

# Coastal Zone Conversion Permit Act Regulatory Advisory Committee Open Houses

## *Preliminary Recommendations Packet*

This document contains the preliminary recommendations made by the Coastal Zone Conversion Permit Act Regulatory Advisory Committee (RAC) as of February 19, 2019. These recommendations came out of the Committee's monthly meetings, which have been held since June 2018. In addition to the Committee's preliminary recommendations, this document also contains relevant sections of the Delaware Coastal Zone Act to provide you additional information.

The Committee's recommendations cover six topic areas, all of which relate to conversion permit requirements:

- (1) Economic Effect
- (2) Plan for Potential Impacts of Sea Level Rise and Coastal Storms
- (3) Environmental Impacts and Offsets
- (4) Financial Assurance
- (5) Bulk Product Transfer Facilities
- (6) Cross-Cutting Issues

The public may provide feedback on these preliminary recommendations. All public feedback submitted by **Friday, March 1, 2019** will be provided to the Committee for consideration before it finalizes its recommendations to DNREC. You may submit feedback by completing and submitting the paper Feedback Form *or* by completing the Feedback Form online (available at [de.gov/conversionpermits](http://de.gov/conversionpermits)).

For more details on the Regulatory Advisory Committee process, please speak with a DNREC staff member at this Open House or visit [de.gov/conversionpermits](http://de.gov/conversionpermits).

## **Topic #1: Economic Effect**

### *What the Delaware Coastal Zone Act says about this Topic*

7 Del. C. § 7004

(b) In passing on permit requests, the Secretary of the Department of Natural Resources and Environmental Control and the State Coastal Zone Industrial Control Board shall consider the following factors:

(2) Economic effect, including the number of jobs created and the income which will be generated by the wages and salaries of these jobs in relation to the amount of land required, and the amount of tax revenues potentially accruing to state and local government.

7 Del. C. § 7014

(c) An application for a conversion permit ... must include ... to be considered in assessing a conversion permit application:

(1) The environmental impact and economic effect of the existing or previous use. If the application is for a subsequent conversion permit, the Secretary of the Department of Natural Resources and Environmental Control has the discretion to direct the applicant to provide information on the environmental impact and economic effect of any of the previous uses at the site.

(2) The environmental impact and economic effect of the alternative or additional heavy industry use or bulk product transfer activity.

(3) The net environmental improvement or economic improvement, or both, inherent in the alternative or additional heavy industry use or bulk product transfer activity as compared to the most recent heavy industry use engaged in at that site.

### *RAC Preliminary Recommendations on this Topic*

- Conversion permit regulations should define “existing or previous use” to mean the same as “most recent heavy industry use.” Regulations should also hold that “economic effect” and “net economic improvement” use the same economic metrics.
- In order to ensure a commonly understood baseline for economic effect, the State of Delaware will prepare a “baseline report” that will detail the economic effect of the existing or most recent heavy industry use of the 14 sites. The applicant may use this baseline report, plus additional information they want to include, to prepare their conversion permit application.

*(Preliminary recommendations continue on the next page)*

- Conversion permit regulations should require that the applicant submit economic metrics for the following categories when reporting economic effect and net economic improvement:

Category	Specific Project Information Requested
Project Cost	Remediation, demolition, construction, operations, and capital costs; total investment costs
Tax Revenue	Property tax, gross receipts tax, personal income tax, corporate income tax, and other taxes; conversion permit applicants could be asked to take into account tax incentives or credits received or anticipated, as well as income tax write-offs in the tax numbers provided
Employment	Number of jobs, wages, and occupation distribution for all jobs expected to be created for site preparation, construction, and facility operations
State- and Community-Level Effect	Identification of local hiring preferences; local purchasing preferences; and investments in community benefit agreements, workforce development programs, or educational programs
Other Costs to the State	Tax incentives and credits; required infrastructure investment

- The RAC agreed that DNREC should verify the economic information submitted by the applicant. DNREC may use any number of options for verifying the applicant’s submitted economic effect data and conclusions. These options could include, but are not limited to, applicant-provided data and case studies, state agency review by the appropriate agencies and staff, retention of an expert academic or consulting economist or economics firm, or the establishment of a more formal panel of experts from across the state (state employees and/or others).
- The RAC emphasizes that local, robust hiring is an intent and goal of the CZCPA. Thus, the RAC recommends that the Secretary, to the degree his or her role and authorities allow, seek to encourage and ensure such local hiring preferences and actions.

