

US EPA ARCHIVE DOCUMENT

Indiana Department of Environmental Management
Final Report to the
U.S. Environmental Protection Agency
for the
2006 State Innovation Grant Program

Indiana Environmental Stewardship Program

Summary and Results

In August 2006, the Indiana Department of Environmental Management (IDEM) Office of Pollution Prevention & Technical Assistance (OPPTA) received grant funding from the U.S. Environmental Protection Agency (U.S. EPA) to develop and implement a voluntary environmental leadership program designed to encourage positive environmental actions from businesses and industry. The program is called the Indiana Environmental Stewardship Program (ESP).

The **goals** of the Indiana Environmental Stewardship Program were to:

1. Promote environmental management systems and continuous environmental improvement;
2. Provide opportunity through regulatory flexibility incentives for members to shift resources to continuous improvement activities; and,
3. Focus limited state resources on those facilities not proactively managing their environmental responsibilities.

In other words, the intent of the Indiana Environmental Stewardship Program is to achieve better environmental results and focus on outcomes (e.g., reduced emissions and higher compliance rates) than traditional environmental management measures (i.e., number of inspections and permits issued). By providing regulatory flexibility, entities create opportunities to go beyond the compliance measures established by regulations. Opportunities are also created for state and federal government, as well as the regulated community, to focus resources more strategically, producing better overall environmental results.

In order to achieve these goals, OPPTA created a formal state mechanism that encourages entities to allocate limited resources toward programs and projects that produce positive environmental results. OPPTA also partnered with other IDEM program offices and created “carrots” for participants. The “carrots” consist of regulatory flexibility incentives, which make the business case for joining voluntary programs like the Environmental Stewardship Program, as well as create the time needed for in-house environmental professionals to maintain an environmental management system and identify, research, and implement continuous environmental improvement initiatives. Lastly, OPPTA focused on recognizing those Indiana facilities by means of the Environmental Stewardship Program that committed to decreasing their impact on the environment while increasing operational efficiency, thus creating more stable businesses through effective environmental management system implementation with a commitment to continual environmental improvement.

In summary, OPPTA successfully implemented the project milestones as indicated in the grant proposal. OPPTA will continue to manage the Environmental Stewardship Program and seek new members through state funds following completion of the grant.

Background

In the past, OPPTA offered environmental recognition programs to Indiana businesses and industry to encourage beyond compliance activities to protect the environment. However, before the creation of the Environmental Stewardship Program, such a program had not been in place for several years. In the meantime, Indiana entities were requesting IDEM develop a program to challenge them to improve and to offer incentives beyond simple recognition. Such programs are typically called “performance-based” programs.

The development and implementation of the Indiana Environmental Stewardship Program was designed as a performance-based program in order to meet the needs of and offer regulatory incentives to Indiana entities that have proven themselves to be on the cutting edge of continually improving their processes to decrease their negative impacts on the environment. Performance-based programs provide opportunities and incentives for entities to allocate resources toward continuous improvement of their environmental management system and pollution prevention program. Through these focused efforts, U.S. EPA and state agencies are reporting increased compliance levels and reductions in material usage, energy consumption, and emission levels by program members.

In order to provide permitting flexibility; decreased recordkeeping, reporting, and monitoring frequency; and decreased routine inspection frequency, the Indiana Department of Environmental Management (IDEM) wrote three new rules for inclusion in the Indiana Administrative Code, respective to the Indiana Air Pollution Control Board, Indiana Water Pollution Control Board, and the Indiana Solid Waste Management Board. These three rules afford IDEM the authority to grant regulatory benefits to Indiana Environmental Stewardship Program participants. The final rules providing the Office of Air Quality, Office of Water Quality, and Office of Land Quality the ability to implement regulatory incentives are available on the Indiana Administrative Code website at <http://www.in.gov/legislative/iac/>.

Project Milestones and Accomplishments

1. **Promotion:** Developed web site and program application; created program brochures and booth materials; announced program through a press event; issued Request for Proposal for contractor and drafted contract for environmental management system website/software; received Innovations Grant funding and submitted quality assurance project plan.
2. **Implementation:** Responded to requests for phone and onsite assistance; offered environmental management system development workshops to facilities using unrelated state funding; accepted applications to join the program; printed and distributed brochures; advertised the program at various conferences and workshops; environmental management system development software determined to be too expensive so revised grant agreement to hire contractor to provide onsite environmental management system development assistance; conducted site visits at

applicants with approved environmental management systems and conducted site visits and environmental management system assessments at other applying facilities.

