

Washington State  
Pollution Liability Insurance Agency



# Pilot Heating Oil Loan and Grant Program

*Presented by:*

Kory Neidich, Program Coordinator

Kristin Evered, Program Planner

[www.plia.wa.gov](http://www.plia.wa.gov)

# Meeting Agenda



- ▶ Introduction to Pollution Liability Insurance Agency (PLIA)
  - ▶ Mission
  - ▶ Financial Programs
    - ▶ Commercial Underground Storage Tank (UST)
    - ▶ Heating Oil
- ▶ Model Toxic Controls Act
- ▶ Review of the Heating Oil Insurance Program
- ▶ Pilot Heating Oil Loan and Grant Program
  
- ▶ Washington State Department of Commerce – Weatherization Program

# Introduction



*To provide an effective and efficient government funding model to support owners and operators in meeting financial responsibility and environmental cleanup requirements for underground storage tanks.*

## Commercial UST

## Heating Oil

Reinsurance Program

Loan & Grant Program

Financial Assurance

Petroleum Technical Assistance Program

Heating Oil Technical Assistance Program

Initial Investigations

Insurance Program

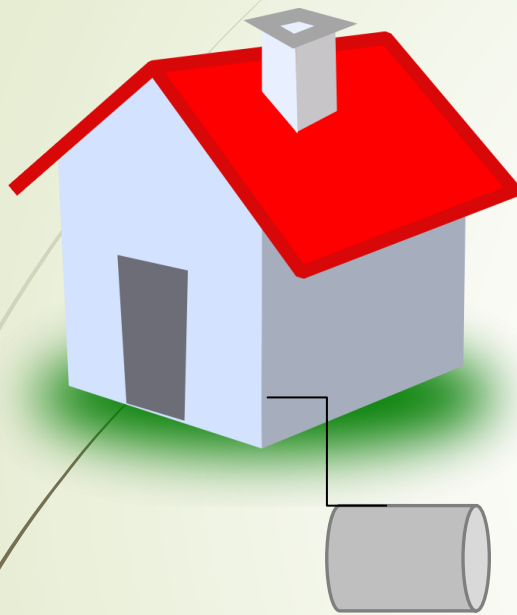
# Model Toxics Control Act (MTCA): Washington State's Cleanup Law



- Citizens Initiative established in law in 1989.
  - Codified in Chapter 70A.305 RCW.
  - Polluters pay.
  - Permanent cleanups is the goal.
  - Protect the people's health.
  - Protect the environment.
  - Rules in Chapter 173-340 WAC.



# Heating Oil Insurance Program (HOIP)



- Insurance Policy where PLIA is reinsurer.
  - HOIP coverage pays up to \$60,000 per a tank.
  - Cleanup.
  - Monitoring.
  - Approximately 58,000 statewide registrations.
- Program data through March 2021.
  - 4,245 cleaned up sites.
  - \$86,084,499 in total insurance payments.

# Heating Oil Insurance Program (HOIP)



- ▶ Per state Legislature, no new registrations
  - ▶ Only registration transfers permitted within 180 days of property sale
  - ▶ Honoring all current registrations
  - ▶ Funding has statutory cap of \$15M per year



# Pilot Heating Oil Loan and Grant Program



- In 2020, Legislature appropriated \$4 million towards program.
  - Design and implement the Pilot Heating Loan and Grant Program to establish financially sustainable option.
- Modeled after Commercial UST Loan and Grant.
- Provides loan awards to heating oil tank owners and operators.
- Heating Infrastructure upgrades.

# Pilot Heating Oil Loan and Grant Program



- ▶ \$5,000 Grant award to all accepted participants to pay for Preliminary Planning Assessment.
  - ▶ Help determine extent of contamination present on property and estimate the cost of cleanup.
- ▶ Low interest Loan awards of up to \$70,000.
  - ▶ Requires underwriting based on information provided on application.
  - ▶ Pay for cleanup and infrastructure.
  - ▶ Must use any available insurance funds first.



# Who should apply?

- ▶ Those without heating oil tank insurance that need to pay for cleanup.
- ▶ Seeking financial assistance for infrastructure upgrades.



