



## State of New Jersey

James E. McGreevey  
Governor

Department of Environmental Protection  
Air Quality Permitting Program  
P O Box 027  
Trenton, NJ 08625-0027  
(609)-292-6716

Bradley M. Campbell  
Commissioner

To: Gasoline Dispensing Facilities

From: The New Jersey Department of Environmental Protection, Division of Air Quality

Date: December 29, 2003

Subject: **Modified Air Regulatory Requirements for Gasoline Dispensing Facilities (N.J.A.C. 7:27-16.3)**

On June 29, 2003, the New Jersey Department of Environmental Protection (the Department) adopted amendments to New Jersey Administrative Code, Control and Prohibition of Air Pollution By Volatile Organic Compounds (N.J.A.C. 7:27-16). Part of the changes made to N.J.A.C. 7:27-16.3 were the requirements for existing gasoline dispensing facilities (i.e. one that was permitted prior to June 29, 2003) and the requirements for new gasoline dispensing facilities (i.e. one that was permitted on or after June 29, 2003). These new requirements are summarized as follows:

- Each storage tank which have a capacity of 2000 gallons or greater and which are used in the transfer of gasoline must be equipped and operated with a pressure/vacuum relief valve on each atmospheric vent, which must remain closed during the gasoline transfer.
- All new gasoline dispensing facilities are required to use unihose on dispensers for all gasoline dispensing.
- All Stage 2 dispenser nozzles at a gasoline dispensing facility with vacuum assist vapor control systems is required to be equipped with a splash guard that prevents spillage during refueling on each nozzle at the facility. Splash guards must be installed if the dispenser is not already equipped by June 29, 2005 for existing gasoline dispensing facilities and by the commencement of operation for new gasoline dispensing facilities.
- All Stage 2 dispenser nozzles are required to be equipped with check valves. Check valves must be installed if the dispenser is not already equipped by June 29, 2005 for existing gasoline dispensing facilities and by the commencement of operation for new gasoline dispensing facilities.
- All Stage 2 dispenser nozzles are required to be compatible with their dispensers. Dispenser compatible nozzles must be installed if the dispenser is not already equipped by June 29, 2005 for existing gasoline dispensing facilities and by the commencement of operation for new gasoline dispensing facilities.
- All gasoline dispensing facilities are required to increase the frequency of testing at the facility from once every five years to the following schedule:
  - By June 29, 2004 and at least once in every 12-month period thereafter, all existing gasoline dispensing facilities must conduct Static Pressure Performance Tests and Pressure Vacuum Valve Tests.
  - By June 29, 2004 and at least once in every 12-month period thereafter, all existing gasoline dispensing facilities using vacuum assist vapor control systems must conduct Air to Liquid Volume Ratio Tests.
  - By June 29, 2006 and at least once in every 36-month period thereafter, all existing gasoline dispensing facilities must conduct Dynamic Backpressure Performance Tests.
  - Within 90 days from the date of installation of the vapor control system and at least once in every 12-month period thereafter, all new gasoline dispensing facilities must conduct Static Pressure Performance Tests and Pressure Vacuum Valve Tests.
  - Within 90 days from the date of installation of the vapor control system and at least once in every 12-month period thereafter, all new gasoline dispensing facilities using vacuum assist vapor control systems must conduct Air to Liquid Volume Ratio Tests.
  - Within 90 days from the date of installation of the vapor control system and at least once in every 36-month period thereafter, all new gasoline dispensing facilities must conduct Dynamic Backpressure Performance Tests.

A complete copy of the changes to rules can be found at <http://www.state.nj.us/dep/aqm/rules.htm>. If you have any questions, please feel free to contact the Minor Source Compliance Investigation Section at (609) 584-4240.

A separate notice will be mailed to those gasoline dispensing facilities operating under the General Permit for Storage and Transfer of Service Station Fuels (GP-004).



