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# FFY 2006-7 STATE INNOVATION GRANT FINAL REPORT

# "ENCOURAGING SUPERIOR ENVIRONMENTAL PERFORMANCE THROUGH MANAGEMENT SYSTEMS, RECOGNITION, AND REWARDS"

EPA Grant: El97146401

**Submitted May 2010** 

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In April 2005, The New Hampshire Department of Environmental services (NHDES) transmitted a pre-proposal to the United States Environmental Protection Agency (EPA) in response to a competitive grant solicitation under the "State Innovations Grant" program, which has since been closed down. In August 2005, EPA formally notified NHDES that its pre-proposal had been selected for funding. Following development of a fuller workplan, EPA provided funding in two increments, the latter of which was received in May 2006. On June 21, 2006, the grant was formally accepted by New Hampshire's Governor and Executive Council, a requirement for all grants, and NHDES could begin work. The overall project is referred to as NHDES's "Environmental Leadership Initiative." (ELI)

In summary, the work plan for this grant contained a set of actions intended to help organizations in New Hampshire achieve environmental performance beyond the legal/regulatory standards. In this conception, "compliance" is not the end goal, but rather the *minimum* acceptable behavior, and further, compliance with regulations, while necessary, is not sufficient to achieve environmental sustainability. Management skills and actions were seen as important factors in an organization's environmental performance, so improving management skills and encouraging their attention to environmental concerns was an underlying theme. Another underlying theme sought to address an apparent paradox: If NHDES, or any other government agency for that matter, can not enforce behavior beyond that which is legally required, can those agencies use other means, specifically recognition, to increase the occurrence of such behavior?

NHDES did not achieve everything it set out to do in this work plan. That said, there were accomplishments. Strategically, this work coincided with a great increase in interest in the business community in better environmental performance, or "greening" business, and NHDES was able to use the work under this grant to signal its support of this trend.

NHDES changed Commissioners just after the grant was awarded. When the grant was accepted, it was known that there would be a change in Commissioners. Generally, the substantive project start of work waited until the new Commissioner, Thomas Burack, who started work in August 2006, had the chance to review and comment. Mr. Burack has been very supportive of this work.

Also, late in the grant's term, following a change of administration in Washington, EPA's policy on related matters changed.

A discussion of each item in the work plan follows.

1. <u>Update and publicize NHDES' policy on encouraging systematic environmental management.</u>

NHDES's policy on environmental management systems dates from 2000, and can be seen at <a href="http://des.nh.gov/organization/commissioner/pip/factsheets/co/documents/co-11.pdf">http://des.nh.gov/organization/commissioner/pip/factsheets/co/documents/co-11.pdf</a>. In the Fall of 2006, this policy was reviewed by NHDES management and no changes were deemed needed. NHDES's encouragement of better environmental management has been ongoing since that time by staff, Commissioner, and even the Governor (example – Gov. Lynch at a business sustainability conference at Southern NH University on June 18, 2008).

2. <u>Establish enhanced NHDES website resources for Environmental Management System</u> (EMS)-related information.

This has been accomplished. See

http://des.nh.gov/organization/commissioner/p2au/pis/emsp/index.htm and http://des.nh.gov/organization/commissioner/p2au/pis/elip/index.htm.

These websites are updated from time to time, especially to bring to the list of *Aspiring Leaders* and *Green Leaders* members (see section 8, below) up to date.

# 3. Establish and maintain an Advisory/ Stakeholder group.

Establishment of such a group was fairly straightforward, and attracted wide interest. A list of those who responded, as well as links to meeting minutes, is at <a href="http://des.nh.gov/organization/commissioner/p2au/pis/elip/committee.htm">http://des.nh.gov/organization/commissioner/p2au/pis/elip/committee.htm</a>.

Maintenance of the group was another issue. Seven meetings were held between April 2007 and March 2009. After some initial interest, attendance fell to a minimal level. Requests for input from NHDES were mostly unanswered. There was some participation from business interests. The NH Small Business Development Center (NHSBDC – <a href="www.nhsbdc.org">www.nhsbdc.org</a>) deserves special mention for useful participation and input. While several environmental groups expressed enough interest to join the stakeholder group, there was no participation or input from these parties.

