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Operations Handbook Virginia Environmental Excellence Program

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Introduction to the Operations Handbook

This handbook is designed to act as a reference. It summarizes information on all current aspects of program implementation, and includes references to detailed program materials. The handbook is meant to be a “working document” in that it will be maintained primarily in electronic form so that it can be quickly updated to keep it current and useful.

It should be noted that up until recently, the Virginia Environmental Excellence Program (VEEP) staff worked closely with the Performance Track staff at The Environmental Protection Agency (EPA) in the management of VEEP. In July 2000, The Virginia Department of Environmental Quality (DEQ) signed a memorandum of agreement (MOA) with EPA Region III which outlines the agencies' commitment toward regulatory innovation and VEEP. The MOA identifies the processes and procedures that will be used to review VEEP applications as well as requests by VEEP participants for regulatory flexibility.

On April 24, 2002, DEQ signed a second MOA on the program with EPA Headquarters. The MOA committed EPA and DEQ to work together to coordinate the VEEP and Performance Track programs in terms of administration, marketing and provision of incentives. At this point in time, the full impact of the cancellation of Performance Track, including the status of the MOAs, is being assessed. It is likely that many of the activities documented in this handbook will change as a consequence of the changing circumstances and the handbook will require frequent updates. Please keep this in mind when relying on the information contained herein.

1.0 OVERVIEW OF VEEP

The DEQ launched VEEP in 2000 as a voluntary recognition and incentive program for facilities of all types. Since the creation of VEEP, Virginia has come to be regarded as a leader on issues related to performance-based programs, particularly those related to the implementation of non-regulatory approaches that provide increased operational flexibility for the facility and better results for the environment.

The philosophy underlying VEEP is that economic and environmental performance are complementary. A cooperative approach to environmental performance from both the regulated community and the agency can augment the traditional command-and-control regulations. VEEP is designed to act as the platform for promoting innovation and a unique collaborative relationship aimed at maximizing the potential for superior environmental performance when that is appropriate. It is not meant to replace the regulatory and enforcement approach to environmental protection. Specifically, VEEP has set out to build relationships between member facilities and the DEQ that seek to:

- reflect trust and accountability;
- foster environmental innovation and better performance;
- facilitate a more efficient allocation of DEQ's compliance and enforcement resources; and
- facilitate a more efficient allocation of facility environmental resources.

At present, there are approximately 440 facilities participating in VEEP, representing various types of operations, from local governments (55%), state agencies (19%), federal agencies (6%), manufacturers (8%), and others (12%). DEQ believes that this broad approach is critical to the ultimate success of the program because all types of facilities can play an important role in environmental protection and leadership.

The ultimate goal of VEEP is to continue to move toward a more comprehensive environmental protection system based not only on regulatory requirements but also on environmental stewardship, incentives, innovation, and collaboration.

1.1 Program Objectives

The program's stated mission is the overall vision for VEEP and defines the essence of the program.

The mission of the Virginia Environmental Excellence Program (VEEP) is to improve environmental performance across the Commonwealth by establishing meaningful collaborative

relationships and encouraging voluntary environmental stewardship and innovation in both the regulated and non-regulated community.

The program's objectives are developed to support the mission and the metrics are used to track progress towards the program objectives. There are four objectives of VEEP. These are measurable outcomes that will define program success. The framework, management, and implementation of the program are designed to meet the objectives. The objectives are:

- Protection of Public Health and the Environment
- Increase the Business Value to DEQ
- Maximize Program Membership
- Expand Broad Stakeholder Participation

In support of these objectives, VEEP requires from its members:

- Performance and compliance based Environmental Management Systems (EMS);
- Pollution prevention;
- The systematic assessment, prioritization and measurable improvement of environmental performance; and
- Trust between the facility owners/operators and government and the public.

1.2 Program Structure

The 2005 Virginia Assembly adopted legislation that provides the legal basis for VEEP. The law outlines the 3-tiered design of the program, the requirements for participation, the annual reporting requirements, and potential incentives. Virginia benefits greatly from having this legislation which became effective on July 1, 2005 and clearly defines the design of the program.

Facilities may apply for program admission to any of three levels: Environmental Enterprise ("E2"), Exemplary Environmental Enterprise ("E3"), and Extraordinary Environmental Enterprise ("E4"). The E2 membership level of VEEP is for those facilities that are interested in beginning or are in the early stages of implementing an EMS; the E3 level is for those facilities with a fully-implemented EMS, pollution prevention program and demonstrated performance; and the E4 level is for those facilities with a fully-implemented and independently audited EMS and that are committed to aggressive measures for continuous and sustainable environmental progress and community involvement.

Facilities have increasingly more program requirements to meet as the program levels move from E2 to E3 to E4. All applicants are required to meet the E2 program requirement to provide documentation that demonstrates the following key elements related to an EMS at its facility: (1) the facility's policy statement

outlining its commitment to the environment; (2) the facility's process for identifying and evaluating its environmental impacts; (3) a list of the facility's goals or objectives for reducing environmental impacts; and (4) planned or ongoing pollution prevention projects.

In addition, all applicants are required to commit to reporting on at least one environmental measure from a provided list. E3 applicants are required to report on two measures, and E4 applicants are required to report on three. E3 and E4 applicants are also required to submit documentation demonstrating a fully implemented EMS at their facility. Additionally, E4 applicants are required to submit documentation that they have completed at least one full cycle of their EMS and that it has been reviewed and verified by a third party.