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Dear Gasoline or Diesel Underground Storage Tank Owner and/or Operator

The purpose of this letter is to bring three important issues to your attention that directly relate to your ability to operate underground storage tanks (USTs) in New Jersey. Two of these issues relate directly to recent changes in the Regulations Implementing the Underground Storage of Hazardous Substances Act (the UST Rules or N.J.A.C. 7:14B). The other issue involves numerous cases of tank overfill incidents. Please read this letter and the attachments completely and take these issues very seriously. The three issues are:

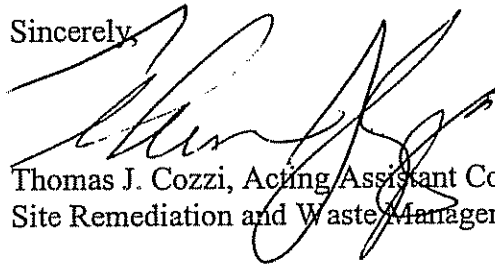
1) On May 19, 2003, the UST Rules were amended. The UST Rules now have financial responsibility requirements for all USTs regulated in New Jersey. These regulations adopted most of the federal financial responsibility requirements by reference. **Failure to submit the financial assurance mechanism used to comply during renewals and modifications will result in non-issuance of your certificate. For existing registrations non-submittal may result in revocation of your registration.** Please see the enclosed fact sheet titled "Mandatory Financial Responsibility for Regulated Underground Storage Tanks".

2) Due to a number of discharges from leaking tank system spill containment equipment, the amended UST Rules now have a requirement that all piping sumps, spill buckets and dispenser pans be inspected, kept free of debris and water and repaired to ensure proper operation. UST owners and operators are required to visually inspect spill buckets before every delivery and visually inspect dispenser sumps and piping sumps once every 30 days. Any debris or liquid must be removed and properly disposed. The visual inspection shall include a check for evidence of cracks, holes, loose fittings or any other deficiency which may compromise the integrity of the spill containment equipment. **Product delivery is not allowed to any tank if the spill catch basin contains product, water or debris.** **Record keeping (an inspection log for example) is required to document compliance with this provision.** An example inspection log is enclosed for your copying and use.

3) Based on numerous underground storage tank overfill incidents, the Department has discovered that some UST systems have either been installed with, or retrofitted with, Overfill and/or Stage 1 Vapor Recovery System equipment that are incompatible. The enclosure titled "Overfill and Stage 1 Vapor Recovery" explains this in more detail. Owners and operators of UST systems with incompatible Overfill and Stage I Vapor Recovery equipment are formally notified that the Department will grant a six (6) month grace period, commencing with the date of this announcement, to allow owners and/or operators to modify their UST systems to be in compliance. **After this grace period, the inappropriate use of ball floats for overfill protection will be subject to penalties for UST overfill protection as required by State and Federal regulations since December 22, 1998.** Should the UST owner/operator not understand these requirements, the owner/operator must retain a certified tank contractor to verify the presence of operational overfill protection. This grace period does not preclude Federal, State or County UST inspectors from issuing Notices of Violation and timeframes to correct this deficiency. If you have any questions concerning this issue, please contact Josh Gradwohl, Supervisor, Bureau of Risk Management, Initial Notice and Case Assignment at (609) 292-0408.

Federal, State and County UST Inspectors will be looking for these aspects of UST compliance, among others, during inspections. It is the UST Owner's and Operator's responsibility to insure full compliance with all UST requirements. Should the UST owner/operator not understand these requirements, the owner/operator must retain a certified tank contractor to verify the presence of operational overfill protection. For more information on UST requirements, you may visit [www.state.nj.us/dep/srp/bust/](http://www.state.nj.us/dep/srp/bust/) for regulations and guidance documents or contact the Department at (609) 984-3081.

