



Financial Responsibility Rulemaking Chapter 173-187 WAC

Diana Davis, Financial Responsibility Unit Supervisor

Workshop #3: Financial Responsibility for Large Oil Handling Facilities – July 27, 2023



Ecology's Financial Responsibility Team

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Agenda

- Overview
- Timeline
- Scope
- Where are we with rule making
- Financial Responsibility for Class 1 Oil Handling Facilities
- Certificate process overview



Rulemaking Overview

Ecology is initiating a rulemaking to create a new rule, Chapter 173-187 WAC - Financial Responsibility.

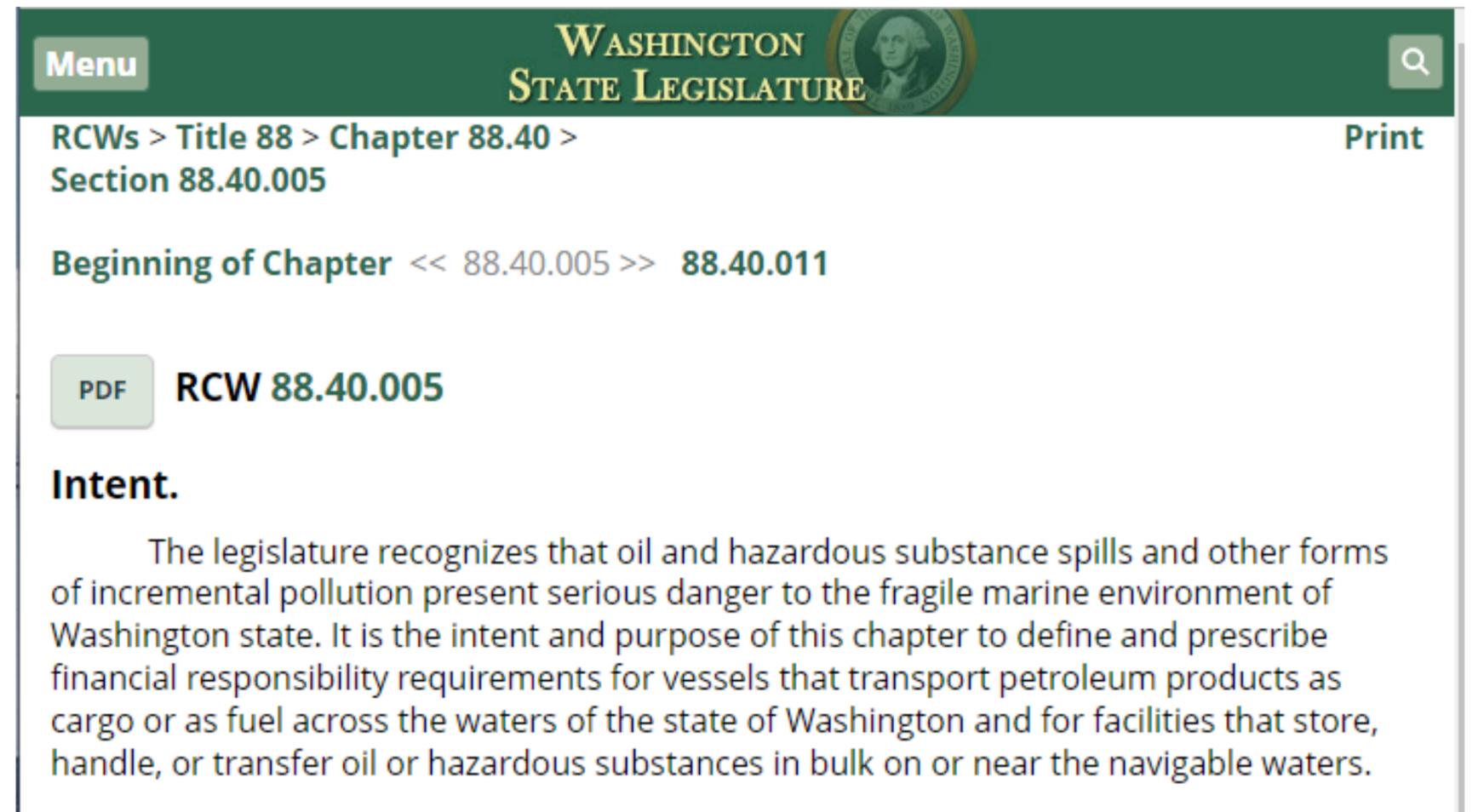
Financial Responsibility is used to ensure that vessel and facility owners and operators have adequate financial resources to pay cleanup costs and damages resulting from oil spills.

Additionally, an existing Chapter 317-50 WAC – Financial Responsibility for Small Tank Barges and Oil Spill Response Barges, will be incorporated into the new rule and then repealed.



Why are we conducting rulemaking at this time?

Through Engrossed Second Substitute House Bill (E2SHB) 1691, codified in RCW 88.40, the Legislature directed Ecology to adopt rules regarding financial responsibility requirements for oil handling facilities and vessels.



