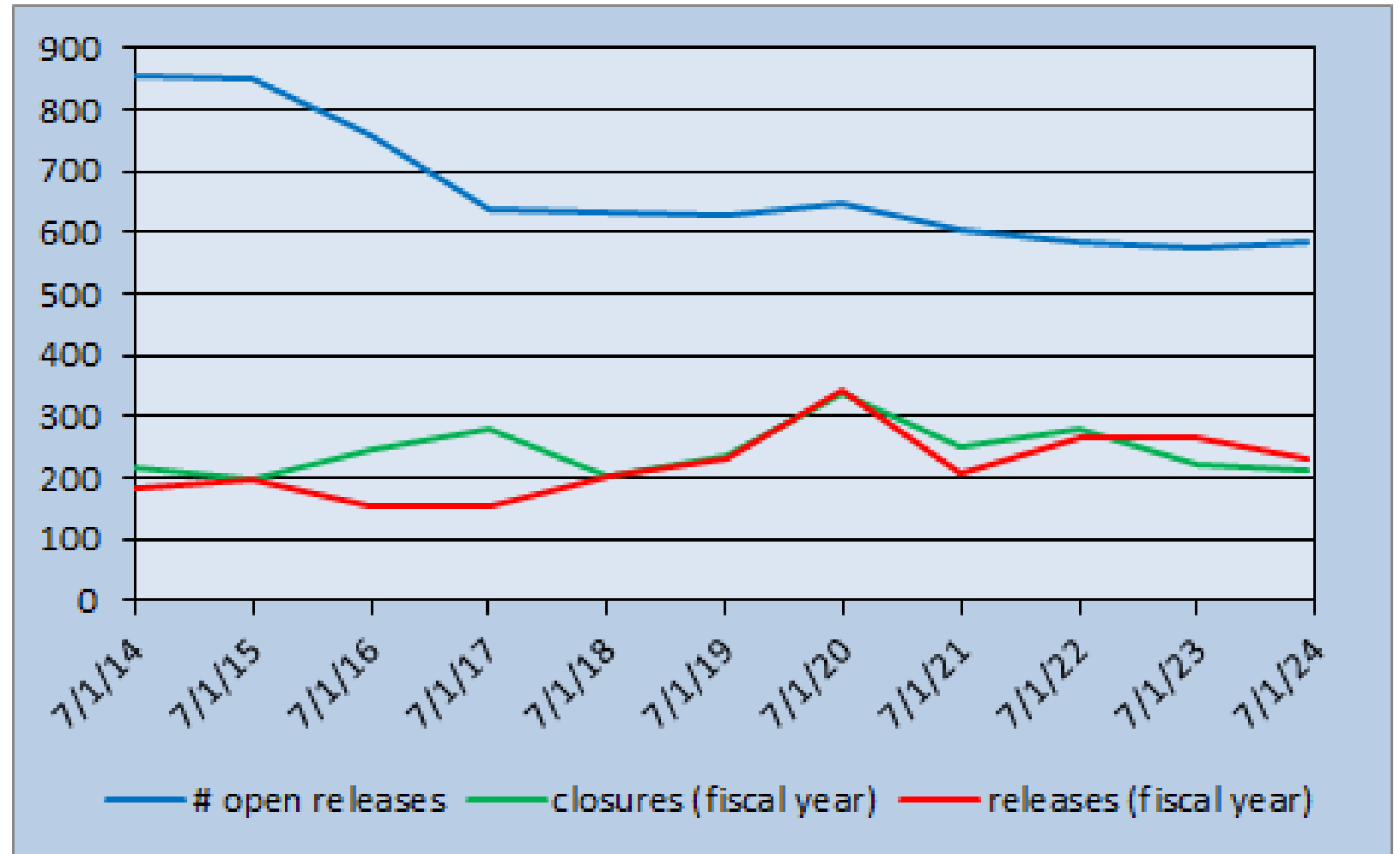
Consumers get what they pay for at the pump



\$5.4 million

to date in compliance incentives for upgrades and tank removals

Release Trends



In the beginning...