Further details of the program structure and particularly its implications on incentives are provided in the following sections.

1.3 VEEP Staff

Currently, VEEP is managed out of the DEQ's Office of Pollution Prevention in Richmond, Virginia. Staff are responsible for all aspects of recruitment, program coordination, oversight, implementation, and communications.

The Program Director is Sharon Baxter and she is supported by Keith Boisvert, Rachel Bullene, and Stephen Coe.

1.4 Regional Coordination

The regions are the front line of VEEP. As the DEQ representatives closest to the facilities, regional staff are involved in communicating with members and recruiting prospective members in their region. There is a point of contact (POC) located in each region that is the principle point of contact for the VEEP staff as well as members and prospective members. Specific responsibilities for regional staff are summarized below, and detailed throughout the chapters of the Handbook.

1.4.1 Recruitment

The regions play an important role in both short-term and long-term recruitment because they have the closest ties to individual prospective member facilities. Their opportunities to build trusting relationships with facilities can help persuade qualified facilities to consider VEEP membership. Regional activities also help brand the program at the local level, which is something that cannot be achieved by the Central Office.

Regional staffing and resource levels are extremely limited due to tight budgets and increasing numbers of responsibilities. These resource limitations affect regional efforts on recruitment; however, a minimal level of activity is crucial because regions are best positioned to help build trust with facilities considering VEEP membership. Whatever efforts they can provide, each region should be able to provide materials on the program when interacting with potential members during their normal DEQ activities.

To support recruitment activities, regional office staff will:

- Identify facilities that may be appropriate for the program as either on-ramp facilities (E2) or high-performing facilities (E4),
- Provide advice to VEEP staff in targeting potential sectors that are prime for recruitment activities, and
- Assist in compliance reviews to identify facilities which meet the compliance requirements, including having good relationships with regional staff.

1.4.2 Application Processing

Regional staff participate in compliance reviews and review applications. Regional POCs may also review a member's objectives submitted during membership renewal.

1.4.3 Member Services and Incentives Delivery

Regional POCs may work with VEEP staff to implement program services and incentives for the members in their region. In addition, Regional POCs may also work to retain program members that are faced with transitions such as new ownership or new location.

1.4.4 Site Visits

Regional staff may also attend site visits or recommend a facility for a site visit.

The primary communication mechanisms between VEEP staff and regional POCs is through calls and emails. The frequency of the calls is subject to change based upon need. In addition, coordination between VEEP staff and the regions occurs through the Leadership Team and in their periodic meetings to further facilitate communication.

1.5 Coordination with EPA

Despite the cancellation of Performance Track, the State still coordinates with EPA Region III, however the details of the coordination are currently in transition.

1.6 Integration with Media Programs and Enforcement Staff

Program staff are encouraged to be involved in VEEP as appropriate and as resources permit. Program staff may be involved in promotion of VEEP during their interactions with the regulated community as well as in identifying facilities or sectors that are appropriate for recruitment activities. The VEEP brochure and informational handouts are available to program staff for the promotion of the program (Appendix A).

Program staff may also be involved in the application review process and the delivery of incentives, as appropriate.

VEEP staff also work with the DEQ enforcement staff when it is decided that including the implementation of an EMS into a supplementary environmental project (SEP) is appropriate. At this point the facility is not a potential candidate for membership due to the compliance criteria; however, the enforcement staff may encourage the facility to work towards VEEP membership so as to gain not only the benefits of the EMS but participation in VEEP as well. VEEP staff are also available to review a facility's EMS materials as part of a SEP as well as to periodically provide comment on the model EMS that is provided as guidance to facilities implementing an EMS as part of a SEP.

Enforcement staff are also responsible for alerting VEEP staff if a member facility encounters compliance issues or seems to be headed in that direction. VEEP staff consult with the enforcement staff on any determination concerning the compliance issue and whether it should result in termination from the program.

2.0 APPLICATION PROCESS

This chapter describes procedures associated with the VEEP application process. As many program applicants first learn about the program through recruiting efforts, the chapter begins with a brief discussion of recruiting procedures. This is followed by a discussion of the application process.

2.1 Overview

Any facility in the Commonwealth that impacts the environment through its operations, activities, processes, or location is eligible to participate in VEEP, including private, governmental, and institutional operations. VEEP is a facility- and/or location-driven program, meaning that an organization's individual facility or location submits an application to the program. VEEP does not base an

organization's eligibility requirements on their size or sector; however, facilities must meet the compliance criteria for all VEEP members. For more details on the compliance criteria and the compliance review process, see Section 2.3.2.

2.2 Recruiting

VEEP's recruitment strategy is to focus on qualified facilities that would benefit from membership and contribute to significant environmental improvement. With the limited resources of VEEP staff, recruitment is carefully targeted to those facilities that provide the greatest potential environmental improvement and with the least drain on program staff time.

Specific recruiting activities are guided by or based on the current VEEP Recruitment Plan (Appendix B) which is periodically updated as needed. This plan outlines the current recruitment actions being taken by the DEQ to support the success of VEEP. It lists the program objectives that the plan supports and describes the recruitment objectives, recruitment tools, and recruitment activities aimed at the continued improvement of VEEP and its support of DEQ's overall mission. The plan is completed on at least an annual basis to form the strategy for that year's recruitment approach.