The screenshot shows the Washington State Legislature website. At the top, there is a green header with the text "WASHINGTON STATE LEGISLATURE" and a search icon. Below the header, the breadcrumb trail reads "RCWs > Title 88 > Chapter 88.40 > Section 88.40.005". A "Print" button is visible in the top right corner. Below the breadcrumb trail, there is a navigation bar with "Beginning of Chapter << 88.40.005 >> 88.40.011". A "PDF" button is next to the text "RCW 88.40.005". Underneath, the section is titled "Intent." and contains a paragraph of text: "The legislature recognizes that oil and hazardous substance spills and other forms of incremental pollution present serious danger to the fragile marine environment of Washington state. It is the intent and purpose of this chapter to define and prescribe financial responsibility requirements for vessels that transport petroleum products as cargo or as fuel across the waters of the state of Washington and for facilities that store, handle, or transfer oil or hazardous substances in bulk on or near the navigable waters."



Rulemaking Timeline

Dates	Activity
April 17, 2023	Announce the rule (file the CR-101 form)
June – October 2023	Conduct outreach with tribes, stakeholders, and interested parties to develop the rule language
January 2024	Propose the rule (file the CR-102 form)
June 2024	Adopt Rule (file the CR-103 form)
July 2024	Rule effective



Rulemaking Scope

The new rule will:

- **Define the entities subject to financial responsibility requirements.**
- **Establish required levels of financial responsibility for oil handling facilities and pipelines.**
- Specify the procedures and timelines for obtaining or renewing a certificate of financial responsibility.
- Establish requirements for acceptable evidence of financial responsibility, including self-insurance.



Scope Continued

- Outline the process for ensuring timely updates to changes in regulated industry financial status.
- Define the processes governing the suspension, revocation, and re-issuance of certificates of financial responsibility considering potential liabilities incurred by a covered entity after an oil spill or other incident.
- Incorporate and update financial responsibility requirements currently included in WAC Chapter 317-50 – Financial Responsibility for Small Tank Barges and Oil Spill Response Barges, and repeal that chapter.
- Make other changes to clarify language and make any corrections needed.



Financial Responsibility for Oil Handling Facilities

A facility is defined as any structure, group of structures, equipment, pipeline, or device, other than a vessel, that is located on or near the navigable waters of the state and that transfers oil in bulk to or from any vessel or pipeline. Facilities are used for producing, storing, handling, transferring, processing, or transporting oil in bulk.

Today we will focus on:

- Refineries
- Marine Terminals
- Pipelines



Establishing Financial Responsibility Requirements for Facilities

The legislature directed Ecology to determine required levels of financial responsibility for oil handling facilities and pipelines.

Ecology was directed to adopt a rule that considers:

- facility's worst-case spill volume
- cost of cleaning up spilled oil
- frequency of operations at the facility
- availability and affordability of acquiring financial responsibility



Facility Worst-Case Spill Definition

Worst-case spill (per WAC 173-182)

- **Offshore facility:** the largest possible spill considering storage, production, and transfer capacity complicated by adverse weather conditions
- **Onshore facility:** the entire volume of the largest above ground storage tank on the facility site complicated by adverse weather conditions



Pipeline Worst-Case Spill Definition

Worst-case spill (per WAC 173-182)

A **pipeline's** worst-case spill volume is the greatest of the 3 values below:

1. The maximum time to detect the release, plus the maximum shutdown response time multiplied by the maximum flow rate per hour, plus the largest line drainage volume after shutdown. The total time to detect the release and to shutdown the pipeline should be based on historic discharge data or, in the absence of such historic data, the operator's best estimate. At a minimum the total time to detect and shut down the pipeline must be equal to or greater than thirty minutes; or
2. The maximum historic discharge from the pipeline; or
3. The volume of the largest single breakout tank or battery of breakout tanks within a single secondary containment system.