3. Implementation and Modifications: Reviewed applications, determined eligibility of each applicant using their application, compliance check, review of their environmental management system materials, and site visit; announced facilities meeting the program requirements; coordinated application review and site visits with the National Environmental Performance Track program; continued assisting potential applicants and promoting the program; spoke at meetings, workshops, and conferences to promote the program; offered incentives to successful applicants; assisted program members with incentives, including modifications to permits to allow facility to benefit from incentive; continued identifying potential incentives; and quantified success stories through monetary and environmental benefits. Continued working with U.S. EPA to identify and implement additional incentives to state and federal environmental leadership programs until the National Environmental Performance Track program was cancelled by the U.S. EPA administrator.
4. Implementation and Documentation: Continued working with IDEM program offices to limit barriers to pollution prevention opportunities to program members and identified additional incentives; continued accepting and reviewing applications as well as promoting the program; submitted quarterly reports to the U.S. EPA on various measures; measured results and outcomes of program and developed final report; and considered future of program, including funding and the office responsible for management. Completed and submitted final report to the U.S. EPA thus completing the Innovations Grant.

Project Summary

Activities Completed Prior to Receiving Grant Funding

Prior to receiving the 2006 State Innovations Grant award, OPPTA completed several major tasks to develop the Environmental Stewardship Program. OPPTA coordinated program development efforts with U.S. EPA Region 5 and Headquarters for dual Performance Track and ESP application submission and compliance screening; dual program membership, annual reporting, and initiative measurement; and equivalent site visit requirements.

Additionally, OPPTA staff continued development of regulatory incentives which entailed a 2nd Notice for Public Comment for Rulemaking; summarizing public meeting comments and draft rules; and finalizing language for all incentives offered. OPPTA developed detailed program procedures, application, promotion materials, and a web site. Moreover, OPPTA staff completed the ISO 14001:2004 EMS Lead Auditor Training Course.

Public Release of Program

OPPTA publicly released ESP during the 2006 Indiana Partners for Pollution Prevention Conference & Trade Show held on September 20, 2006. The conference attracted approximately 200 attendees representing businesses, industry, and municipal sectors. The previous Assistant Commissioner of OPPTA, Dan Murray, and program staff presented ESP to conference attendees and explained program requirements. All attendees were provided with an ESP CD-

ROM containing program eligibility requirements, incentives, application, and other relevant program information.

Environmental Management System Development Assistance

The initial Innovations Grant proposal submitted by OPPTA included grant funding to support the research and development of an environmental management system software tool similar to the “Turbo Tax” software tool for completing income taxes. OPPTA coordinated and facilitated a Pre-Request for Proposal meeting for the development of this software, which provided OPPTA with sound feedback and suggestions for the development of the software.

As a result of this meeting with software developers and environmental consultants, OPPTA management decided to pursue a Request for Information to be submitted by interested software developers before finalizing and posting the environmental management system software Request for Proposal. OPPTA originally budgeted \$190,000 in contractor services for implementation of environmental management system onsite assistance and development software. However, upon receiving responses from software developers to the Request for Information, OPPTA discovered that the requested services were more costly than anticipated, therefore the grant funding would not be able to cover the proposed costs. Instead of developing software, OPPTA decided to use \$190,000 of Innovations Grant funding toward onsite environmental management system development and pollution prevention assistance. OPPTA coordinated and facilitated a Pre-Request for Proposal meeting for the onsite environmental management system development assistance contract. OPPTA posted the Request for Proposal and responded to contract questions for the onsite environmental management system assistance. OPPTA received two (2) responses and completed the proposal scoring criteria.

OPPTA signed a contract with Keramida Environmental, Inc. to provide onsite environmental management system development assistance. OPPTA worked with Keramida staff to develop marketing materials and an application to participate in this onsite assistance. The ESP program manager assessed all applicants on their historical environmental compliance and performance using IDEM’s Multimedia Enforcement Tracking System database and U.S. EPA’s Enforcement and Compliance History Online Database. Participation was granted to those facilities that had a positive environmental compliance history and would be eligible to apply for ESP following completion of the onsite environmental management system development assistance.

Through this contract, Keramida staff was able to assist twenty-six (26) entities, including two communities. These entities created an environmental management system based on the ISO 14001:2004 standard. The ESP program manager has surveyed the majority of the participating entities and received very positive responses from the participants regarding Keramida’s service and the resulting environmental management systems.

Non-Grant Funded Environmental Management System Assistance

Separately from the Innovations Grant and onsite environmental management system development assistance, OPPTA funded an environmental management system training program that provided assistance to Indiana entities through a series of workshops throughout the state.