Recruitment includes both formal recruitment events and outreach efforts as well as the day-to-day promotion of the program by members, DEQ staff, and others. Activities include participating in various conferences and meetings that attract the types of facilities likely to be interested in and qualified for the program. Occasionally, VEEP will post advertisements for exposure to a larger audience. Please see Appendix C for an example advertisement. VEEP also undertakes targeted initiatives to recruit facilities that may not be reached through general recruiting activities, including federal facilities, local governments, and potential corporate-level applicants.

Mentoring is crucial in the recruitment process because it helps build trust with prospective applicants, and tears down barriers in the application process that might otherwise cause a facility to give up on joining. For more details on the mentoring program, see section 3.1.6 or the Mentoring Information Sheet in Appendix A.

2.3 Application Process

VEEP accepts facility applications on a rolling basis. The flowchart below outlines the application process and the following sections describe each of the steps in detail.

2.3.1 Application Process Overview

Facilities apply for membership to VEEP by completing one of three applications, depending upon the program level that is sought. Applications can be found at <http://www.deq.virginia.gov/veep/application.html>

Applications require standard information regarding facility name and location, entity type (e.g., local, state, or federal government, manufacturer, or other), environmental permit numbers, and a brief description of the facilities primary functions and activities. The application contains questions designed to document that the applicant meets the program criteria applicable to the program level that is sought.

Applicants can request a pre-application meeting with DEQ to discuss participation requirements. VEEP staff are also available to assist facilities in determining the program level appropriate to them.

VEEP is designed as a facility-based program and accepts only those applications for a specific facility. Multiple facilities applying from the same corporation or government agency must complete an application for each facility applying to the program.

The following section describes the review process and procedures. In rare cases, staff may seek to schedule a site visit to the facility before making a final decision. Refer to the flow chart at the end of this section for an overview of the entire process.

2.3.2 Application Review Process and Procedures

The Application Processing Flowchart at the end of this section illustrates the sequence of processing steps. Although there is no specific timeframe for completing the application process, it is generally completed within 30 days.

Application reviews focus on ensuring that:

- The application is complete and provides sufficient detail for evaluation purposes;
- The applicant meets the program compliance criteria and is considered a suitable entity for program membership;
- The application demonstrates satisfaction of all criteria for the appropriate level which is being sought; and

2.3.3 Application Submission

Facilities submit an application. DEQ staff will contact the facility once the application review process has begun. For the purposes of notifying the public, DEQ will post the names of facilities under review for participation as well as

those that have been accepted on its web site. DEQ regularly updates the web site.

2.3.4 Application Acceptance

Once an application is submitted, a Lead Reviewer is identified to see the application through the application process. VEEP Staff perform initial reviews of all VEEP applications to confirm completeness. Facilities are notified if additional information is needed.

2.3.5 Compliance Review

The Lead Reviewer then initiates a compliance review of the applicant. Compliance reviews are designed to determine if the applicant meets the program's compliance criteria.

According to the 2005 legislation codifying VEEP, to be eligible for participation in the program, a facility must have a “record of sustained compliance” with environmental requirements, meaning it:

- Has no criminal judgment or conviction against it or any of its key personnel within the past 5 years
- Has no more than two significant environmental violations in the past 3 years
- Has no unresolved Notices of Violation (NOVs) or potential violations with DEQ or one of the Boards
- Is in compliance with any orders or other enforcement order issued by DEQ, one of the Boards or EPA, and
- Has not demonstrated an unwillingness or inability to comply with environmental protection requirements.

The steps of the compliance review process are as listed in the following table:

	Office	Action	Results	Estimated Timeframe
1.	P2 Office	Conduct record review for the facility and complete the “VEEP Compliance Review Summary” with information from the following sources: CEDS, ECHO, RCRAInfo & OTIS, Local municipal government (as appropriate)	Draft facility compliance review form sent to appropriate RO and CO contacts and Division of Enforcement contact; Air Division and Water Division contacts for E3 and E4 facilities; and,	Within two weeks of receiving application.

		Other agencies (as appropriate)	EPA Region III for E3 and E4 facilities with major permits).	
2.	RO	RO to review draft facility compliance summary and add additional information, compliance history comments (including information regarding criminal convictions), pending enforcement actions, etc. If necessary, RO will contact CO media office(s) for additional consultation regarding the facility.	RO will make a recommendation to approve, deny or request additional information. <u>Note:</u> If facility was not found in CEDS or other databases, RO should not independently contact the facility for additional information. If the RO wants additional information, please contact Sharon Baxter in CO at x4344 to discuss. Office of Enforcement will contact RO contact if they have concerns about the facility and incorporate those comments into final RO response.	Within three weeks of receiving compliance review summary.
3.	P2 Office	Compile information from RO and CO media offices into a final compliance review summary for the facility.	E2 & E3 applications and renewals: Include with final recommendation package. E4 and Performance Track applications and renewals: Send to Div of Env'tl Enhancement Director. EE Div Director will contact RO for final check on E4 applications.	Within two weeks of receiving final compliance review summary.

For a sample compliance review form, see Appendix D.

