



State Innovation Grant Program: New York

New York State Small Business Sectors ERP Implementation Pilot Project (2007 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 New York State Department of Environmental Conservation (NYSDEC) has the primary responsibility for implementing and enforcing environmental regulatory programs within the state. Historically, due to resource limitations, NYSDEC has had difficulty ensuring the environmental compliance of various small business sectors with large numbers of small pollution sources. Specifically, auto body shops and printers are two sectors with numerous facilities for which NYSDEC has had difficulty providing adequate regulatory oversight. Both printers and auto body shops handle volatile solvents and generate hazardous wastes on a regular basis. The Environmental Results Program (ERP) approach has been demonstrated by several states to be effective in bringing a greater number of regulated facilities into regulatory compliance in a more timely and cost-effective manner than conventional compliance monitoring efforts.

In addition, state legislation, Article 28 of the Environmental Conservation Law (ECL), has given NYSDEC broader authority to promote pollution prevention as the preferred means for achieving environmental goals including reducing energy and resource consumption. While maintaining and continuing to enhance important existing regulatory programs, this law requires the development of incentives to foster innovation and adoption of the safest, most sustainable production methods, work practices, products and technologies.

NYSDEC received a 2007 US EPA State Innovation Grant to develop and implement an ERP modeled after the general ERP framework developed by the Massachusetts Department of Environmental Protection and demonstrated by other states. ERP combines compliance assistance, self-certification,



and statistically-based agency auditing to improve environmental performance within a targeted sector.

For this project, NYSDEC has partnered with four other New York State agencies to assist in its development and implementation, and to provide sector-specific outreach and technical assistance regarding pollution prevention and energy efficiency practices. These agencies are:

- New York State Department of Economic Development (NYSED)
- New York State Environmental Facilities Corporation (NYSEFC)
- New York State Energy Research and Development Authority (NYSERDA)
- New York State Office of Science, Technology and Academic Research (NYSTAR).

Project Description

The NYSDEC ERP will be a multi-media mandatory program and will initially focus on the auto body and printing sectors. The project will then be expanded to include an additional small business sector that will be determined by NYSDEC and its project partner agencies. The project will be completed in three overlapping phases. Phase 1 and 2 will consist of developing and implementing pilot ERPs for auto body shops and printers, both exclusively in NYSDEC Regions 4 and 9. During Phase 3, NYSDEC will begin implementing the ERPs for these sectors in the remaining seven NYSDEC Regions. Phase 3 will also initiate the development of an ERP for the additional small business sector.

NYSDEC's goals of this project are to: 1) use ERP tools to help increase compliance and promote pollution prevention and energy efficiency concepts through assistance and outreach to these three business sectors as a model for future expansion to the state's various small business sectors and 2)

provide measurable improvement in the environmental performance and pollution prevention and energy efficiency practices of these three business sectors in a more timely and cost effective manner than traditional compliance assistance and monitoring efforts.

The project began with the award of the grant on October 1, 2007 and will take four years to complete.

Connection to EPA's Goals:

This project has a direct link to Goals 1, 3 and 5 of the EPA Strategic Plan. Specifically, this project seeks to improve environmental performance through pollution prevention and innovation, and achieve measurably improved environmental performance through sector-based approaches, performance-based programs, and assistance to small business (Goal 5). It also seeks to reduce risks from toxic air pollutants (Objective 1.1) by reducing emissions of volatile organic compounds as well as reducing releases to the environment by managing hazardous wastes properly (Objective 3.1).

Project Contacts:

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