This is an appropriate place to record some related work that took place early in the project period. Commissioner Burack took an interest in the environmental aspects of land development, and asked for a meeting of stakeholders to discuss how to encourage better environmental performance in that area. Such a meeting was held on February 26, 2007. It is the nature of the State of New Hampshire that most land development decisions by government are vested in the municipality and not in the State. That being so, the February 2007 meeting resulted only in much discussion of the vagaries of the citizen boards that fulfill various municipal duties. This meeting was not productive in the sense of helping *this* grant project in a material sense, but it did lead to another application to the State Innovation Grant program which has resulted in a separate project examining the possibilities of new permit processes for land development projects that go beyond regulatory minimums.

# 4. Deliver training on Environmental Management Systems

This item was only partially fulfilled. A seminar was given on EMSs for governments in April 2008, which was well attended but resulted in no follow-up interest. Stakeholders had no interest in this service.

# 5. Increase consideration of environmental concerns at management schools.

The intent of this item was to somehow influence MBA curricula so that MBA graduates would have at least some knowledge of the potential cost savings available from actively managing environmental matters, and from considering sustainability as a business strategy or goal.

NHDES staff met with business school faculty at the University of New Hampshire, Franklin Pierce College, Antioch University New England, Daniel Webster College, and Southern New Hampshire University. Contact was attempted with several other institutions.

The University of New Hampshire Whittemore Business School indicated that they would change the base MBA curriculum so that one of the required courses would contain lecture material on sustainability or triple-bottom-line accounting. Immediately following that, there was turnover at the senior management level at the Whittemore School and progress ceased. In all other cases, the faculty and/or leadership listened politely to NHDES's presentation, which held that businesses that actively managed environmental issues are more successful and that incoming students are very interested in this aspect, and apparently did nothing. Antioch is an exception to this statement; they have a specifically "Green" MBA program. At about this time, Southern NH University started offering a specific MBA in "Sustainability and Environmental Compliance." NHDES's endorsement of this concept may have been a contributing factor to SNHU taking this step.

The reason for the lack of traction seems to be two-fold. First, a state environmental agency is an unexpected, and possibly not very credible, source of suggestions for an MBA program to change its curriculum. Second, there is a language barrier. Research by NHDES staff suggests that there is no terminology accepted by the accounting and business school community to describe what the environmental community refers to as "balanced scorecard" or

"triple-bottom line" (i.e., financial, environmental, and social) accounting. EPA did some work on this subject during the 1990's, but nothing more recent could be found.

#### 6. Develop and implement strategy to improve management skills in the small business sector.

In the USA overall, and to an even greater extent in New Hampshire, small to medium size enterprises ("SMEs") dominate the private sector. There are very few businesses in New Hampshire with greater than 500 employees<sup>1</sup>. Organized management skills in the sense one sees in an ISO 9000/14001 certified company are rare in this sector, as the Chief Executive Officer can also be the Human Resources Administrator, the lead sales person and the Health and Safety officer.

That said, the lack of such skills poses a risk to the environmental agency and to the environment in general. Reporting deadlines, the need to manage certain wastes in certain manners, the need to keep up with changing laws (a problem not limited to the environmental field) tend to get lost in the press of business.

Many, arguably most, enforcement cases that NHDES must respond to are a result of an environmental concern falling off the radar screen of a busy small business. Improving management skills in the SME sector offers the possibility of this happening less often.

Discussing this matter with NHDES's stakeholder group brought forth a viable approach. The New Hampshire Small Business Development Center (NHSBDC), a member of the stakeholder group, "...is an outreach program of the UNH Whittemore School of Business and Economics, and a cooperative venture of the U.S. Small Business Administration, the State of New Hampshire (Department of Resources and Economic Development), the University System of New Hampshire, and the private sector. (NHSBDC is) funded in part through a Cooperative Agreement with the U.S. Small Business Administration."<sup>2</sup>

Among NHSBDC's programs are provision of confidential assistance on environmental compliance and pollution prevention, and distance learning on management skills. The match was obvious. Funds from this grant were transferred to NHSBDC, with EPA concurrence, to develop an environmental module to their suite of management training offerings, under the title "Roadmap to Sustainability." This button leading to this training can be seen at www.nhsbdc.org.

