State Innovation Grant Program: Wisconsin

Wisconsin Autobody Refinishing Shops in Six States (2009 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 2009, the State Innovation Grant program competition awarded over eight million dollars to support 40 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, 2002-2009

Competition Year	Proposals Submitted	Proposals Selected	Total Program Funding ($)
2002/2003	29	6	$618,000
2004	33	9	$1.526 Million
2005	26	7	$1.528 Million
2006	25	6	$1.355 Million
2007	17	7	$1.644 Million
2008	12	3	$830,000
2009	26	2	$590,000
Cumulative Total	168	40	$8.091Million

"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)

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:

New federal rules to reduce air toxic emissions are affecting thousands of very small sources (e.g. autobody refinishing shops) that previously had little to no formal regulation by state or federal environmental agencies. Needed emissions reductions will not be achieved without some effort to help small sources understand and comply with the requirements of the new rule. Many states lack sufficient resources to implement and enforce the new rules. An Environmental Results Program (ERP) will more efficiently and cost effectively reach small businesses and improve their compliance and environmental performance as opposed to the more traditional permitting and compliance system.

Project Description

The Wisconsin Department of Natural Resources (WDNR) and the Wisconsin Department of Commerce Small Business Clean Air Assistance Program will partner with other states Small Business Environmental Assistance Programs (SBEAPs) in Region 5 to develop an ERP for the autobody refinishing sector affected by the Subpart 6H area source National Emission Standards for Hazardous Air Pollutants (NESHAP), which will include compliance assistance, self-certification, and statistical analysis of baseline and post-certification measurement performance. The primary purpose and focus of the project will be to increase compliance with Subpart 6H, but education and collecting data on best practices in energy efficiency and pollution prevention are also important aspects of the project.

State environmental agencies and EPA regional offices will work together to implement dozens of new area source NESHAPs and to reduce air toxics emissions. Use of plain-language materials that explain the requirements and how to comply are more

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effective at achieving positive change in the behavior of small businesses, as opposed to using a compliance inspector and a permit document written in legal terms. In addition, random sample baseline visits will be conducted to measure whether the outcome of improved environmental performance of the shops affected by the new area source rule has been achieved.

The Region 5 ERP for autobody shops will develop in the following phases:

1. The universe of sources in the project will be compiled. Each state's SBEAP will compile a list of the autobody refinishing universe and decide which areas in their state will be selected for focus.

2. State SBEAPs and consultants will conduct the baseline visits. They will be trained together to ensure common understanding of the measures and statistical principals for data gathering are followed.

3. SBEAPs along with EPA staff and other stakeholders will develop common materials for the compliance assistance phase of the ERP.

4. A self-certification checklist that also meets the needs of the Notification of Compliance Status for Subpart 6H will be provided to all shops and any necessary follow-ups will be done by Region 5 EPA.

5. Region 5 EPA will conduct random compliance inspections following the self-certification phase.

6. After completion of the compliance inspections, all data will be compiled and a final report will be written.

Environmental outcomes in air practices, air record keeping, and possible hazardous waste are all expected to be observable upon completion of the Region 5 ERP project for autobody refinishing shops. In addition, many indicators for industrial wastewater and pollution prevention are possible: including the percentage of facilities discharging industrial wastewater to surface water, the percentage taking one or more actions to conserve energy and the percentage taking one or more voluntary actions to further reduce toxics.

Connection to EPA's Goals:

This proposal will support EPA's Strategic Goal #1, healthier outdoor air and reducing emissions of air toxics, by focusing on implementing the NESHAP for Area Sources of Paint Stripping and Miscellaneous Surface Coating, 40 CFR Part 63 Subpart 6H, to help reduce air toxics throughout the Region 5 states. The project also supports EPA's Goal #5 in compliance assistance, reducing environmental risks in all areas, including those with environmental justice concerns, and to prevent pollution, promote environmental stewardship; and promote improved environmental performance through a project with a sector-based and performance-based focus conducted largely by providing direct assistance to small businesses.

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