Oil Spill Clean-Up Cost Studies

Cost of cleaning up spilled oil

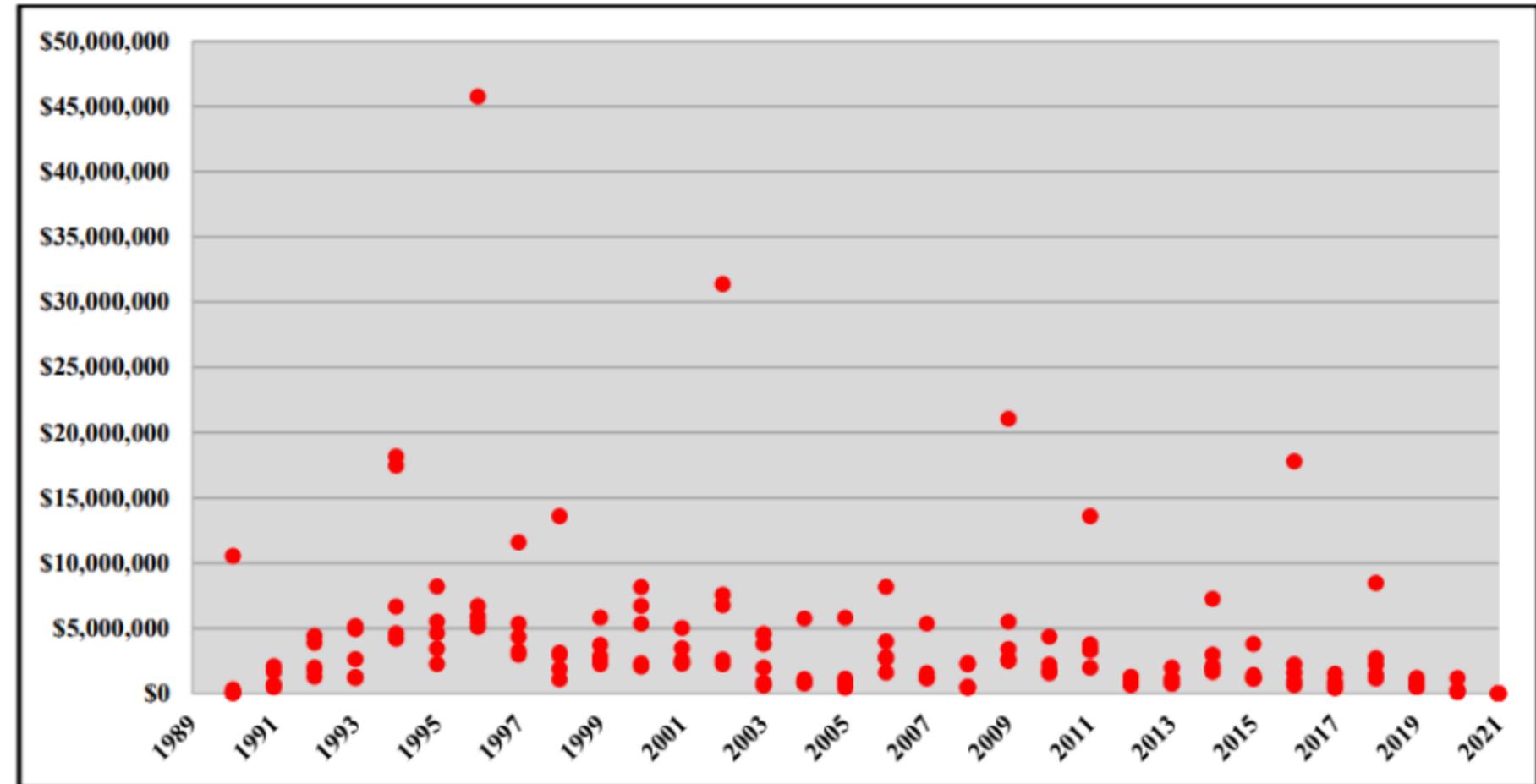
In preparation of establishing financial responsibility amounts for facilities we performed research on existing studies including:

- U.S. Coast Guard's 2023 Oil Pollution Liability Limits Report to Congress
- 2019 Catalyst Response Costs Report
- Earth Economic's 2019 San Juan County Oil Spill Risk Consequences Assessment



US Coast Guard - 2023 Oil Pollution Liability Limits Report

Figure 4: Total Incident Cost of the Five Most Expensive Onshore Facility Incidents per Year
(2021 Dollars / Excludes 2010 Enbridge Pipeline Oil Spill)



[Oil Pollution Act Liability Limits in 2021 Report to Congress March 2023](#)



Catalyst 2019 California Oil Spill Response Cost Study

California Oil Spill Response Cost Study

November 2019



Prepared By:



Prepared For:



[Catalyst.pdf \(wa.gov\)](#)



Catalyst 2019 California Oil Spill Response Cost Study

Table ES-2: Per-Bbl Response Cost Percentiles for Inland Production Facilities based on Responses to the California Operator Survey

Percentile	Response Cost/Bbl (2019 US\$)
10 th	\$35
25 th	\$101
50 th (Median)	\$343
75 th	\$1,547
90 th	\$6,600
95 th	\$10,000
99 th	\$14,500
Maximum	\$29,341
Average (Mean)	\$1,954

Table ES-3 provides the results of per barrel spill costs for larger spills into water based on oil type. These results apply to spills greater than 100 bbl which occurred either offshore or in coastal areas and entered marine or large river system environments.

Table ES-3: CDFW-OSC Model Results – Range of Per Barrel Spill Costs by Oil Type for Offshore or Coastal Spills Greater than 100 bbl¹

Oil Category	Per-Bbl Spill Cost			
	Highest Cost	High Cost	Medium Cost	Low Cost
Non-Persistent	\$17,144	\$13,055	\$6,747	\$4,615
Light Persistent	\$31,764	\$24,183	\$12,498	\$8,547
Medium Persistent	\$38,805	\$29,539	\$15,268	\$10,445
Heavy Persistent	\$70,386	\$53,582	\$27,700	\$18,943

Catalyst 2019 California Oil Spill Response Cost Study

Table 4: Total Oil Spill Scenario Costs for USACE San Francisco Bay Study (updated to 2019 US\$)¹⁸

Oil Type	Scenario ¹⁹	US\$ Million (2019)			
		NRDA for Ecological Damages	Socio-economic Costs	Response Costs (Mechanical)	Total Costs
Diesel	20 th M	\$15.0	\$41.2	\$17.7	\$73.8
	20 th W	\$23.3	\$37.0	\$20.9	\$81.1
	50 th M	\$44.9	\$76.9	\$27.2	\$149.1
	50 th W	\$159.5	\$81.2	\$19.0	\$259.6

