

Virginia Environmental Excellence Program Implementation



***A Report to the Honorable Timothy M. Kaine, Governor
and the House Committee on Agriculture, Chesapeake and Natural
Resources and the Senate Committee on Agriculture, Conservation
and Natural Resources***

Virginia Department of Environmental Quality

December 2008

EXECUTIVE SUMMARY

This report is being submitted pursuant to Virginia Code § 10.1-1187.5(B) which requires the Department of Environmental Quality (DEQ) to submit a report on the status of implementation of the Virginia Environmental Excellence Program (VEEP) by December 1 of every even-numbered year with the last report due December 1, 2010. This report provides an update of DEQ's implementation of the VEEP including information from VEEP participants' reports to DEQ as well as information on the incentives that have been provided and the innovations that have been developed by both DEQ and the program participants.

INTRODUCTION

In 2005, the Virginia General Assembly adopted legislation establishing the voluntary recognition and incentive initiative called the Virginia Environmental Excellence Program (VEEP). The statute, which appears in Chapter 11.1 of Title 10.1, sections 10.1-1187.1 through 10.1-1187.7 of the Code of Virginia, is intended to

“. . . recognize facilities and persons that have demonstrated a commitment to enhanced environmental performance and to encourage innovations in environmental protection.”

The Department of Environmental Quality's (DEQ) Office of Pollution Prevention, which promotes voluntary source reduction efforts through many initiatives, implements the program. Facilities must apply to be part of the program and must demonstrate their commitment to environmental performance through the development of environmental management systems (EMS), implementation of pollution prevention programs and compliance with environmental regulations. As outlined in the 2005 statute, an EMS is a comprehensive, cohesive set of documented policies and procedures adopted by a facility and designed to result in environmental performance improvements through planning, documented management and operational changes, self-assessments, and management review.

There are three types of VEEP participation for interested facilities:

- E2 (Environmental Enterprise) for facilities that have made significant progress toward the development of an EMS, have made a commitment to pollution prevention and have a record of sustained compliance with environmental regulations.
- E3 (Exemplary Environmental Enterprise) for facilities that have exceeded the E2 requirements and have a fully-implemented EMS.
- E4 (Extraordinary Environmental Enterprise) for facilities that have exceeded the E3 requirements, have completed at least one full cycle of an EMS as verified by an unrelated third-party auditor and have demonstrated a commitment to continuous and sustainable environmental progress and community involvement. As outlined in the VEEP legislation, any facility that applies to and is accepted into the Environmental Protection Agency's (EPA) Performance Track program is also considered to be an E4 facility.

Facilities are accepted for a three-year period and must renew their participation thereafter by submitting a renewal application. Participants also are required to submit an annual performance report by April 1st for the previous calendar year to be considered to be in good standing with the program.

VEEP participants receive two types of benefits from DEQ: positive publicity and regulatory flexibility. Regulatory flexibility can take the form of incentives applicable to all facilities of a certain type (i.e., E2, E3, E4/Performance Track) or innovations agreements specifically tailored for individual facilities called “alternate compliance requirements.”

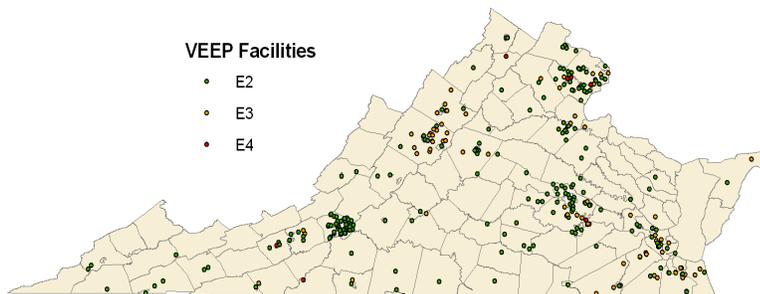
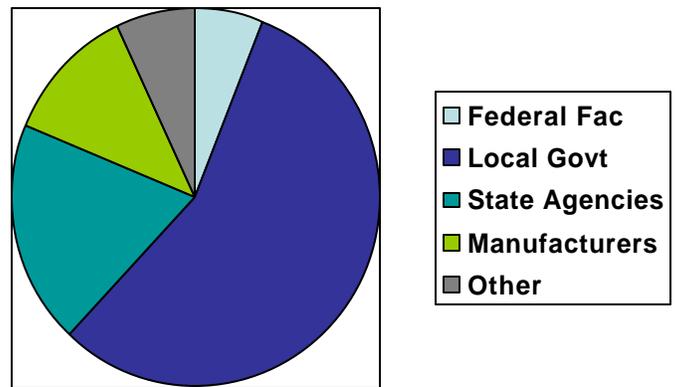
Section 10.1-1187.5(B) of the Code requires DEQ to submit a status report by December 1 of every even-numbered year, including:

“ . . . information from the participants' reports as well as information on the incentives that have been provided and the innovations that have been developed by the agency and participants.”

The Department submitted its first VEEP implementation report in December 2006. This report documents the program’s participation, environmental results, incentives, and DEQ’s outreach activities during 2007 and 2008.

PARTICIPATION IN VEEP

At the end of 2008, it is expected that there will be almost 450 participants in the program (including those already accepted and those with submitted applications pending review). Fifty-seven percent of the participating facilities are at the E2 level, 38% are E3 and 5% are E4 facilities. More than half of the current VEEP participants are local government facilities. State agencies comprise almost 20%, manufacturers comprise 12%, federal facilities comprise 6% and facilities from other sectors comprise 7% of the VEEP participant facilities.



As the map on page 2 shows, VEEP facilities are located in all geographic areas of the Commonwealth, with larger numbers in the urban areas. [Note: Multiple facilities that are part of a single organization's VEEP application may be represented by a single dot on the map.]

BENEFITS OF PARTICIPATION

Members of the Virginia Environmental Excellence Program enjoy two types of incentives: public recognition and regulatory flexibility.

Public Recognition

Upon request, DEQ recognizes new and renewing VEEP facilities at ceremonies throughout the Commonwealth. In 2007 and 2008, DEQ participated in 33 events, recognizing a total of 42 facilities. These events focus attention on the member's efforts to improve the environment by minimizing its footprint. The ceremonies also emphasize the positive partnership shared by DEQ and its VEEP members and highlight the individuals who commit to reduce their facility's impact, as well as the administrators and managers who support them. Typically the ceremonies include representatives from DEQ's Central Office and the appropriate DEQ Regional Office, local elected officials, and facility managers and staff.

Regulatory Flexibility

There are two primary means by which DEQ may make these types of regulatory flexibility incentives available to VEEP and/or Performance Track facilities located in Virginia:

- (1) Revisions to legislation, policies, procedures, regulations and/or grant workplans (including those that affect only E4/Performance Track facilities first adopted at the federal level). For example, EPA revised its regulations in 2004 to extend the storage period for on-site hazardous waste accumulation for certain Performance Track facilities. Subsequently, DEQ revised its regulations in a similar manner. This incentive benefits those facilities that do not generate significant quantities of hazardous waste, allowing them to ship fuller containers and thus save on disposal costs. There are currently thirteen such incentives available to VEEP and/or Virginia Performance Track facilities. These incentives are listed in Appendix A.
- (2) Facility-specific variances or Alternate Compliance Methods, for E3 and E4 facilities as authorized by the 2005 VEEP legislation. A status report on the Alternate Compliance Method requests that have been received by DEQ is included as Appendix B.

ENVIRONMENTAL RESULTS REPORTED BY VEEP FACILITIES

As noted above, to remain in good standing with the program, participating facilities must submit an annual report to DEQ by April 1st for the previous calendar year. The report has three primary purposes: (1) to allow facilities to demonstrate progress in pollution prevention and environmental management; (2) to allow DEQ to confirm that

each member facility is maintaining its qualifications under the program; and (3) to inform DEQ and the public on the effectiveness of the VEEP program.