Sincerely,



Thomas J. Cozzi, Acting Assistant Commissioner  
Site Remediation and Waste Management Programs

Enclosures

C: County UST Inspectors  
USEPA Region 2



STATE OF NEW JERSEY  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
DIVISION OF REMEDIATION SUPPORT  
REGISTRATION & BILLING UNIT  
P.O. BOX 028  
TRENTON, NEW JERSEY 08625-0028  
Phone: (609) 633-1464



January 2004

## *Mandatory Financial Responsibility for Regulated Underground Storage Tanks (USTs)*

Dear Owner and Operator:

On May 19, 2003 the New Jersey Department of Environmental Protection (hereinafter "Department") amended and added new rules to the Regulations Implementing the New Jersey Underground Storage of Hazardous Substances Act, N.J.A.C. 7:14B et seq. This letter specifically addresses N.J.A.C. 7:14B-15 -**Financial Responsibility Requirements**. This subchapter set forth financial responsibility assurance requirements for owners and operators of underground storage tank systems for the purpose of remediation and for compensating third parties for bodily injury and property damage as a result of a discharge from an underground storage tank system. If the owner and operator of an underground storage tank system are separate persons, only one person is required to demonstrate financial responsibility; however, both the owner and operator are responsible in the event of noncompliance. A copy of the current rule N.J.A.C. 7:14B-1.1 et seq. can be found at [www.state.nj.us/dep/srp/regsgust](http://www.state.nj.us/dep/srp/regsgust). The Federal Requirements for Financial Responsibility can be found at [www.epa.gov/swerust1/ustsystem/finresp.htm](http://www.epa.gov/swerust1/ustsystem/finresp.htm). In addition the Federal EPA has developed a 'List of Known Insurance Providers for Underground Storage Tanks' that can be found at [www.epa.gov/swerust1/pubs/inslist.htm](http://www.epa.gov/swerust1/pubs/inslist.htm). This provides UST owners and operators with a list of some of the insurance providers who may be able to help them comply with financial responsibility requirements by providing a suitable insurance mechanism. If you think you presently have liability insurance for your underground storage tank(s), please make sure you are covered for taking corrective action and compensating third parties for bodily injury and property damage caused by both sudden accidental releases and non-sudden accidental releases.

Failure to submit current and valid financial assurance mechanism information necessary to demonstrate financial responsibility during renewals and modifications will result in non-issuance of a valid Registration Certificate. For existing registrations non-submittal may result in revocation of your registration. In addition as stated in 7:14B-1.8(b) and N.J.A.C. 7:14B-2.1(c) respectively "No person or business firm shall introduce hazardous substances into a regulated underground storage tank which is not properly registered with the Department pursuant to N.J.A.C. 7:14B-2.1." and "Any person that owns or operates an underground storage tank system shall only use such tank upon receipt of a valid Registration Certificate issued by the Department."

Therefore please complete and submit to the Department as required by N.J.A.C. 7:14B-2.2(d) 5 & 7:14B-15 the New Jersey 'Underground Storage Tank Facility Certification Questionnaire - UST-021'. Please complete Section A #3 and #4 with updated Facility Operator and Tank Owner information, Section C-Financial Responsibility, and sign the certification section on the back of the form. The Underground Storage Tank Facility Certification Questionnaire has been enclosed and copies can be found at [www.state.nj.us/dep/srp/regsguidance.htm](http://www.state.nj.us/dep/srp/regsguidance.htm).

Thank you for your immediate attention to this matter.

Enclosure:      Underground Storage Tank Facility Certification Questionnaire  
                         NJ UST Financial Responsibility Requirements Table