The intent of the workshops was to increase the number of Indiana facilities implementing environmental management systems and, as a result, increase the number of ESP applications.

The Clean Manufacturing Technology Institute (CMTI) was the contractor hired to provide this service. From April 18, 2007, through December 18, 2008, CMTI conducted twenty-two (22) workshops at four predetermined geographic locations throughout the state. The first workshop in each location covered the basics of an environmental management system and ISO 14001:2004. The contractor conducted a gap analysis at each participating facility before scheduling the second workshop series. The second workshop covered environmental aspects and impacts. The third workshop discussed environmental management system implementation and the fourth workshop reviewed internal environmental management system auditing.

Over thirty (30) companies across Indiana participated in at least one of the workshops. Five (5) workshops were held for Elkhart area businesses, six (6) for the Lafayette area, five (5) for the Fort Wayne area, and six (6) for the Evansville area. The sixth workshops in the Lafayette and Evansville areas consisted of internal auditor training. The other two area locations did not request this training. The ESP program manager surveyed all of the workshop participants and received positive feedback regarding their training experience.

Coordinating Activities with Other IDEM Program Offices

ESP program staff met at least seven (7) times with other environmental program offices, including local authorities, affected by the regulatory incentives to determine the best method of implementation for providing regulatory incentives to ESP members.

The rules affording ESP members with regulatory incentives became effective during the fourth quarter of the grant. The regulatory incentives requested by members were provided to IDEM program offices and local authorities for approval prior to implementation. All of the incentives requested by ESP members to date have been reviewed, approved or denied by IDEM program staff, and implemented. The incentives that have been requested and denied by IDEM program staff are denied because the incentive does not appropriately apply to the requesting member's facility.

The ESP program manager found incentive implementation to be difficult and time consuming. Thus the ESP program manager scheduled a lean / continuous improvement event with each IDEM program office to map the incentive implementation and tracking processes with the agency's lean coordinating facilitating each meeting. The lean / continuous improvement events occurred in January 2009. As a result of these events, the ESP program manager created a checklist which records the steps that need to be taken to seek approval and implementation for each incentive requested. This checklist has dramatically reduced the time and difficulty associated with incentive implementation.

Obtaining Compliance History Information

The ESP program manager also had trouble obtaining thorough and complete compliance history information from a couple of IDEM program offices during the first few ESP application

rounds. Such incomplete information extended the application review period and jeopardized the quality of membership determinations.

To resolve this, the ESP program manager met with IDEM program offices to discuss the procedure for providing compliance history information on ESP applicants and developed a checklist for the information that is needed. The ESP program manager continued working with IDEM program offices to refine the process for obtaining compliance history information on ESP applicants and created a Standard Operating Procedure for gathering each applicant's compliance history information from various program offices. The ESP program manager also developed a Standard Operating Procedure for receiving and reviewing ESP applications in order to record and retain the institutional knowledge garnered from each application period.

Application Rounds

OPPTA received seventeen (17) ESP applications during the charter membership application round of September 1 – October 31, 2006 (Round 1 – Fall 2006 Applicants). During this application review period, OPPTA conducted fifteen (15) application site visits and two (2) Independent Assessment Protocol site visits. OPPTA invited the Performance Track program staff to attend the site visits at those facilities who submitted an application for dual membership in ESP and Performance Track. Performance Track staff was able to attend one of the site visits alongside OPPTA representatives. OPPTA announced the fourteen (14) charter members during February 2007. Unfortunately, one of the Charter ESP members voluntarily withdrew from ESP on February 24, 2009, before their membership term expired because the facility is scheduled to close during 2009.

OPPTA received eleven (11) ESP applications during the second round of membership application of April 1 – May 31, 2007 (Round 2 – Spring 2007 Applicants). Compliance history information was gathered and site visits were conducted at each facility. OPPTA announced ten (10) new members during summer 2007.

OPPTA received ten (10) new ESP applications during the third application round of September 1 – October 31, 2007 (Round 3 – Fall 2007 Applicants). Compliance history information was gathered and site visits were conducted at each facility. OPPTA announced nine (9) new members during winter 2008.

OPPTA received five (5) new ESP applications during the fourth application round of April 1 – May 31, 2008 (Round 4 – Spring 2008 Applicants). Compliance history information was gathered and site visits were conducted at each facility. OPPTA announced all five (5) applicants as new ESP members during summer 2008.