Oil Type	Scenario ¹⁹	US\$ Million (2019)			
		NRDA for Ecological Damages	Socio-economic Costs	Response Costs (Mechanical)	Total Costs
	95 th M	\$100.6	\$195.2	\$39.0	\$334.8
	95 th W	\$273.8	\$193.2	\$45.9	\$512.9
Gasoline	20 th M	\$6.2	\$31.9	\$14.5	\$52.6
	20 th W	\$27.8	\$29.1	\$14.5	\$71.5
	50 th M	\$15.4	\$71.0	\$16.0	\$102.4
	50 th W	\$57.8	\$69.5	\$16.0	\$143.3
	95 th M	\$28.0	\$160.9	\$19.4	\$208.4
	95 th W	\$113.7	\$160.2	\$21.8	\$295.7
HFO	20 th M	\$1.3	\$30.4	\$16.8	\$48.5
	20 th W	\$2.0	\$29.8	\$20.2	\$51.9
	50 th M	\$4.4	\$81.1	\$50.9	\$136.4
	50 th W	\$7.2	\$75.9	\$73.3	\$156.4
	95 th M	\$5.7	\$141.3	\$113.2	\$260.3
	95 th W	\$10.6	\$131.6	\$177.2	\$319.4
Crude	20 th M	\$56.9	\$47.2	\$42.8	\$225.5
	20 th W	\$140.7	\$42.0	\$52.2	\$235.0
	50 th M	\$36.9	\$117.6	\$95.0	\$488.3
	50 th W	\$36.4	\$132.7	\$121.4	\$290.5
	95 th M	\$67.4	\$274.5	\$264.1	\$606.0
	95 th W	\$164.8	\$283.2	\$333.8	\$781.8