- **1984:** Congress directed the EPA to create a national UST program.
- **December 1988:** The first federal UST regulations went into effect.
- **December 1, 1989:** Colorado's first UST rules went into effect. The LUST and PSTF programs were housed at the Colorado Department of Public Health and the Environment (CDPHE)
- **July 1, 1995:** Due to inefficiencies in LUST site reviews and PSTF reimbursement application processing Colorado's legislature transferred the LUST and PSTF from CDPHE to the Division of Oil and Public Safety (OPS).

1995 Challenges and Opportunities

- Backlog of unreviewed sites and reimbursement applications
- Variety of formats and information on report submittals
- Little guidance on investigation and cleanup expectations
- Significant variation in cleanup costs for similar work
- Variation in technical reviewer expertise and decision making
- Frustrated tank owner/operators





The First Decade: 1995 -2005

- Invested in Staff Training
- Revised Storage Tank Regulations
- Adopted Risk Based Cleanup Criteria
- Created an Owner/Operator Guidance Document
- Developed Standardized Report Formats (NFA, SCR, CAP)
- Developed COSTIS a database integrating UST, LUST and PSTF
- Developed Reasonable Cost Guidelines

First Decade Outcomes

- Significantly reduced cleanup and reimbursement backlog
- Motivated staff to provide Outstanding Public Service
- Built trust and confidence with owner/operators and industry
- Strengthened relationship with Petroleum Marketers Association

