



Statutory & Regulatory Framework

UST / LUST Program

Statutes (Laws)



Regulations



Guidance

Laws of the Petroleum Program

- ▶ Article 9 - Storage Tanks
(VA. Code § 62.1-44.34:8 and 9)
- ▶ Article 10 - Petroleum Storage Tank Fund
(VA. Code § 62.1-44.34:10 through 13)
- ▶ Article 11 – Discharge of Oil into State Waters
(VA. Code § 62.1-44.34:14 through 23)

Article 9 of State Water Control Law

The Storage Tank Law (applies to USTs)

- ▶ Tasks DEQ with carrying out the provisions of this law
- ▶ Authority for UST regulations consistent with Federal requirements
- ▶ Requires corrective action following releases
- ▶ Defines “UST” (and importantly, what is exempt from definition)

Article 10 of State Water Control Law

- ▶ Establishes the Virginia Petroleum Storage Tank Fund (Fund)
- ▶ Specifies Fund uses
- ▶ Establishes financial responsibility levels
- ▶ Establishes a fee for revenue for fund

Article 11 of State Water Control Law

- ▶ Prohibits the discharge of oil
 - discharges must be reported
 - discharges must be cleaned up
- ▶ Authority for above ground storage tank (AST) facility regulations
- ▶ Requires oil discharge contingency plans
- ▶ Requires demonstration of financial responsibility for tank vessels and facilities

Petroleum Facility Regulations

- ▶ UST Technical Standards and Corrective Action Requirements (9VAC25-580-10 *et seq.*)
- ▶ Petroleum UST Financial Responsibility Requirements – includes the Fund regulation (9VAC25-590-10 *et seq.*)
- ▶ Facility and Aboveground Storage Tank Regulation (9VAC25-91-10 *et seq.*)

UST Technical Regulation

- ▶ Standards for UST systems
 - design
 - installation
 - operation
 - release detection
 - closure
- ▶ Requirements for:
 - release reporting
 - investigating suspected releases
 - corrective actions

Definition of UST (from State Water Control Law, VA Code § 62.1-44.34:8)

- ▶ One or combination of tanks (including underground pipes)
- ▶ Volume of tank + piping > 10% below ground
- ▶ Contains an accumulation of regulated substances
 - Crude oil or fraction of...(i.e. petroleum products)
 - hazardous substances (in CERCLA list)

Exempt Tanks

- ▶ Exempt from Article 9 (and thus the UST regulation)
- ▶ 9 types of tanks exempt from the definition contained in the law, including:
 - Farm/residential motor fuel tanks $\leq 1,100$ gal
 - **Tanks containing heating oil which is used on the premises**
 - Septic tanks
 - Stormwater/wastewater collection systems

Heating oil tanks not subject to Article 9/UST Regulation

Excluded USTs

- ▶ Subject to Article 9, but excluded from UST regulation
- ▶ 6 classes of excluded USTs, including:
 - USTs containing hazardous waste
 - Wastewater treatment tank subject to regulation under Clean Water Act
 - Machinery containing regulated substances for operational purposes (e.g. hydraulic lift tanks)

Tank Program Guidance

- ▶ Sets out program procedures
- ▶ Presents information on how to implement or interpret agency regulations

Key Petroleum Program Guidance

- ▶ Storage Tank Compliance Manual
- ▶ Storage Tank Program Technical Manual
- ▶ Virginia Petroleum Storage Tank Fund Reimbursement Guidance Manual (Vols 1-5)
- ▶ Available to the public ([DEQ](#) and [Virginia Town Hall](#) web sites)

Virginia Statewide Building & Fire Codes

- ▶ Contain requirements for proper installation, operation, and abandonment or removal of all petroleum storage tanks
- ▶ DEQ's Petroleum Storage Tank regulations, incorporated in the codes, apply only to DEQ-regulated storage tanks

Article 9
(Regulated USTs)



Authorizes Cleanup
Regulations consistent with
Federal Requirements



Guidance

Article 11
(All other petroleum storage
tanks)

The Code
specifies
cleanup
requirements;
No applicable
federal
requirements



Building and Fire Codes

Contact Information

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Virginia Petroleum Storage Tank Fund

Revenue and Expenditures

Fund Uses

- ▶ Administering petroleum regulatory programs
 - e.g., compliance inspections, reimbursements, state lead cleanups
- ▶ Demonstrating financial responsibility
- ▶ Other purposes as provided by state and federal law