## Topic #2: Plan for Potential Impacts of Sea Level Rise and Coastal Storms

### *What the Delaware Coastal Zone Act says about this Topic*

7 Del. C. § 7014

(c) An application for a conversion permit ... must include ... to be considered in assessing a conversion permit application:

(5) A plan to prepare the site for potential impacts of sea-level rise and coastal storms over the anticipated useful life of the facility and infrastructure in connection with the applied-for use.

### *RAC Preliminary Recommendations on this Topic*

Conversion permit regulations should require that:

- The Plan detail risk, likely impacts, and mitigation measures for the following geographic areas:
  1. The site's shoreline,
  2. Docks, piers, and offshore pipelines,
  3. All remediation areas on-site (including completed remediation areas and those in progress)
  4. All structures on-site, and
  5. Ingress/egress routes;
- The Plan include a discussion of any potential negative impacts to adjacent parcels resulting from development and flood mitigation activities; and
- The Plan address the following hazards over the anticipated useful facility life:
  1. Flooding, including the:
    - a. 1% chance flood (the current 100-year floodplain as defined by the effective FEMA maps),
    - b. 0.2% chance flood (the current 500-year floodplain as defined by the effective FEMA maps),
    - c. High sea level rise scenario (as defined by the effective Delaware Sea Level Rise Technical Committee recommendations), and
    - d. Combined effect of sea level rise and 1% chance flood;
  2. Shoreline erosion; and
  3. Wind speeds up to 95 mph, sustained (Category 1 hurricane).

### **Topic #3: Environmental Impacts and Offsets**

#### *What the Delaware Coastal Zone Act says about this Topic*

7 Del. C. § 7004

(b) In passing on permit requests, the Secretary of the Department of Natural Resources and Environmental Control and the State Coastal Zone Industrial Control Board shall consider the following factors:

(1) Environmental impact, including but not limited to, probable air and water pollution likely to be generated by the proposed use under normal operating conditions as well as during mechanical malfunction and human error; likely destruction of wetlands and flora and fauna; impact of site preparation on drainage of the area in question, especially as it relates to flood control; impact of site preparation and facility operations on land erosion; effect of site preparation and facility operations on the quality and quantity of surface, ground and subsurface water resources, such as the use of water for processing, cooling, effluent removal, and other purposes; in addition, but not limited to, likelihood of generation of glare, heat, noise, vibration, radiation, electromagnetic interference and obnoxious odors.

7 Del. C. § 7014

(c) An application for a conversion permit ... must include ... to be considered in assessing a conversion permit application:

(1) The environmental impact and economic effect of the existing or previous use. If the application is for a subsequent conversion permit, the Secretary of the Department of Natural Resources and Environmental Control has the discretion to direct the applicant to provide information on the environmental impact and economic effect of any of the previous uses at the site.

(2) The environmental impact and economic effect of the alternative or additional heavy industry use or bulk product transfer activity.

(3) The net environmental improvement or economic improvement, or both, inherent in the alternative or additional heavy industry use or bulk product transfer activity as compared to the most recent heavy industry use engaged in at that site.

(6) An offset proposal that meets the requirements established by and includes the contents specified in regulations promulgated under this chapter and more than offsets the facility's negative environmental impacts on an annual basis. Such proposal shall favor offsets that directly benefit Delaware.

#### *RAC Preliminary Recommendations on this Topic*

##### Preliminary Recommendation regarding Environmental Impact

- DNREC should produce a baseline report of current use and existing environmental conditions, impacts, and risks on the 14 heavy industry use sites (including but not limited to those items described in Section 7015). In his or her conversion permit application, the applicant may describe any proposed changes from that baseline, further elaborating on the DNREC baseline report as they wish (including providing additional information on the environmental history of the site, if necessary, to explain how the existing environmental conditions came about).

- For CZCPA purposes, environmental impacts should be characterized in the same manner used to characterize environmental impacts under the current CZA permit program, consistent with the existing CZA statutory definition of “environmental impact” (Section 7004(b)(1)).