NHSBDC reports that there were 108 visits to the "Roadmap to Sustainability" in its first two weeks of existence in February 2009. Over 2009 (the latest available numbers) as a whole, the visit rate for the sustainability course was 85/month. About 63 of these per month, or 75% of the simple visits, went deeper into the course. NHSBDC credits<sup>3</sup> a 48% increase in unique visitors at their distance learning web-space to large part to the augmented sustainability information there.

# 7. Establish strategy to encourage larger organizations to mentor smaller ones.

At the time of application, NHDES did not have specific ideas on how to accomplish this. It was included in the proposal because EPA Region 1 had been trying to encourage mentoring. A New Hampshire-based effort to accomplish this, run by the New Hampshire Business and Industry Association, a Concord-based group which functions roughly as the state-level Chamber of Commerce, had recently closed due to lack of interest and funding. Stakeholder discussions under this grant did not bring out new ideas.

However, something surprising happened. When companies began applying for *Aspiring Leaders* (see below), three applicants asked if they could mentor other parties to improve *their* 

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<sup>&</sup>lt;sup>1</sup> For example, New Hampshire Business Review Magazine, Vol. 29, No. 28, *Book of Lists '08*, shows 22 of 101 listed manufacturing firms with more than 500 NH employees. No ISBN or other data. See http://millyardcommunications.com/index.php?src=

<sup>&</sup>lt;sup>2</sup> Downloaded from <a href="http://www.nhsbdc.org/about/index.htm">http://www.nhsbdc.org/about/index.htm</a> at 2:17 PM on May 13, 2010.

<sup>&</sup>lt;sup>3</sup> Email H. Dunn at NHSBDC to R. Minicucci at NHDES May 21, 2010, 3:25 PM

environmental performance as part of the *Aspiring Leaders* membership commitment to complete a number of projects. NHDES approved these projects, and they are listed with the rest at <a href="http://des.nh.gov/organization/commissioner/p2au/pis/elip/documents/members.pdf">http://des.nh.gov/organization/commissioner/p2au/pis/elip/documents/members.pdf</a>.

When NHDES staff discusses project possibilities with applicants to Aspiring Leaders, mentoring is always brought up as a possibility.

8. With advisory group, design a multi-tiered reward and recognition program, one tier of which would be equivalent to the (then) existing EPA Performance Track program.

NHDES succeeded in doing this, thanks to support from DES senior management, EPA, and stakeholders.

Within the NHDES stakeholder community, there was immediate acceptance of the concept of using recognition to increase the occurrence of "beyond compliance" environmental performance, with sustainability as an ultimate goal. The idea of eventually using rewards was not questioned, although NHDES made it clear that tangible rewards such as expedited services were not being considered for the near term.

As part of program design, the stakeholder group learned of other states' programs, of the Occupational Safety and Health Administration's Voluntary Protections Program (VPP - <a href="http://www.osha.gov/dcsp/vpp/">http://www.osha.gov/dcsp/vpp/</a>) and of EPA's Performance Track program. The need to focus on small businesses came up very quickly, for two reasons: a) most of New Hampshire's remaining large businesses have an excellent reputation in this regard, and b) as noted above, New Hampshire is culturally a place of small businesses.

Several states' environmental recognition programs with tiers – that is sub-programs that have different target client/customer bases and/or criteria – were examined. Georgia's program was of special interest. It should be noted that recognition was to be at a facility-specific level, as opposed to a corporate level.

NHDES did examine with the stakeholders whether changes to NH statutes were needed to provide such recognition. The Commissioner and other NHDES senior management agreed with stakeholders that it was not necessary to seek legislation directly addressing this; providing recognition was found to be within NHDES's existing statutory authorities.