Catalyst 2019 California Oil Spill Response Cost Study

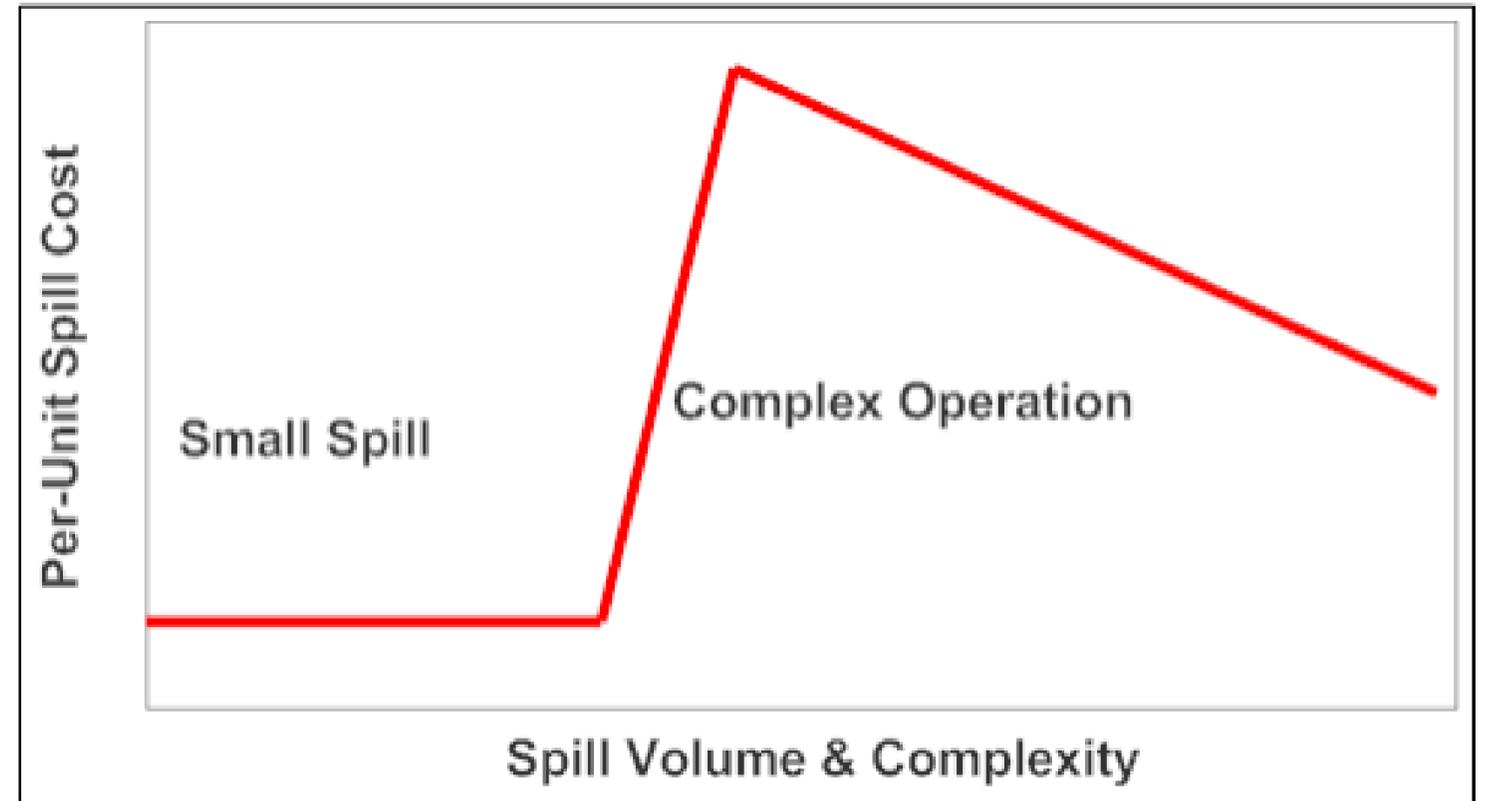


Figure 38: Hypothetical Per-Unit Volume Spill Cost Relationship with Volume and Complexity

Catalyst 2019 California Oil Spill Response Cost Study

Table A-23: Key Table: Highest Total Per-Bbl Costs for Regions by Oil Type/Volume

US Region	Non-Persistent		Low- Persistent		Medium-Persistent		Heavy-Persistent	
	Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC	
	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl
East	\$46,115	\$4,612	\$73,784	\$7,378	\$92,229	\$9,223	\$184,458	\$36,892
Gulf	\$42,963	\$4,296	\$68,741	\$6,874	\$85,926	\$8,592	\$171,851	\$34,371
West	\$45,119	\$4,512	\$72,191	\$7,219	\$90,238	\$9,024	\$180,477	\$36,096

Table A-24: Key Table: High Total Per-Bbl Costs for Regions by Oil Type/Volume

Region	Non-Persistent		Low- Persistent		Medium-Persistent		Heavy-Persistent	
	Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC	
	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl
East	\$35,107	\$3,511	\$56,171	\$5,617	\$70,214	\$7,021	\$140,428	\$14,043
Gulf	\$32,708	\$3,271	\$52,331	\$5,233	\$65,415	\$6,542	\$130,830	\$13,083
West	\$34,349	\$3,435	\$54,958	\$5,496	\$68,698	\$6,870	\$137,395	\$13,739

Table A-25: Key Table: Medium Total Per-Bbl Costs for Regions by Oil Type/Volume

Region	Non-Persistent		Low- Persistent		Medium-Persistent		Heavy-Persistent	
	Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC	
	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl
East	\$18,147	\$1,815	\$29,035	\$2,903	\$36,294	\$3,629	\$72,589	\$7,259
Gulf	\$16,907	\$1,691	\$27,050	\$2,705	\$33,813	\$3,382	\$67,625	\$6,762
West	\$17,756	\$1,776	\$28,408	\$2,840	\$35,511	\$3,551	\$71,021	\$7,103

Table A-26: Key Table: Low Total Per-Bbl Costs for Regions by Oil Type/Volume

Region	Non-Persistent		Low- Persistent		Medium-Persistent		Heavy-Persistent	
	Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC		Per-Bbl DPAC	
	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl	<1,000 bbl	>10,000 bbl
East	\$12,411	\$1,242	\$19,858	\$1,986	\$24,822	\$2,483	\$49,645	\$4,964
Gulf	\$11,563	\$1,157	\$18,500	\$1,850	\$23,125	\$2,313	\$46,251	\$4,625
West	\$12,143	\$1,215	\$19,429	\$1,942	\$24,286	\$2,429	\$48,572	\$4,857