The Second Decade: 2005-2015

Culture Change

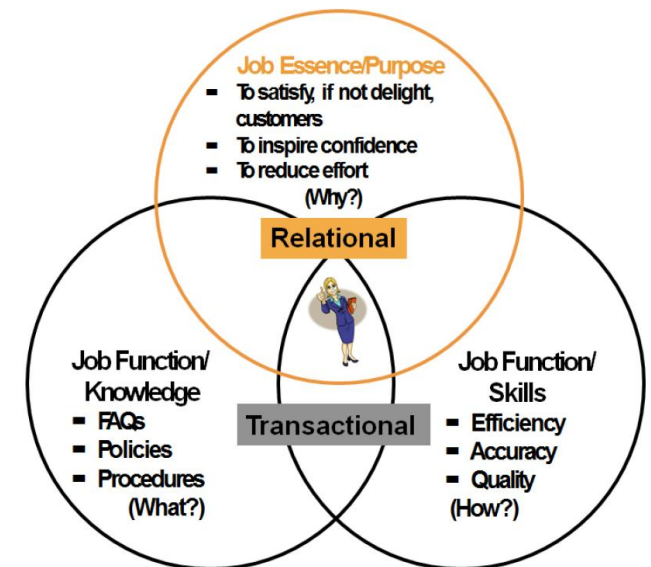
Questioning the Status Quo

Implementing Process Improvements

Shifting from Transactional to Relational

Delight Your Customers

7 Simple Ways to Raise Your Customer Service
from Ordinary to Extraordinary

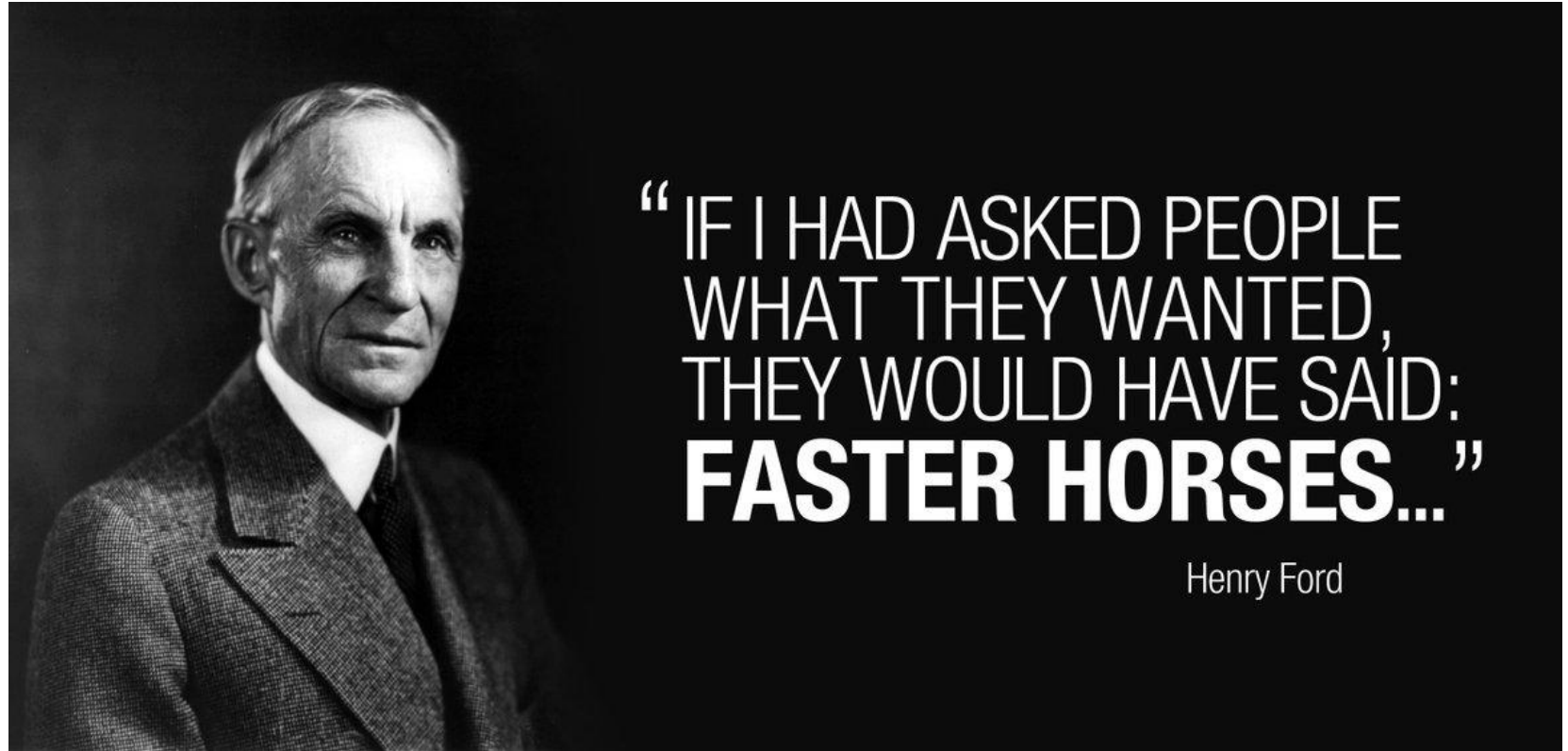


Our Status Quo

- Successful tanks program, fully funded and staffed
- Periodic inspection intervals better than many states
- All releases being addressed, no cleanup backlog
- Solvent fund, reimbursing over \$36 million per year
- No one is complaining...



Question the Status Quo



Are we using our resources wisely?

Reimbursed almost a billion dollars in cleanup costs

- Are we protecting the public and the environment?
- Who is benefiting?
- Are cleanup costs going down?
- Are we preventing releases?
- What if the Fund sunsets?

What could we improve?

- Incentivize Release Prevention
- Funding for Petroleum Brownfields
- Address Aging Tank Infrastructure
- Voluntary Upgrades by O/O's



"An ounce of prevention
is worth a pound of cure."
Benjamin Franklin

Senate Bill 07-247

- Colorado adopted 2005 EPA Act UST provisions requiring Operator Training and Secondary Containment on new installations
- Authorized PST Fund monies to be used as incentives for UST upgrades
- Required O/O to be in full compliance with regulations



SENATE BILL 07-247

BY SENATOR(S) Veiga, Hagedorn, Taylor, and Tochtrop;
also REPRESENTATIVE(S) Frangas, and Kerr A.

