

# Atlantic Region Energy Expo 2007

Atlantic City, NJ

## The Energy Policy Act – an Update

April 24, 2007



# Energy Policy Act Summary

- On August 8, 2005, President Bush signed the Energy Policy Act of 2005.
- Title XV, Subtitle B of the Underground Storage Tank Compliance Act of 2005 (pages 500 to 513 of 551) contains amendments to Subtitle I of the Solid Waste Disposal Act, the original legislation that created the underground storage tank (UST) program.

# Energy Policy Act Summary

- The UST provisions of the Energy Policy Act focus on preventing releases.
- Federal and state agencies will require major changes to their underground storage tank programs.
- The Act expands eligible uses of the Leaking Underground Storage Tank (LUST) Trust Fund.
- Some provisions required implementation by August 2006; others will require implementation in subsequent years.

# Energy Policy Act Summary

- The Energy Policy Act includes provisions for:
  - Inspections
  - Operator Training
  - Delivery Prohibition
  - Secondary Containment or Financial Responsibility
  - Cleanup of releases that contain oxygenated fuel additives

# Inspections

- On site inspections of tanks not inspected since December 22, 1998 must be completed by August 8, 2007.
- All regulated tanks must be inspected at least once every three years. The first inspection cycle is to be completed by August 8, 2010.
- Potential State inspection options:
  - 1<sup>st</sup> Party (EPA / State Inspectors)
  - 3<sup>rd</sup> Party (Private Inspectors)

# Operator Training

- Training Guidelines based on three classes of operators:

Class A - Primary responsibility for on-site operation and maintenance

Class B - Daily on-site responsibility for operation and maintenance

Class C - Daily on-site responsibility for release or spill emergencies

# Operator Training

- Training Guidelines shall take into account current training programs, frequency of improvements to UST equipment, nature of the business and its turnover rate and the differences between the three operator classes.
- Deadlines:
  - By August 8, 2009, States must develop the Training Guidelines consistent with EPA guidelines, published April 10, 2007.
  - By August 8, 2012 Class A, B and C operators must be trained.

# Delivery Prohibition Guidelines

- 1) Criteria for determining ineligible USTs
- 2) Mechanisms for identifying ineligible USTs
- 3) How to reclassify ineligible USTs
- 4) Process for adequate notification to UST owners / operators and to fuel suppliers
- 5) Limited exception for rural / remote operators

August 8, 2007 deadline for States to implement the EPA guidelines published August 8, 2006.

# Secondary Containment or Financial Responsibility

- Secondary containment and under dispenser containment for new or replaced UST systems  
or
- Evidence of financial responsibility for manufacturer and installer, along with installer certification

February 8, 2007 deadline for States to implement either secondary containment or financial responsibility. Guidelines published November, 2006 and January, 2007.

# Secondary Containment

- Secondary containment with monitoring requirements:
  - For new or replaced tank / piping systems within 1,000 feet of a community water system or potable well.
  - New dispenser systems (within 1,000 feet guideline) must have under-dispenser containment.

# Financial Responsibility

- Regulations apply to UST manufacturers and installers, along with installer certification.
- Minimum Liability Limits of \$1,000,000 / \$2,000,000.
- Manufacturers to maintain mechanism for 30 years after installation. Installers to maintain mechanism for 10 years after installation.
- State Funds must be separate from any State UST Fund.

February 8, 2007 deadline for States to implement either secondary containment or financial responsibility. Guidelines published November, 2006 and January, 2007.

# Cleanup - Remediation

- Funds made available to the States may be used for Corrective Action for fuels containing an oxygenated additive.

# April 6, 2007

Chance of showers late /A2

Mount Airy Mayor gives tour of his historic house /C1

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## Carroll County

Friday, April 6, 2007

### 7-Eleven sued for leaking MTBE

Chemical contaminated water, residents claim

By ARI MATTER  
TIMES STAFF WRITER

Three Woodbine residents are suing a neighborhood 7-Eleven for unspecified damages, claiming chemicals from the store's gas station tanks have leached into the ground water, contaminating their drinking water.

In a civil law suit made publicly available Tuesday, Michael Harrison, his wife Hope Harrison, and their daughter April Matlock, all residents of the 7600 block of Woodbine Road, claim the store negligently and recklessly allowed MTBE and other chemicals to escape their underground storage tanks, contaminating their drinking well water to the point where they have to obtain water from a tanker truck.

Mary V. Koch, an attorney from the Law  
Please see MTBE, A10

**In February 2002, the Carroll County Health Department notified the department that MTBE levels had been detected at 4,254 parts per billion, prompting the closure of the shopping center.**



Blooming peach trees at Baugher's Orchard in Westminster are threatened by the cold

### Dealing with a frigid forecast

Frigid forecasts have farmers worried about damage to blossoms

By CARRE ANN KHAUER  
TIMES STAFF WRITER

A string of nights predicted to be below 30 degrees has local orchard farmers concerned about damage to early summer fruit that has already blossomed, particularly peaches.

The National Weather Service issued a freeze warning Thursday morning for Carroll County from Thursday night until 10 a.m. today, and again tonight until Saturday morning. The expected low is 25 degrees tonight, 22 on Saturday and 26 on Sunday.

Allan Baugher of Baugher's Orchard in Westminster said some of the peach varieties are already in full bloom, and plums, apricots and cherries are all vulnerable as



# April 10, 2007

Benzene, MTBE Leak Found In Ground Water - Print This StoryNews Story - WBAL Baltimore Page 1 of 1

## WBALTV.com

### Benzene, MTBE Leak Found In Ground Water

POSTED: 6:38 pm EDT April 10, 2007

FREDERICK, Md. -- High levels of cancer-causing benzene and the suspected carcinogen methyl tertiary-butyl ether, or MTBE, have been found in the ground water beneath a Citgo gas station in Monrovia, the Frederick County Health Department said Tuesday.

Both chemicals are gasoline additives.

There is no indication that the contamination has migrated offsite, the health department said. All property owners within a half-mile of Green Valley Citgo will be notified of the sampling results, the agency said.

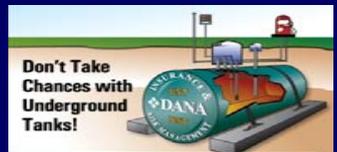
The health department said benzene, a known carcinogen, was detected at a level of 66 parts per billion, or about 13 times the federal Environmental Protection Agency's maximum contaminant level of 5 ppb.

MTBE was found at 59,000 parts per billion, which is thousands of times greater than the EPA limit of 20-40 ppb.

MTBE's effect on human health hasn't been determined but an internal Environmental Protection Agency paper reportedly concluded it may cause cancer. The draft EPA paper was described as a preliminary document that hadn't been peer-reviewed, The Associated Press reported in July.

The Maryland Department of the Environment has ordered the gas station owner to conduct extensive testing and sampling of the storage tank system, monitoring wells and adjoining, offsite wells.

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# Insurance Companies

- ACE Insurance
- American Safety Insurance
- AIG
- Colony Insurance
- Liberty Surplus
- Freberg / Hudson
- XL Group
- Great American
- Zurich Insurance
- Quanta

# Underwriting Changes

- Ethanol
- Bio-Diesel
- Additional Insureds
- Tank Management Plan
- Leak Detection verification
- Retroactive Date or Inception Date

# Claims Experience

- Ethanol
- MTBE
- Additional Insureds
- Test Date Notice or Confirmed Release?
- Third party suits and Class Actions

# 8,000 + Tanks Insured



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