#### Preliminary Recommendation regarding Offsets to Environmental Impacts

1. Note that under 7 Del. C. § 7014 all offsets shall directly benefit Delaware.
2. The offset proposal must more than offset all environmental impacts (including but not limited to one-time impacts and annual environmental impacts over the duration of the permit (life of the facility?)).
3. An offset project should be located as close as possible to the site and, to the greatest extent possible be consistent with the negative impact in medium, duration, timing and pollutant.
  - a. For example, if adverse impact is the emission of 10 lb of NO<sub>x</sub> annually over the useful life of the plant, the most suitable offset is to reduce another source of NO<sub>x</sub> on the site by more than the new emission over the useful life of the plant.
  - b. Or if a new process will emit 90 decibels of noise 12 hours a day over some specified time period, the offset could focus on reducing other sources of noise in the community (e.g., building structures to reduce noise for a nearby highway or facilitating a change in truck routes to reduce truck-related noise in the local community).
4. If the applicant is unable to identify an offset for the same pollutant in the same medium on or close to the site, then they should offset a similar pollutant or environmental impact. “Similar” means a pollutant that has the same type of effect on the environment when it is released (e.g., offset a benzene (VOC) emission that would affect ozone with a different VOC (xylene)).
5. If it is not possible to offset a particular environmental impact on or near the site, then the applicant should identify an offset project for the pollutant in the same medium somewhere else in the Coastal Zone, but as close as possible to the site.
6. If it is not possible to offset the same pollutant or impact somewhere else in the Coastal Zone, then the applicant should search for another location in Delaware, with preference given to potential projects closer to the Coastal Zone.
7. If the applicant is not able to identify an appropriate offset project through the previous steps, they should consider:
  - a. the environmental effect and attempt to identify an offset as close to the site as possible that will counter that negative effect (e.g., if the project could negatively affect waterfowl habitat that can’t be restored or protected, make a donation to a bird rescue and rehabilitation organization); or
  - b. an offset for the same pollutant in a different medium as close to the site as possible (e.g., if the environmental impact is a NO<sub>x</sub> emission to the air, then a potential offset project may be to reduce nutrients from stormwater in the watershed that is home to the project).
8. If the applicant is not able to identify an appropriate offset project through the previous steps, applicant may propose an alternative environment improvement project of commensurate value to Delaware’s coastal resources, as close to the site as possible.
9. Related considerations and recommendations:
  - a. To the extent feasible the offset process should encourage concurrent permitting or consultation to provide administrative efficiencies and facilitate coordination among the applicant and regulators.
  - b. With respect to the location of offset projects, local impacts should be offset locally.

- c. Minimizing environmental impacts is a priority in the CZCPA process. The offset process is intended to address environmental impacts that cannot be avoided or further minimized.
- d. The existence of an offset process does not in any way limit DNREC's authority to reject conversion permit applications with environmental impacts determined to be too severe or for which potential offset projects have insufficient nexus.
- e. The Secretary should provide greater clarity on the process and procedures for demonstrating offset consistency with these rules and priorities.

## Topic #4: Financial Assurance

### *What the Delaware Coastal Zone Act says about this Topic*

7 Del. C. § 7014

(c) An application for a conversion permit ... must include ... to be considered in assessing a conversion permit application:

(8) Evidence of financial assurances in sufficient form and amount necessary to ensure that: (i) there are sufficient resources for all costs of compliance with the Delaware Hazardous Substance Cleanup Act (“HSCA”), Chapter 91 of this title, and other relevant state and federal environmental statutes concerning contamination on the site at the time of application; and (ii) upon the event of an incident resulting in environmental contamination, or upon termination, abandonment, or liquidation of all activities at the site of any heavy industry use, all means will be taken to minimize environmental damage and stabilize and secure the heavy industry use site in accordance with a concept plan that will be approved by the Department of Natural Resources and Environmental Control as part of the conversion permit. A final plan approved by the Department of Natural Resources and Environmental Control is required prior to the initiation of operation of the activity being authorized under the conversion permit.

a. Evidence under paragraph (c)(8) of this section must be in accordance with any regulations promulgated by the Secretary of the Department of Natural Resources and Environmental Control under Chapter 92 of this title and any regulations promulgated under this chapter.

b. If, on the date of an application filed under this section, the Secretary has not promulgated regulations under Chapter 92 of this title or under this chapter, the Secretary shall assess the evidence presented by the applicant under paragraph (c)(8) of this section as follows:

1. By taking into consideration the size of the site of the heavy industry use and the quantities of chemicals maintained and generated as wastes on the site of the heavy industry use.
2. By taking into consideration, and giving due credit for, financial assurances established through other programs operated by the Department of Natural Resources and Environmental Control.
3. By allowing evidence of financial assurance to include insurance, guarantee, surety bond, letter of credit, proof of assets, qualification as a self-insurer, or other agreements acceptable to the Secretary.