2.3.6 Roles and Responsibilities.

Roles and responsibilities in terms of Central Office and Regional Office staff are outlined in steps 1 through 3 above. Contacts in those offices are:

Regional and Central Office Compliance Reviewers (for all VEEP applications):

- Maria Nold (TRO)
- Robin Schulman (TRO)
- Kyle Winter (PRO)
- Tom Faha (NRO)
- Larry Simmons (VRO)
- Dave Miles (SCRO)
- Robert Weld (WCRO)
- Dallas Sizemore (SWRO)
- Durwood Willis (Waste Division)
- Melanie Davenport (Enforcement)

Central Office Contacts (for E3 and E4 applications and otherwise as appropriate):

- Fred Cunningham (water)
- Jerome Brooks (air)

The Lead Reviewer will perform an initial compliance review using the CEDS database to determine whether clear compliance issues would prohibit an applicant's acceptance into the program. As necessary, the Lead Reviewer will verify and update compliance information in the database in conjunction with the Regional POC.

The MOA between DEQ and U.S. EPA Region 3 established procedures between DEQ and Region 3 for reviewing applications and coordinating compliance reviews. The Lead Reviewer of each application will contact the POC at EPA Region III for input on the compliance decision.

The Lead Reviewer will also check with the Regional enforcement staff for planned or ongoing enforcement activities against the applicant. The Lead Reviewer will also check with Federal Facility Enforcement staff for matters related to federal applicants.

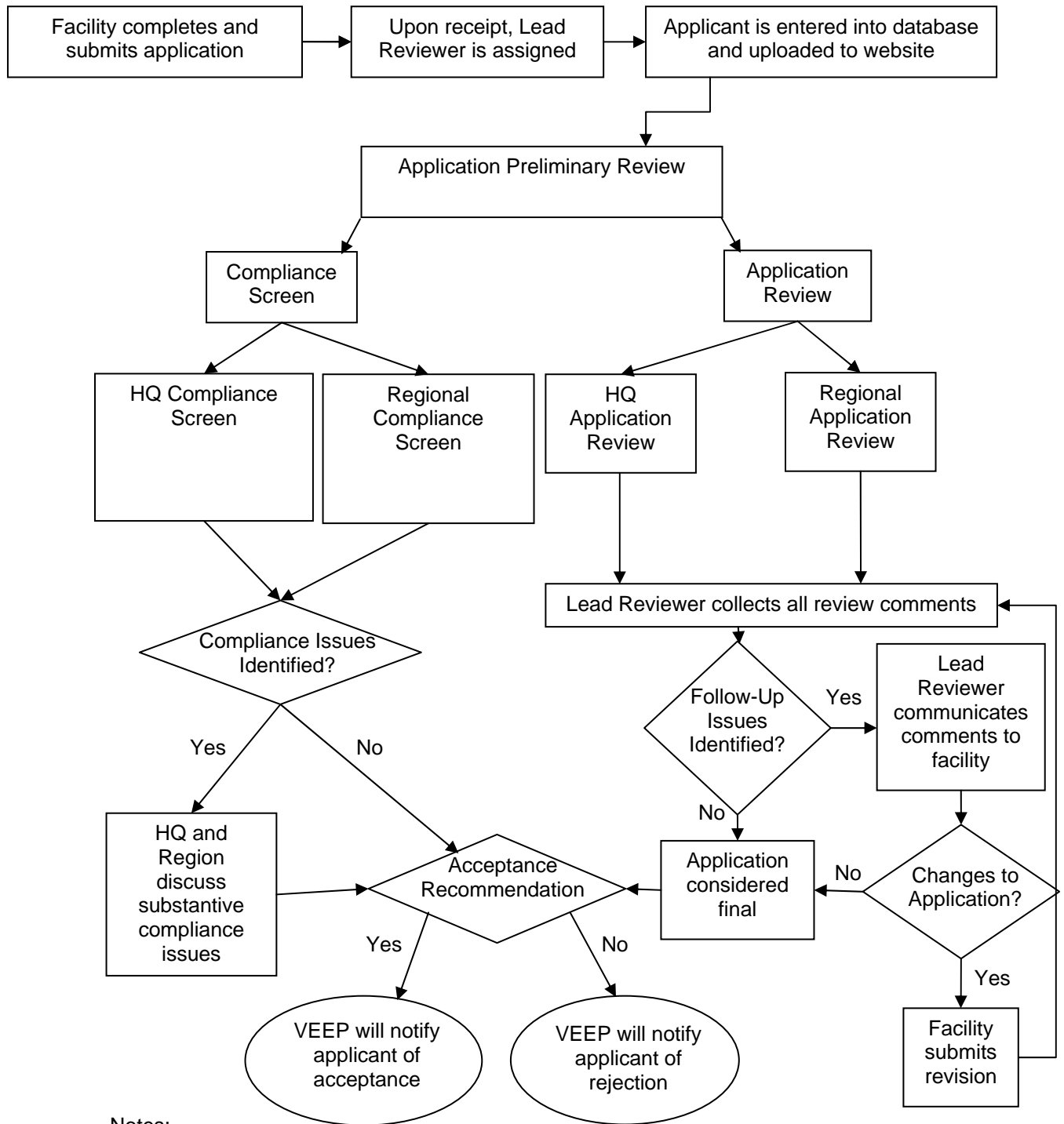
An applicant will be not be accepted into VEEP if the compliance reviews identify criminal or civil violations that bar the applicant from meeting the program compliance criteria, or if the applicant is found to have a pattern of noncompliance inconsistent with the standards of the program.