Fund Sources

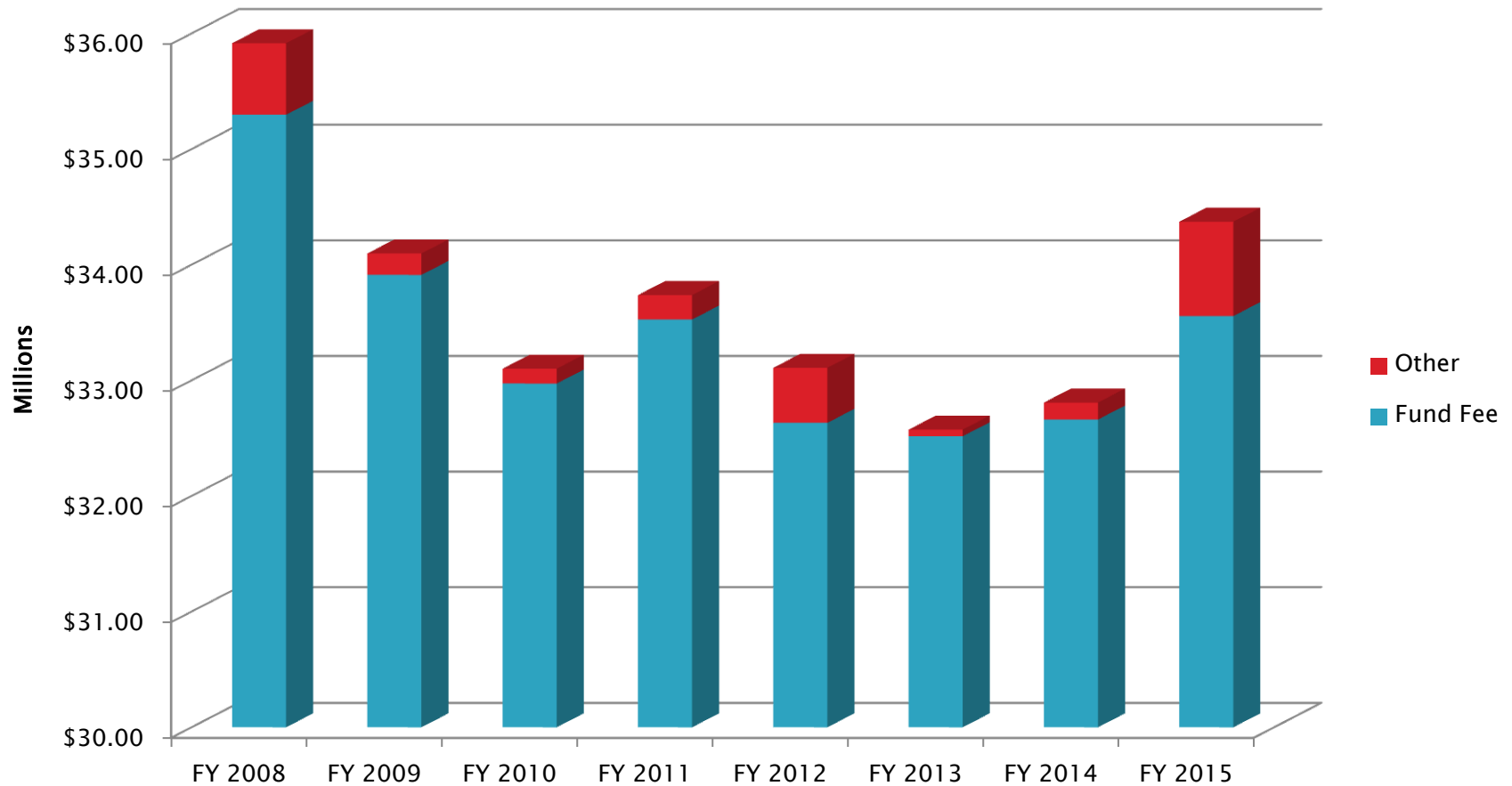
- ▶ Fee of \$0.002 ($1/5^{\text{th}}$ of one cent) per gallon on regulated petroleum products
- ▶ Fee increases to \$0.006 ($3/5^{\text{ths}}$ of one cent) when the FUND balance falls, or is likely to fall, below \$3 million
- ▶ The FUND balance must exceed \$12 million for the fee to fall back to \$0.002
- ▶ Fee collected by DMV and transferred to DEQ monthly
- ▶ Other sources: AST registration fees and penalties

