



State Innovation Grant Program: Virginia

Infrastructure and Capacity Building for Improved Incentive Development and Delivery for Performance-Based Programs (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:

The Virginia Department of Environmental Quality (VADEQ) seeks to better integrate the Virginia Environmental Excellence Program (VEEP), a voluntary recognition and incentive program for facilities of all types, with EPA's National Environmental Performance Track Program (Performance Track). VADEQ launched VEEP in 2000 with three primary requirements for participation by a facility: 1) the development and adoption of an Environmental Management System (EMS); 2) a record of sustained compliance with environmental requirements; and, 3) a commitment to implement "beyond compliance" pollution prevention activities.

Beyond these requirements there are three levels of participation in VEEP: Environmental Enterprise (E2), for partners in the early stages of developing an EMS; Exemplary Environmental Enterprise (E3), for partners with successful development of an EMS; and, Extraordinary Environmental Enterprise (E4), for facilities with an EMS that has been audited by an independent third-party and been in place for a full cycle. Facilities accepted into Performance Track are automatically considered VEEP E4 facilities.

Project Description

VADEQ is building capacity among the core regulatory programs within VADEQ to better integrate VEEP and EPA's Performance Track in terms of policies, procedures and the delivery of incentives. These incentives have also been distributed through EPA's Performance Track program. VADEQ believes the ultimate result of this integration will be an overall improvement in environmental quality within the State and a significant step towards a long-term goal of sustainability. The project will provide opportunities for public involvement and stakeholder input, including non-governmental organizations. The systems approach and lessons learned from this project are expected to be readily transferable to other states and to EPA with only minor alterations to address organization-specific needs. The anticipated result represents a comprehensive and strategic approach to integrating the concepts and day-to-day operations of a voluntary performance-based program within a state environmental agency.



VADEQ received the project in 2006. The project is expected take three years to complete.

Connection to EPA's Goals

Because of its multimedia focus on recognizing and rewarding beyond compliance environmental results at all types of facilities, this project will directly align with EPA's Strategic Goal (Goal 5). It will also indirectly support EPA's Goals (Goals 1-4) through the environmental improvements resulting from increased participation in VEEP and PT and the increased implementation of incentives.

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