OPPTA received ten (10) new ESP applications during the fifth application round of September 1 – October 31, 2008 (Round 5 – Fall 2008 Applicants); however, one of the applicants dropped out due to resignation of their environmental manager. Compliance history information was gathered and site visits were conducted at each facility. OPPTA announced eight (8) applicants as new ESP members during winter 2009.

OPPTA received four (4) new ESP applications during the sixth application round of April 1 – May 21, 2009 (Round 6 – Spring 2009 Applicants). One of the applicants withdrew their application due to an ongoing citizen suit and a second application was postponed because the applicant did not submit their Independent Assessment Protocol in time to be evaluated for membership. Compliance history information was gathered and site visits were conducted at the remaining two facilities. OPPTA announced one (1) applicant as a new ESP member during summer 2009.

OPPTA is currently receiving applications for the fall round of September 1 – October 31, 2009 (Round 7 – Fall 2009 Applicants). OPPTA will conduct the application review process as it has been conducted for the previous application rounds. New ESP members will be announced during winter 2010.

Award and Recognition Ceremonies

The ESP program manager coordinated recognition ceremonies with new program members. Commissioner Thomas Easterly, Assistant Commissioner Dan Murray, or Assistant Commissioner Rick Bossingham has participated in thirty-five (35) award ceremonies and presented the member with an ESP plaque and flag. Governor Mitch Daniels presented the ESP plaque and flag to five (5) members since creation of the program. Each individual award ceremony was accompanied by a statewide press release issued by IDEM's Media & Communications Office detailing the member's accomplishments. Six of the ESP members have requested their ESP plaque and flag be mailed to the facility instead of having a ceremony because facility representatives did not want press coverage due to recent layoffs at the facility.

The ESP program manager created an Event Planner Template at the request of Commissioner Thomas Easterly. The event planner provides Commissioner Easterly with overview and background information on each facility prior to arriving for the ESP award ceremony. Driving directions and a copy of the facility's individual press release accompany each event planner. Additionally, the ESP program manager and applicable staff completed a leaning / continuous improvement event with the agency's continuous improvement coordinator to improve the ESP award ceremony scheduling and press release process. The ESP program manager developed the Environmental Stewardship Program Award Ceremony Standard Operating Procedure to capture the results of the continual improvement event.

Memorandum of Agreement for Regulatory Incentives

During the creation of the Environmental Stewardship Program, OPPTA and the U.S. EPA Region 5 drafted a Memorandum of Agreement (MOA) for implementation of the federal regulatory incentives for ESP members. Initially, Dan Murray, previous OPPTA Assistant Commissioner, worked directly with U.S. EPA Region 5 staff to develop an MOA. Dan Murray resigned as OPPTA Assistant Commissioner to become the Assistant Commissioner of the Office of Air Quality at IDEM. As a result, the ESP program manager was tasked with completing the MOA when Dan Murray switched positions.

The ESP program manager has worked closely with IDEM management and U.S. EPA Region 5 throughout the life of the Innovations Grant to formulate and sign this MOA. After Dan Murray switched offices, the ESP program manager provided an explanation to

Commissioner Thomas Easterly explaining why the MOA was not yet signed by U.S. EPA Region 5 and IDEM. In summary, U.S. EPA Region 5 would not approve the incentive for monthly compliance methods for VOCs, but IDEM management would not permit this language to be removed from the MOA. Thus U.S. EPA Region 5 would not sign the MOA.

The ESP program manager continued to seek MOA approval between U.S. EPA Region 5 and IDEM management. The ESP program manager revised the MOA language and sent it to U.S. EPA Region 5 for review. Upon further discussion with U.S. EPA Region 5, the ESP program manager determined that an approval tracking document was needed for each incentive. The ESP program manager sent U.S. EPA Region 5 the list of regulatory incentives requesting approval and comments on each incentive. U.S. EPA Region 5 responded listing incentive approvals, denials, and comments, as well as the individuals at U.S. EPA Region 5 responsible for approving or denying each incentive.

The ESP program manager tracked approval, denial, and comments on each incentive using a Microsoft Excel spreadsheet. In the meantime, the ESP program manager continued to work with Dan Murray, Assistant Commissioner of Office of Air Quality, and Commissioner Thomas Easterly in an effort to remove the monthly compliance methods for VOCs from the MOA to stimulate the signature process.

However, with the termination of the Performance Track program, an MOA was no longer needed between IDEM and U.S. EPA Region 5. All of the regulatory incentives afforded to ESP members are within the statutory authority of IDEM's regulatory oversight, plus there are no federal regulatory incentives to be implemented by IDEM without the Performance Track program.