Fund Net Gallons and Taxes

	Calendar Year 2013		Calendar Year 2014	
Fuel Types	Gallons	Fee	Gallons	Fee
All Non Heating Oil	5,386,941,093	\$32,242,394.	5,606,461,806	\$33,529,371.
Heating Oil	11,592,556	\$69,213.	12,940,136	\$77,170.
Total – All Fuels	5,398,533,649	\$32,311,607.	5,619,401,942	\$33,606,541.

Source: DMV Fuels Fee Comparison Report

Fund Revenue Received



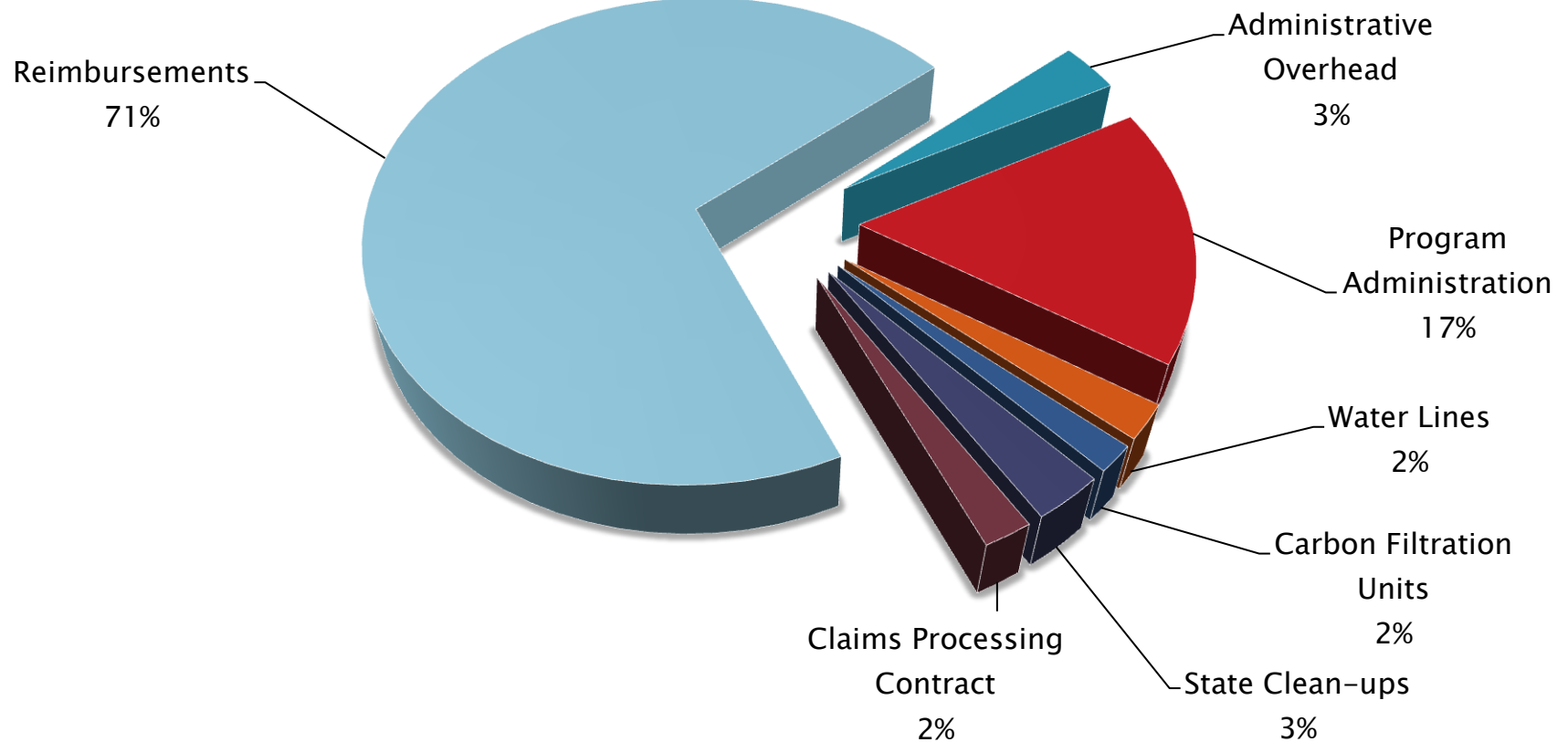
Structure of Reimbursement

- ▶ Reimbursement of cleanup costs:
 - Regulated ASTs
 - Regulated USTs (also 3rd party claims)
 - Unregulated tanks (heating oil, residential motor fuel, farm tanks)

