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Title 22@ Social Security

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Division 4.5@ Environmental Health Standards for the Management of Hazardous Waste

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Chapter 14@ Standards for Owners and Operators of Hazardous Waste Transfer, Treatment, Storage, and Disposal Facilities

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Article 8@ Financial Requirements

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Section 66264.142@ Cost Estimate for Closure

## **66264.142 Cost Estimate for Closure**

### **(a)**

The owner or operator shall prepare and submit to the Department a detailed written estimate, in current dollars, of the cost of closing the facility in accordance with the requirements in sections 66264.111 through 66264.115 and applicable closure requirements in sections 66264.178, 66264.197, 66264.228, 66264.258, 66264.280, 66264.310, 66264.351, 66264.601 through 66264.603, and 66264.1102. (1) The estimate shall be submitted in accordance with sections 66270.10 and 66270.14. The estimate shall equal the cost of final closure at the point in the facility's active life when the extent and manner of its operation would make closure the most expensive, as indicated by its closure plan (see section 66264.112(b)). (2) The closure cost estimate shall be based on the costs to the owner or operator of hiring a third party to close the facility. A third party is a party who is neither a parent nor a subsidiary of the owner or operator. (See definition of parent corporation in section 66260.10.) The owner or operator may use costs for on-site disposal if it can be demonstrated that on-site disposal capacity will exist at all times over the life of the facility. (3) The closure cost estimate shall not incorporate any salvage value that may be realized with the sale of hazardous wastes, or non-hazardous wastes if applicable under section 66264.113(d), facility structures or equipment, land, or other assets associated with the facility at the time of partial or final closure. (4) The

owner or operator shall not incorporate a zero cost for hazardous wastes, or non-hazardous wastes if applicable under section 66264.113(d), that might have economic value.

**(1)**

The estimate shall be submitted in accordance with sections 66270.10 and 66270.14. The estimate shall equal the cost of final closure at the point in the facility's active life when the extent and manner of its operation would make closure the most expensive, as indicated by its closure plan (see section 66264.112(b)).

**(2)**

The closure cost estimate shall be based on the costs to the owner or operator of hiring a third party to close the facility. A third party is a party who is neither a parent nor a subsidiary of the owner or operator. (See definition of parent corporation in section 66260.10.) The owner or operator may use costs for on-site disposal if it can be demonstrated that on-site disposal capacity will exist at all times over the life of the facility.

**(3)**

The closure cost estimate shall not incorporate any salvage value that may be realized with the sale of hazardous wastes, or non-hazardous wastes if applicable under section 66264.113(d), facility structures or equipment, land, or other assets associated with the facility at the time of partial or final closure.

**(4)**

The owner or operator shall not incorporate a zero cost for hazardous wastes, or non-hazardous wastes if applicable under section 66264.113(d), that might have economic value.

**(b)**

During the active life of the facility, the owner or operator shall adjust the closure

cost estimate for inflation within 60 days prior to the anniversary date of the establishment of the financial instrument(s) used to comply with section 66264.143. For owners and operators using the financial test or corporate guarantee, the closure cost estimate shall be updated for inflation within 30 days after the close of the firm's fiscal year and before submission of updated information to the Department as specified in section 66264.143(f)(3). The adjustment shall be made by recalculating the maximum costs of closure in current dollars, or by using an inflation factor derived from the most recent Implicit Price Deflator for Gross National Product published by the U.S. Department of Commerce in its Survey of Current Business, as specified in subsections (b)(1) and (2) of this section. The inflation factor is the result of dividing the latest published annual Deflator by the Deflator for the previous year. (1) The first adjustment is made by multiplying the closure cost estimate by the inflation factor. The result is the adjusted closure cost estimate. (2) Subsequent adjustments are made by multiplying the latest adjusted closure cost estimate by the latest inflation factor.

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**(2)**

Subsequent adjustments are made by multiplying the latest adjusted closure cost estimate by the latest inflation factor.

**(c)**

During the active life of the facility, the owner or operator shall revise the closure cost estimate no later than 30 days after the Department has approved the request to modify the closure plan, if the change in the closure plan increases the

cost of closure. The revised closure cost estimate shall be adjusted for inflation as specified in subsection (b) of this section.

**(d)**

The owner or operator shall keep the following at the facility during the operating life of the facility: the latest closure cost estimate prepared in accordance with subsections (a) and (c) of this section and, when this estimate has been adjusted in accordance with subsection (b) of this section, the latest adjusted closure cost estimate.