



State of Washington
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August 15, 2019

Sustainability and Transportation Committee
Seattle City Council
P.O. Box 34025
Seattle, WA 98104

Received By
Councilmember O'Brien

AUG 8 2 2019

District 6
Seattle City Council

Subject: Council Bill 119607 Public Comment

Dear Committee Members:

I am providing written comment to Council Bill (CB) 119607, item 1 on your August 16, 2019 Sustainability and Transportation Committee Agenda. First and foremost, I thank Seattle's Office of Sustainability and Environment (OSE) for sharing information with the Pollution Liability Insurance Agency (PLIA) prior to proposing CB119607. We appreciate the intent of this bill and fully support Seattle's efforts to reduce carbon emissions and transition to cleaner sources of energy.

Since CB119607 cites the Washington Pollution Liability Protection Act, these comments are meant to help the committee understand PLIA's role and responsibilities as governed by statute¹ and the state cleanup regulations². PLIA has the statutory responsibility of operating a program that provides pollution liability insurance for heating oil tanks. This coverage provides up to sixty thousand dollars per occurrence to pay for site cleanup. Claim expenditures from the program may not exceed \$15 million dollars each calendar year. Currently, PLIA insures almost 59,000 heating oil tanks throughout the state and processes an average of 242 heating oil insurance claims per year. PLIA pays out an average of \$6.7 million per year in claim expenses. Claims across the state are managed by four agency employees.

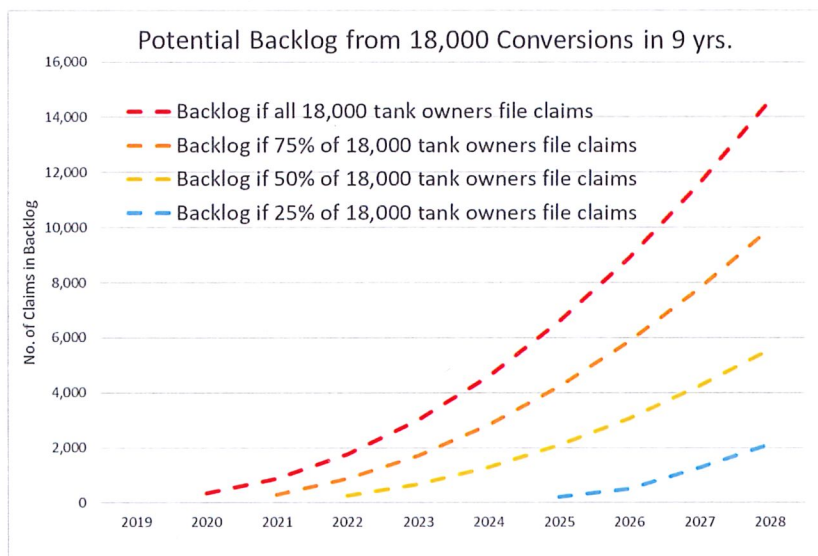
PLIA also provides advice and technical assistance on the administrative and technical requirements of the Model Toxics Control Act (MTCA) to persons who clean up pollution from a heating oil tank. MTCA requires owners or operators of tanks to report confirmed or suspected releases of hazardous substances to the state within 90 days of discovery. The state completes an initial investigation to determine whether cleanup action is required. If pollution is not cleaned up within 90 days, the Department of Ecology may complete a site hazard assessment to rank the site and then place the contaminated site on the Hazardous Sites List.

¹ [Chapter 70.149 RCW](#) Pollution Liability Protection Act.

² [Chapter 173-340 WAC](#) Model Toxics Control Act (commonly referred to as MTCA).

If the property owner chooses to clean up the pollution, and the cleanup meets the substantive requirements of the state's clean up regulations, PLIA will issue the participating owner a No Further Action (NFA) letter. An NFA letter supports the removal of the site from the Hazardous Sites List, and may be requested by future buyers or financial lenders to indicate that the cleanup was completed properly and no longer poses a risk to human health and the environment. In most cases, PLIA is currently able to complete this process within 18 days of receiving a final cleanup report.

Informational materials shared by the OSE indicate that the legislation supports a plan to convert 18,000 tanks in Seattle by 2028. Absent additional resources, we expect that this ambitious target will exceed the program's yearly \$15 million financial limit.



As a result, Seattle residents who wish to use PLIA insurance funds to clean up their property could be faced with long wait times for funding. Strong coordination between the city's heating oil tank regulatory program and PLIA's Heating Oil Insurance Program will be necessary to ensure that residents do not unintentionally violate the state's cleanup regulations by decommissioning the tank in place without investigating and cleaning up leaked heating oil, leaving environmental and human health risks at the property for current and future residents.

I appreciate Seattle's initiative in converting homeowners from heating oil to carbon-free energy sources while also giving considerable attention to the needs of low-income households. However, under current program constraints, implementation of Seattle's proposed tank conversions at the suggested rate may pose challenges for anyone hoping to use PLIA's insurance funds for cleanup.

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I welcome any opportunity for further discussion, and look forward to working with the OSE on finding solutions to these issues through the program's implementation. Should you have any questions or need additional information from PLIA, please contact Phi Ly, Legislative and Policy Manager at phi.ly@plia.wa.gov, or Cassandra Garcia, Deputy Director at cassandra.garcia@plia.wa.gov. Thank you for your time and consideration of the possible impacts to PLIA's agency responsibilities.

Respectfully,



Russell E. Olsen, MPA
Executive Director

cc: Lauren McCloy, Senior Policy Advisor - Energy, Governor's Office
Jim Pendowski, Toxics Cleanup Program Manager, Department of Ecology
Jessica Finn Coven, Director, Seattle Office of Sustainability and Environment

