

Appendix A

Financial Assurance and Insurance Requirements

The facility owner/operator is required to ensure that appropriate and adequate financial assurances (e.g. cash deposit or surety bond) and/ or environmental impairment liability (pollution abatement) insurance and automotive insurance policies are in place for all individual operators contracted to construct and to support the operations of a waste management facility and system, including a Regional landfill/ site. In most cases Regional facilities would be owned / operated by the Regional Waste Management Authority or Regional Service Board. Financial assurance/insurance requirements for Regional Service Boards may be implemented at a later date.

The requirement for financial assurance also applies to privately owned/ operated waste management facilities/ systems, unless specific exemptions are permitted or other provisions are allowed

The purpose of the financial assurance would be to cover the costs of environmental remediation which may be required due to an incident or pollution event that may occur. The requirement for remedial measures to be undertaken by the person responsible for a release to the environment is stated in Section 9 the *Environmental Protection Act, RSN 2002*. The owner/operator of a waste management facility/system is considered to be the 'person responsible'. In all cases due diligence on the part of the facility/system owner/operator for safe operations, and effective Environmental Emergency Health and Safety Contingency Planning and response is necessary.

Determination of an appropriate dollar value with respect to financial assurance will be the responsibility of the site owner/operator taking into consideration their financial investment, the level of risk that may be incurred, and environmental remediation costs in the event of an incident or systems failure.

Financial assurance and insurance requirements shall be reviewed annually and increased as needed in accordance with any increases in the level of risk and remediation costs over the lifespan of the facility.

The financial assurance provided for the construction period and operational life of the facility/system, is to be separate from the requirements for financial assurance to cover closure and post-closure care costs.

For Closure and Post-Closure Care:

Upon approval to construct and operate a waste management facility/system, consideration shall be given to financial assurance in an amount sufficient to finance:

- 1) the closure, decommissioning and post-closure requirements for the site; and
- 2) any post-closure site remediation required due to environmental contamination, decontamination, and installation and operation of environmental monitoring equipment.

The financial assurance, in an amount acceptable to the Minister would be held for a minimum of 25 years after the site is closed. However, the Minister may approve a decreased amount if, after three years, post-closure testing results are acceptable to the Department.