#### 8a. Aspiring Leaders design and start-up

In response to the need to have a recognition program for SMEs, NHDES first developed the *Aspiring Leaders* program with its stakeholders. Design criteria for *Aspiring Leaders* included simplicity and low administrative burden for both the member and the agency. An applicant need only be in compliance with regulations at the time of application. The applicant, in the application form, commits to:

- a) fully complying with all applicable environmental laws and regulations, and to be pro-active in determining what laws and regulations apply to it;
- b) preventing pollution;
- c) continuously improving its environmental practices; and
- d) conducting a number of projects, or "best management practices," each of which have numeric goals, and reporting on their progress on those projects to NHDES.

Note that a) through c) are required elements in the policy statement that underlies an ISO 14001-compliant EMS. NHDES's hope is that between agreeing to those provisions and to setting goals and tracking progress toward them, the applicant companies will move toward the proactive style of "EMS" style of management thought to be desirable.

A full set of program criteria are listed at <a href="http://des.nh.gov/organization/commissioner/p2au/pis/elip/documents/description.pdf">http://des.nh.gov/organization/commissioner/p2au/pis/elip/documents/description.pdf</a>. "Large"

companies are to do three projects over a three year membership term; "Small Business Administration-eligible" (admittedly a poorly defined term) are to do two projects; and organizations with ten of fewer employees are to do one. Any project that offers environmental benefit, which does not involve something regulatorily required, and which can be quantified is acceptable. Members are encouraged to take on projects that address the environmental problems that NHDES perceives as the most important. At this time, these are climate change and the environmental degradations brought on by urban sprawl.

It should be noted that these projects were not referred to as "commitments." EPA's Performance Track program had received some criticism because its members had not uniformly met the "commitments" they had taken on. In most cases, this involved something along the lines of a member company agreeing to cut its fuel usage by, say, 30%, and achieving 25%. While Performance Track staff was quite happy to tout a 25% cut in fuel usage, critics thought that the member should be removed from the program for not meeting its "commitment." NHDES sought to learn from this example. In NHDES's program, there are "goals" with targets. NHDES is encouraging member companies to set ambitious goals – if a member sets an ambitious goal and falls slightly short, as in the (fictitious) example above, there is more environmental benefit than if the member set a goal of, say, 10% reduction, and then slacked off the effort after achieving that.

Initial recruitment for *Aspiring Leaders* was done by broadcast email, press release, and personal contacts by NHDES staff and the stakeholder group. By December 2007, enough applications had been received to allow for a formal kick-off ceremony by Governor Lynch, with NHDES Commissioner Burack and EPA Region 1 Deputy Regional Administrator Leighton, which took place at the Governor & Council chambers on December 19, 2007.

Operations to date of the Aspiring Leaders program is described below in Section 8c.

# 8b. Green Leaders design and start-up

At the outset, NHDES had stated its intent to include a recognition program roughly equivalent to EPA's Performance Track program. EPA staff made presentations to the stakeholder group about Performance Track and its criteria. NHDES proposed to use those criteria for its equivalent program, called *Green Leaders*, with one addition. NHDES thought that applicants should be visited by NHDES staff to ground-truth what the prospective member stated in its application.

NHDES's stakeholder group had no comments on this proposed program, and endorsed it. It should be noted that New Hampshire was not the first state to "piggy-back" its program on to Performance Track, and that EPA and its contractor had mechanisms in place to allow state-specific information to be inserted into their web-based application process.

NHDES drafted a Memorandum of Agreement (MOA) with EPA to memorialize the cooperation between the two programs. About nine such MOAs had been entered into by EPA and various states at that point in time. By October 2008, this MOA was approved by all relevant NHDES parties and sent to EPA. However, EPA's legal staff raised many questions. The MOA was never finalized, as it was overtaken by events in early 2009.

During 2008, NHDES staff working on ELI met with NHDES colleagues running inspection and enforcement-based programs<sup>4</sup> to see how *Green Leaders* and their programs could work together. Misconceptions regarding Performance Track had to be addressed. Most of these people thought that Performance Track members could not be inspected. Different and conflicting guidances issued by different EPA offices aside, this was not true, and clear statements to that effect were issued at this point. This was reassuring to staff in the inspection programs.