2019 San Juan County Oil Spill Risk Consequences Assessment

San Juan County Oil Spill Risk Consequences Assessment

EARTH
ECONOMICS



2019 San Juan County Oil Spill Risk Consequences Assessment

Table 3. Impact Valuation Summary – Scenario A

Impact Category	Baseline Growth Rate	Total Baseline Value in No-Spill Scenario Over 30 Years	Scenario A Impact Estimate	Total Damages for Scenario A (low)	Total Damages for Scenario A (high)	Directional Bias <i>In addition to biases explained below, all impact estimates introduce negative directional bias due to use of average values of past spill impact estimates as the upper bound of scenario estimates.</i>
Economic						
Commercial Fishing	0%	\$88,269,594	100% loss of landings for 4-12 months	\$932,308	\$2,505,261	Negative: Underestimates total damage, does not account for negative impacts of decreased catch or loss of market demand
Aquaculture	0%	\$9,327,088	50% loss of sales for 18 to 36 months	\$99,204	\$148,806	Negative: Underestimates total damages, does not account for decreased productivity or loss of market demand post-spill
Tourism Economic Impacts		\$44,777,269,674	7-21% for 9 to 24 months	\$21,096,238	\$161,466,255	Negative: Underestimates total damages, due following exclusions: a) does not account for tourist activity impacts due to immediate disruption of transportation; and b) does not account for indirect and induced economic effects within the county (excluded due to data and resource limitations)
Tourism Spending	8.4%	\$33,972,999,667		\$15,928,288	\$121,929,033	
Tourism-Supported Wages	8.2%	\$10,016,417,831		\$4,872,646	\$37,263,695	
Tourism-Supported Tax Revenue	9.6%	\$787,852,176		\$295,303	\$2,273,527	
Property Values		\$22,246,513,757	4-10% decline for 3 to 30 months (oiled properties); 1.75-3.5% decline for 3 to 30 months (non-oiled properties)	\$89,669,667	\$245,049,679	Neutral/Negative: Underestimates total damages due to exclusion of properties on non-impacted islands, which could experience value loss due to overall damages to the county's reputation. However, property tax revenue may not be impacted depending on frequency and timing of property appraisal in the county in relation to the spill events.
Property Values	6.0%	\$22,153,763,183		\$89,295,815	\$244,028,014	
Local Property Tax		\$92,750,574		\$373,852	\$1,021,666	
Social						
Recreation Use Value - Tourists	8.4%	\$13,991,791,844	7-21% for 9 to 24 months	\$8,032,072	\$37,156,366	Negative: Underestimates total damages due to use of statewide average use values by land management type that assume smaller ratio between tourist and local users; tourist use values are much higher than local use values; also excludes use value loss to local residents
Environmental						
Ecosystem Services	0%	\$1,444,234,885 to \$3,363,745,444	20-40% decline over 1-10 years; 1% decline over remaining 20 years	\$22,465,043	\$63,585,734	Neutral/Negative: Positive directional bias due to assumption that baseline conditions of ecosystems are constant (rather than declining) over 30 years; however, exclusion of ecosystem service losses associated with oil impacts to shoreline trees, shrubs, grasses, pasture, non-vegetated beach results in likely overall underestimate of ecosystem services.
Total				\$142,294,533	\$509,912,101	



2019 San Juan County Oil Spill Risk Consequences Assessment

Table 4. Impact Valuation Summary –Scenario B

Impact Category	Baseline Growth Rate	Total Baseline Value in No-Spill Scenario Over 30 Years	Scenario B Impact Estimate	Total Damages for Scenario B (low)	Total Damages for Scenario B (high)	Directional Bias <i>In addition to biases explained below, all impact estimates introduce negative directional bias due to use of average values of past spill impact estimates as the upper bound of scenario estimates.</i>
Economic						
Commercial Fishing	0%	\$88,269,594	100% loss of landings for 1-3 months	\$69,438	\$223,468	Negative: Underestimates total damage, does not account for negative impacts of decreased catch or loss of market demand
Aquaculture	0%	\$9,327,088	50% loss of sales for 18 to 36 months	\$57,342	\$86,012	Negative: Underestimates total damages, does not account for decreased productivity or loss of market demand post-spill
Tourist Visitation Impacts						
Tourism Spending	8.4%	\$33,972,999,667	7-21% decline over 3-8 months	\$8,644,889	\$59,241,307	Negative: does not account for indirect and induced economic effects within the County
Tourism Wages	8.2%	\$10,016,417,831		\$1,996,730	\$13,683,100	
Tourism Tax Revenue	9.6%	\$787,852,176		\$121,010	\$829,255	
Property Value		\$22,153,763,183	4-10% decline for 1 to 10 months (oiled properties); 1.75-3.5% decline for 1 to 10 months (non-oiled properties)	\$60,291,961	\$134,394,520	Neutral/Negative: Underestimates total damages due to exclusion of properties on non-impacted islands, which could experience value loss due to overall damages to the county's reputation. However, property tax revenue may not be impacted depending on frequency and timing of property appraisal in the county in relation to the spill events.
Property Values	6.0%	\$22,153,763,183		\$60,291,961	\$134,394,520	
Local Property Tax		\$92,750,574		\$252,423	\$562,666	
Social						
Recreation Use Value	8.4%	\$13,991,791,844	7-21% decline over 3-8 months	\$2,688,209	\$18,421,635	Negative: Underestimates total damages due to use of statewide average use values by land management type that assume smaller ratio between tourist and local users; tourist use values are much higher than local use values; also excludes use value loss to local residents
Environmental						
Ecosystem Services	0.0%	\$1,454,424,641 to \$3,397,063,553	20-40% decline over 1-10 years; 1% decline over remaining 20 years	\$12,275,287	\$30,267,625	Neutral/Negative: Positive directional bias due to assumption that baseline conditions of ecosystems are constant (rather than declining) over 30 years; however, exclusion of ecosystem service losses associated with oil impacts to shoreline trees, shrubs, grasses, pasture, non-vegetated beach results in likely overall underestimate of ecosystem services.
Total				\$84,279,549	\$243,197,234	



Frequency of Operations Considerations

Washington State oil handling facilities' operations have a large range of oil volumes. The Legislature directed Ecology to consider the range / frequency of operations in our rule.

The alternative worst-case spill volume option will consider:

- rate and volumes of oil transfers and
- a pipeline's calculated segment drain times and volumes

Availability and Affordability of Acquiring Financial Responsibility

- Evidence of financial responsibility can be provided with one or more source and includes:
 - Insurance coverage
 - Protection and Indemnity (P&I) Club membership
 - Guaranty
 - Surety Bond
 - Letter of credit
 - Certificate of Financial Responsibility from another state
 - Self-insurance



Current Financial Responsibility / Limits of Liability

In addition to researching oil spill cost studies, we considered, compared, and contrasted other state's existing financial responsibility and Federal limits of liability

- Alaska Certificate of Financial Responsibility
- California Certificate of Financial Responsibility
- Federal Limits of Liability for Facilities



Alaska Financial Responsibility Requirements

Alaska proof of responsibility amounts are based on the type of oil handling facility, whether the oil is predominantly persistent or non-persistent, and the volume of daily production.