# NJ UST Financial Responsibility Requirements

Group Of UST Owners And Operators	Applicable Law(s)	Per Occurrence Coverage	Aggregate Coverage
Petroleum marketers (i.e. Tanks at refineries, Gas stations, Fuel distributors, etc.)	Federal & State Regulated Tanks subject to 40 C.F.R. Part 280 Subpart H	\$1 million	<p>\$1 million if you have 100 or fewer tanks</p> <p>OR</p> <p>\$2 million if you have more than 100 tanks</p>
Nonmarketers & Local governments (i.e. Businesses, Car dealers, Trucking firms, Motor fuel for farms and residences with more than 1100 gallons aggregate total, Waste oil, Emergency generators, etc.)	Federal & State Regulated Tanks subject to 40 C.F.R. Part 280 Subpart H	<p>\$500,000 if throughput is 10,000 gallons monthly or less</p> <p>OR</p> <p>\$1 million if throughput is more than 10,000 gallons monthly</p>	
All other State regulated Petroleum USTs (i.e. Heating oil for non-residential on-site consumptive use with more than 2000 gallons aggregate total, Petroleum sumps, Tanks < 110 gallons in volume, etc.)	State Only Regulated Tanks (not Federally Regulated) subject to N.J.A.C. 7:14B-15	<p>\$250,000 if throughput is 10,000 gallons monthly or less</p> <p>OR</p> <p>\$1 million if throughput is more than 10,000 gallons monthly</p>	
Hazardous Substances other than Petroleum (i.e. Chemicals, RCRA hazardous waste, etc.)	Federal & State Regulated Tanks but Financial Responsibility only required by State subject to N.J.A.C. 7:14B-15	\$1 million	

*Petroleum marketers* include all facilities at which petroleum is produced or refined and all facilities from which petroleum is sold or transferred to other petroleum marketers or to the public.

State and Federal government entities whose debts and liabilities are the debts and liabilities of the State or the United States are exempt from these Financial Responsibility Requirements.

For additional information please visit us at: [www.state.nj.us/dep/srp/regs/ust](http://www.state.nj.us/dep/srp/regs/ust)  
 The Federal requirements can be found at: [www.epa.gov/swerust1/ustsystem/finresp.htm](http://www.epa.gov/swerust1/ustsystem/finresp.htm)

## Overfill and Stage I Vapor Recovery

### Subject of announcement:

- All gasoline underground storage tanks (USTs) that contain, store and dispense gasoline motor fuel with a capacity of 2,000 gallons or greater and are fitted with ball floats (a.k.a.: 90 percent flow restrictors/extractor valves) **and** employ co-axial drop tubes for Stage I vapor recovery.
- All gasoline or diesel fuel USTs, that are fitted with a remote fill ports, dispense fuel through a suction system or receive deliveries under pressurized deliveries and are fitted with ball floats (a.k.a.: 90 percent flow restrictors/extractor valves).
- In addition, Section #5 below specifically addresses the use of vapor recovery check valves (dry breaks) for Stage I application.

State and Federal regulations that govern regulated USTs (N.J.A.C. 7:14B and 40 CFR Part 280) have required as early as December 1988 that all regulated USTs are to be installed or upgraded in accordance with industry standards such as the American Petroleum Institute (API) or the Petroleum Equipment Institute (PEI). API and PEI standards that have been published since the mid 1980's have recognized that certain types of overfill devices, in particular ball float 90% flow restrictors, are incompatible with certain delivery methods, dispensing methods and/or Stage I vapor recovery methods and that ball float restrictors shall not be installed as a means of compliance with overfill protection in those instances. The Department has identified during UST compliance inspections, as well as in response to the investigation of overfills of regulated USTs, that many stations have had a ball float overfill device installed without regard to the industry standards. The five (5) areas of incompatibility include:

#1. When a UST utilizes ball floats for overfill protection, the presence of co-axial drop tubes for Stage I vapor recovery negates the intended function of said ball floats and prevents this equipment from protecting the USTs from overfill situations that may occur during the delivery of product into the USTs.

#2. USTs that are filled by means of a pressurized delivery system should not use ball floats as a means of overfill protection as over-pressurization of the tank can occur.

#3. USTs that dispense product through a suction system should not use a ball float for overfill protection. The air vent check valve on the product pump of the suction system can be overcome by the back pressure created when the ball float closes and a discharge at the dispenser can occur.