CONCERNING PETROLEUM STORAGE TANKS, AND, IN CONNECTION
THEREWITH, ALLOWING MONEYS IN THE PETROLEUM STORAGE TANK
FUND TO BE USED AS INCENTIVES TO UPGRADE EXISTING STORAGE
TANKS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 8-20.5-103, Colorado Revised Statutes, is amended
BY THE ADDITION OF A NEW SUBSECTION to read:

**8-20.5-103. Petroleum storage tank fund - creation - rules -
repeal.** (3.5) MONEYS IN THE PETROLEUM STORAGE TANK FUND MAY BE
USED AS INCENTIVES TO UNDERGROUND STORAGE TANK OWNERS AND
OPERATORS TO UPGRADE EXISTING SYSTEMS. THE DIVISION OF OIL AND
PUBLIC SAFETY SHALL PROMULGATE RULES TO IMPLEMENT THIS SUBSECTION
(3.5).

Double Dip Settlements

BACK ISSUES SEARCH

 Courthouse News Service

Colorado Sues Big Oil Co

JONNY BONNER January 30, 2012



DENVER (CN) – Colorado accused ConocoPhillips of profiting from its pollution of the state’s oil and water while the taxpayers had to pay for the cleanup.

“In other words, defendants profited from polluting Colorado soil and water, while the state paid \$70,662,558.87 to clean up defendant’s contaminated sites,” the state says bluntly in its complaint.

Colorado claims ConocoPhillips, the nation’s third-largest energy company, “agreed to immediately pay to the state any monies it received from third parties for the same costs paid by the state, ‘including insurance proceeds,’” then lied about getting insurance money.

Colorado created its Petroleum Storage Tank Fund in 1989 to cover cleanup costs and “protect the public health, safety, and welfare and to minimize environmental damage,” from leaks from underground storage tanks, according to the complaint.

Conoco Phillips received \$21.7 million in “direct reimbursement” from the fund to clean up 113 of its service stations, and another \$48.9 million in “subsequent-owner reimbursement” for “corrective action costs” at 241 more stations, the state says.

The complaint states: “ConocoPhillips repeatedly represented to the state that it had not received and did not expect to receive compensation for the corrective action of UST contamination from any source, including ‘lawsuits, settlement, [and] insurance.’

“In its contracts with the state, ConocoPhillips agreed to immediately pay to the state any monies it received from third parties for the same costs paid by the state, ‘including insurance proceeds.’

“ConocoPhillips sued its insurers for the corrective action of environmental contamination, including corrective action of its UST leaks, and settled with its insurers for approximately \$286 million.

- Millions back into Petroleum Storage Tank Fund
- High cash balance eliminates fuel surcharge
- State recovering from the Great Recession
- Budget shortfalls, risk of legislative raids
- How do we ensure money stays in program

Eisenhower Johnson Tunnel, Loveland Pass

- Interstate 70 is a major east west transportation route.
- Critical infrastructure for commerce, disruption would be devastating..
- Need a \$20 million fire suppression system in tunnel to protect infrastructure
- Alternate Haz Mat route is treacherous, tanker rollovers, environmental damage



Fuel tanker rolls on Loveland Pass, spilling about 500 gallons

News | April 30, 2010

Robert Allen
Summit County Correspondent
Post Independent
Glenwood Springs, CO Colorado



Summit Daily/Robert Allen
ALL /

LOVELAND PASS, Colorado - A tanker carrying 7,000 gallons of petroleum rolled over a westbound Highway 6 embankment above Arapahoe Basin Ski Area on Friday morning, spilling about 500 gallons.

House Bill 13-1252



HOUSE BILL 13-1252

BY REPRESENTATIVE(S) Hamner and Scott, Fields, Fischer, Labuda, Lebsack, Mitsch Bush, Moreno, Salazar, Schafer; also SENATOR(S) Jahn and King, Cadman, Giron, Grantham, Harvey, Heath, Jones, Kefalas, Scheffel, Schwartz, Tochtrop, Todd.

CONCERNING THE PETROLEUM CLEANUP AND REDEVELOPMENT FUND.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 8-20.5-103, **amend** (1) introductory portion; **repeal** (1) (b); and **add** (9) as follows:

8-20.5-103. Petroleum storage tank fund - petroleum cleanup and redevelopment fund - creation - rules - repeal. (1) There is hereby created in the state treasury the petroleum storage tank fund, which ~~shall be~~ is an enterprise fund. ~~Such~~ THE fund ~~shall consist~~ CONSISTS of the following:

(b) ~~Civil penalties collected pursuant to section 8-20.5-107;~~

(9) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE PETROLEUM CLEANUP AND REDEVELOPMENT FUND, WHICH IS REFERRED TO IN THIS SUBSECTION (9) AS THE REDEVELOPMENT FUND. THE

New Fire Suppression System Slated For Eisenhower Tunnel

By NATHAN HEFFEL • DEC 11, 2014

Share
Tweet
Email



Colorado Governor John Hickenlooper signs fire suppression legislation at the Eisenhower/Johnson Memorial Tunnels, 2013. The legislation included \$5 million of critical seed money for the project.