Facilities submit information to DEQ via an on-line reporting system. They must provide general background information, quantified results from beyond-compliance EMS and pollution prevention activities, and updates on the development of their EMS as well as any environmental compliance issues that have arisen over the past year. Environmental performance is reported using a comprehensive list of standard categories and indicators:

- Air emissions (greenhouse gases, nitrous oxide, particulate matter, sulfur dioxide, toxics, volatile organic compounds, other air emissions);
- Energy use (purchased electricity, on-site energy combustion, total energy use, other energy use);
- Water discharges (biological oxygen demand, chemical oxygen demand, nutrients, sediments, suspended solids, toxics, other water discharges);
- Water use (virgin water use, reclaimed/recycled water use, total water use, other water use);
- Waste (hazardous waste disposed, hazardous waste recycled, non-hazardous waste disposed, non-hazardous waste recycled, other waste);
- Materials use (hazardous materials use, non-hazardous use, recycled material use, other materials use);
- Land use (land preserved, land restored, other land use); and,
- Product performance (projected product lifetime energy/water use, projected end-of-life waste, packaging waste, other).

Facilities report results in both actual and normalized quantities (i.e., results based on production, number of employees, etc.). Normalized results allow facilities to better track year-to-year performance. Reports submitted in 2008 show improvements in many of the measures over the last two year. In addition to \$15.4 million in cost savings, participating facilities reported the following actual positive environmental impacts:

- *Increased use of recycled materials by 134,000 tons*
- *Decreased use of hazardous materials by 651 tons*
- *Reduced hazardous waste disposal by 2,435 tons*
- *Reduced non-hazardous waste disposal by 674 tons*
- *Increased non-hazardous waste recycled by 2,313,000 tons*
- *Decreased energy use by 671,000 MMBtu*
- *Conserved 17 acres of land and habitat*
- *Reduced emissions of air toxics by 111,900 tons*
- *Reduced volatile organic compound emissions by 413 tons*
- *Increased reclaimed/recycled water use by 23,100,000 gallons*

The overall program results as presented above should only be considered as a general indication of VEEP facility performance because: (1) the program is voluntary and data is

reviewed as submitted by the facilities; (2) many facilities still have limited experience tracking environmental data; and, (3) in some cases, the numbers shown represent a single, large facility.

Examples of environmental results reported by individual VEEP facilities include the following information:

➤ Manufacturers:

- Stanley Furniture of Martinsville reduced its use of hazardous materials by 33% between 2005 and 2007.
- Smithfield Ham and Products reduced its annual groundwater use by more than 900,000 gallons or 15% between 2004 and 2007 through the use of water conserving equipment and employee training.
- Philip Morris USA's Headquarters Facility in Richmond initiated multiple strategies to reduce its overall energy consumption, including lighting upgrades and equipment modifications, resulting in a decrease of 9% total energy use in one year.

➤ Colleges and Universities:

- The University of Virginia's Housing Division started construction of a new first year student dormitory in 2007 which will be built in accordance with national green building standards. The Division also has installed low flow shower heads in all of its residences.
- The University of Virginia's Dining Hall Operations Division has worked with staff and students to develop a "Sustainable Dining Purchasing Policy." In order to reduce solid waste, the University is implementing food waste composting in some of its dining operations.
- The Blue Ridge Community College Coffee Corner in Weyers Cave promoted EPA's "Change a Light Bulb" energy conservation initiative, resulting in 181 pledges and 490 compact fluorescents being installed. This Green Initiative has been used as a model by the Virginia Community College System to encourage other colleges and businesses to start environmental initiatives.

➤ Federal Government Examples:

- Fort Lee requires energy efficient appliances in all new residential structures, and all new construction and renovation projects must meet nationally recognized green building standards. In 2008, the installation exceeded the Army's Measure of Merit for Recycling for both construction and demolition debris and non-construction and demolition debris, recycling at rates of 62% and 76%, respectively.
- The U. S. Department of State Annex in Sterling, which processes millions of canvas diplomatic pouches each year, devised a system to securely convert pouches that are no longer useable into a fuel source.

