



## ANNUAL UPDATE FOR CALENDAR YEAR 2024

SB 181

COMPLIANCE WITH WATER QUALITY STANDARDS AND CLASSIFICATION

January 29, 2025

This update to the Water Quality Control Commission summarizes the activities of the Division of Oil and Public Safety’s Storage Tank Program related to SB 181 for calendar year 2024.

### *Inspection Activities for Calendar Year 2024*

Storage Tank Facility Inspections Completed.....	2,548
Number of Notices of Violations Issued.....	778
Number of Notices of Violations Resolved.....	661
Number of Enforcement Orders Issued.....	26
Number of Enforcement Orders Resolved.....	16
Number of Tanks with Delivery Prohibition.....	36

### *Remediation Activities for Calendar Year 2024*

Number of Open Confirmed Releases.....	554
Number of 2024 Confirmed Releases.....	183
Number of Cleanups Initiated.....	194
Number of Cleanups Completed.....	189

### *State Fund Information for Calendar Year 2024*

Number of Reimbursement Applications Reviewed by the PST Committee.....	89
Number of Supplemental Reimbursement Applications Approved by Staff.....	728
Reimbursement by the PST Committee (including State Lead/LUST Trust).....	\$31,000,000

### *Summary of Statistics*

In 2024, the Division of Oil and Public Safety (OPS) performed 2,548 inspections of petroleum storage tank facilities, fostered a high 91% compliance rate among tank systems, closed more petroleum releases than were reported, reimbursed over \$25 million for petroleum remediation, and maintained leadership among national associations and conferences.

At the start of January 2024, there were 549 open releases, and by December 31, 2024, OPS had closed 211. The number of open petroleum release events remained below six hundred, totaling 554 open releases in January 2025. This represented a slight increase from 2023.

OPS continues to lead EPA Region 8 with 189 cleanups completed in calendar year 2024. Several factors contribute to this success, including release prevention and detection efforts, early identification of releases, improved conceptual site models (CSMs), and the implementation of effective corrective action plans (CAPs).



While the implementation of the Tier III and Tier IV No Further Actions (NFAs) were successful in closing low-risk legacy sites, the majority of NFAs granted during 2024 were Tier I and Tier II (182 combined), which further indicates the success of release prevention and detection.

## **OPS Program Achievements and Improvements**

Listed below are achievements and improvements made by OPS to more effectively protect groundwater from contamination associated with releases from petroleum storage tank systems and to protect the solvency of the Petroleum Storage Tank Fund.

### Petroleum Storage Tank Regulation Updates

OPS revised the Colorado Petroleum Storage Tank Regulations (7 CCR 1101-14) in 2024, with an effective date of January 1, 2025. The updates included:

- The adoption of current ASTM International and National Institute of Standards and Technology (NIST) fuel quality codes and new volatility requirements for Colorado fuels,
- The clarification of periodic system testing requirements while in temporary closure,
- The alignment of aboveground storage tank rules with National Fire Protection Association (NFPA) codes,
- The introduction of Certified Aboveground Storage Tank Installer requirements,
- Revisions to the definitions of confirmed and suspected releases,
- Updates to our soil and soil vapor cleanup standards, and
- The introduction of a percent deductible for reimbursement.

Proposed revisions were emailed to stakeholders on July 1, 2024, and introduced during the July 8, 2024 Stakeholder Meeting (virtual). An in-person stakeholder meeting was held on July 30, 2024, and public comments were accepted through September 13, 2024. OPS adopted the final version during a public hearing on November 4, 2024, at the OPS office.

### Risk-Based Inspections

In an effort to prevent petroleum releases, OPS began varying the frequency of facility inspections and the facility owner/operator's level of involvement in 2017. The inspection frequency is determined by OPS using facility compliance history, equipment material and age, previous releases, and other criteria to identify higher-risk facilities versus lower-risk facilities. Higher-risk facilities are inspected annually and OPS announces these inspections ahead of time to encourage owner/operator involvement. The OPS Inspector performs a compliance inspection as usual, conducts an onsite compliance records review, and uses the opportunity to educate the owner/operator on compliance tips and discuss the owner/operator's monthly and annual inspections.

OPS performed 2,548 inspections of petroleum storage tank systems in 2024.

### Storage Tank Operational Compliance

The Technical Compliance Rate (TCR) for underground storage tank systems in Colorado remains quite high at 90.8% at the end of the calendar year 2024. A top priority for OPS is to prevent petroleum releases, and maintaining a high compliance rate is the most direct way for our regulated tank owners to help us achieve that goal.