- ▶ Financial Responsibility (deductible)
 - \$2,500 - \$1 million: Regulated ASTs
 - \$5,000 – \$50,000: Regulated USTs
 - \$500: Unregulated tanks

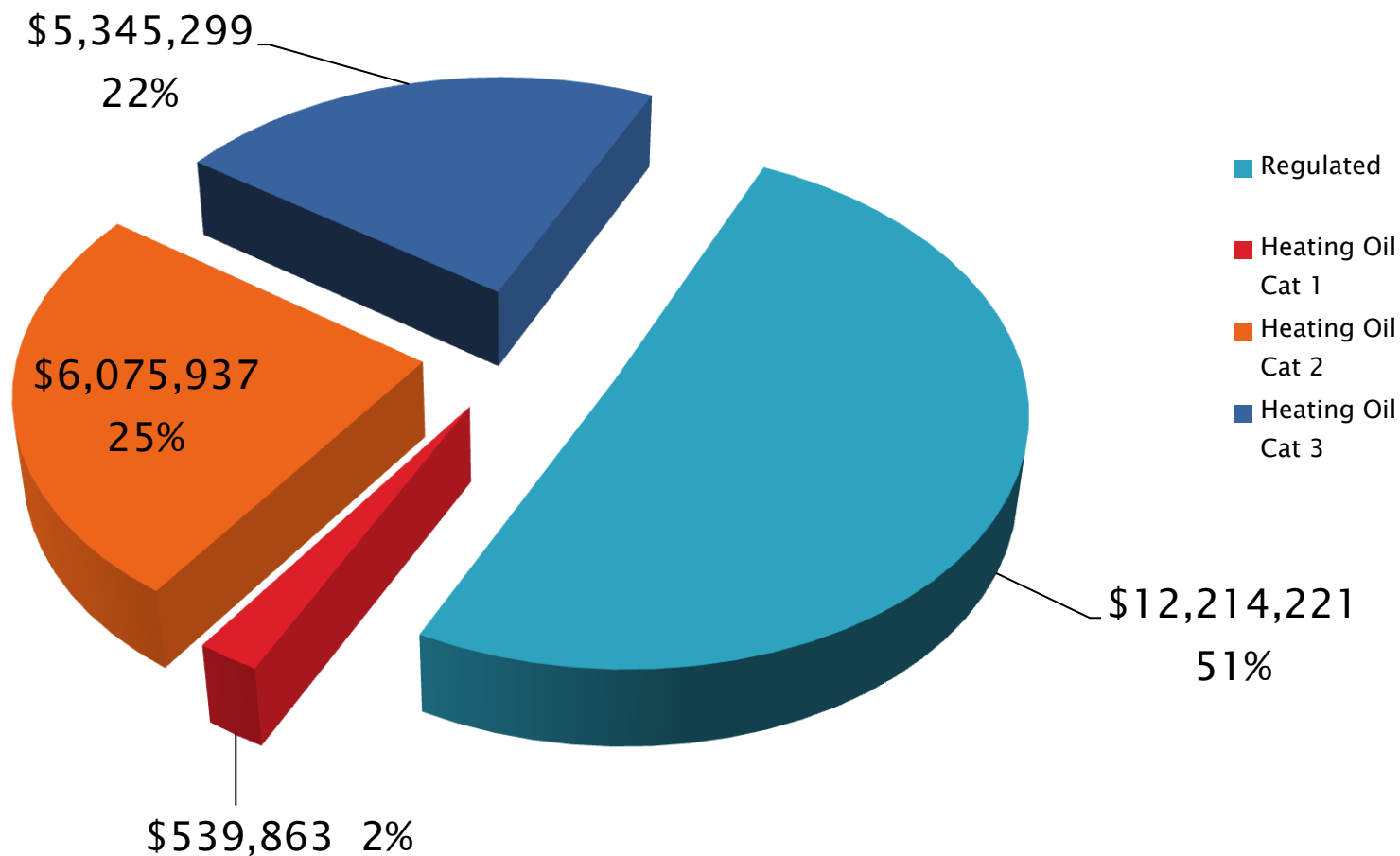
VPSTF Expenditures

FY 2015 (Preliminary)