While the ESP program manager was working on the MOA, IDEM management was waiting for a response from the U.S. EPA Region 5 regarding the State Implementation Plan. The State Implementation Plan outlines several regulatory incentives that IDEM has incorporated by rule to provide to ESP members, including the monthly compliance methods for VOCs. At the time of the final report, Dan Murray, Assistant Commissioner of the Office of Air Quality, anticipated the U.S. EPA Region 5 to formally deny the State Implementation Plan submitted by IDEM because of the inclusion to afford monthly compliance methods for VOCs to ESP members.

In order to prevent denial of the State Implementation Plan, Dan Murray met with the ESP program manager, the OPPTA Pollution Prevention Branch Chief, and various Office of Air Quality staff to develop supplemental information regarding this particular incentive. The Office of Air Quality will be sending additional information to the U.S. EPA Region 5 for consideration.

Monthly Participation on U.S. EPA Conference Calls

The ESP program manager participated in the majority of monthly State Calls as arranged by Performance Track program staff at U.S. EPA Headquarters. These monthly conference calls afforded state contacts a forum to share performance-based program information as well as address problems. The calls also enabled state contacts to keep abreast of

federal program changes. Additionally, the ESP program manager provided feedback to U.S. EPA on the Excel spreadsheet created to replace the PTrack online system during the phase-out of the Performance Track program.

Annual Performance Reports

OPPTA has received and quality assured two (2) years of Annual Performance Reports and supporting data. The ESP program manager tracks each member's environmental improvement initiative, including the category, indicator, baseline and future year goal, and the process or activity taking place to achieve the future year goal. The ESP program manager also tracks the projected and actually achieved reductions for each member as well as by category and membership round. The ESP program manager maintains this information using a Microsoft Excel workbook.

Members of the Environmental Stewardship Program have collectively achieved the following reductions during the calendar years of 2007 and 2008:

	Calendar Year 2007	Calendar Year 2008
Air Emissions:	16,300.8 pounds VOCs 60,000 pounds NOx 0.21 pounds / hour SOx, NOx, PM _{2.5}	11,528,880 pounds CO2 820,800 pounds VOCs 0.12 pounds CO2 per hour
Non-Hazardous Material Use:	0	2,463,680 pounds
Hazardous Waste Generation:	173,191 pounds	12,790 pounds 2,420 gallon increase
Solid Waste Generation:	5,797,270 pounds 2,640 gallons	14,208,597 pounds 374 gallons
Energy Use:	46,708.67 MMBtus 4,499,584.2 kilowatt hours 1.53 kilowatt hour / unit of production	10,939,149 kilowatt hours 714 MTCO2E 243,789 miles 8,999 Therms 2,325 MMBtus
Water Use:	12,000,480 gallons	69,413,000 gallons
Discharges to Water:	0	3 pounds copper
Recycling:	514,940 pounds	3,926,597.9 pounds 2,030 gallons

Termination of the U.S. EPA Performance Track Program

A significant activity that took place as the Innovations Grant came to a close during 2009 was the termination of the U.S. EPA Performance Track program. As a result of eliminating the Performance Track program, the ESP program manager worked with IDEM's offices of air, land, and water to determine the best way to repeal all federally incorporated regulatory incentives. OPPTA issued a letter to all Indiana Performance Track members informing each facility to return to normal compliance standards. The ESP program manager

also worked with IDEM rule writers to determine how to repeal these federally incorporated rules.

Additionally, the ESP program manager answered questions from Performance Track members as well as non-Performance Track members clarifying how the program's cancellation impacted the Environmental Stewardship Program. The ESP program manager continues to respond to inquiries from Indiana companies concerned about ESP being cancelled as a result of U.S. EPA's actions.

Furthermore, the ESP program manager worked closely with U.S. EPA Headquarters staff to gather information needed from PTrack online before the database closed. The ESP program manager revised the ESP Application, ESP Annual Performance Report, and ESP Checklist for Potential Regulatory Incentives to reflect the cancellation of the Performance Track program. The ESP program manager also revised all of the ESP documents and website to remove references to the Performance Track program.

Lessons Learned from Project Implementation

Program Revisions

OPPTA has not revised the Environmental Stewardship Program eligibility requirements since the creation of the program and implementation of the three governing rules. OPPTA slightly revised the ESP Application during the second quarter to include each facility's federal identification number. OPPTA used the federal identification number to conduct clearance checks with the Indiana Department of Workforce Development and Indiana Department of Revenue. OPPTA ensures ESP applicants are in good standing with both of these agencies before awarding membership. Furthermore, OPPTA revised the ESP Application to remove references to the Performance Track program after it was cancelled.