The updated maximum financial responsibility in Alaska for will be \$111,450,000 beginning Oct 1, 2023

Alaska's minimum financial responsibility will be \$2,229,000.



Alaska FR Rate Schedule

STATE OF ALASKA FINANCIAL RESPONSIBILITY DOLLAR AMOUNTS for regulated oil facilities and vessels (18 AAC 75.235)

Anchorage CPI (Urban) 1st Half 1990:	116.9
Anchorage CPI (Urban) 2nd Half 2022:	260.6
Anchorage CPI Increase 1990 - 2019:	143.7
Percentage increase:	122.9%
Adjustment factor:	2.229

	Statutory Amount (AS 46.04.040 or 46.04.055)	Dollar Amount (effective October 1, 2023)
Crude Oil Terminal Facility:	\$50,000,000	\$111,450,000 <i>per incident</i>
Non Crude Oil Terminal Facility:	\$25.00 \$1,000,000 \$50,000,000	\$55.72 <i>per incident, per barrel</i> \$2,229,000 <i>minimum</i> \$111,450,000 <i>maximum</i>
Pipeline:	\$50,000,000	\$111,450,000 <i>per incident</i>
Offshore Exploration or Production Facility:	\$50,000,000	\$111,450,000 <i>per incident</i>
Onshore Production Facility > 10,000 bpd:	\$20,000,000	\$44,580,000 <i>per incident</i>
Onshore Production Facility ≤ 10,000 bpd, > 5,000 bpd:	\$10,000,000	\$22,290,000 <i>per incident</i>
Onshore Production Facility ≤ 5,000 bpd, > 2,500 bpd:	\$5,000,000	\$11,145,000 <i>per incident</i>
Onshore Production Facility ≤ 2,500 bpd:	\$1,000,000	\$2,229,000 <i>per incident</i>
Onshore Exploration Facility:	\$1,000,000	\$2,229,000 <i>per incident</i>

Alaska Financial Responsibility Rate Schedule



California Financial Responsibility Requirements

California proof of responsibility amounts are based on the type of oil handling facility and the reasonable worst-case spill volume.

California's maximum financial responsibility for marine facilities, offshore facilities, and pipelines is \$300,000,000

California's minimum financial responsibility for facilities is \$1,000,000.



California Financial Responsibility Rate Schedule

Table 1: Current OSPR Certificate of Financial Responsibility Amounts

Category	Sub-category	COFR amount/calculation	Minimum	Maximum
Tanker	all	\$1B	\$1B	
Tank Barge	Large (>150,000 bbl capacity)	\$1B	\$1B	
	Small (<150,000 bbl capacity)	\$12,500 x (30% of total cargo capacity)		\$562.5M
Non-tank Vessel	CA or federal >7,500 bbl total oil capacity; private >6,500 bbl	\$300 M	\$300 M	
	CA or federal 1,001-7,500 bbl; private 1,001-6,500 bbl	[(Total bbl capacity – 1,000) x \$5,670] + \$18.9M	\$18.9M	\$50.1M
	501-1,000	\$18.9M	\$18.9M	
	51-500	\$10M	\$10M	
	11-50	\$5M	\$5M	
	1-10	\$2M	\$2M	
Marine Facility (e.g. terminals)		\$12,500 x RWCS	\$1M	\$300M
Offshore Platform	Not drilling	\$12,500 x RWCS	\$1M	\$300M
	Active drilling	\$12,500 x RWCS	\$10M	\$300M
Marine Pipeline		\$12,500 x RWCS	\$1M	\$300M
Small Marine Fueling Facility		\$12,500 x RWCS		\$600K
MTU		\$12,500 x (30% of max cargo capacity)		\$6.3M
Inland Facility (e.g. production, pipelines, rail)	Risk to ephemeral or intermittent waterway	\$6,000 x RWCS		\$100M
	Risk to perennial waterway	\$10,000 x RWCS		\$100M
	Pipelines	\$10,000 x RWCS		\$100M
	Rail	\$10,000 x RWCS		\$100M



