



Transporters of Waste Grease (trap grease) must be in compliance with Section 1.8 and 18 of the Regulations Pertaining to Solid Waste Sites and Facilities, 6 CCR 1007-2 (the Regulations). This document outlines the Financial Assurance requirements pertaining to Waste Grease Transporters.

What is a Waste Grease Transporter?

Sections 18.2 and 18.3 of the Regulations, apply to any person transporting trap grease in a quantity greater than fifty-five (55) gallons, including commercial freight carriers under contract with a waste grease transporter.

What is Financial Assurance?

Financial Assurance is the amount of funds required to pay for any costs incurred by closure, post-closure, corrective action, and remediation activities.

What is a Financial Assurance Mechanism?

A Financial Assurance mechanism is an instrument used to direct the Financial Assurance funds to the Department for any costs incurred by closure, post-closure, corrective action, and remediation activities.

Regulatory Language & Reference to “Facility”

- The Regulations define “Facility” as all contiguous land and structures, other appurtenances, and improvements on the land used for Solid Waste Disposal
- “Solid Waste Disposal” is defined in the Regulations as a means of storage, treatment, utilization, processing, or final disposal of solid wastes
- “Solid Wastes” are defined as any garbage, refuse, sludge from a waste treatment plant, water supply treatment plant, air pollution control facility, or other discarded material; including solid, liquid, semisolid, or contained gaseous material resulting from industrial operations, commercial operations or community activities
- “Store” as used in Section 18 of the Regulations means to possess, impound, contain, or control waste grease

As defined, “Facility” would incorporate other appurtenances or rather apparatuses which consist of any equipment and machinery, including vehicles. For the purposes of Section 1.8 in the Regulations, “Facility” can refer to Transporters and as such are required to comply with the Financial Assurance Regulations.

Financial Assurance for Waste Grease Transporters

Section 18.3.5 of the Regulations states that a person transporting a load of more than fifty-five (55) gallons of waste grease at one time must acquire and maintain financial assurance in the amount of \$10,000 for the cleanup and proper disposal of waste grease in accordance with Section 1.8 of the Regulations.

Financial Assurance Mechanisms

- Trust Fund
- Letter of Credit
- Surety Bond
- Insurance
- Corporate Test or Guarantee
- Local Government Test or Local Government Guarantee

- Certificate of Deposit (CD) with a Collateral Assignment form.
- Other mechanisms as approved by the Department

Trust Fund

- Must comply with Section 1.8.6 of the Regulations
- Pay-in Trust Accounts are subject to the following criteria:
 - Pay-in period is allowed for one (1) year, which is considered by the Department, the operating life for Waste Grease Transporters
 - Quarterly or monthly payments over the year are allowed
 - Minimum monthly amount equals \$835 per month (based on \$10,000 over 12 months)
- Trust Account language must be identical as identified in *Appendix A, I. Trust Agreement* in the Regulations

Letter of Credit

- Must comply with Section 1.8.7 of the Regulations
- Standby Trust Accounts are **not** required for Waste Grease Transporters as an alternate mechanism exists to receive monies for closure costs under \$10,000
- Letter of Credit language must be identical as identified in *Appendix A, III. Irrevocable Letter of Credit* in the Regulations

Surety Bond

- Surety Bond Form No. WG-5 must be used by Waste Grease Transporters wishing to use a Surety Bond as a mechanism
- <http://www.cdphe.state.co.us/hm/forms/sw/wg3transporterbondenable.pdf>
- Standby Trust Accounts are **not** required for Waste Grease Transporters as an alternate mechanism exists to receive monies for closure costs under \$10,000

Insurance

- Policy must cover pollution clean-up costs and environmental remediation activities due to accidents
- Must indicate that at per occurrence Coverage is \geq \$10,000
- The policy must indicate that the insurer may not cancel, terminate, or fail to renew the policy except for failure to pay the premium. If there is a failure to pay the premium, the insurer may elect to cancel the policy by sending a notice of cancellation by certified mail to the owner or operator and the Department with sixty (60) days in advance of cancellation.
- An owner/operator using an Insurance Policy for financial assurance must submit a copy of the policy to the Department prior to approval being granted
- Insurance Policy language must be identical as identified in *Appendix A, VI. Insurance* in the Regulations

Corporate Tests and Guarantees

- Corporate Tests must comply with Section 1.8.10 of the Regulations
- Corporate Guarantees must comply with Section 1.8.12 of the Regulations

Local Government Tests and Local Government Guarantees

- This mechanism is only available to local governments (cities, counties, municipalities) who transport waste grease
- Local Government Tests must comply with Section 1.8.11 of the Regulations
- Local Government Guarantees must comply with Section 1.8.13 of the Regulations

Certificate of Deposit (CD) with a Collateral Assignment form

- Must comply with Section 1.8.14 of the Regulations
- Pay-in CD Accounts are subject to the following criteria:

- Pay-in period is allowed for one (1) year, which is considered by the Department, the operating life for Waste Grease Transporters
- Minimum monthly amount equals \$835 per month (based on \$10,000 over 12 months)
- Standby Trust Accounts are **not** required for Waste Grease Transporters as an alternate mechanism exists to receive monies for closure costs under \$10,000
- The CD Account must accompanied by a Collateral Assignment form which can be found at: <http://www.cdphe.state.co.us/hm/forms/sw/cdassignment.doc>

Other Mechanisms as Approved

- These alternate mechanisms will be reviewed on a case by case basis by the Department

For more information please contact:

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This guidance is intended to serve only as guidance to persons transporting waste grease in Colorado. This guidance should be used in conjunction with the Solid Waste Regulations Pertaining to Solid Waste Sites and Facilities, 6 CCR 1007-2.