

A risk profile is a structured management tool for identifying the various exposures associated with an operation. Typically, a risk profile will encompass a review of an organization's operations with a focus on administrative strategies / protocol for reducing or managing particular risks. Environmental risk should not be exempt from this process. In fact, many organizations create stand-alone Environmental Risk Profiles (ERPs) to specifically address the area of environmental liability. This process adds to an organization's ability to systematically identify environmental risk and effectively manage it. Below is an excerpt from an ERP for Bulk Fuel Terminal Facilities, which identifies some major exposures. A completed ERP can show the impact such exposures can have on the organization, as well as the risk management strategies available.

Bulk Fuel Terminal Facilities confront environmental liability every day. Specifically, they face environmental exposures in three major areas: operations, transportation and disposal liabilities. Each area must be explored to identify risks that may expose the organization to environmental liability. This hypothetical ERP identifies some of the major exposures and associated claims.

EXPOSURES

OPERATIONAL EXPOSURES

- Liability associated with soil / groundwater contamination resulting from residual contamination as a result of "non-reportable" spills at the property.
- Air emissions from hydrolysis process, painting and / or plating lines, ovens, boilers and / or reactors. Such emissions are exacerbated by malfunctioning pollution control equipment. These types of emissions often include:
 - Carbon dioxide, nitrous oxides (NOX) and sulfur dioxide
 - Particulates (heavy metals and dusts)
- Volatile Organic Compounds (VOCs).
- Microbiological contaminants.
- Contaminated "wetcake" used as a "feed" byproduct.
- Improperly maintained polychlorinated biphenyls (PCB) containing equipment and transformers, causing residual contamination at the site and surrounding properties.
- Poor housekeeping and preventive maintenance for operations equipment and pollution control equipment.
- Poor underground and aboveground tank management programs, resulting in surface and subsurface soil and groundwater contamination.
- Poor waste storage / handling of incompatible materials, resulting in fires or explosion.
- Resulting property damage and clean up costs from accidental damage / interruption of utility and product supply lines.

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EXPOSURES (CONT'D)

- Drums of spent solvents, acids and caustics causing residual contamination on- and off-site.
- Typically, bulk fuel terminals are located near rail systems for transportation. Railroad beds could have historical use issues, such as surface soil contamination of fuels and PCBs.
- Heavy metal particulates and dusts from bag houses and electrostatic precipitators.
- Inadequate on-site disposal of sludge from wastewater treatment operations.
- Wastewater generated from contact and non-contact cooling water, drum cleaning and chemical treatments and released to the sanitary sewer system, resulting in damage to public water treatment plants. Wastewater could contain:
 - Heavy metals
 - Oil and grease
 - Organic compounds
- By-product production waste such as corn constituents being disposed of improperly.
- Violations of various environmental permits for air, water discharge, etc., resulting in fines for exceedances.
- Natural Resource Damages, resulting in substantial costs for state- and federal-mandated cleanup requirements and potential fines.
- Release of product from pipelines to transport the product, resulting in soil and groundwater contamination.

TRANSPORTATION EXPOSURES

- Loading and unloading of product at rail cars, tankers, barges, etc.
- Spills of contents (e.g., fuel, corn products or constituents, ethanol products, etc.) during transport.
- Fuel / oil spills / leaks from vandalism during the transport of any materials.

DISPOSAL EXPOSURES

- Inadequate disposal of sludge from wastewater treatment operations
- Cleanup and liability associated with the disposal of waste / materials at disposal facilities or recyclers. This has potential Superfund ramifications.
- Improper “disposal” or sale of production byproducts.

BULK FUEL TERMINAL FACILITIES

Name of Organization: _____

Lasts Updated: _____

SAMPLE ENVIRONMENTAL RISK PROFILE

Below is the start of a sample ERP for Bulk Fuel Terminal Facilities. A complete ERP can be added to provide a detailed profile: reference documents, website links, details on prior claims / incidents and the organization's response.

A complete ERP can be used to help risk and insurance managers better identify, manage, reduce and even eliminate the organization's exposures to environmental liability and the related costs.

EXPOSURE	IMPACT ON ORGANIZATION	RESPONSIBILITY	RISK MANAGEMENT TECHNIQUE	PRIOR INCIDENTS
OPERATIONAL EXPOSURES: 1. Pre existing environmental conditions on acquired property. 2. Potential impact to soil and groundwater from current operations.	<ul style="list-style-type: none"> Costs associated with developmental delays, remediation, etc. Liability associated with contamination as the current owner of property. 	<ul style="list-style-type: none"> Project manager, legal counsel or risk manager, whomever is responsible for due diligence in property acquisition. 	<ul style="list-style-type: none"> Self-perform environmental data searches on designated EPA websites Hire environmental data firm to collect information on the property. Conduct an environmental assessment Place environmental indemnities in contract of sale. Environmental insurance to protect from liability associated with the contamination. 	None identified
TRANSPORTATION EXPOSURES:				
DISPOSAL EXPOSURES:				