



State Innovation Grant Program: Rhode Island

Rhode Island Underground Storage Tanks—Alternative Inspection Programs and the U.S. Energy Policy Act of 2005 (2006 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:

Noncompliance with underground storage tank (UST) requirements, often leading to groundwater contamination, is a national issue. Groundwater contaminated with fuel and petroleum product constituents such as benzene and methyl tertiary butyl ether (MTBE) has resulted in the impairment of potable water supplies for millions of people nationwide.

To prevent leaks and protect groundwater resources, Rhode Island General Law (RIGL) requires all state registered USTs used for petroleum products to be inspected at least once every two years. The Rhode Island Department of Environmental Management (RIDEM) chose to satisfy this biennial inspection requirement by adopting the Environmental Results Program (ERP) approach, developing the first state-wide mandatory ERP for the UST sector. The program uses a system of compliance assistance, annual facility self-certification, and random and targeted inspections, coupled with statistically-based performance measurement to assess compliance rates for the UST sector. This approach enables RIDEM to target inspections at facilities that do not complete self-certifications or provide inconsistent answers, and spend fewer resources on facilities that maintain compliance with regulations.

RIDEM's UST ERP will likely be affected by the federal Energy Policy Act of 2005, which requires that state environmental agencies inspect all USTs on-site at least once every three years. Satisfying the new federal requirements will necessitate a much larger investment in inspection staff and on-site inspections. The Energy Policy Act also mandates that EPA study alternatives to traditional inspection programs, and report to Congress within four years of enactment. While Rhode Island will perform additional inspections to meet the requirements of the Energy Policy Act, RIDEM is reluctant to terminate its existing UST ERP program without first determining if the program is equally effective as a traditional inspection program in achieving UST tank requirement compliance.

Project Description

The project consists of two major parts: 1) RI UST ERP performance measurement; and 2) an interstate comparative evaluation study. RIDEM is partnering with the Florida Department of Environmental Protection (FLDEP) and the University of Rhode Island (URI) in this effort. Rhode Island selected FLDEP as a partner for the interstate comparison



component of the study. In Florida, petroleum product releases from more than 28,000 facilities have threatened groundwater supplies used by 92 percent of the population. In response, Florida enacted some of the most stringent UST rules in the country. FLDEP conducts traditional facility-by-facility UST inspections on a yearly basis, and has historical inspection data dating back to 1983.

The RIDEM project is examining factors such as cost-effectiveness, staff investment, efficiency, and compliance rate improvement over time to determine the effectiveness of UST ERP versus a traditional UST inspection program. Rhode Island's existing measures of UST ERP progress will be matched against corresponding measures from FLDEP's databases. Specifically, this project will:

- evaluate industry performance (compliance rates/leak prevention) under ERP for federally regulated facilities;
- determine the applicability of ERP to the RI state regulated tank universe;
- identify and evaluate key variables associated with facility noncompliance;
- compare cost data and results obtained from ERP facilities and traditional facility-by-facility inspection models; and
- provide data and information to inform RI tank management policy decision makers and the upcoming EPA study mandated by Congress under the Energy Act.

Additional objectives for the project are to encourage the use of best management practices, to promote lasting change and improvement in environmental performance, and to develop a model framework that can be transferred to other states.

The results of this study are particularly important to other States interested in or currently pursuing UST ERPs, including Virginia and Vermont. The project will inform decisions by other states in determining if ERP for USTs is a suitable alternative inspection/compliance program and how such a program may fit into the requirements of the Energy Policy Act.

The project is anticipated to take three years to complete.

Connection to EPA's Goals

RIDEM's ERP comparison project for underground storage tank requirements supports EPA's strategic goals (Goal 2) through the evaluation of performance rates for underground storage tanks for which non-compliance with requirements can lead to contamination of groundwater supplies. This project also produces results applicable to EPA Strategic Goal 5, by improving environmental performance through pollution prevention and

innovation.

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