### *RAC Preliminary Recommendations on this Topic*

Attached to this letter is a table of recommendations per financial assurances. This table provides information on: (1) event categories of expected financial risk, (2) the process used in establishing financial assurances for each risk event, (3) the way to determine the amount of financial assurances necessary to meet the requirements of the Act, (4) the types of financial assurance instruments available, and (5) each instrument’s ability to both adapt to the time horizon of a risk event and to ensure funds are available in the time and amount necessary.

*(Preliminary recommendations continue on the next page)*

In addition to this table, the RAC offered the following recommendations:

- Financial assurances, in general, must be commensurate with the use (and its associated risks) proposed by the conversion permit applicant.
- The form and amount of financial assurances should be reviewed at appropriate periodic intervals, since financial conditions can change once a conversion permit is in place. Such review should occur for the life of that permit.
- The Secretary should define more clearly “environmental damage,” as outlined in the statute. Does such damage include natural resources damages, public health damages, or economic loss associated with natural resource-related activities such as fishing, swimming, boating, and beach going?
- The RAC supports providing a range of financial assurance instruments, from trust funds to captive insurance, as described in the table below. However, self-insurance instruments are not preferred for actions to minimize environmental damage and stabilize and secure the site upon termination, abandonment, or liquidation of site activities, since that time frame is likely many decades out and/or bankruptcy could cause such closure. Thus, the RAC recommends the following:
  - The Secretary should consider either offering expedited or less complex review for applicants who use third-party instruments or a clearly described, stepped process where the applicant has to explain why, how, and what protections are in place should they utilize self-insurance options.
  - Like all instruments, self-insurance instruments will need to be reviewed at appropriate periodic intervals.
  - DNREC review of self-insurance options will likely require expertise beyond DNREC’s current staffing and expertise. Thus, the Secretary should ensure that, for any applicant utilizing self-insurance, DNREC is able to cover the additional administrative costs of reviewing and considering such financial instruments and that such costs be taken into account when determining the application fee.
  - The RAC encourages the Secretary to ensure that he or she has the authority, in the periodic review of self-insurance instruments, to require those who self-insure to carry a blended approach of third-party and self-insurance instruments and/or to move to only third-party instruments, as circumstances merit.

**CZCPA Financial Assurance Risk Categories, Process, Amount, and Types of Instruments  
RAC Preliminary Recommendations**

Risk Event Category	FA Process	FA Amount	Types of FA Instruments							
			Third-Party Instruments				Self-Insurance			
			Trust Fund	Letter of Credit	Insurance Policy	Surety Bond	Corporate Financial Test	Corporate Guarantee	Captive Insurance	
<p>Actions to address existing site contamination.</p> <p>Time Horizon: Short to Medium Term</p>	<p>CZCPA applications should identify actions, and associated FA, to address current site contamination. DNREC conducts application-specific evaluations of the sufficiency of existing FA, coordinating with other state and federal personnel familiar with the site.</p>	<p>The need for and amount of conversion permit FA should be determined on an application-specific basis. Such determination should be based on the degree to which existing FA at the site is sufficient to meeting existing site needs. Amount of FA should be incremental to all existing site FA.</p>	●	●	●	●	●	●	●	● <i>Funds Availability</i>
<p>Actions to minimize environmental damage, stabilize and secure the site 'upon termination, abandonment or liquidation of site activities'</p> <p>Time Horizon: Medium to Long Term</p>	<p>A "concept plan" of action(s) must be submitted with the conversion permit, along with a proposal for associated FA. Upon DNREC approval of a "final plan", the permit applicant should be required to procure the approved FA and evince such FA to DNREC prior to site operation.</p>	<p>Face value should be equal to the estimated cost of completing the activities in the DNREC-approved plan, including DNREC oversight/administration costs. The face value should be downward adjusted to the degree existing FA covers activities identified in the DNREC-approved plan.</p>	●	●	●	●	● <i>Not Adaptive to Long Time Horizons</i>	● <i>Funds Availability</i>	● <i>Not Adaptive to Long Time Horizons</i>	
<p>Actions to address future incidents resulting in environmental contamination</p> <p>Time Horizon: Short, Medium, or Long Term</p>	<p>Any approved permit should include language stating that FA will be required to address site-specific actions to address environmental contamination incidents if/when they occur. DNREC should be mindful that other existing state/federal requirements may affirmatively require FA for such actions pursuant to other regulatory authorities.</p>	<p>The Secretary should consider a two pronged approach for future possible but unknown incidents. First, the Secretary should evaluate the potential use and availability of insurance or similar mechanisms to ensure availability of some funding in advance of the occurrence of a future triggering event. Second, following an incident, DNREC should ensure that sufficient FA is put in place such that the face value should be equal to the estimated cost of specified actions to minimize environmental damage, including DNREC oversight/administration costs. The face value should be downward adjusted to the degree existing FA covers such actions.</p>	●	●	●	●	● <i>Short Term</i>  ● <i>Medium to Long Term</i>	● <i>Short Term</i>  ● <i>Medium to Long Term</i>	● <i>Short Term</i>  ● <i>Medium to Long Term</i>	