Governor Signs Legislation Helping Fund Eisenhower/Johnson Tunnels Fire Suppression System

May 17, 2013 - Central Eastern Colorado/CDOT Region 1 - Bill Includes Clean Up of Abandoned Petroleum Contaminated Sites.

SUMMIT/CLEAR CREEK COUNTIES - At a signing ceremony at the Eisenhower Tunnel today, Gov. John Hickenlooper signed into law House Bill 13-1252, establishing the Petroleum Cleanup and Redevelopment Fund within the Division of Oil and Public Safety, a part of the Colorado Department of Labor and Employment.

The legislation includes \$5 million of critical seed money for a fire suppression system at the Eisenhower/Johnson Memorial Tunnels (EJMT), allowing the Colorado Department of Transportation (CDOT) to pursue the additional funding necessary to build it.

Eisenhower Tunnel to get new fire suppression system

NEWS



** FILE ** An automobile passes through the Eisenhower Tunnel on Interstate 70 in this Sept. 21, 2004 file photo, near Silverthorne, Colo. Republican lawmakers in the Colorado State Capitol are promoting a \$5 toll on interstate 70 to pay for the widening of the highway.

HB13-1252 created the PCRf

Petroleum Cleanup and Redevelopment
Fund Guidebook - 2018



COLORADO
Division of Oil and Public Safety
Department of Labor and Employment

Level I

- Up to \$20,000 for site assessment (10% from owner)
- \$2,000 per tank removal

Level II

- Up to \$30,000 to characterize (10% from owner)

Level III

- 50% of cleanup costs up to \$500,000



House Bill 15-1299

HOUSE BILL 15-1299

BY REPRESENTATIVE(S) Hammer and Nordberg, Lontine, Mitsch Bush, Priola, Saine, Williams, Young;
also SENATOR(S) Scott, Sonnenberg.

CONCERNING USE OF THE PETROLEUM STORAGE TANK FUND FOR
INCENTIVES FOR SIGNIFICANT OPERATIONAL COMPLIANCE WITH
REGARD TO PETROLEUM STORAGE TANKS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 8-20.5-103, amend (3.5) as follows:

8-20.5-103. Petroleum storage tank fund - petroleum cleanup and redevelopment fund - creation - rules - repeal.

(3.5) (a) Moneys in the petroleum storage tank fund may be used as incentives to underground OR ABOVEGROUND storage tank owners and operators FOR SIGNIFICANT OPERATIONAL COMPLIANCE OR to upgrade existing systems. The DIRECTOR OF THE division of oil and public safety shall promulgate rules to implement this subsection (3.5).

- House Bill 15-1299 authorized PST Fund monies to be used as incentives for SOC and upgrades
- Colorado adopted EPA's 2015 regulations in Jan 2017 with a three-year implementation timeline – by Jan 1, 2020
- Good timing for incentives .. industry was ready

Financial Incentives in place

 **COLORADO**
Department of
Labor and Employment

Division of Oil and Public Safety

Home Petroleum Amusement Rides Boilers Conveyances Explosives Rules Outreach 2019

UDP Safety Commission



UST REMOVAL??

**REIMBURSEMENT
UP TO \$30,000
per facility
with Policy 29**

Click [HERE](#) for more information on how to qualify!

