⬤EPA Environmental Results Program (ERP)

Business Sector Fact Sheet: Dry Cleaners

What is ERP ?

The Environmental Results Program (ERP) is a performance-based regulatory approach designed to improve environmental compliance and performance in specific industry sectors. ERP is an effective way for states to manage numerous small pollution sources that have potentially large cumulative impacts. It is a multimedia approach to implementing environmental regulations through a combination of sector-focused compliance assistance, self-certification, enforcement, and statistically-based performance measurement.

ERP places accountability for environmental management on regulated facilities – regulators educate facilities about their environmental impacts and compliance obligations as well as best practices to alleviate potential adverse impacts. Facilities are then asked to self-evaluate and certify compliance. By conducting "before and after" inspections and applying statistical analysis, regulators can verify compliance, measure and track environmental performance, determine priorities, and leverage limited inspection and enforcement resources.

State and local governments implement ERP in different ways. Some states have adopted ERP as a mandatory program requiring self-certification of all facilities in a sector. Some states have made it voluntary, encouraging facilities to participate in order to obtain the benefits of compliance assistance and the certainty of knowing their compliance status. In some cases, ERP has been used as an alternative to permitting for large numbers of small facilities.

What are the key elements of ERP?

The following key elements of ERP and their associated tools are directly linked.

- **Multi-media compliance assistance** by regulatory agencies through compliance assistance workshops and plain language workbooks and checklists
- **Self-certification** of compliance by businesses
- **Statistically-based environmental performance measurement** through baseline inspections and post-certification inspections at randomly selected facilities, as well as through targeted inspections and evaluation of sector-specific indicators to track performance and compliance.

Compliance assurance and enforcement is an integral part of ERP that underlies all three of these key elements.

To which sectors is ERP being applied?

States have initiated or implemented ERP in the following sectors:

- Autobody/Repair
- Dry cleaning
- Printing
- Underground storage tanks/Retail gasoline sales
- Auto salvage yards
- Photoprocessing
- Dental facilities/Mercury

States are also exploring the possible application of ERP to emerging sectors such as animal feeding operations (AFO) and underground injection control (UIC) wells.

What States have initiated or implemented ERPs?

- Delaware
- Florida
- Maine
- Massachusetts
- Michigan
- Minnesota
- New Hampshire
- Rhode Island
- Vermont
- Wisconsin

The District of Columbia and Maryland have used some of the ERP elements and tools, and additional states are exploring ERP.

Dry Cleaning Sector

The dry cleaning industry is subject to both federal and state environmental regulations pertaining to air, water, and solid and hazardous waste generation. This sector mainly consists of a large number of small businesses, which use a range of chemicals and cleaning methods, including perchloroethylene (perc), petroleum (hydrocarbons), carbon dioxide, silicone-based cleaning, and "wet" cleaning. Environmental and public health risks can be introduced if some of these chemicals are released (e.g., via process leaks or fugitive emissions), depending on the amount of emissions as well as the route and duration of human exposure to them. Small dry cleaning facilities are found as "free-standing" operations as well as "co-residential" operations located within urban apartment buildings. Many small business dry cleaner owners and/or operators have limited resources for understanding environmental and health risks as well as federal and state regulations to control them. Thus, while a small free-standing dry cleaning shop may present a relatively low environmental and health risk on its own, the risks presented by the sector as a whole can be significant due to the cumulative impacts of a large number of small facilities. Regulators recognize these challenges, while they are also faced with limited inspection and enforcement resources.

Through ERP (compliance assistance, self-certification, and statistically-based performance measurement) regulators can better target and leverage their limited resources while also minimizing the overall environmental and health impacts of the dry cleaning sector. The states of Massachusetts and Michigan, with 660 and 940 dry cleaners respectively, are at different stages of developing and implementing ERPs that assist small dry cleaning facilities in understanding and complying with environmental regulations. A goal common to both programs is to improve sector-wide compliance and environmental performance through a systematic and information-driven approach to regulatory oversight. The State of New Hampshire is also exploring the development of an ERP for dry cleaners.

Highlights of ERPs for small dry cleaners in Massachusetts and Michigan are provided in this fact sheet.

NCEI

NATIONAL CENTER FOR ENVIRONMENTAL INNOVATION

Background

In 1997 the Massachusetts Department of Environmental Protection (MADEP) realized their Ozone Attainment goals under National Ambient Air Quality Standards (NAAQS) were not being achieved. MADEP estimated that numerous small pollution sources (approximately 30,000) were creating a significant environmental impact. Faced with a shrinking budget and limited staff resources, MADEP's Bureau of Waste Prevention asked two key questions of its work: 1) How does MADEP most effectively and efficiently regulate large groups of facilities or activities with its limited resources; and 2) How does MADEP know that its compliance assurance efforts (permits, inspections, compliance assistance, enforcement, etc.) yield environmental performance improvements?

Building on successful multimedia- and pollution-prevention-based approaches, MADEP developed the Environmental Results Program to address these questions. The program was to function as a performance-based approach to controlling pollution in the regulated community (e.g., dry cleaners) through less-prescriptive means than traditional approaches. Due to the ERP program, MADEP has established an accurate baseline "universe" of dry cleaning facilities and since 1997 can account for over 95% of all dry cleaning facilities in the state (compared to 10% prior to implementing ERP).