<p>Maintenance or repair of site or infrastructure improvements to address sea level rise or coastal storms</p> <p>Time Horizon: Short to Long Term</p>	<p>CZCPA applications should identify any site or infrastructure improvements that will be undertaken to address sea level rise or coastal storms. DNREC conducts application-specific evaluation of the extent to which FA is needed to ensure sufficient funds to address associated maintenance and/or potential future repair.</p>	<p>Face value should be equal to the estimated cost to maintain and/or repair relevant infrastructure and site improvements, including DNREC oversight/ administration costs. The face value should be downward adjusted to the degree existing FA covers such actions.</p>	●	●	●	●	<p style="text-align: center;">●</p> <p style="text-align: center;"><i>Short Term</i></p> <p style="text-align: center;">●</p> <p style="text-align: center;"><i>Medium to Long Term</i></p>	<p style="text-align: center;">●</p> <p style="text-align: center;"><i>Short Term</i></p> <p style="text-align: center;">●</p> <p style="text-align: center;"><i>Medium to Long Term</i></p>	<p style="text-align: center;">●</p> <p style="text-align: center;"><i>Short Term</i></p> <p style="text-align: center;">●</p> <p style="text-align: center;"><i>Medium to Long Term</i></p>
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**KEY:**

- FA instrument is adaptive to the time horizon of the risk event **and** provides reasonable assurance of funds availability in the timing and amounts necessary assuming the instrument is structured correctly.
- FA instrument is not easily adapted to the time horizon of the risk event **or** may not provide reasonable assurance of funds availability in the timing and amounts suggested by the risk event category.
- FA instrument is not easily adapted to the time horizon of the risk event **and** does not provide the regulator with reasonable assurance of funds availability.

## **Topic #5: Bulk Product Transfer Facilities**

### *What the Delaware Coastal Zone Act says about this Topic*

#### 7 Del. C. § 7002

“Bulk product transfer facility” means any port or dock facility, whether an artificial island or attached to shore by any means, for the transfer of bulk quantities of any substance from vessel to onshore facility or vice versa. Not included in this definition is a docking facility or pier for a single industrial or manufacturing facility for which a permit is granted or which is a nonconforming use. Likewise, docking facilities for the Port of Wilmington are not included in this definition.

#### 7 Del. C. § 7014

An owner, operator, or prospective purchaser of a heavy industry use site that had a docking facility or pier for a single industrial or manufacturing facility on or before June 28, 1971, including a site that has been abandoned in fact or has been the subject of an abandonment proceeding, may submit an application to the Secretary of the Department of Natural Resources and Environmental Control for a conversion permit to operate a bulk product transfer facility that may be operated simultaneously with other heavy industry uses, industrial uses or manufacturing uses. Provided, however, that a conversion permit may be issued only for a bulk product transfer facility used to receive shipments of bulk products to the extent they are necessary for and fully utilized in the operation of a facility or facilities within the coastal zone, or that is used for the shipment of bulk products to the extent they are produced by a facility or facilities within the coastal zone, unless the product is a grain, as that term is defined in § 1601 of Title 3, in which case it may be transferred without regard to origin or destination. A conversion permit may not be issued for bulk transfer of liquefied natural gas.

### *RAC Preliminary Recommendations on this Topic*

Conversion permit regulations should require that:

- The following record keeping conditions apply to conversion permits:
  1. Records of specified bulk product transfer information (e.g., quantity of bulk product transfer, final destination of the product, date of product export) be kept on site at the bulk product transfer facility,
  2. Bulk product transfer of grain only be required to keep records on the quantities and dates of imports and exports, and
  3. A summary of the specified information be submitted to DNREC on an annual basis;
- Conversion permits be written to incorporate product categories, so as to minimize the need for permit modification or new permits for minor, related changes in bulk products imported or exported; and
- Addition of a new bulk product category, not included in the existing permit, may require a permit modification or new permit due to potential impacts on financial assurance or environmental offset.