#4. USTs that are filled by remote fill ports should not use ball float devices for overfill protection. If the cap on the direct fillport on the tank is not secured tightly, vapors will continue to vent through the direct fillport after the ball float has closed resulting in an overfill and a potential discharge.

#5. If a dry break (Stage I vapor recovery check valve) is utilized, and is fitted with a ball float device for overfill protection, the owner/operator must verify that the tank vent line is connected to the extractor by means of a "tie-tank test" (or similar nitrogen/helium pressure test) as specified in California Air Resources Board (CARB) TP-201.3C. On tanks which use dry breaks for Stage I vapor recovery AND are installed without being manifolded to a vapor bar or are not connected to individual ball floats (i.e.; the ball float reduces flow to BOTH the vent line AND the dry break), overfill protection does not exist and a tank overfill can result.

Please note that whenever a ball float with an extractor is utilized for overfill, the extractor must have sufficient length to restrict flow of product into the UST when the UST is no more than 90% full. The depth at which the extractors must be set into the UST will depend on the size and diameter of the UST. If the extractor (90% flow restrictor) is not set at the proper depth and is the sole method of overfill protection (i.e.: a high level alarm or an in-tank float device has not been fitted), the tank will be considered not to have overfill protection and is, therefore,

out of compliance. While evaluating the compatibility of your flow restrictor and Stage I Vapor Recovery system, the Department encourages you to verify that the extractor is of sufficient length to allow the ball float to restrict flow when the tank is at 90% of its nominal capacity. Department inspectors will be requiring the depth of the ball floats to be confirmed by as built drawings or by a certified tank contractor. In addition, the tank owner/operator shall be required to verify that the ball floats and their cages are present and operational.

**After the noted grace period, the use of ball floats for overfill protection, in conjunction with items of concern 1-5 detailed above, the owner and/or operator shall be subject to penalties for being out of compliance for UST overfill protection as required by State and Federal regulations since December 22, 1998.**

To comply with the overfill requirements, the Department suggests the following modifications. Said modifications must be performed by Department certified UST installation contractors:

1. Replace the co-axial drop tubes with a single wall drop tube and install a dry break(s) (Stage I vapor check valve) with a ball float valve as part of the dry break set at a proper depth for the size and capacity of the UST (90% capacity).

or

2. replace the ball floats with in-tank floats, (i.e. automatic shutoff device installed in the drop tubes) designed to shut off flow into the tank when the tank is no more than 95% full.

or

3. replace the ball floats with tank high level alarms, which may require the installation of an automatic tank gauging system.

and

if properly installed and functioning ball float restrictors are in use on a regulated UST it shall be determined if the ball float extractor is set at the maximum level of 90% of the tank's capacity. If it is set higher than permitted by regulation, action must be taken to extend the ball float extractor to the proper depth within the tank.

Whatever method of overfill protection and Stage I vapor recovery equipment is installed it must conform to the industry standards referenced in the New Jerseys UST regulations (N.J.A.C. 7:14B).

All owners and operators are further notified that if the above requirements are not performed during the six-month grace period, the UST owners and/or operators may be subject to additional enforcement action including, but not limited to, fines and/or delivery bans placed on all non compliant USTs. No modification permits from the Department will be required to perform any necessary changes if completed before the 6-month grace period expires. Local permits may still be required and you should check with your local authorities before commencing with any work. Finally, records shall be kept on site documenting compliance with this notice.

## Pre-Delivery Spill Containment Inspection Log

Underground Storage Tank ID: \_\_\_\_\_

Spill Bucket Free Of Liquid / Debris (Indicate Yes or No)	Examined by (Print Name)	Initial	Delivery Date	Product / Water Disposal Method

By the dating and initialing of this form I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, to the best of my knowledge the submitted information is true, accurate and complete. I am aware that there are significant civil penalties for knowingly submitting false, inaccurate or incomplete information and that I am committing a crime of the fourth degree if I make a written false statement which I do not believe to be true. I am also aware that if I knowingly direct or authorize the violation of any statute, I am personally liable for the penalties.