2.3.7 Review Consolidation, Follow-up, and Revisions

Once complete, E3 and E4 application materials are reviewed by a team of multi-disciplinary DEQ staff to determine whether it meets program requirements, and a site visit is conducted to review with the applicant the submitted documents.

If an E2 applicant is denied admission, DEQ will first contact the facility by phone to discuss the agency's reasoning and then follow up in writing. If deficiencies are identified with an E3 or E4 applicant facility, it will be notified and provided the opportunity to submit additional information.

APPLICATION PROCESSING FLOWCHART



Notes:

- 1.) The applicant may withdraw its application at any time during this process.
- 2.) Negative compliance screen results may halt the review process at any time.
- 3.) Renewal applications follow the same process as outlined above.

2.3.8 Processes for Membership Approval

Upon application approval, the Lead Reviewer notifies the VEEP Program Lead and a letter of acceptance is prepared. The DEQ issues the acceptance letter to the facility under the signature of the Director. For a sample letter of acceptance, see Appendix E.

VEEP makes no commitment as to when applicants will be informed of a decision on membership.

3.0 MEMBER SERVICES

This chapter documents the approaches used by the VEEP staff to communicate with members, including mailings, conferences, events, other vehicles. This section includes what are considered member *benefits* of the program. Section 4.0 includes administrative and regulatory *incentives* offered by VEEP.

Member services are the primary benefits that VEEP provides to members. Members can receive upon request a single point of contact at DEQ to facilitate communications with the Agency.

3.1 Member Communications

Communications with members is primarily through calls, emails, letters, the VEEP Newsletter, and the website. Communications can be informal and VEEP staff make themselves available to members for information requests and other requests as often as possible. Member events provide a more formal venue for communications between the VEEP staff and members. Several specific member requests or services are outlined below.

3.2 Recognition Ceremony Requests

One of the benefits offered to facilities participating in VEEP is recognition of their accomplishments and achievements. All facilities accepted into the program receive a plaque, and those at the E3 and E4 levels also receive a VEEP flag. Many facilities request a recognition ceremony to mark either their acceptance into the program or movement from one level to another. The acceptance letter communicates the offer of a recognition ceremony to the new members. DEQ highlights recent ceremonies on the main VEEP homepage.

3.3 Recognition Letter Requests

VEEP members can request that DEQ send a letter announcing their membership to local officials and other interested parties (e.g., local and/or federal agencies, congressional representatives). The availability of the recognition letter, as well as methods to request the letter, is communicated to the members through the website and in the acceptance letter. A template for press releases is included as Appendix F.

To request a recognition letter, a member must contact a VEEP staff member and provide the mailing address(es) for the letter recipient(s). Once contacted, the VEEP staff member drafts the letter and obtains the appropriate signature and sends the letter to the specified local recipient(s) with copies to the member and the applicable regional POC.

3.4 Information Requests

VEEP staff receive inquiries from members, applicants, and various other parties. VEEP staff will respond to these inquiries in an expeditious manner. When requested, VEEP staff can assist with all steps in the application process as well as provide assistance on the mentoring program, delivery of incentives, and other issues.

3.5 Member Events

Member events are important for networking, sharing of best practices, training, and technical assistance. As appropriate, VEEP may sponsor or co-sponsor webinars on technical subjects, trainings, or conferences.

The Virginia EMS Association (VEMSA) is an alliance of Virginia public entities, private business, federal facilities, and colleges and universities that promotes EMS and provides an additional forum for the recruitment of members. They sponsor conferences which are very effective at providing a venue for sharing of information and success stories, and networking.

Member events are communicated on the website, through the VEEP Newsletter, and via emails.

3.6 Awards

Additional recognition is available to members through the Governor's Environmental Excellence Awards which are supported by Virginia's Governor, the Secretary of Natural Resources, the Department of Environmental Quality,

the Department of Conservation and Recreation and other partner organizations. There are three categories of awards: Environmental Project, Environmental Program and Land Conservation. Awards are given to business and industrial facilities, government agencies and individuals and the judges are selected from business, universities, government, and the community. The judges review each application and evaluate it against specific criteria. Applicants may receive gold, silver and bronze recognition. Each year the awards are presented at an awards ceremony. Past award winners and further information can be found at <http://www.deq.virginia.gov/info/geeaward.html>.

3.7 Mentoring Program

The mentoring program matches potential members and current members with top performing facilities currently at the E4 level of the program.

Mentoring can be formal or informal. At a minimum, a VEEP member can serve as a mentor to a qualified prospective applicant who simply wants to hear what another facility thinks of the program. Additionally, a mentor may assist a qualified prospective applicant fill out the application. On the most involved level, a mentor may make long-term commitments to help an unqualified facility take actions that will help it meet membership criteria sometime in the future.

The mentoring program was created to leverage membership experience to recruit high quality applicants to the program. The mentoring program provides a means of sharing members' testimonials of the program with potential applicants as well as guiding applicants through the application process. In doing this, the mentoring program seeks to eliminate barriers whether perceived or actual in the application process. The mentoring program also presents current members with an opportunity to share best practices and promote continuous environmental improvement.