PSTC Policy 29 - Tank Removal Reimbursement

[VIEW POLICY 29](#)

Waive cleanup deductible
for certain secondarily
contained upgrades
or UST removals

A dollar per gallon of
tank volume removed

 **COLORADO**
Department of
Labor and Employment

Division of Oil and Public Safety

Home Petroleum Amusement Rides Boilers Conveyances Explosives Rules Outreach 2019

UDP Safety Commission



OPS
wants to
HELP YOU
**SAVE
\$10,000!**

2019 Tank Removal Incentive

[VIEW THE INCENTIVE](#)

The Third Decade: 2015 -2025

**Legitimacy
and
Support**



**Public
Value**

**Operational
Capacity**



Risk-Based Inspections

Categorized all sites by risk in 2016

- Tank system age
- Single wall, lining, or impressed current
- Previous violations and compliance history
- Significant releases



High risk sites receive more frequent announced inspections

- Annual frequency vs. every three year for low risk sites
- Announced inspections allow for education of owners/operators
- Onsite compliance records review

Inspectors are encouraged to change risk level based on their experience and judgement

Mobile Inspection App



- Developed an iPad app for performing facility inspections
 - Very inexpensive
 - Fully configurable by in-house staff
- Increases inspection efficiency and communication effectiveness
 - Reduces handoffs
 - Eliminates paperwork
 - Instantly communicates violations to owners/operators

Recognized Environmental Professional (REP)

- Developed professional qualifications to be a REP
- Created a leadership team, the REP Peer Group
- Established increased labor rates based on REP status
- Provided a streamlined/unified voice for consultant feedback
- Engagement on Rulemaking and Reasonable Cost Guidelines Updates
- Consulting company leadership play a role in holding their REPs accountable

Doubled Incentive Amount

 **COLORADO**
Department of
Labor and Employment

Division of Oil and Public Safety

Home Petroleum Amusement Rides Boilers Conveyances Explosives Rules Outreach 2019

UDP Safety Commission



UST REMOVAL??

REIMBURSEMENT
UP TO ~~\$30,000~~ **\$60,000**
per facility
with Policy 29

Click [HERE](#) for more information on how to qualify!

PSTC Policy 29 - Tank Removal Reimbursement

[VIEW POLICY 29](#)

\$2/gallon of tank volume removed (pre-2008 USTs); \$1/gallon for newer tanks

Waive cleanup deductible for certain secondarily contained upgrades or UST removals

 **COLORADO**
Department of
Labor and Employment

Division of Oil and Public Safety

Home Petroleum Amusement Rides Boilers Conveyances Explosives Rules Outreach 2019

UDP Safety Commission



OPS wants to
HELP YOU
SAVE \$10,000!

2019 Tank Removal Incentive

[VIEW THE INCENTIVE](#)



House Bill 23-280

SENATE BILL 23-280

BY SENATOR(S) Mullica, Priola, Rodriguez;
also REPRESENTATIVE(S) Snyder, Bird, Boesenecker, Brown, Dickson,
Joseph, Ricks, Titone, Young, McCluskie.

CONCERNING THE MITIGATION OF CERTAIN TRANSPORTATION-RELATED ENVIRONMENTAL HAZARDS, AND, IN CONNECTION THEREWITH, CREATING THE FUELS IMPACT ENTERPRISE TO ADMINISTER PROGRAMS AND IMPOSE FEES THAT ARE RELATED TO THE TRANSPORTATION OF FUEL WITHIN THE STATE, MODIFYING THE FEE COLLECTED FOR THE DISTRIBUTION TO THE PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES CASH FUND, MODIFYING THE PETROLEUM STORAGE TANK FUND, ALLOWING THE COLORADO STATE PATROL TO CONFORM HAZARD MATERIALS ROUTING REGULATIONS TO TRANSPORTATION COMMISSION RULES, AND MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 8-20.5-103, amend (3) introductory portion, (3)(f)(II), (9)(a)(III), and (9)(a)(IV); and add (3.7) and (9)(a)(V) as follows:

8-20.5-103. Petroleum storage tank fund - petroleum cleanup

- Extended PSTF Sunset date by 10 years
- Allowed transfer of money from PSTF to PCRF
- Authorized a percent deductible in lieu of a flat \$10,000 deductible
- Incentive for compliant owner/operators with small releases

Takeaways

- Engage and Empower Employees
- Build a culture that fosters continuous process improvement
- Engage and collaborate with stakeholders
- Legislature pays more attention to industry
- Persevere, change takes time...