➤ State Government Agency Examples:

- The Department of Fire Programs has achieved a 75% employee participation in carpooling, flexible work hours or teleworking/telecommuting.

- The Department of Conservation and Recreation established a “green award” to recognize exemplary employee efforts to conserve resources.
 - The Indian Creek Correctional Center in Chesapeake reduced its groundwater use by more than 20,000 gallons or 17% in one year through the installation of bathroom fixtures with low flow devices.
 - Through an Energy Performance Contract, the Department of Mental Health, Mental Retardation and Substance Abuse Services’ Southside Virginia Training Center in Petersburg reduced its energy use by 36% from 2005 to 2007, representing a savings of more than \$91,000.
- Local Government Examples:
- The Town of Blacksburg has built on its EMS to create an Environmental Management Plan which includes a broad range of environmental sustainability issues facing the Town, such as watershed management, urban forestry, transportation, education, climate protection, environmentally preferable purchasing, solid waste reduction, greening the Town Code and indoor environmental quality.
 - The City of Chesapeake’s Central Fleet Management department has 23 hybrid and 57 flex fuel vehicles and has introduced biodiesel to meet part of its vehicle fueling needs. It also is exploring the use of compressed natural gas.
 - The City of Charlottesville’s Department of Parks and Recreation is moving towards a goal of utilizing only organic fertilizers in its operations. In 2007, 16% of total fertilizer use in the Parks Division was organic. The City’s Department of Public Works, Fleet Division, expanded its use of biodiesel to more than 150,000 gallons, which equates to more than 33,000 gallons of petroleum diesel displaced. In 2007, the Division purchased six hybrid gas-electric vehicles.

OUTREACH PARTNERSHIPS WITH OTHER ORGANIZATIONS

Since its inception, support from DEQ partnerships has been critical to VEEP’s continued growth and development. Four of DEQ’s key partners are: EPA; the Virginia Regional Environmental Management System; the Virginia EMS Association; and Virginia Tech’s Center for Organizational and Technological Advancement. DEQ’s work with each of these organizations is described below.

DEQ has signed Memoranda of Agreement (MOA) related to the VEEP with both **EPA Headquarters and EPA Region 3**. In July 2000, DEQ signed an MOA with EPA Region 3. This MOA outlines the agencies' commitment toward regulatory innovation in the context of the VEEP and identifies the processes and procedures that will be used to review VEEP applications as well as requests by VEEP E3 and E4 participants for regulatory flexibility. DEQ signed a MOA with EPA Headquarters in April 2002. This MOA commits EPA Headquarters and DEQ to work together to coordinate the VEEP and Performance Track programs in terms of administration, marketing and provision of incentives. DEQ also is an active participant in both the national and regional network of state and federal performance-based environmental programs like the VEEP. Recently,

DEQ hosted an EPA Headquarters Performance Track employee for a 9-month detail, an arrangement that was beneficial to both agencies.

In March 2007, DEQ competed for and won a \$225,000 State Innovations Grant from EPA to fund a three-year effort to better integrate the VEEP into core agency regulatory programs. The grant supports a number of activities considered key to the future success of innovative programs such as the VEEP, including: engaging both internal and external stakeholders such as DEQ managers and representatives of not-for-profit organizations, financial institutions and facilities; revising internal policies and procedures; focusing outreach strategies; and training DEQ staff.

The **Virginia Regional Environmental Management System (V-REMS)** is a statewide partnership that includes over 60 federal, state, and local public and private organizations that collaborate to address community and environmental issues. DEQ was one of the original four participants in this partnership. V-REMS was initially sponsored by the U.S. Department of Defense and the White House Council on Environmental Quality in 2003 as a pilot program to develop an EMS-based approach to regional environmental and community challenges; the Defense Supply Center Richmond, a VEEP E4/Performance Track facility has provided support in recent years. The partnership has focused on projects that address some of DEQ's Strategic Priorities, such as air and water quality. V-REMS research projects have included securing federal grants to fund the retrofitting of diesel school buses in the Cities of Richmond and Hopewell, bringing fueling stations for the alternative fuel E-85 to eastern and northern Virginia, promoting energy efficiency at participants' locations, evaluating concrete that may reduce air pollution, and developing strategies to reduce point and non-point sources of stormwater pollution.

