We Protect the Public and the Environment

Division of Oil and Public Safety (OPS)

The Division of Oil and Public Safety regulates those who own or operate amusement rides and devices, commercial boilers, conveyances (elevators and escalators) and retail fueling facilities and those who are permitted to use high explosives.
Outstanding Public Service

Educate
We provide you with the guidance you need to remain in compliance.

Protect
We work for you with your safety in mind.

Listen
We actively seek your feedback to improve our processes.

Partner
We engage you as our valued stakeholders.

Colorado, you are our customer
Outstanding Public Service

- Job Essence/Purpose:
  - To satisfy, if not delight, customers
  - To inspire confidence
  - To reduce effort
(Why?)

- Relational

- Transactional
  - Job Function/Knowledge:
    - FAQs
    - Policies
    - Procedures
    (What?)
  - Job Function/Skills:
    - Efficiency
    - Accuracy
    - Quality
    (How?)

Delight Your Customers
7 Simple Ways to Raise Your Customer Service from Ordinary to Extraordinary

It is the service we are not obliged to give that people value most.
- James Cash Penney -
Many experts – Many theories
Leading the Way

Who wants change?

Who wants to change?
Question the Status Quo

“IF I HAD ASKED PEOPLE WHAT THEY WANTED, THEY WOULD HAVE SAID: FASTER HORSES...”

Henry Ford
PST Program - Status quo

- Very successful tanks program, fully funded and staffed
- Periodic inspection intervals better than most states
- All releases being addressed, no cleanup backlog
- Solvent fund, over $36 million per year on cleanup reimbursement
- No one is complaining…
Are we using resources wisely?

Reimbursed almost a billion dollars in cleanup costs

• Are we protecting the public and the environment?

• Who is benefiting?

• Are cleanup costs going down?

• Are we preventing releases?

• What if you are not covered by the Fund?
What could we improve?

• Incentivize Release Prevention

"An ounce of prevention is worth a pound of cure."
Benjamin Franklin

• Funding for Petroleum Brownfields

“Enable cleanup and redevelopment of sites not eligible to petroleum storage tank fund”
Strategic Considerations

Legitimacy and Support
Approval or endorsement by authorizing stakeholders? (Public, legislature, Industry)

Operational Capacity
Available resources across organizational boundaries? (FTEs and $$$)

Public Value
Better social outcomes? Improved conditions? Improve Satisfaction? (Environmental Protection, Economic Development)
Strategic Legislation

• House Bill 15-1299 – Incentives for Significant Operational Compliance

• House Bill 13-1252 – Petroleum Cleanup and Redevelopment Fund
An Ounce of Prevention…

• Energy Policy Act of 2005 and EPA’s 2015 UST regulations increased emphasis on properly operating and maintaining equipment

• Correlation between Significant Operational Compliance and ability to detect releases earlier

• Earlier detection usually resulted in smaller, quicker and cheaper cleanups

• Aging UST infrastructure equates to higher risk
Aging UST Infrastructure

USTs staying in ground longer
~ 30+ years before removal

Average age of Colorado’s USTs in use is 24.5 years
Varying Interests

State – Environmental Protection, maintain SPA

Industry – An even playing field, a solvent PST fund

OPS – Better release prevention – quicker, cheaper cleanups
Senate Bill 07-247

An Act

- Authorized PST Fund monies to be used as incentives for UST upgrades
- Colorado adopted EPAct provisions requiring secondary containment on new installations after Fall 2008
- Good timing for incentives...

SENATE BILL 07-247

BY SENATOR(S) Veiga, Hagedorn, Taylor, and Tochtrop; also REPRESENTATIVE(S) Frangas, and Kerr A.

CONCERNING PETROLEUM STORAGE TANKS, AND, IN CONNECTION THERewith, ALLOWING MONEYS IN THE PETROLEUM STORAGE TANK FUND TO BE USED AS INCENTIVES TO UPGRADE EXISTING STORAGE TANKS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 8-20.5-103, Colorado Revised Statutes, is amended by the addition of a new subsection to read:

8-20.5-103. Petroleum storage tank fund - creation - rules - repeal. (3.5) Moneys in the Petroleum Storage Tank Fund may be used as incentives to underground storage tank owners and operators to upgrade existing systems. The Division of Oil and Public Safety shall promulgate rules to implement this subsection (3.5).
• Have authority to do incentives, but no buy-in to implement

• Proactive owners who had already invested in upgraded equipment did not want their competitors to now benefit
Solution – Try Again …

An Act

HOUSE BILL 15-1299

BY REPRESENTATIVE(S) Hamner and Nordberg, Lontine, Mitsch Bush, Pricola, Saine, Williams, Young; also SENATOR(S) Scott, Sonnenberg.

CONCERNING USE OF THE PETROLEUM STORAGE TANK FUND FOR INCENTIVES FOR SIGNIFICANT OPERATIONAL COMPLIANCE WITH REGARD TO PETROLEUM STORAGE TANKS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 8-20.5-103, amend (3.5) as follows:

8-20.5-103. Petroleum storage tank fund - petroleum cleanup and redevelopment fund - creation - rules - repeal.

(3.5) (a) Moneys in the petroleum storage tank fund may be used as incentives for underground or aboveground storage tank owners and operators for significant operational compliance or to upgrade existing systems. The director of the division of oil and public safety shall promulgate rules to implement this subsection (3.5).

• House Bill 15-1299 authorized PST Fund monies to be used as incentives for SOC and upgrades.