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<sup>&</sup>lt;sup>4</sup> Federally-delegated programs covering hazardous waste, air permitting, underground storage tanks, and to some extent, NPDES (NH is <u>not</u> delegated for NPDES, but participates with EPA). Drinking water programs were deemed not relevant for this purpose.

Agreement was reached with inspection program staff that a site visit prior to admission to *Green Leaders* was needed, and that the nature of the applicant would determine the nature of the visit. Options would range from a simple one-person "friendly" visit to a full multi-media inspection, depending on the issues posed by the applicant's business and their inspection/enforcement history. It was agreed that an inspection within the previous 12 months would constitute strong evidence of an applicant's status. The inspection programs would have the option of requiring the site visit of the nature they chose.

NHDES staff working on ELI took that knowledge and crafted a New Hampshire addendum to Performance Track's application, which EPA's contractor was able to attach seamlessly to the Performance Track application. The application was set up so that an applicant could apply to *Green Leaders* only, Performance Track only, or both, at the applicant's option.

In the fall of 2008, NHDES received four applications to *Green Leaders*, all from members of EPA's Performance Track program. Their application addenda were distributed to the inspection programs, which had no suggestions as to the nature of pre-entry site visits.

In early April 2009, the new EPA Administrator unilaterally and unexpectedly terminated the Performance Track program. There was no consultation with stakeholders, members, or cooperating states. The effects of this change in policy is briefly discussed in section 8d, below.

On April 1, 2009, at a scheduled meeting of the Governor and Executive Council, the first four NH *Green Leaders* were formally welcomed. Press was present. The new members were announced and received membership plaques from NHDES. Additionally, the Governor's office prepared a proclamation that was read aloud at the meeting, and presented to the new members, thanking them for their efforts to make New Hampshire a better place.

#### 8c. Aspiring Leaders operations

Six Aspiring Leaders applications were received in December 2007, in response to initial recruitment. All of these became members. 21 applications were received in 2008, of which 15 (71%) became members. Six applications were received in 2009, of which four (67%) became members. Three applications have been received so far in 2010; none of these have become members yet. Overall, 36 applications have been received, leading to 25 (69%) members.

Press releases have been issued to publicize the entrance of members. These have gained limited notice. Of greatest note in this regard, are two full-page spreads in *New Hampshire Business Review* May 8, 2009 Green Business supplement, with a half-page color photo of the *Green Leaders* kick-off,. There was a full-page advertisement for the ELI program in general. In what was a bit of a disappointment, there were no applications for either *Aspiring Leaders* or *Green Leaders* over the following several months.

Of those who have not become members, several were in "green" businesses already, and were challenged to think of projects they could undertake that they were not already doing. *Aspiring Leaders* is not set up to provide kudos to green businesses; rather it is suited to organizations that want to do better. Others lost interest when they realized that NHDES expected them to do projects and report on them. Others lost interest due to changing business conditions.

The process of choosing projects proceeded by negotiation. Projects were sought that made sense for the applicant, which addressed NHDES environmental concerns, and which were measurable. In early 2009, as the first annual reports came due, NHDES produced a short guidance to guide members' reporting. The guidance was written to continue the *Aspiring Leaders* theme of administrative simplicity for both the member and NHDES. This guidance is at

http://des.nh.gov/organization/commissioner/p2au/pis/elip/documents/asprng ldrs metrics guid e.pdf.

An updated membership list and summary of the projects the members have taken on can be found at <a href="http://des.nh.gov/organization/commissioner/p2au/pis/elip/documents/members.pdf">http://des.nh.gov/organization/commissioner/p2au/pis/elip/documents/members.pdf</a>. Few of these members are firms that NHDES regulates, per se. There is good representation

from the construction industry, mostly firms building LEED<sup>5</sup>-certifiable buildings. Engineering consultancies and other office-based businesses make up 28% of the current membership, reflecting the general trend away from manufacturing and toward service businesses.

Stated reasons for joining Aspiring Leaders were: publicity for the company and external validation for the efforts they were making. Members have not mentioned relationships with NHDES as a factor, but NHDES is pleased to have better relationships with business sectors with which it historically has had little contact.