MADEP developed a range of materials and tools to drive and measure environmental performance through ERP. They include sector-specific compliance assistance workbooks written in plain language, the self-certification process and workshops, and a statistical approach to measure environmental performance. The statistical approach to performance measurement is based on sixteen sector-specific indicators of environmental business practices, also known as Environmental Business Practice Indicators or EBPIs (e.g., facility has emergency procedures in place). As measured by EBPIs, MADEP has documented overall sector-wide improvements in environmental performance. These materials and approaches have subsequently been shared with other states to use or consider as models.

After developing and implementing the core ERP elements of compliance assistance, self-certification, and performance measurement, MADEP began annual certification in three sectors: dry cleaners, photo processors, and printers.

Status and Program Updates

- In 1996 the industry average baseline score for environmental performance in the dry cleaning sector (incorporating all sixteen EBPIs) was 84%, and by 2002 it rose to 98%.

- Between 1996 and 2000, compliance improvements in weekly leak detection by dry cleaners were estimated to have reduced perc emissions by 22.5 tons.

- By 2004, MADEP had completed their eighth annual certification of dry cleaners and photo processors and their seventh annual certification for printers. They had also developed ERPs for additional industry sectors.

- In order to streamline paperwork processing (e.g., registration, compliance certification, reporting), MADEP has taken deliberate steps to automate the ERP process and data collection. In 2004, the first year of electronic filing, MADEP received 60% of its certifications on-line.

Upcoming Milestones

MADEP is currently beta testing improvements to its automation system that will enhance: 1) management and analysis of inspection data, 2) statistical analysis of environmental performance data, 3) analysis of environmental outcomes, and 4) graphical presentation of environmental performance results.

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Michigan Department of Environmental Quality

Michigan Environmental Results Program for the Dry Cleaning Sector

Background

In 2004 the Michigan Department of Environmental Quality (MDEQ) began developing a multimedia (e.g., air, water, and waste) regulatory inspection program for the small business dry cleaning sector, utilizing the ERP approach of compliance assistance, self-certification, and performance measurement as an alternative to traditional state permitting programs. The Michigan Environmental Results Program (MERP) could, for example, be proposed to replace state permitting programs related to National Emission Standards for Hazardous Air Pollutants (NESHAP) for small (area source) dry cleaning facilities that use perchloroethylene or petroleum solvents. To further promote compliance across the sector, MDEQ is also planning to incorporate community involvement, application of business incentives, and electronic self-certification and reporting into its ERP program. Through MERP, MDEQ plans to leverage internal and external resources, including partnership with USEPA Region V, local trade associations, community organizations, businesses, and economic development agencies.

MDEQ received a State Innovation Grant (SIG) from USEPA to develop and pilot its dry cleaning ERP as a voluntary program. MDEQ is developing this program to aid owner/operator understanding of all applicable environmental regulations in the dry cleaning sector, to improve facility compliance with these regulations, and to enhance sector-wide use of pollution prevention activities and best management practices. MDEQ also hopes to aid the development and transfer of useful template ERP materials to other sectors and states as it builds on similar materials and experience shared by MADEP.

Status and Program Updates

- An internal MDEQ stakeholder workgroup for MERP has been established.
- MDEQ has drafted a list of regulatory flexibility options, which it is exploring with USEPA.

Upcoming Milestones

In 2005 MDEQ plans to develop compliance assistance tools transferable to other states, including a self-assessment checklist and workbook for facilities, multimedia inspector checklists, industry self-certification forms, and other materials. To maximize efficiency in processing MERP data, reports, and paperwork, a database system will also be built. In addition, MDEQ will develop a series of performance measures and criteria. In 2006 MDEQ plans to perform baseline inspections and introduce MERP compliance assistance tools to inspectors. All tools and materials will be provided to dry cleaners through compliance assistance workshops around early 2007. Facilities will then complete compliance self-certification forms as well as any return to compliance plans (to correct deviations) and submit them to MDEQ for review and analysis. Post-certification inspections will follow.

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EPA Assistance

EPA provides a range of technical and financial resources to support ERP projects. This assistance is available through several mechanisms:

- **State Innovation Grant Program** http://www.epa.gov/innovation/stategrants;
- **OSWER Innovation Pilots Program** http://www.epa.gov/oswer/iwg
- **Project planning through contractor assistance;**
- **Invitational travel support for state-to-state exchange of experience and technical knowledge;**
- **Technical document preparation** (e.g., guidance, workbooks, fact sheets, contractor support);
- **Coordination among EPA Headquarters and Regional Offices;** and
- **ERP website** http://www.epa.gov/permits/erp.

A list of State ERP projects and contacts is available on the ERP website.

Publications

These publications and other helpful resources are available on the ERP website.

- ERP User's Guide for Government Agencies
- A Generic Guide to Statistical Aspects of Developing an Environmental Results Program
- ERP Roadmap providing guidance on how to develop an ERP
- ERP fact sheets focusing on states' progress in implementing ERP in specific sectors:
  - o Underground Storage Tanks
  - o Automotive Repair Shops
  - o Dry Cleaners
- EPA National Model UST ERP Workbook in paper and electronic versions
- Guide to Data Management for the Environmental Results Program.

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ERP Website:
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