OPA 90 Limits of Liability for Large Oil Handling Facilities

United States Limits of Liability for On-Shore Facilities

78862 Federal Register / Vol. 87, No. 246 / Friday, December 23, 2022 / Rules and Regulations

TABLE 1—CPI-ADJUSTED LIMITS OF LIABILITY—Continued

Source category	Previous limit of liability	Percent increase in the annual CPI-U	New CPI-adjusted limit of liability
(2) The OPA 90 limits of liability for any vessel other than a vessel listed in paragraph (a)(1) of § 138.230, including for any edible oil tank vessel and any oil spill response vessel, are—	The greater of \$1,200 per gross ton or \$997,100	7.91	The greater of \$1,300 per gross ton or \$1,076,000.
§ 138.230(b) Deepwater ports			
(1) The OPA 90 limit of liability for any deepwater port, including for any component pipelines, other than a deepwater port listed in paragraph (b)(2) of § 138.230, is—	\$672,514,900	7.91	\$725,710,800.
(2) The OPA 90 limits of liability for deepwater ports with limits of liability established by regulation under OPA 90 (33 U.S.C. 2704(d)(2)), including for any component pipelines, are—			
(i) For the Louisiana Offshore Oil Port (LOOP).	\$102,245,000	7.91	\$110,332,600.
(ii) [Reserved]	Not Applicable (N.A.)	N.A.	N.A.
§ 138.230(c) Onshore facilities			
The OPA 90 limit of liability for onshore facilities, including, but not limited to, motor vehicles, rolling stock and onshore pipeline, is—	\$672,514,900	7.91	\$725,710,800.



Washington Proposed Financial Responsibility Requirements

Class 1 Facility	Oil Type	Proposed WA (based on WCS volume)	CA COFR	AK COFR
All Class 1 facilities (refineries, marine terminals, pipelines)	Crude / Persistent Oil or Non-persistent	\$12,500 per barrel; Max \$300,000,000; Min \$1,000,000	\$12,500 per barrel; Max \$300,000,000; Min \$1,000,000	Max \$111,450,000 Min \$2,229,000



Rulemaking Status

Several sections of rule language have been drafted and are in the peer review stage.

Our goal is to have preliminary draft language to provide to the stakeholders this summer in order to obtain comments and feedback.



Rulemaking Status

Financial Responsibility – Documentation – Certificate

Includes:

- Details about the Certificate – what it covers, what it means, maximum term
- Certificate application process
- Certificate renewal process
- Compliance schedule for covered facilities



Certificate Process

Certification Process

- Owners / operators of large oil handling facilities that are covered in this rule will submit an application to request a certificate of financial responsibility
- We will develop a compliance schedule for large oil handling facilities



Workshop	Topic	Key Audience	Join online	Join by phone	Access code
Workshop #1 June 15, 2023 1:00pm - 3:30pm	Rule overview and introductions (why are we doing this now?)	All	https://waecy-wa.gov.zoom.us/meeting/register/tZYlcOquqz8rHNm2OKS6lsyXrP1E_fC70wCH	(253) 215 8782	828 7365 4167
Workshop #2 July 13, 2023 1:00pm - 3:30pm	Financial responsibility requirements for covered vessels, tank vessels and tank barges of any size. Non-tank vessels, such as cargo and large fish processing vessels over 300 gross tons and involved in commerce, that carry oil as fuel.	Vessels, P&I Club, Agents, umbrella plans	https://waecy-wa.gov.zoom.us/meeting/register/tZUqcu2rqTssEtSxMXhQAWEXf1IkAmwwZGnk	(253) 205 0468	817 5437 0680
Workshop #3 July 27, 2023 1:00pm - 3:30pm	Financial responsibility for large oil handling facilities, that transfer oil over waters of the state, to or from vessels and pipelines. This includes refineries, oil terminals and pipelines.	Facilities	https://waecy-wa.gov.zoom.us/meeting/register/tZlpcu-oqzLqGNZyS7WZ6FhJatzbVNvqD2n	(253) 205 0468	864 5605 9022
Workshop #4 August 15, 2023 1:00pm - 3:30pm	Financial responsibility for small facilities that transfer oil to commercial vessels with a fuel capacity greater than 10,500 gallons. These include tank trucks during transfers over waters of the state, not while transporting oil over the road, and marine terminals.	Tank trucks and small facilities	https://waecy-wa.gov.zoom.us/meeting/register/tZYlcurrTgoHtGQC1kB3dsBjo7ifOd0zg6P	(253) 215 8782	828 5233 3245
Workshop #5 September 12, 2023 1:00pm - 3:30pm	Financial responsibility certification process, documentation, timelines, renewal, revocation, and updates	All	https://waecy-wa.gov.zoom.us/meeting/register/tZwtcuGrrz0pE9Ph9GKdW5lg69VNAamay9Tfi	(253) 215 8782	880 5831 6397
Workshop #6 October 5, 2023 1:00pm - 3:30pm	Final rule workshop	All	https://waecy-wa.gov.zoom.us/meeting/register/tZlvduGhqjMiEtwjH1i08dF613SyuC7CFrq6	(253) 205 0468	862 1894 8888



Rulemaking Website

<https://ecology.wa.gov/Regulations-Permits/Laws-rules-rulemaking/Rulemaking/WAC-173-187>



Next Steps

The next Workshop will be held on August 15th from 1:00 to 3:30. It will focus on financial responsibility requirements for small oil handling facilities that transfer oil to and from commercial vessels, such as tank trucks.

The agenda will be shared with that workshop's registered attendees prior to the workshop.

Please feel free to provide your thoughts and comments verbally here or in writing to Diana (Diana.Davis@ECY.WA.GOV) via email and we will take them into consideration as we work through the rulewriting process.





Questions?

Thank you