

US EPA ARCHIVE DOCUMENT



State Innovation Grant Program: Wyoming

Watershed Based WYPDES Permitting for the Powder River Basin (2004 Competition)

The State Innovation Grant Program

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

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

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

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

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

Project Background:

The Powder River Basin (PRB) covers roughly 9,000 square miles in Wyoming and is home to a range of industrial activities including coal mining, oil and gas treatment, and coal bed methane development. Historically, the Wyoming Department of Environmental Quality (WDEQ) issued individual Wyoming Pollutant Discharge Elimination System (WYPDES) permits for discharges into the PRB for each industrial point source. However, recognizing the significant potential for water quality impacts from the combined discharges of these industrial sources, WDEQ decided to fortify its WYPDES permitting process by creating watershed-based permitting tools to better protect water quality within the Powder River Basin.

A watershed-based permit differs from traditional permitting programs by making a cumulative assessment of the potential impacts to water quality in a basin, incorporating all sources of a pollutant of concern into a single permit. Although there are a range of industrial point sources in the PRB, WDEQ's watershed-based permitting project is focusing specifically on effluent from coal bed methane recovery operations. WDEQ's watershed-based permits are designed to address pollutant loadings by introducing effluent limitations, as well as allocating pollutant loads across the hundreds of coal bed methane recovery sources in the Powder River Basin within Wyoming. This pilot project is being launched with the help of funding from EPA's State Innovation Grant Program.

Project Description

WDEQ's watershed-based permitting project is designed not only to achieve results in protecting water quality in Wyoming, but also to address emerging concerns over the quality of water in the



Powder River as it crosses the border into Montana. Other project goals include:

- Establishing targets for water pollutant concentrations and loading for the project area based on the water quality targets for surface waters that are deemed necessary to support existing uses;
- Developing and implementing an efficient permitting approach that incorporates the collective impacts to water quality throughout the watershed;
- Streamlining the WYPDES permit application process and strengthening the WYPDES regulatory mechanism to achieve compliance with established water quality standards; and
- Developing a template for watershed-based WYPDES permitting that is potentially transferable to other watersheds in Wyoming and other states with similar permitting issues and watersheds.

Project success will be measured through a number of indicators including:

- Improvement in water quality, allowing discharge drainages to maintain their designated uses;
- Reduction in an applicant's permitting cost by eliminating site-specific permits once a watershed-based permit is in place;
- Reduction in permit application processing times; and
- Reduction in WDEQ operational costs from reducing the personnel hours needed to process permit applications.

To date, WDEQ has achieved several key project milestones, including sponsoring the initial stakeholder committee meetings for targeted areas of the Basin

and conducting watershed-based WYPDES permitting stakeholder meetings. Building on these efforts, WDEQ has finalized waste load allocations within the Powder River Basin, and implemented several watershed permits. Upon completing their pilot project, WDEQ plans to produce a final report to help transfer this approach to more watersheds and states.

Connection to EPA's Goals:

WDEQ's project directly supports EPA's Strategic Goal #5, focused on compliance and environmental stewardship, by promoting an innovative approach to improve compliance and pollution prevention. The project also supports EPA's Goal #3 to provide clean and safe water, as well as the Cross-Goal Strategy of promoting innovation and collaboration with states.

Project Contacts:

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