## Topic #6: Cross-Cutting Issues

Cross-Cutting Issues include:

- Definition of “Project Site”
- Definition of “Useful Life”
- Permit Duration, Modification, Renewal, and Revocation
- Permit Monitoring and Reporting Post-Approval

### *What the Delaware Coastal Zone Act says about this Topic*

Cross-Cutting Issues affect numerous conversion permit requirements. Because of this, no specific language from the Delaware Coastal Zone Act is noted here.

### *RAC Preliminary Recommendations on this Topic*

#### Preliminary Recommendations regarding Definition of “Project Site”

“Project Site” means the physical location at which a permitted facility operates or the location where a proposed project, that is the subject of a conversion permit application, will operate. A project site may comprise an entire tax parcel, or parcels, or part(s) of any tax parcel(s); however, its preliminary boundary shall be defined prior to the issuance of a permit in the application for a permit, and its final boundary, after a permit is granted by the Secretary, shall be defined in the permit. For nonconforming uses, if a project site’s boundary is not defined in a permit, the boundary is the footprint in Appendix B of the Regulations Governing Delaware’s Coastal Zone.

#### Preliminary Recommendations regarding Definition of “Useful Life”

“Useful life” means the period of time that an applicant or permittee expects to operate a facility that requires a coastal zone conversion permit. The useful life equals thirty (30) years unless the Secretary allows an application for, or issue a permit for, a different time period. *This definition is potentially pertinent to sea level rise planning, financial assurances, permit duration, and offsets.*

#### Preliminary Recommendations regarding Permit Duration

Conversion permit duration (both for the initial permit and any renewed permit) should be 20 years.

#### Preliminary Recommendations regarding Permit Modification

Modifications to an existing permit would be allowed. If the Secretary grants a request for a modification, only the conditions subject to modification are reopened. The remainder of the permit remains as is.

Modifications would occur in two forms:

- *Minor modifications* would be for administrative changes and would not require a public notice. Administrative changes include, but are not limited to, corrections of spelling or grammatical errors, a change in only the name of the owner or operator of a permittee, or other administrative matters that do not affect the substantive requirements prescribed by the permit.

- *Major modifications* would be changes that affect the substantive requirements of the permit and would require public notice and review. A modification of the ownership or operating entity in a permit shall be granted only in the event that the prospective permittee satisfies all the applicable requirements under these regulations.

#### Preliminary Recommendations regarding Permit Renewal

Conversion permit renewal should be allowed. The application for permit renewal should be submitted no fewer than 180 days prior to expiration. So long as there is a timely renewal application, the permit should continue until the renewal application is acted upon by DNREC.

The renewal process should be streamlined, as compared to the original application, and focused on offsets, financial assurance, and sea level rise and coastal storm planning and should take into account the applicant's compliance record. The RAC recommends that, all things being equal, there is the presumption that the permit would be renewed.

#### Preliminary Recommendations regarding Permit Revocation

The Secretary may revoke a permit for significant or repeated violations, such as:

- a lapse in financial assurance;
- failure to complete or maintain an offset;
- denial of DNREC access to the permitted site or to records related to (or required to be kept by) a permittee;
- making any false statement, representation, or certification in an application, record, report, plan, or other document filed (or required to be maintained by) the permit; or
- other

#### Preliminary Recommendations regarding Permit Monitoring and Reporting Post-Approval

*For Site Plans for Sea Level Rise and Coastal Storm Impacts:* At least every 10 years, the permittee should update their Sea Level Rise and Coastal Storm Plan for the project site.

*For Offsets:* Applicant should provide a monitoring schedule that describes a process for 3rd party verification of offset project operation and completion.

*For Financial Assurance:* A conversion permittee should annually, within ten (10) days of the anniversary date of issuance of its permit, submit to DNREC evidence that the financial assurance required by the permit is in effect in the amount required by the permit and that the permittee has taken all necessary measures to ensure that the financial assurance will remain in effect throughout the duration of the permit.

*For Bulk Product Transfer:* The permittee should submit an annual report (as previously recommended by RAC).

*For Site Inspections:* DNREC access should be allowed to the site at reasonable times and on a regular basis, with reasonable times generally meaning operating hours.