An alliance of Virginia public entities, private business and colleges and universities, the **Virginia EMS Association (VEMSA)** was formed in 2006 to facilitate collaboration, mentoring, education, and information-sharing among EMS practitioners. Most VEMSA members are part of the VEEP. For the past three years, in cooperation with DEQ, EPA, Virginia Tech's Center for Organizational and Technological Advancement (COTA) and the University of Virginia, VEMSA has successfully presented an annual EMS conference in Roanoke. Co-sponsored by DEQ and attended by more than 100 participants, the conference is an opportunity for facilities already in the program as well as those interested in becoming part of it to learn more and network with their peers. In addition to co-sponsoring the conference, since 2002, COTA has regularly presented a 12-month EMS development and implementation program. In 2007 and 2008, the program focused on public facilities, including wastewater treatment plants. DEQ provided scholarship assistance to six wastewater treatment plants to enable them to attend the program.

For Additional Information:

VEEP Website: www.deq.virginia.gov/veep

EPA Performance Track Program: www.epa.gov/performancetrack/index.htm

Appendix A: Regulatory Incentives Adopted or Under Development

Incentive	Code, Regulation or Grant Agreement Citation	Effective Date	VEEP/ Performance Track Categories Affected	Explanation	Number of Affected Facilities	Results
Annual Permit Fee Discount – Water	Water fee regulation (9 VAC 25-20-145)	9/8/2004; first discounts offered in 2005 for calendar year 2004	E2, E3 & E4/PT	In 2004, DEQ was directed by the General Assembly to revise its water permit fee structures to fund the agency’s permitting activities. The new permit fee regulation includes discounts for facilities participating in VEEP covered by the water permitting programs: E2 – up to 2%; E3/E4 – up to 5%; total not to exceed \$64,000 annually.	2005: 23 2006: 36 2007: 34 2008: 39	Permit fee savings to members: 2005: \$9,054 2006: \$15,682 2007: \$4,517 2008: \$5,389
Annual Permit Fee Discount – Hazardous Waste	Hazardous waste fee regulation (9 VAC 20-60-1286)	9/8/2004; first discounts offered in 2005 for calendar year 2004	E2, E3 & E4/PT	In 2004, DEQ was directed by the General Assembly to revise its waste permit fee structures to fund the agency’s permitting activities. The new permit fee regulation includes discounts for facilities participating in VEEP covered by the hazardous waste program: E2 – up to 5%; E3/E4 – up to 10%; total not to exceed \$26,000 annually.	2005: 17 2006: 21 2007: 28 2008: 29	Permit fee savings to members: 2005: \$4,060 2006: \$3,840 2007: \$3,170 2008: \$3,180
Annual Permit Fee Discount – Solid Waste	Solid waste fee regulation (9 VAC 20-90-117)	9/8/2004; first discounts offered in 2005 for calendar year 2004	E2, E3 & E4/PT	In 2004, DEQ was directed by the General Assembly to revise its waste permit fee structures to fund the agency’s permitting activities. The new permit fee regulation includes discounts for facilities participating in VEEP covered by the hazardous waste program: E2 – up to 10%; E3/E4 – up to 20%; total not to exceed \$140,000 annually.	2005: 22 2006: 28 2007: 33 2008: 36	Permit fee savings to members: 2005: \$58,962 2006: \$45,293 2007: \$49,900 2008: \$34,555
Alternate Compliance Method (ACM)	VEEP Statute (Section 10.1-1187.6, Code of Virginia)	7/1/2005	E3 & E4	The three boards “may grant alternative compliance methods to the regulations adopted pursuant to their authorities” for VEEP E3 & E4 facilities considered to be in good standing with the program. Potential ACMs include “changes to monitoring and reporting requirements and schedules, streamlined submission requirements for	See Appendix B	See Appendix B

