Pennsylvania
Insurance Department

DATE: December 16th, 2025

TO: The General Assembly
Commonwealth of Pennsylvania

FROM: Pennsylvania Insurance Department on behalf of the Underground Storage Tank Indemnification Board

SUBJECT: 2025 Underground Storage Tank Indemnification Fund Statutory Report

Pursuant to the Storage Tank and Spill Prevention Act, Act of July 6, 1989, P.L. 169, *as amended*, 35 P.S. §§ 6021.101–6021.2104 ("Tank Act"), the Underground Storage Tank Indemnification Board ("USTIB") is required to annually report to the General Assembly regarding corrective actions taken and expenditures made under the Environmental Cleanup Program ("ECP") for the preceding fiscal year; corrective actions taken and expenditures made under the Underground Storage Tank Pollution Prevention Program ("PPP") for the preceding fiscal year; and activities and expenditures made pursuant to the Upgrade Loan Program for the preceding calendar year.

Underground Storage Tank Environmental Cleanup Program

USTIB is authorized to allocate up to $5.5 million annually from the Underground Storage Tank Indemnification Fund ("USTIF") for the ECP if the allocation does not impede USTIF's ability to pay claims. The monies are used for taking corrective actions at underground storage tank facilities that require cleanup but are not eligible for a claim payment by USTIF. USTIB allocates the funds to the Pennsylvania Department of Environmental Protection ("DEP"), which administers the programs on its behalf.

No more than $2 million of the annual allocation for the Cleanup Program may be used for special environmental cleanup projects to assist owners of underground storage tanks who do not qualify for financial assistance under the Tank Act.

There is an additional allocation under ECP allowing no more than $750,000 annually for costs of corrective action to assist owners of underground storage tanks with a capacity of 3,000 gallons or less used for storing heating oil. Payments are limited to actual cost of corrective action or $5,000, whichever is less. The amount allowed is subject to a $1,000 deductible.

The results of these programs are outlined below:

- *State-Led/Special Projects*: For the fiscal year ending June 30, 2025, work was performed at 16 state-lead sites and 1 special project release site. The total amount expended was over $2.3 million. Since program inception in the fiscal year ending June 30, 1999, over $50 million has been expended.

- *Heating Oil Program*: For the fiscal year ending June 30, 2025, 160 grants were approved for a total payment of $632,050. Since the Heating Oil Program began in the fiscal year

ending June 30, 1999, 3,027 grants have been approved. Grant money paid since inception totals $11,959,063.

- *Catastrophic Release Projects*: Money was not expended for the fiscal year ending June 30, 2025. From 1998 through 2015, over $13.06 million was expended.

Underground Storage Tank Pollution Prevention Program

The PPP, also known as "Pump and Plug," assists storage tank owners with pumping out and disposing of regulated products from tanks, cleaning the inside of tanks, and grouting the fill pipes of those tanks (if the tanks will be put into temporary closure) so that the tanks are rendered unusable. It remains the responsibility of the underground storage tank owner to permanently close the tanks following DEP's closure requirements. Grant money is not available under the PPP for removing tanks, closing tanks in place, performing site assessments, or conducting remediation activities.

Under the PPP, USTIB is authorized to allocate up to $350,000 per year to be used by the DEP in reimbursing owners and operators with six or fewer regulated underground storage tanks in Pennsylvania that have not been upgraded to comply with technical requirements of federal and state regulations. USTIB allocates the funds to DEP, which administers the programs on its behalf.

The PPP provides reimbursement up to $2,500 per tank for eligible activities. DEP may withhold reimbursement until DEP registration fees, USTIF fees, fines or penalties are paid; or until outstanding violations are resolved.

For the state fiscal year ending June 30, 2025, two grants were approved for a total payment of $17,500. Since the PPP began, 1,159 grants have been approved with payments totaling $5,973,120 as of June 30, 2025.

Upgrade Loan Program

USTIB is authorized to operate an Upgrade Loan Program to assist owners of regulated underground storage tanks in upgrading their systems to meet United States Environmental Protection Agency requirements. In addition, USTIB is permitted to make loans available for the removal of underground storage tanks.

The aggregate outstanding loan balances to tank owners shall not exceed 20% of the fund balance, defined as the ending cash balance in any given fiscal year less any liability for claims incurred but not yet paid. No loans will be made if the fund balance falls below $50,000,000.

USTIF has not accepted loan applications since 2010. As a result, no Upgrade Loan Program applications were received, approved, or denied in the 2025 calendar year. Since program inception, USTIB authorized 97 loans totaling $8,420,593.