OPPTA staff met with several ESP members on May 2, 2008, to discuss the creation of an "ESP Corporate Membership" level. Meeting attendees decided that a corporate membership designation would be beneficial, but would not be the typical corporate-wide environmental management system. The ESP corporate designation would go "beyond the fence line" and consider greening suppliers, LEED and Energy Star participation, community outreach, environmental management system mentoring, and participating in other state or federal programs like Performance Track. However, OPPTA staff decided against creating a second recognition level for ESP for ease of program management.

IDEM management realized the agency was no longer able to replace worn-out ESP membership flags at no cost as a result of budget constraints. The ESP program manager worked with IDEM's Media & Communications Services branch to develop a method for ESP members to reorder membership flags using their own vendor. To date, only one ESP member has purchased additional flags, but the member was pleased by the simple process.

Additional Program Incentives

OPPTA devised numerous recognition and regulatory incentives for ESP members prior to publicly announcing the program. Yet the ESP program manager continues seeking new incentives for members.

During 2008, OPPTA added an incentive for pollution prevention grants. Facilities applying to the IDEM Pollution Prevention Grant Program received five (5) bonus points if they are an ESP member and are only required to provide twenty-five (25) percent matching funds as opposed to fifty (50) percent matching funds for non-ESP members. Unfortunately, the Pollution Prevention Grant Program was eliminated during 2009 because of state budget cuts thus this incentive was eliminated.

The IDEM Office of Air Quality devised a new incentive for ESP members that incorporate tiered compliance monitoring in certain situations. The ESP program manager worked with Office of Air Quality staff and several ESP members to gather feedback and applicability on the draft incentive. Upon further analysis, the Office of Air Quality determined this particular incentive could be afforded to ESP members through an existing incentive thus the ESP program manager did not add this as an incentive. However, the ESP program manager did inform all ESP members of their ability to take advantage of tiered compliance monitoring in certain situations through an existing ESP incentive.

The ESP program manager contacted the Indiana Manufacturing Association and the Indiana Chamber of Commerce requesting a membership discount for ESP incentives. The Indiana Chamber of Commerce agreed to afford ESP members a 20% discount on the first year of membership, a personal visit from a member of the Government Affairs team, and a seat on one of the five environmental committees: Energy Committee, Environment and Natural Resources, Air Quality Subcommittee, Land Quality Subcommittee, or Water Quality Subcommittee. The Indiana Manufacturing Association was not able to provide ESP members with extended perks at this time.

Additionally, the ESP program manager compared Indiana's incentives with all other state-Performance Track program incentives and identified several new incentives for Indiana members. The ESP program manager proposed these incentives to IDEM management and implemented the additional incentives that were approved. Several of the incentives implemented by other states are not able to be implemented by IDEM because of budget restrictions or state rules.

Technical Assistance Provided to Participants

The ESP program manager responded to over sixty-six (66) technical assistance phone calls, twenty-two (22) email inquiries, and conducted fourteen (14) site visits to interested parties. Inquiries concerned ESP program requirements, regulatory incentives, and application procedures. OPPTA staff performed two (2) environmental management system Independent Assessment Protocol site visits. Furthermore, the ESP program manager provided ESP Annual Performance Report assistance to twenty-six (26) ESP members prior to the 2009 report submittal deadline.

OPPTA was contacted by the Iowa Department of Natural Resources for assistance and guidance on developing a state performance-based recognition program like ESP. Dan Murray, previous OPPTA Assistant Commissioner, traveled to Iowa to meet with staff and provide insight on performance-based program development and implementation.

The ESP program manager met with IDEM Enforcement staff to discuss the development and implementation of an environmental management system as a Supplemental Environmental Project at Indiana facilities fined for environmental violations. IDEM is now accepting the creation and implementation of an ISO 14001:2004 environmental management system as a Supplemental Environmental Project.

Additionally, OPPTA scheduled the first ESP members only meeting with IDEM Commissioner Thomas Easterly. The member's only meeting coincided with the 2008 Indiana Partners for Pollution Prevention Conference & Trade Show. Twenty-three (23) of the then thirty-eight (38) ESP members attended. ESP members met one on one with Commissioner Thomas Easterly, Assistant Commissioner Rick Bossingham, and Office of Air Quality Branch Chief Matt Stuckey to discuss their environmental concerns and learn more about the incentives afforded to them as ESP members. OPPTA dedicated an entire conference track to topics of interest to ESP members, including speakers Mark Messersmith, U.S. EPA Region 5 Performance Track Coordinator, and Andy Teplitzky, U.S. EPA Headquarters Performance Track program. OPPTA has scheduled the second member's only meeting for November 5, 2009, where Commissioner Thomas Easterly will be present to meet with members along with all of the IDEM Assistant Commissioners.

