

Washington State
Pollution Liability Insurance Agency



Pilot Heating Oil Loan and Grant Program

Presented by:

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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

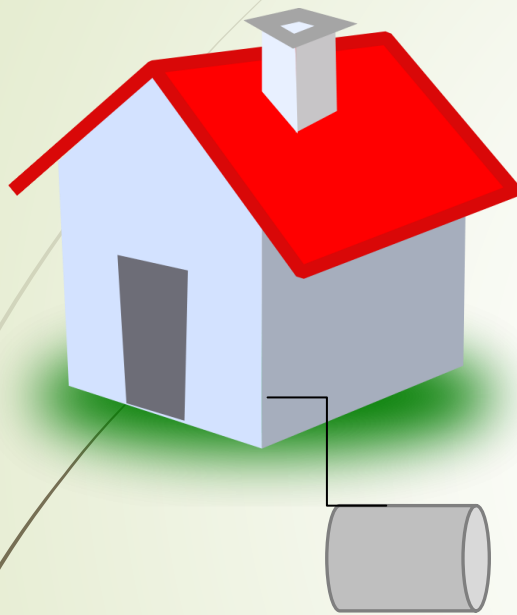
Model Toxics Control Act (MTCA): Washington State's Cleanup Law



- 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.



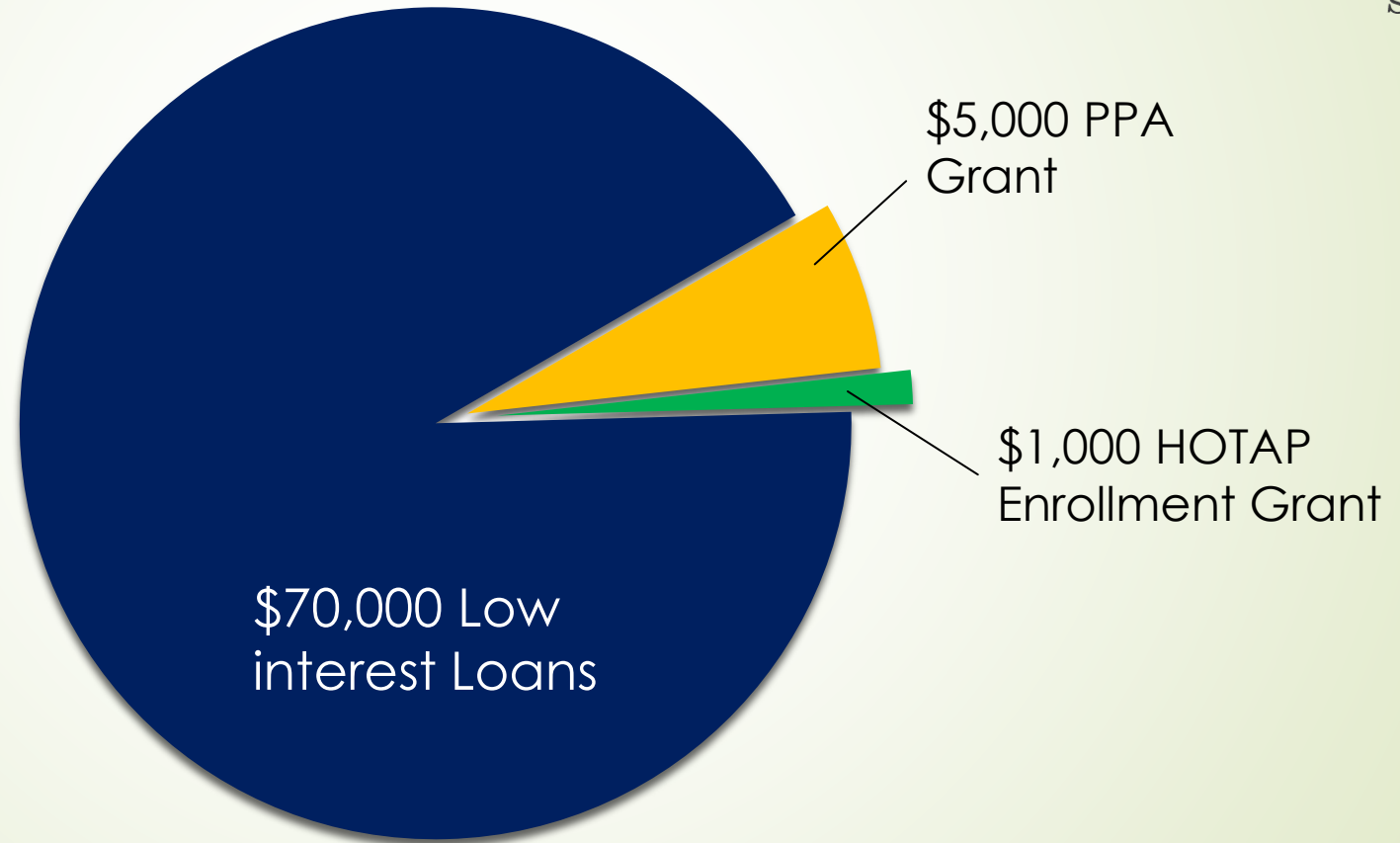
Program Availability



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
<u>Total applications</u> Every 6 months	26

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.
 - MTCAs requirements.
 - Opinion letters.
 - \$1,000 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
 - ▶ 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
or 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.



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