• Good timing for incentives .. industry was ready this time..
Success – Incentives in place

A dollar per gallon of tank volume removed

Waive cleanup deductible for certain secondarily contained upgrades or UST removals
Double Dip Settlements

Colorado Sues Big Oil Co

DENVER (CN) -- Colorado accused ConocoPhillips of profiting from its pollution of the state’s oil and water while the taxpayers had to pay for the cleanup.

"In other words, defendants profited from polluting Colorado soil and water, while the state paid $70,662,458.87 to clean up defendant’s contaminated sites," the state says bluntly in its complaint.

Colorado claims ConocoPhillips, the nation’s third-largest energy company, “agreed to immediately pay to the state any monies it received from third parties for the same costs paid by the state, including insurance proceeds,” then lied about getting insurance money.

Colorado created its Petroleum Storage Tank Fund in 1989 to cover cleanup costs and “protect the public health, safety, and welfare and to minimize environmental damage,” from leaks from underground storage tanks, according to the complaint.

ConocoPhillips received $21.7 million in “direct reimbursement” from the fund to clean up 113 of its service stations, and another $46.6 million in “subsequent-owner reimbursement” for “corrective action costs” at 241 more stations, the state says.

The complaint states: “ConocoPhillips repeatedly represented to the state that it had not received and did not expect to receive compensation for the corrective action of UST contamination from any source, including ‘lawsuits, settlement, [and] insurance’.

“In its contracts with the state, ConocoPhillips agreed to immediately pay to the state any monies it received from third parties for the same costs paid by the state, including insurance proceeds.

“ConocoPhillips sued its insurers for the corrective action of environmental contamination, including corrective action of its UST leaks, and settled with its insurers for approximately $286 million.

Summary of State Fund Demands and Recoveries
Recovery Considerations

• Millions back into Petroleum Storage Tank Fund

• High cash balance eliminates fuel surcharge

• Recovering from the Great Recession

• Budget shortfalls

• Risk of legislature raiding fund
Eisenhower Johnson Tunnel

• Interstate 70 (I-70) major east west transportation route

• Critical infrastructure for commerce

• Disruption can be devastating

• Need a fire suppression system in tunnel
Loveland Pass – Haz Mat route

Fuel tanker rolls on Loveland Pass, spilling about 500 gallons

News | April 10, 2010

Robert Atlas
Summit County Correspondent
Post Independent
Glenwood Springs, CO, Colorado

LOVELAND PASS, Colorado - A tanker carrying 7,000 gallons of petroleum rolled over a westbound Highway 6 embankment above Arrowhead Basin Ski Area on Friday morning, spilling about 500 gallons.
Varying Interests

State – Needs $20 million for fire sprinkler system in tunnel

Industry – Wants an Alternate Haz Mat route

OPS – Ensure money stays in program and used for public good
Solution - House Bill 13-1252

Governor Signs Legislation Helping Fund Eisenhower/Johnson Tunnels Fire Suppression System

May 17, 2013 - Central Eastern Colorado/CDOT Region 1 - Bill Includes Clean Up of Abandoned Petroleum Contaminated Sites.
SUMMIT/CLEAR CREEK COUNTIES - At a signing ceremony at the Eisenhower Tunnel today, Gov. John Hickenlooper signed into law House Bill 13-1252, establishing the Petroleum Cleanup and Redevelopment Fund within the Division of Oil and Public Safety, a part of the Colorado Department of Labor and Employment.

The legislation includes $5 million of critical seed money for a fire suppression system at the Eisenhower/Johnson Memorial Tunnels (EJMT), allowing the Colorado Department of Transportation (CDOT) to pursue the additional funding necessary to build it.

New Fire Suppression System Slated For Eisenhower Tunnel

By NATHAN HIEPFEL - DEC 12, 2014

** FILE ** An automobile passes through the Eisenhower Tunnel on interstate 70 in this Sept. 23, 2006 file photo, near Silverthorne, Colo.
Republican lawmakers in the Colorado State Capitol are promoting a $9 toll on interstate 70 to pay for the widening of the highway.
Redevelopment Fund

- Storage Tank Removal
- Site Assessment
- Site Characterization
- Site Cleanup

**Level I**
- Up to $20,000 for site assessment (10% from owner)
- $2,000 per tank removal

**Level II**
- Up to $30,000 to characterize (10% from owner)

**Level III**
- 50% of cleanup costs up to $500,000
The Town of Milliken successfully redeveloped a former gas station into the Milliken Police Station. The new building improves the effectiveness of the community’s policing efforts, which represents a socially sustainable service delivery model.

The Source is a 19th century steel refinery that was repurposed to house a group of local Denver breweries, eateries and specialty grocers. The reuse applied sustainable building practices.

Completed Milliken Police Station redevelopment project.

Completed Source reuse project.
Site cleanups funded by OPS
New Opportunity

• Colorado adopted Low Emission Vehicle (LEV) and Zero Emission Vehicle (ZEV) standards
• Growth estimates of 1 million EVs by 2030
• Expected demand for EV charging stations
• Multiple funding sources available
• Minimal redevelopment infrastructure cost
High Traffic Routes
Multiple Funding Sources

• Up to $30,000 per site for UST removal

• Up to $2,000,000 per site for cleanup

• Up to $30,000 for a Level 3 (fast) charger

• Up to $9,000 for a Level 2 charger

• Enterprise zone credits

• Opportunity zone credits

• Other..
Awesome OPS Staff

All done in-house – without IT support
If we can do it so can you

https://www.colorado.gov/ops