

US EPA ARCHIVE DOCUMENT



State Innovation Grant Program: Vermont

Cross-Media Environmental Results Program for the Retail Gasoline Sales Sector (2004 Competition)

The State Innovation Grant Program

In 2002 EPA introduced the State Innovation Grant Program to support efforts led by state environmental agencies to test innovative approaches for achieving better environmental results and improved efficiency in permitting programs. Between 2002 and 2007, the State Innovation Grant program competition awarded over six million dollars to support 35 state projects that test permitting innovation for a variety of regulated entities including several small business sectors. A summary of the awards by year appears in the table below.

State Innovation Grant Program Statistics, 2002-2007			
Competition Year	Proposals Submitted	Proposals Selected	Total Program Funding (\$)
2002/2003	29	6	\$618,000
2004	33	9	\$1.425 Million
2005	26	7	\$1.479 Million
2006	25	6	\$1.243 Million
2007	17	7	\$1.611 Million
Cumulative Total	130	35	\$6.376 Million

"Innovation in Permitting" has been the theme of the State Innovation Grant competition since its inception. In the last three competition cycles states received awards for projects in the following three categories:

- **The Environmental Results Program (ERP)** is an innovative approach to improving environmental performance based on a system of the interlocking tools of compliance assistance, self-certification (sometimes, where permissible, in lieu of permitting), and statistically-based measurement to gauge the performance of an entire business sector. The program utilizes a multimedia approach to encourage small sources to achieve environmental compliance and pollution prevention. (See: <http://www.epa.gov/permits/erp/>)
- **Environmental Management System (EMS)** is a system involving a continual cycle of planning, implementing, reviewing and improving the processes and actions that an organization undertakes to meet its business and environmental goals. EMSs provide organizations of all types with a structured system and approach for managing environmental and regulatory responsibilities to improve overall environmental performance and stewardship. (See: www.epa.gov/ems/info/index.htm)
- **Performance Track** is a partnership that recognizes top environmental performance among participating US facilities of all types, sizes, and complexity, both public and private. (See: <http://www.epa.gov/performance-track/>)

NCEI has provided awards also for projects testing watershed-based permitting, and for permit process streamlining in past competitions. For more information on the history of the programs, including information on solicitations, state proposals, and project awards, please see the EPA State Innovation Grants website at <http://www.epa.gov/innovation/stategrants>

Project Background:

The Vermont Underground Storage Tank (UST) program, managed by the Vermont Department of Environmental Conservation (VT DEC), is trying to improve sector-wide compliance through the implementation of an Environmental Results Program (ERP). In recent years the state has averaged only about 100 environmental compliance inspections for UST operators per year due to a small program staff size. At this rate it would have taken VT DEC over 10 years to conduct a single evaluation of all UST facilities in the state. In 2004, VT DEC applied for and received an EPA's State Innovation Grant to conduct a pilot ERP designed to help improve compliance at more than 1,100 UST sector facilities.

Vermont's UST program places special emphasis on the retail gasoline sector, which has unique and ongoing compliance issues. For instance, over the last few years Vermont has brought formal enforcement cases against retail gasoline sector facilities at 18 locations, several of which involved violations of the Vermont UST Regulations and Clean Air Act (CAA). Vermont's ERP model should make it possible to use a combination of state led inspections and self-certification to assess every facility's compliance status annually while helping facilities address regulatory requirements.

Project Description

Vermont's ERP project aims to achieve a measurable improvement in compliance within the retail gasoline sales sector, as well as other facilities regulated by the Vermont UST program, with regard to four federally-delegated regulatory programs:

- UST;
- Resource Conservation and Recovery Act (RCRA) generator requirements;



- CAA Stage II requirements; and
- Safe Drinking Water Act (SDWA) Underground Injection Control (UIC) requirements.

This pilot project will help VT DEC work toward sector-wide compliance through a combination of enhanced technical assistance, outreach, and a mandatory self-certification program. Implementation of Vermont's ERP begins with an initial compliance inspection assessment of a randomly selected group of retail gasoline outlets to determine their baseline compliance rate. VT DEC then provides compliance assistance materials, including a workbook detailing compliance requirements for UST equipment and operation as well as fact sheets for the different requirements by media (i.e. air, etc.) and, a self-assessment checklist to help facilities understand the environmental requirements they need to meet and encourage facilities to prevent pollution. Participants must complete and submit the multi-media self-certification forms to VT DEC. If facilities discover they are out of compliance, they must submit a return to compliance (RTC) plan to VT DEC; and correct the compliance problem(s) identified in the RTC plan as soon as possible. The agency then conducts inspections at a second sample of randomly selected facilities to measure changes in the group's compliance performance over time and gauge the ERP's success. Both the baseline and follow-up inspections are multi-media.

This project also establishes sector-specific, cross-media Best Management Practices (BMPs) to help the regulated community reduce compliance costs by addressing all environmental and compliance issues simultaneously, across all media, rather than narrowly focusing on specific problems identified during their last regulatory inspection.

In the long-term, VT DEC hopes the ERP will produce a number of benefits, including:

- Annual multi-media compliance measurement for 100% of the facilities in the sector (compared to less than 10% previously),
- Improved sector-wide compliance,

- Increased adoption of best management practices within the sector,
- Reduced emissions and releases, and
- Improved communication between the regulated community and the VT DEC concerning compliance issues and regulations.

To help achieve these benefits, the Vermont UST program has created compliance goals, including:

- **Increased participation** - VT DEC seeks to attain approximately 85% participation by UST facilities during the first implementation year, and 95% participation by the end of the second year; and
- **Increased compliance** - VT DEC aims to improve compliance with priority UST, RCRA, Air and UIC requirements by at least 15% by the end of the second implementation year, as measured by a comparison of compliance in baseline and follow-up inspections.

This grant pilot program is funded through September 2008, and Vermont DEC plans to continue running the ERP beyond the grant period.

Connection to EPA's Goals

This program directly supports EPA's Strategic Goal #5, focused on compliance and environmental stewardship, by promoting an innovative approach to improve compliance and pollution prevention. It also supports EPA's Strategic Goal #3 by helping preserve and restore land through improving the way waste is generated and managed; as well as the EPA's Cross-Goal Strategy of promoting innovation and collaboration with states.

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