The VEEP Mentoring Program matches potential members with top performing members currently in the program. At the simplest level, the mentoring program allows a potential member to contact a current member and obtain more information about the program. This level of mentoring is appropriate for facilities that are considering applying to the VEEP and would like more information about the program from the perspective of a member. The insight and testimonials that members provide to potential members is an extremely effective method of communicating the benefits and value of VEEP membership.

A more involved level of mentoring consists of a current member forming an on-going relationship with a potential member. This level of mentoring is appropriate for potential members that would like to join VEEP and would like assistance with determining whether their facility meets the requirements of the program with implementing changes to enable their facility to qualify for the

An additional aspect of the VEEP Mentoring Program consists of member-to-member mentoring. This aspect of the mentoring program was created to facilitate shared learning and networking among the members. Member-to-member mentoring allows a facility currently in the program to improve its environmental program by working with another facility in a specific area of interest. Through the sharing of best practices member-to-member mentoring provides opportunities for continuous environmental improvement to current members. E4 members are expected to make themselves available to E2 members that may benefit from their experience and expertise.

Current members become mentors on a volunteer basis. Mentors and mentees are matched based on the mentor's facility size, industry sector, location, and other factors that the mentee may deem relevant. VEEP encourages feedback from both mentors and mentees on the mentoring program once the mentoring relationship has been established.

The VEEP Mentoring Program is marketed through several routes. The mentoring program is an integral element of the recruiting strategy and hence is integrated into the recruiting efforts of the program. Among other activities, information on the mentoring program is included in recruitment activities such as letters and phone calls to potential applicants, conferences and presentations.

3.8 Newsletter

Periodically, the VEEP Newsletter is distributed through email to provide members with brief updates on topics of interest, such as planning for and progress on site visits, updates on useful communication tools, spotlights on participating facilities' performance, and the development and implementation of program incentives.

4.0 INCENTIVES FOR MEMBER FACILITIES

Depending on a facility's level of participation (E2, E3 or E4), certain regulatory incentives may become available.

4.1 Annual Permit Fee Discounts for Water and Waste Permittees

In 2004, DEQ was directed by the Virginia General Assembly to revise its water and waste permit fee structures to fund the agency's permitting activities. The new permit fee regulations, which include discounts on annual permit fees for facilities participating in VEEP, were adopted by the State Water Control Board and the Waste Management Board in June and are in effect as of September 8, 2004. The discounts became effective in 2005 and are dependent on the facility's acceptance and continued participation in the program. The current *Procedure for Determining VEEP Water and Waste Annual Permit Fee Discount Eligibility* is

attached as Appendix G. The specific discounts for VEEP participants included in the regulations are as follows:

Solid Waste Management: Participating E2 facilities will receive potentially up to a 10% discount on annual fees; E3 facilities will receive potentially up to a 20% discount. The total of all discounts cannot exceed \$140,000 annually for all solid waste facilities.

More complete information can be found at <http://www.deq.virginia.gov/export/sites/default/veep/pdf/solidwaste.pdf>.

Hazardous Waste Management: Participating E2 facilities will receive potentially up to a 5% discount; E3 facilities will receive potentially up to a 10% discount. The total of all discounts will not exceed a total of \$26,000 annually.

More complete information can be found at <http://www.deq.virginia.gov/export/sites/default/veep/pdf/hazwaste.pdf>.

Water: Participating E2 facilities will receive potentially up to a 2% discount; E3 facilities will receive potentially up to a 5% discount. The total of all discounts will not exceed a total of \$64,000 annually.

More complete information can be found at <http://www.deq.virginia.gov/export/sites/default/veep/pdf/water.pdf>.

4.2 *Alternate Compliance Methods (ACM)*

The legislation codifying VEEP includes a provision for the DEQ to grant alternative compliance methods (ACM) to state regulations for facilities at the E3 or E4 levels.

As outlined in Section 10.1-1187.6 of the Code of Virginia, the Air Pollution Control Board, the State Water Control Board and the Waste Management Board “may grant alternative compliance methods to the regulations adopted pursuant to their authorities” for Virginia Environmental Excellence Program E3 and E4 facilities considered to be in good standing with the program. Potential alternative compliance methods (ACM) outlined by the law include “changes to monitoring and reporting requirements and schedules, streamlined submission requirements for permit renewals, the ability to make certain operational changes without prior approval, and other changes that would not increase a facility’s impact on the environment”.

The facility proposing the ACM must demonstrate that the proposed method will meet the purpose of the applicable regulatory standard through increased reliability, efficiency or cost effectiveness and provide environmental protection equal to or greater than that provided by the applicable regulatory standard. ACMs that would alter ambient air quality standards, ground water protection standards or water quality standards will not be approved. Additionally, ACMs that increase pollutants released to the environment, increase impacts to state waters, or otherwise result in a loss of wetland acreage will not be approved.

In order for DEQ to review requests from facilities for ACMs, it is critical that all information necessary for the agency to evaluate the appropriateness and feasibility of the proposed alternative approach be submitted. A facility's submittal should address each section of the request form and explain in detail the proposed ACM, including a demonstration showing how the ACM will meet the intent and be equivalent to or exceed the established standard from which relief is sought. This may require submittal of both documentation and references to demonstrate that the intent is met and to support their claim of equivalence.