### Recognized Environmental Professional (REP) Program Changes

OPS has been gathering feedback from the REPs and OPS Technical Reviewers on the successes and challenges with the current REP Program. Both groups found the main challenge to be continued accountability with this program. The REP Program was set up to better align decision-making responsibility between OPS, environmental consultants, and responsible parties by identifying environmental consultants who can demonstrate decision-making experience for the assessment, risk characterization, and remediation of petroleum releases to the environment. While OPS believes this has occurred to some extent, one missing piece is accountability for REPs not performing at a level that remains in line with the expectations of the REP Program.

OPS designed a potential new program and branded it the CO-REP Program (Colorado Recognized Environmental Professional). OPS has had two meetings with the REP Peer Group to collaborate on the design of the CO-REP Program, but it will combine aspects of the REP and the old Listed Company programs. The details of the CO-REP program will be posted by the end of February 2025 and fully implemented by the beginning of August or September 2025.

### Update to the Soil Risk-Based Screening Levels (RBSLs)

OPS has not updated the soil RBSLs since 1999. Since then, the U.S. Environmental Protection Agency (EPA) has updated toxicity and exposure criteria. So that the soil RBSLs will align with current toxicity and exposure criteria, OPS contracted TRC Companies' risk assessors to conduct the soil RBSL evaluation for surficial and subsurface exposure pathways. As a result of this work, tetraethyl lead (TEL), 1,2-dichloroethane (1,2-DCA), naphthalene, and ethylene dibromide (EDB) have been introduced as contaminants of concern. The Petroleum Storage Tank Regulations were updated in 2024 and became effective on January 1, 2025, incorporating the updated soil RBSLs. The new Tier I RBSLs can be seen here in [Article 5](#).

### Petroleum Storage Tank Committee Policy 29

All UST systems installed in Colorado after August 2008 are secondarily contained and inherently pose a lower risk of a release to the environment. Releases from these newer secondarily contained tank systems are usually detected earlier, are small in size, and consequently are easier and less expensive to remediate. In an effort to reduce the environmental risk posed by an aging tank population, the Committee authorized Policy 29 to use monies in the Petroleum Storage Tank Fund to provide reimbursement of UST removal costs. This enabled tank owners or operators to proactively make decisions to replace or close aging UST systems, with replacement systems being upgraded to include secondary containment.

In April 2024, the Petroleum Storage Tank Committee approved an increase in the Policy 29 amounts for reimbursement for UST removal. Policy 29 now allows for:

- UST(s) installed prior to August 2008:
  - Reimbursement is \$2 per gallon of UST volume removed, up to a maximum of \$60,000 per facility.
  - Tanks with a capacity of up to 2,000 gallons would be eligible for a maximum of \$4,000.
- UST(s) installed August 2008 and thereafter
  - Reimbursement is \$1 per gallon of UST volume removed, up to a maximum of \$30,000 per facility.
  - Tanks with a capacity of up to 2,000 gallons would be eligible for a maximum of \$2,000.

In 2024, the Committee approved the reimbursement of \$513,922 for the removal of 116 aging USTs in accordance with Policy 29.

### Tank Removal Incentive

The Colorado Revised Statutes [§ 8-20.5-103 (3.5)] authorize monies in the Petroleum Storage Tank Fund (Fund) to be used as incentives to underground or aboveground storage tank owners and operators for significant operational compliance or to upgrade existing tank systems. In addition to Policy 29, the Committee offers an incentive to reduce the financial burden for an owner/operator who discovers confirmed releases while removing and permanently closing their entire tank system. The Committee finds that maximum environmental benefit is achieved when tank systems are removed altogether and not replaced, ending fuel-dispensing activities at the property. Therefore, an owner/operator's maximum operational compliance is achieved through the complete discontinuation of fuel-dispensing activities. This incentive is in the form of a waiver of the \$10,000 deductible when an owner/operator seeks reimbursement from the Fund for cleanup of a confirmed release that is determined to be eligible by the Committee. This tank removal incentive has some limitations and requirements including:

- A maximum of 10 facilities per owner/operator, with only one incentive allowed per facility.
- The facility must be in significant operational compliance with release detection and release reporting as identified by OPS and evaluated by the Committee.
- The incentive only applies to systems removed and not replaced.

The Committee waived \$10k in deductible amounts due to contamination found during the removal of aged tanks, making for a combined total of \$543,922.

### Fund Solvency

The Petroleum Storage Tank Fund remains strong. The Fund balance decreased to below three million dollars in July 2024, causing OPS to increase the Environmental Response Surcharge to the maximum of \$100 per tanker load. As a result, Fund revenue increased and OPS reimbursed over \$31 million for petroleum cleanup in 2024. The Fund received and approved 817 applications for reimbursement in 2024, of which 89 were new releases and gained eligibility to the Fund.