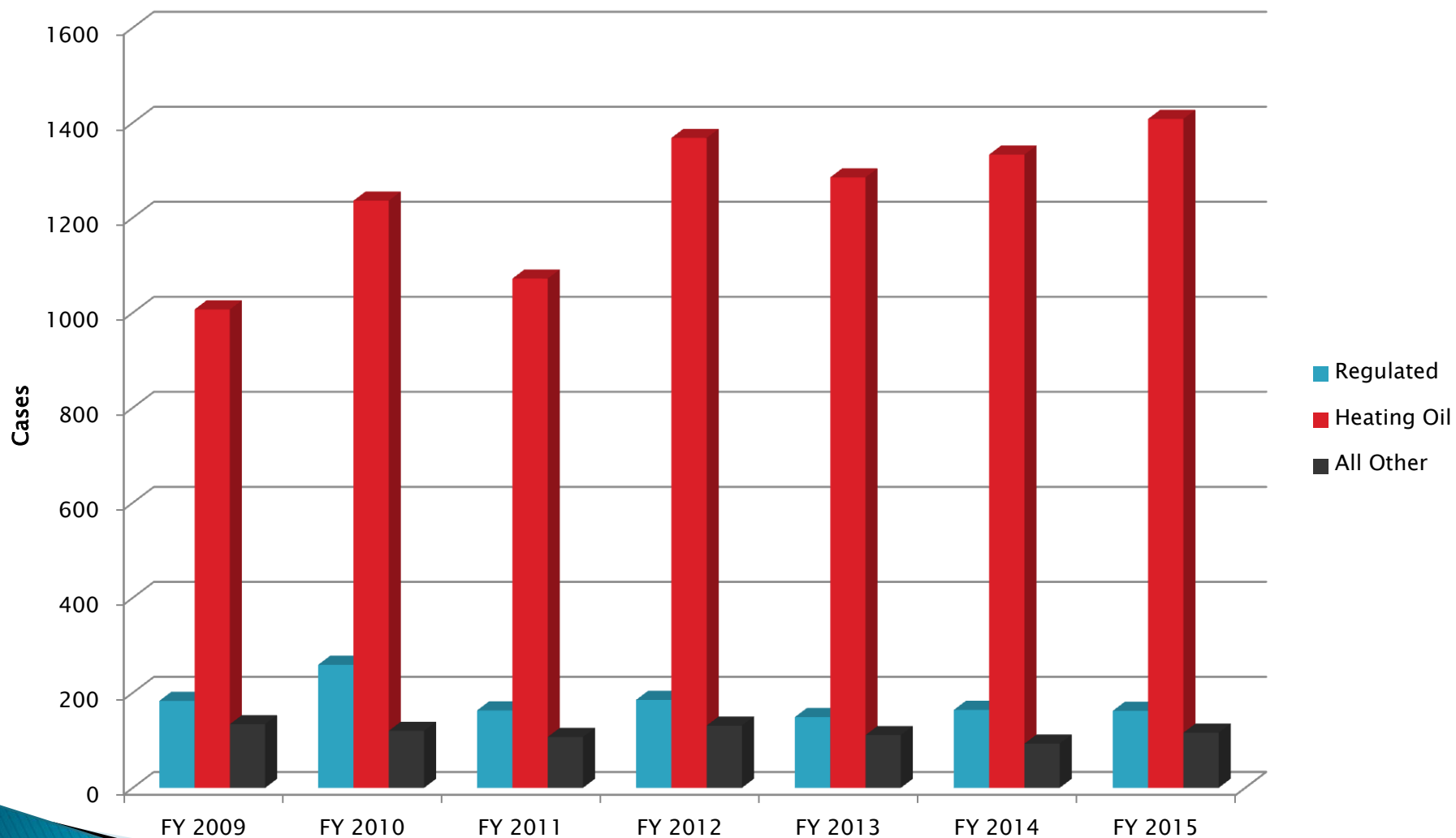


Reimbursements Paid by Release Type

FY 2015

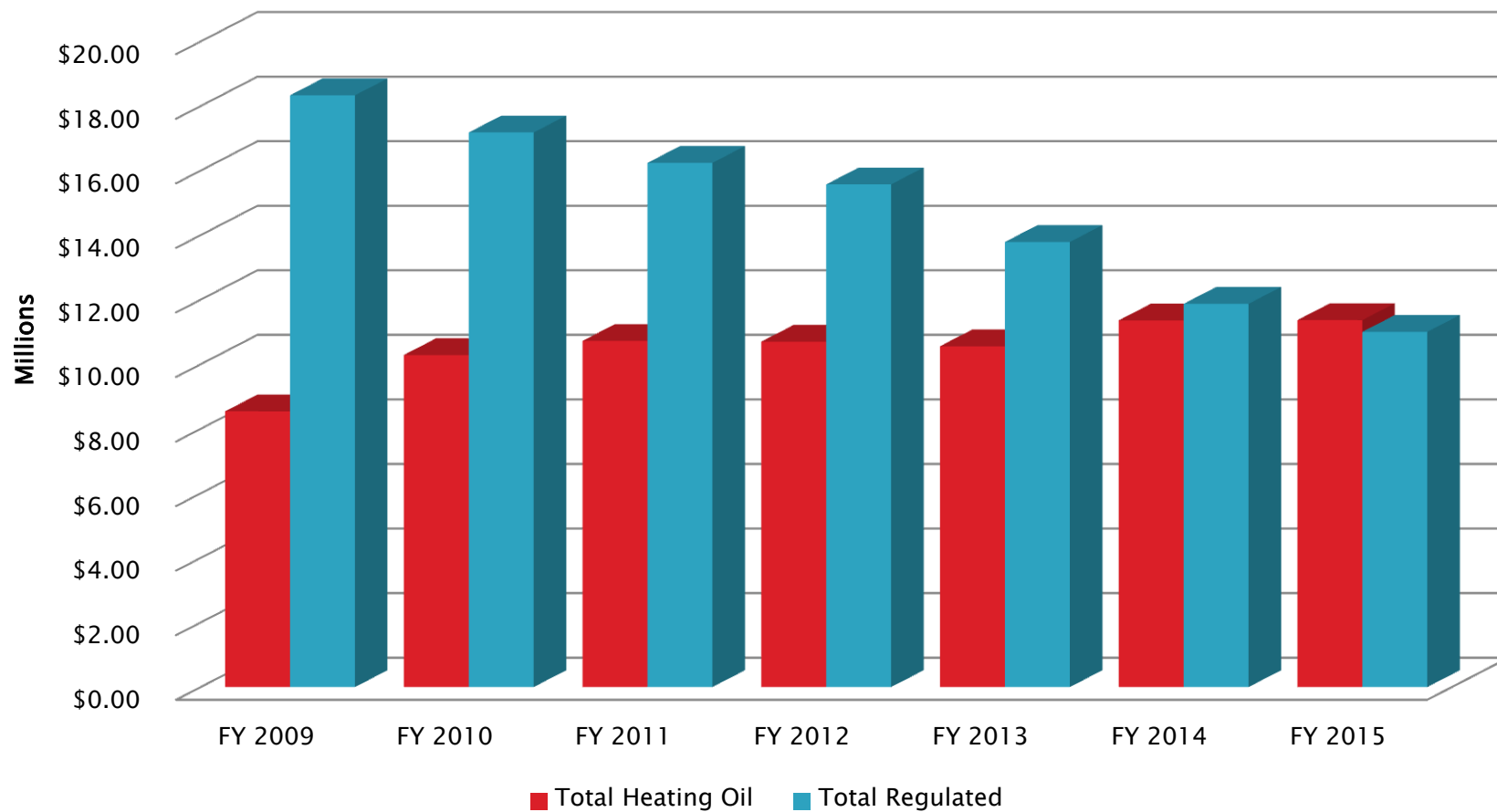


Releases



Value of Claims Processed

by Claim Type



Delayed Payment

- ▶ Reimbursement demand exceeds available revenue
- ▶ In Delayed Payment when average days to pay a claim exceeds 30 days
- ▶ Current delayed payment began in FY 2009 (September 2008)
- ▶ Balance as of June 30, 2015: **\$15,117,635.67** consisting of 2,016 claims
- ▶ Average Days to Pay as of June 30, 2015: 256 down from a high of 279

Contact Information

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