DEQ does not provide a list of potential ACMs. Instead, proposals come from facilities. Therefore, it is the responsibility of the requesting facility to demonstrate the intent and equivalency of their proposal is consistent with currently established compliance method.

The form to request an alternate compliance method is included as Appendix H.

5.0 SITE VISITS

Site visits are made to the facility of all E3 and E4 applicants. Site visits are again made during the renewal process for E3 and E4 facilities. However, upon request, VEEP staff are available to make pre-application site visits or site visits to E2 facilities. Site visits provide an excellent opportunity for face-to-face interaction between program staff and program applicants or members in a collaborative setting.

A typical site visit covers the major components of the program including: the facility's EMS, performance objectives, and community activities. Time is also allotted for a tour of the facility, with a focus on viewing of activities or projects associated with the facility's performance objectives.

The E3/E4 Site Visit Protocol for Evaluating Performance is included as Appendix I.

6.0 ANNUAL PERFORMANCE REPORTING

Annual performance reporting is a vital aspect of the program. The annual reports document the performance progress of its members as well as verifying that the members continue to meet the criteria.

6.1 Annual Report Overview

VEEP members are required to submit annual reports by April 1 for the previous calendar year. Annual reports include data on the environmental indicators selected by the applicant in its application. Required data begins with a baseline, developed from the year the facility was accepted into VEEP or renewed its membership. Reports are prepared using standardized units to protect business confidentiality. DEQ provides a list of common conversions at www.deq.virginia.gov/veep/reporting.html. VEEP's online reporting system (www.veeponline.org) allows for online submittal of annual reports and provides a tutorial with completed sample reports.

The primary purpose of the Annual Report is for members to demonstrate that they continue to meet program criteria and are making good faith efforts toward meeting performance commitments. Additionally, report data allows DEQ to analyze and communicate the environmental improvements that members are making. The information that members provide in their reports should be complete, transparent, and accurate.

Members that do not submit an annual report risk having their membership revoked.

6.2 Annual Performance Reporting Review Process and Procedures

The Annual Performance Reporting Process Flowchart at the end of this section illustrates the sequence of reporting and processing steps. Key steps of the annual performance reporting process, including associated policies and procedures, are discussed below.

6.2.1 Report Submission

Members submit their annual report online. DEQ staff will contact the facility once the application review process has begun. For the purposes of notifying the public, DEQ will post the names of facilities under review for participation as well as those that have been accepted on its web site.

6.2.2 Report Review

When a report is received, VEEP staff conduct an initial review to determine whether the report is complete or there are outstanding issues to be resolved. A

staff member conducts follow-up with the facility to resolve them or if there are no significant issues after a staff member has reviewed and discussed the initial comments. That person serves as a single point of contact for the member throughout the review process.

Reviewers evaluate the report's clarity, completeness, and/or accuracy. Reporting issues may include missing or insufficient data, non-standard reporting, or major changes in performance commitments as documented in the member's application. Qualitative issues to note in the review include assessment and audit results, progress toward achieving commitments and extent of public outreach activities, if required.

Reviewers identify issues that require follow-up, document all findings, and prepare to follow up with the facility.

6.2.3 Follow-up with Members

Reviewers conduct follow-up with members as necessary.

6.2.4 Report Acceptance Procedures

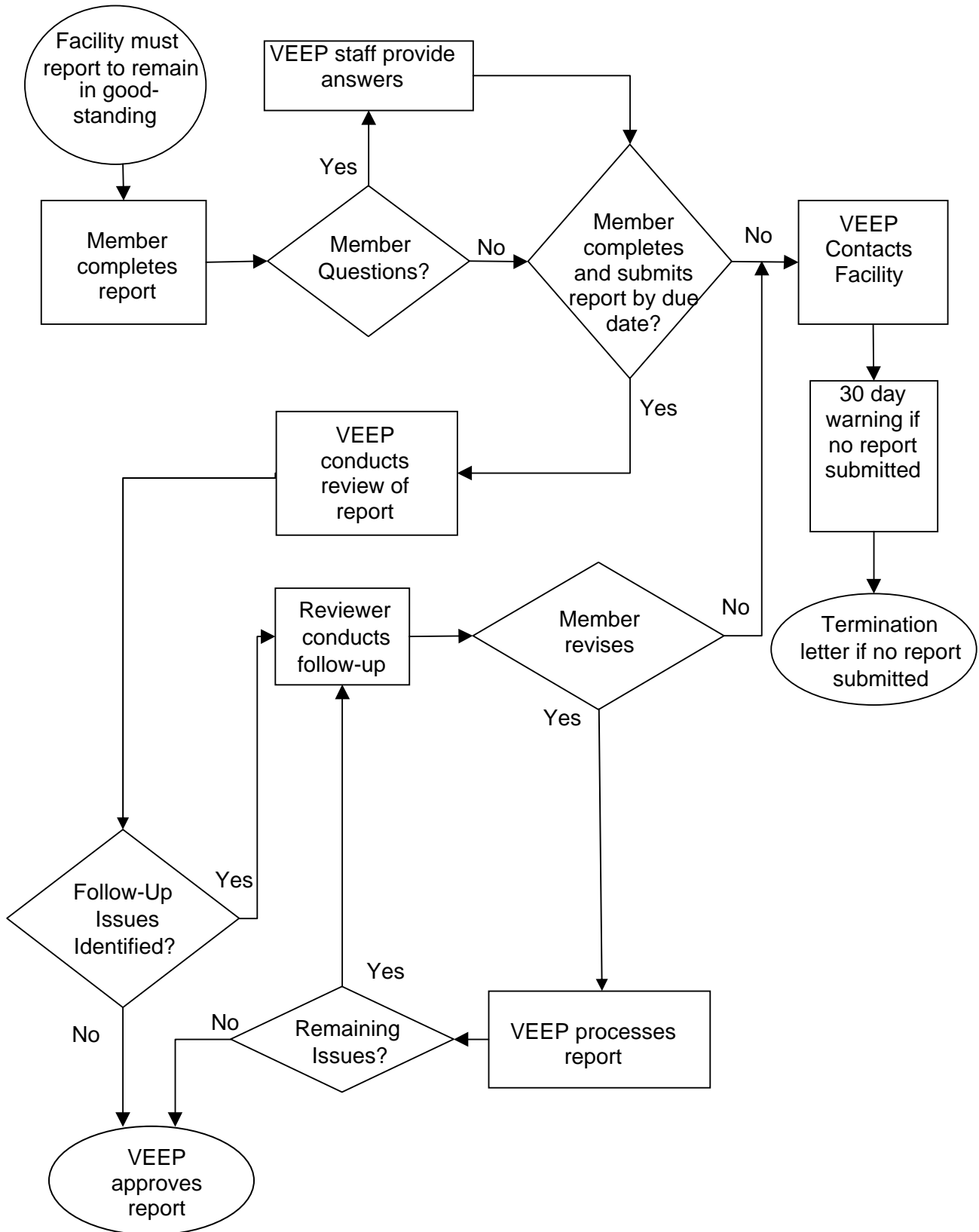
Once the report is deemed to be complete, it is accepted by the VEEP staff.