Program Marketing

OPPTA created the design for and printed 1,000 ESP brochures and 2,000 ESP Application Folders, which contain program information and application documents. While waiting on printing of the marketing materials, OPPTA developed a list of Indiana entities with an ISO 14001:2004 or self-certified environmental management system. An OPPTA representative called each facility and spoke with the environmental management representative. OPPTA was able to distribute over 200 ESP Application Folders accompanied by a letter to the facility's environmental management representative. Folders were also distributed at various conferences and workshops. Additionally, OPPTA also printed flags with the ESP logo for members to hang at their facility. OPPTA also ordered 1,500 flash drives with the ESP logo for marketing and advertising purposes to decrease the amount of paper distributed in the Application Folders.

The following list briefly describes the outreach materials developed for marketing and advertising the Indiana Environmental Stewardship Program:

- Brochure promoting the program
- CD-ROMs containing ESP application information
- Flash drives with ESP logo containing application information
- ESP Application Folders containing application information
- Personalized certificate and plaque
- Flag with ESP logo for display at facility
- ESP conference display panel
- Golf balls with the ESP logo to distribute to facility representatives at conferences

The ESP program manager developed a marketing plan to increase ESP membership, which included advertising and marketing the program at various conferences and training events throughout the life of the grant. ESP was represented at the following events:

- Building Green Conference (May 9, 2008)
- CITES Environmental Symposium (April 22, 2008)
- National Environmental Partnership Summit (May 2008)
- Indiana Opportunity Business Fair (April 15, 2008)
- ESP / CLEAN Community Challenge Seminar (August 20, 2008)
- Air and Waste Management Association meeting (April 13, 2009)
- Indiana Water and Environment Association Pretreatment Conference (April 14-15, 2009)
- MS4 conference (April 21, 2009)
- WNIT Green Expo (April 30, 2009)
- Partners for Pollution Prevention Quarterly Meeting (June 11, 2009)
- Indiana Partners for Pollution Prevention Conference & Trade Show (September 16, 2009)

In addition to issuing state wide press releases through IDEM's Media & Communications Services branch, OPPTA placed articles about the program and ESP members in the following publications:

- Indiana Chapter of Air and Waste Management Association newsletter (May 2008)
- Great Lakes Regional Pollution Prevention Roundtable LINK newsletter (May 2008)
- Indiana Chamber of Commerce *GreeNotes* listserv (August 2008)
- Workforce Innovations in Regional Economic Development (July 2009)
- Great Lakes Regional Pollution Prevention Roundtable blog (July 2009)
- BizVoice magazine (July-August 2009)

Furthermore, OPPTA sent two representatives to the 2008 Performance Track / State Conference in Seattle, Washington. The ESP program manager participated as one of the conference planners. OPPTA anticipated on hosting the next conference in 2010 and the ESP program manager contacted several Indianapolis area hotels for conference reservation rates and accommodations, but ceased conference planning activities upon termination of the Performance Track program.

Lastly, three members of ESP were featured as a segment on February 13, 2009, on Inside Indiana Business with Gerry Dick. Inside Indiana Business is headquartered in Indianapolis and provides television, radio, internet, permission-based email, and on-demand business news products. Daily business news can be watched, heard, and read in Indiana, Michigan, Illinois (including Chicago), Ohio, and Kentucky. IDEM has placed a link to view the television segment on the ESP website where viewers can watch Gerry Dick as he speaks with Jean-Francois Brossoit, Plant Manager at Carrier Corporation; Tom Easterday, Senior Vice President at Subaru of Indiana Automotive; and Sam George, former Vice President of Environmental Compliance at American Commercial Lines about being members of ESP.

OPPTA also ordered a copy of this video segment and played the video during the 2009 Partners for Pollution Prevention Conference & Trade Show.