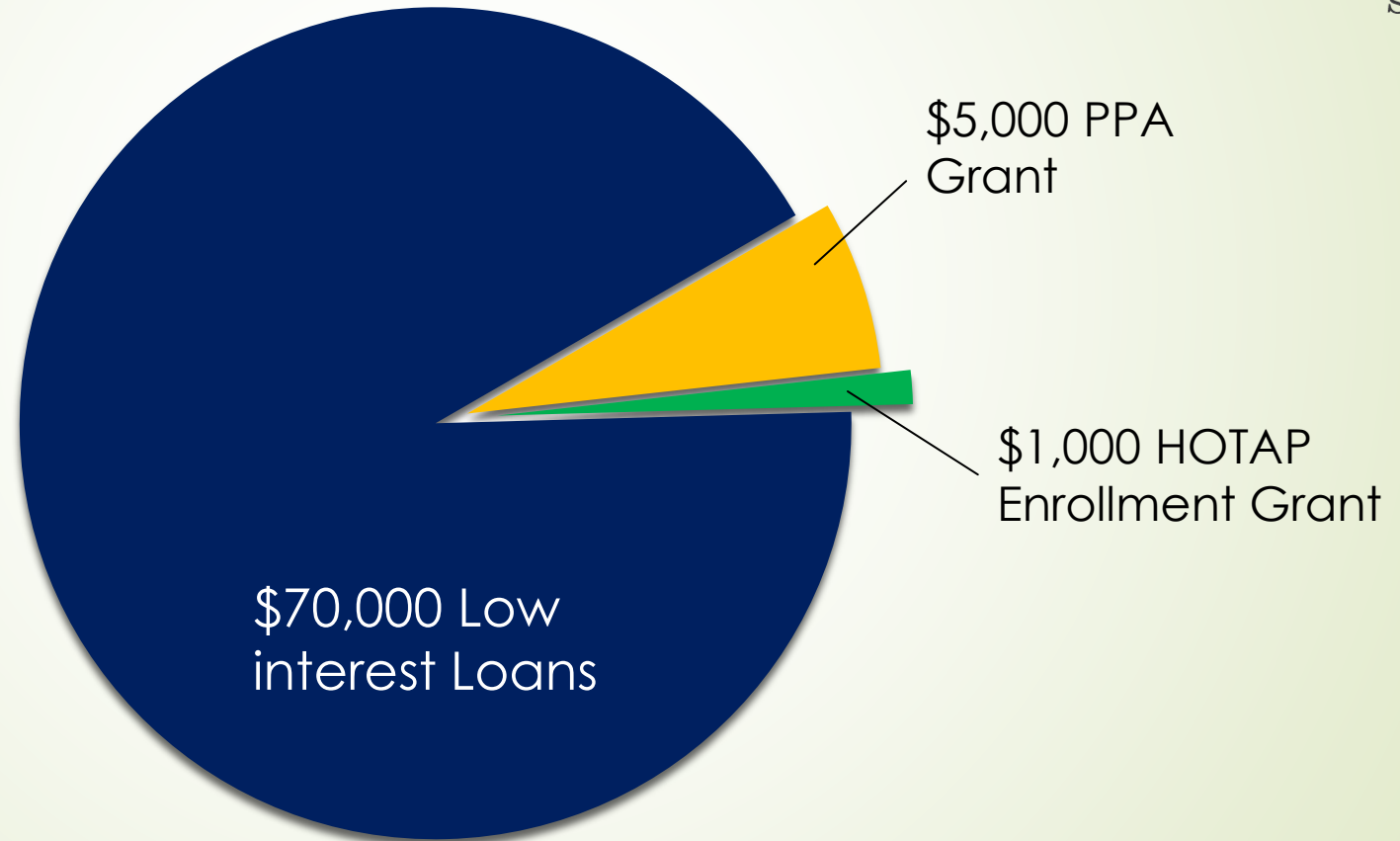
# Program Availability



County Group	Reserved Slots
King, Snohomish, Skagit, Whatcom, San Juan, Island	17
Clallam, Jefferson, Grays Harbor, Pacific, Mason, Kitsap, Thurston, Pierce	4
Lewis, Wahkiakum, Cowlitz, Clark, Skamania, Klickitat	1
Kittitas, Yakima, Benton, Franklin	1
Ferry, Stevens, Pend Oreille, Lincoln, Spokane, Whitman, Garfield, Walla Walla, Columbia, Asotin	2
Okanogan, Chelan, Douglas, Grant, Adams	1
<b><u>Total applications</u></b> Every 6 months	<b>26</b>

# Funding Breakdown

- ▶ 30-year term at ~3.25% interest (Prime Rate)
- ▶ 0.5% discount for installation of efficient heating



# Heating Oil Technical Assistance Program(HOTAP)



- PLIA Services under HOTAP includes:
  - Site Manager.
  - Review data from site sampling and testing.
  - MTCA requirements.
  - Opinion letters.
  - \$1,500 enrollment fee paid by grant award.



Photo courtesy of [Filco Company, Inc.](#)

# MTCRA Requirements



- MTCRA cleanup rules and regulations codified in Chapter 173-340 WAC.
- Four Pathways of Exposure.
  - Soil Direct Contact.
  - Groundwater Exposure.
  - Vapor Inhalation.
  - Surface Water Exposure.

# HOTAP: Benefits



- ▶ PLIA opinion letters provide a roadmap to cleanup. Contaminated sites are difficult to sell.
- ▶ Site closures are evaluated on a site-by-site basis.
- ▶ Cleaned up sites are issued a No Further Action (NFA) Opinion Letter by PLIA.





# Program Application



- ▶ Pilot Heating Oil Loan and Grant applications are available online at [www.plia.wa.gov](http://www.plia.wa.gov)
  - ▶ Apply online or download applications.
  - ▶ Translated applications are available in six languages.
  - ▶ **PLIA will accept applications electronically and by mail.**

# Next steps



- Applications open on June 7, 2021.
  - If you need assistance, please contact Kory Neidich
- Rulemaking is underway.
- Program details and guidance document available on our website at <https://plia.wa.gov/heating-oil-loan-and-grant-program/>
- To provide comment or ask questions:  
[Kory.Neidich@plia.wa.gov](mailto:Kory.Neidich@plia.wa.gov)  
or [Kristin.Evered@plia.wa.gov](mailto:Kristin.Evered@plia.wa.gov)

## Q & A



- ▶ A brief Question and Answer session will be available after the Washington Department of Commerce presentation.
- ▶ If we are unable to immediately answer your questions, we will provide written responses which can be found at [plia.wa.gov](http://plia.wa.gov).



**Thank you for your interest in the  
Pilot Heating Oil Loan & Grant Program.**