The current project list includes:

13 electricity use reduction projects

10 solid waste reduction projects

9 fossil-fuel use reduction projects

4 water use reduction projects

4 commitments to green contracts

3 greenhouse gas reduction projects

2 materials-use reduction projects

2 green-meetings commitment

1 greenhouse gas research project

1 Air emissions (VOCs) reduction project

1 mentoring - supplier-based (total energy use reduction) - project

1 mentoring – env'l club & paper recycling at a local high school – project 1 mentoring – college students - project

1 hazardous waste reduction project

1 training in green construction methods project

1 grounds-maintenance project

55 Total

The popularity of water use reduction was a bit of a surprise, but is certainly welcome. The projects related to green contracts and construction methods are promoting construction to LEED standards. NHDES is pleased to be able to promote such construction that offers great environmental and health benefits, but is outside of its ordinary "regulatory" sphere.

The mentoring projects were briefly described earlier, and it was a welcome surprise that they came up.

This list is, perhaps, illustrative of the power that can be found when the applicant is free to choose the projects that make sense to them. However, the breadth of types of projects undertaken make it very difficult to aggregate environmental performance of the membership in a press-ready form. It appears that a larger universe of data will have to be gathered to allow a proper story to be told. To date, reports have been received from 15 members on 40 projects.

There are some highlights, however. Two members reduced 52,405 gallons of fuel oil/year. One member reduced water use by 9,382,000 gallons/year by close-looping what was previously a once-through process cooling system. Three projects reported 27,410 lbs of solid waste reductions, mostly by diversion to recycling.

Another highlight is perhaps less positive. One member met their three year goal of 10% aggregate greenhouse gas reductions in the second year. Unfortunately, this may be due to a 16% loss in sales over that time. This illustrates the difficulty of reporting "environmental performance" - all things being equal, NHDES does not want to report the failure of a business as an environmental benefit.

Another problem with reporting member progress is the fact that not all members have reported, despite a report format that has been simplified to the limit of credibility. A few members, mostly very small organizations, have ignored all reminders to report. NHDES has not yet removed any members, but this will most likely occur before July 1, 2010 following formal certified mail notification. NHDES is pledged to publicize any removals that occur. In one case, personnel

<sup>&</sup>lt;sup>5</sup> Leadership in Energy & Environmental Design (LEED) standards promulgated by the US Green Building Council. See http://www.usgbc.org/

turnover led to a lack of reporting; the new person did not know the company was a member. NHDES will continue to work with all members to get as many reports as possible. The overall reporting rate is about 83%.

### 8.d *Green Leaders* operations.

The four *Green Leaders* applicants were vetted during the early months of 2009. Following review of the application material, NHDES' various inspection/enforcement programs did not provide input as to the nature of a site visit, so the ELI project manager visited each one to gain an impression of their operations, to see if they were the good actors they professed to be. The Performance Track site visit protocol was an important guide in formatting these visits. One item that was assessed at each site visit was whether the applicant company was aware of land uses and community concerns in the landscape immediately surrounding the facility. For example, a dirt path was noted leaving the back end of one applicant's parking lot. The applicant was aware of the path, knew of the town recreational property at the other end of the path, and had encouraged their staff to look after and make use of that town facility. The two applicants whose facilities were on ponds knew the history of each pond and whatever community or environmental concerns existed about them: it was demonstrated that these facilities are connected to their local environment and community.

No *Green Leaders* applications were received in the spring or fall of 2009, or the spring of 2010. Like Performance Track, *Green Leaders* is not an easy program to enter: a third-party certified EMS; an exemplary compliance record; a record of past performance in non-regulated environmental manners; and a record of community engagement are all needed, as well as the willingness to work closely with NHDES staff through the application process. The effort related to that, and a clear signal from EPA that it no longer supports such recognition programs, are thought to be the reasons for the lack of applications.