Recommendations for Future Projects like ESP

Upon completion of the Innovations Grant, OPPTA has the following recommendations for other states or regions interested in developing a voluntary recognition program like the Indiana Environmental Stewardship Program:

1. Meet with and receive feedback and comments from prospective program participants. Collecting this information is critical in developing a program that suits the needs of the area and accounts for variations across regions.
2. It is imperative to have top-management support in each facility in to order to make environmental management system development and implementation a priority.
3. Primarily focus program advertisement and marketing on affording members with public recognition for their environmental improvements and secondly on regulatory flexibility incentives.
4. Create universal performance metrics (i.e., Environmental Performance Table) to reflect individual facility goals, yet provide a mechanism to obtain quality data.
5. Provide meaningful incentives to encourage businesses to participate and reward them for their efforts.
6. Partner with other program areas and entities to provide benefits.
7. Provide training opportunities for agency program managers by attending ISO 14001 environmental management system training or other training opportunities that will familiarize program managers with environmental management system implementation.
8. Provide businesses with an opportunity to receive environmental management system development assistance at low- to no-cost.

Project Measurement

To measure the success of the Environmental Stewardship Program, the ESP program manager tracked the number of Indiana businesses participating in ESP, number of businesses that received environmental management system or pollution prevention assistance throughout the life of the grant, and other internal and external outcomes.

Currently, there are forty-six (46) Environmental Stewardship Program members. Since the creation of the Environmental Stewardship Program, over one hundred thirteen (113) Indiana facilities have received environmental management system and pollution prevention assistance, including all fifty-seven (57) Environmental Stewardship Program applicants. Such comprehensive assistance was not provided prior to the Environmental Stewardship Program. This assistance led to external behavioral changes through the development and implementation of environmental management systems where entities identified their environmental impacts and provided training to workers on how their daily activities could impact the environment.

Moreover, the environmental management system training and pollution prevention assistance increased the knowledge and enhanced awareness of Indiana workers. This training

assisted Indiana entities with identifying potential environmental impacts as well as environmental legal requirements. Additionally, creation of the Environmental Stewardship Program resulted in environmental changes and improvements measured by the reduction of impacts to the environment as a result of environmental performance-based program initiatives. The reductions are measured using defined parameters as outlined in Attachment 8. Lastly, the Environmental Stewardship Program increased operational efficiency and led to cost-savings as a result of entities proactively managing their environmental responsibilities and adopting a continuous improvement philosophy for doing business. Such cost-savings enables Indiana facilities to shift more resources to continuous environmental improvement activities.

In addition to external outcomes, the Environmental Stewardship Program realized several internal outcomes. The Environmental Stewardship Program permitted IDEM regulators to afford regulatory benefits to program members with approved environmental management systems. IDEM inspectors and permit writers became more supportive of performance-based programs, like the Environmental Stewardship Program, because IDEM staff realized that well managed environmental management systems would enable a facility to identify and control potential environmental impacts before it occurred, which allowed the state to focus resources on facilities without such stringent environmental controls in place. Furthermore, the Environmental Stewardship Program increased the number of voluntary environmental improvement initiatives, reducing emissions beyond compliance in order to receive regulatory incentives.

IDEM management deems the Environmental Stewardship Program a success as a result of achieving the program's goals to promote environmental management systems and continuous environmental improvement; provide opportunity through regulatory flexibility incentives for members to shift resources to continuous improvement activities; and focus limited state resources on those facilities not proactively managing their environmental responsibilities.

Grant Financial Status

The time and effort coding for the final quarter of the grant is yet to be closed by IDEM's accounting office; however, IDEM anticipates fully utilizing the grant funding as well as fulfilling the in-kind grant matching agreement. The remaining grant balance and in-kind match requirement will be reflected in the final federal financial report.

Attachments

- [Attachment 1](#): Indiana Environmental Stewardship Program Eligibility Requirements
- [Attachment 2](#): Environmental Stewardship Program Member Incentives
- [Attachment 3](#): Environmental Management System Checklist
- [Attachment 4](#): Environmental Management System Independent Assessment Information
- [Attachment 5](#): Environmental Management System Independent Assessment Protocol
- [Attachment 6](#): Environmental Stewardship Program Application
- [Attachment 7](#): Environmental Stewardship Program Application Instructions
- [Attachment 8](#): Environmental Stewardship Program Environmental Performance Table
- [Attachment 9](#): Environmental Stewardship Program Confidential Site Visit Overview
- [Attachment 10](#): Environmental Stewardship Program PowerPoint Overview

- Attachment 11: Environmental Stewardship Program Compliance Check Standard Operating Procedure
- Attachment 12: Environmental Stewardship Program Application Intake and Review Standard Operating Procedure
- Attachment 13: Environmental Stewardship Program Award Ceremony Standard Operating Procedure
- Attachment 14: Environmental Stewardship Program Brochure
- Attachment 15: Environmental Stewardship Program Project Tracking Database
- Attachment 16: Event Planner Template