6.2.5 Facilities that Fail to Submit an Annual Report

If DEQ does not receive an annual report from a member, they will be contacted by a VEEP staff member. Several reminders will be made either through email or calls. If the member still neglects to submit a completed report, they will receive a letter warning that the member has 30 days to submit an annual report or their membership will be terminated. If no report is submitted within 30 days, membership in the program will be terminated.

See Section 7.3 for further details on the procedure for terminating membership.

ANNUAL PERFORMANCE REPORTING FLOWCHART



7.0 MEMBERSHIP STATUS

This chapter outlines procedures related to membership status issues. The first section reviews the communication protocol for contacting members, focusing on identifying the correct facility contact person for specific types of program communications. Subsequent sections describe procedures for commitment changes, membership renewal, and membership withdrawal.

7.1 Membership Renewal Procedures

VEEP facilities are required to renew their participation in the program every three years to maintain membership status. Due dates are quarterly, based on time of original acceptance: January 1, April 1, July 1 and October 1.

All members in good standing will be invited to renew their membership. To be in good standing, a member must continue to meet the program criteria and demonstrate good faith improvement toward meeting commitments or offers explanations for why progress has not been made. E4 facilities are expected to make continuous and sustainable environmental progress and community involvement.

Procedures for membership renewal are the same as for original applications and as described in Section 2.3. Members will be informed if they are accepted for renewal. Members not accepted for renewal will receive a letter informing them of the termination of their membership.

The VEEP Renewal Form is available for download at: www.deq.virginia.gov/veep/renewal.html.

7.2 Member Withdrawal Procedures

Members may choose to withdraw from the program at any time. The member should contact VEEP staff by letter or email to inform them of their desire to withdraw from the program. A note will be added to their file and they will be removed from the website.

7.3 Member Termination Procedures

Termination or removal from VEEP may occur in the following situations:

- Failure to document overall improvement in environmental management system and pollution prevention in the annual

- report (required documentation will differ for the E2, E3 and E4 program levels);
- Significant change in compliance status such that the facility no longer is considered to have a record of sustained compliance; or
 - Failure of the facility to meet its commitments to the program on a continuous basis.

A review for possible removal will automatically be triggered under these circumstances. Applicants will have an opportunity to request a reconsideration of a termination decision by the Director of the Division of Environmental Enhancement. If a facility is terminated from the program, it must reapply to be considered for participation in the future.

8.0 INFORMATION/DATA MANAGEMENT

8.1 Overview

VEEP uses a performance data tracking system and various spreadsheets and documents located on a shared drive to track membership informational and performance data. Due to the cancellation of Performance Track and other factors, the online application system and data management procedures are in transition.

For reporting, an online system is used (<http://www.veeponline.org/>) that allows members to enter their data remotely.

8.2 Website

Both internal and external stakeholders rely heavily on the VEEP website as a source for information, resources and tools for understanding VEEP. The Website contains general information and background on the program, including current information on program criteria (including details on the application process); member benefits; program members and applicants; and resources for applicants and members.

Appendix A: VEEP Brochures and Informational Handouts

Appendix B: VEEP Recruitment Plan

Appendix C: Example Advertisement

Appendix D: Sample VEEP Compliance Review Form

Appendix E: Example Acceptance Letter

Appendix F: Template for Press Release

**Appendix G: Procedure for Determining VEEP Water and Waste
Annual Permit Fee Discount Eligibility**

Appendix H: Alternative Compliance Method Request Form

Appendix I: E3/E4 Site Visit Protocol for Evaluating Performance