EPA's cancellation of the Performance Track program during the time the first *Green Leaders* applicants were being vetted was a blow to NHDES's EPI effort. NHDES had been counting on the web-based application and performance reporting system that EPA maintained through a contractor. NHDES had made the argument that recognition for environmental performance was most useful if both the federal and state levels were present, as those parties share responsibilities for environmental oversight.

A subcommittee of EPA's National Advisory Council for Environmental Policy and Technology (NACEPT) was convened in the spring of 2009, as stated in the EPA Administrator's memo canceling Performance Track, to examine the running of the program and what lessons could be learned, but a report from that subcommittee is several months past due. In parallel, a study by the RAND Corporation was commissioned, but that is also past due. Performance Track was never fully accepted by all branches of EPA, considered as a corporate body, and never had statutory backing at the federal level, so it fell to changing priorities.

EPA staff working on Performance Track provided service beyond the call of duty to states like New Hampshire whose own recognition programs were linked to Performance Track. Webbased material was made available for downloading. The contractor, under EPA guidance, was able to convert the web-based application and reporting files to a large Excel™ file, and provided several training sessions on how to use it. A CD of past application and reporting files was sent to each state. There is no chance that *Green Leaders* could be run without that assistance.

Even with that assistance, it is not clear that *Green Leaders* can continue without the additional financial resources. At no time did this grant provide more than 40% of a single individual's time. NHDES management strongly believes in the power of recognition to help achieve environmental performance beyond the regulatory minimums, but budget realities may make even that level of commitment unsustainable. There are two goals to this effect written into NHDES's new strategic plan<sup>6</sup>:

<sup>&</sup>lt;sup>6</sup> NHDES draft strategic plan "version 0.99", May 19, 2010

- 5.5.1 (NH)DES will maintain an array of programs to encourage "beyond compliance" behavior.
- 5.5.2 (NH)DES will have standard procedures for positive public recognition of outstanding/beyond compliance environmental practices/outcomes.

As this report is written, the four members of *Green Leaders* are working with the Excel<sup>™</sup> file mentioned above to see if reporting in the old Performance Track framework can continue. We do not yet know if NHDES can afford to run a program of the complexity of *Green Leaders* with the available resources.

# 9. Summary

NHDES has taken on the mission of promoting environmental quality and public health, a mission that requires enforcement of laws and regulations, and many other efforts besides. The Environmental Leadership Initiative has been a means to demonstrate to the public that NHDES is interested in advancing environmental quality in a holistic sense. Beside the gains made by the members in cutting their energy use, reducing their wastes, etc., publicly recognizing these organizations provides an example to others that "yes, this can be done," and to the public of the good citizenship of the member organizations.

The existence of ELI has been used to demonstrate that interactions with NHDES do not necessarily take an adversarial nature, and this in itself is beneficial as collaborative efforts tend to be less costly. In at least one case, making a facility owner with multiple environmental violations aware of this possibility led them to stop fighting NHDES and EPA efforts so hard and begin making progress toward solutions.

It should be noted that NHDES's Enforcement Coordinator has noted<sup>7</sup> that an "enforcement-first" strategy may not be socially sustainable; as the reach of enforcement extends, there is push-back via political processes. A balanced strategy focused on reaching environmental performance goals and using all available tools to achieve that goal is preferred by NHDES. Enforcement and litigation are used for those that can not be reached by other methods.

NHDES and its sister agencies have only recently begun to use tools other than enforcement and litigation to reach its goals. NHDES is using an ethic that if one is willing to publicly denounce those who do wrong, one must be willing to publicly praise those who do well. As a strategic priority NHDES intends to continue to offer recognition, and good publicity, to organizations that demonstrate performance beyond the regulatory minimums. It is not clear at this time how many resources can be brought to this effort, but we will continue.

To close, NHDES thanks EPA for the funding that made this work possible. Being able to offer this sort of recognition has been a useful addition to NHDES' toolbox for reaching its mission. We look forward to continuing a cooperative relationship as we continue working toward our shared goal of sustaining a high quality of life for all citizens by protecting and restoring the environment and public health.

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<sup>&</sup>lt;sup>7</sup> G. Hamel presentation at National SBTAP conference, Bretton Woods, NH, 2008