Incentive	Code, Regulation or Grant Agreement Citation	Effective Date	VEEP/ Performance Track Categories Affected	Explanation	Number of Affected Facilities	Results
				permit renewals, the ability to make certain operational changes without prior approval, and other changes that would not increase a facility's impact on the environment."		
Solid Waste Permit Review Preference	Permit Efficiency Study, SW Opportunity 3, Task 4: Hierarchy of Solid Waste Permitting Review Priorities	2/25/2007	E3 & E4/PT	Participation at the E3 or E4/PT levels of VEEP may afford a facility with a higher level of permitting priority than would otherwise be available.	No requests received.	N/A
WWTP Nutrient Limits Incentive	Guidance Memo No. 07-2008, Amendment 2, Permitting Considerations for Facilities in the Chesapeake Bay Watershed (also found in 9 VAC 25-820)	11/16/2005	E3 & E4/PT	The Regulation for Nutrient Enriched Waters and Dischargers within the Chesapeake Bay Watershed requires annual average total nitrogen and/or total phosphorus concentration limits for facilities in the bay watershed that install nutrient removal equipment. This provision waives the limit(s) for facilities that operated in good standing in the VEEP the previous calendar year. Under the conventional approach, the permit limits would always be in effect and violation of the limits could result in significant penalties. With the incentive, the plant owner has the option of qualifying for E3 or E4 status, and include as part of his EMS a commitment to operate his nutrient removal facilities at the efficiencies they are designed to achieve. Once approved under this ACM, the permit limits for nutrients are suspended and the owner is not liable for any penalties for failure to meet the intended nutrient removal efficiencies. Once in the program, the consequence of poor performance is the loss of the privilege of operating with suspended limits (w/o liability of enforcement penalties), but plants can "earn" their way back into the program.	12 of the facilities currently in VEEP are installing nutrient removal technology ; all of them could potentially avoid limits if they are at the E3 or E4 level. In addition, there are 8 VEEP facilities that are part of the Nutrient Trading general permit that are not upgrading at this time but could install nutrient removal technology in the future.	The potential reduction in liability of the waiver is significant. Currently, DEQ civil penalties for permit violations can be set for up to \$32,500 per violation, per day.

Incentive	Code, Regulation or Grant Agreement Citation	Effective Date	VEEP/ Performance Track Categories Affected	Explanation	Number of Affected Facilities	Results
Public Notices	N/A	2007	E2, E3, E4/PT	Facilities in VEEP that are referenced in DEQ public notices are identified as being in the program.	All VEEP facilities.	
Electronic Submission of Water Discharge Monitoring Reports (eDMRs)	N/A	Not in effect yet for all VEEP/PT facilities.	E3 & E4/PT	The due date for Discharge Monitoring Reports can be moved to the 24 th of the month if the facility is also participating in the eDMR program.	One facility has been granted this waiver. Without additional programming, e-DMR cannot accommodate a date change from the 10 th to the 24 th of the month. International Paper (see Attachment B) was granted the waiver.	N/A
Reduced Frequency of Air Maximum Available Control Technology (MACT) Reporting	4/22/04 EPA Regulation (69 FR 21737); adopted by Virginia 9 VAC 5-60-100, Subpart A	1/12/2005	Performance Track (most of these facilities are also E4)	This incentive reduces the frequency of reports required under the MACT provisions of the Clean Air Act such that semi-annual reports may be submitted annually, and in certain cases members may submit an annual certification for these requirements in lieu of an annual report.	None to date.	N/A
Low Priority for Routine Inspections – Waste Programs	10/29/03 EPA Office of Enforcement & Compliance Assurance Assistant Administrator Memorandum; a specific list of Virginia facilities entitled to the benefit	9/30/2005	Performance Track (most of these facilities are also E4)	EPA Performance Track facilities located in Virginia are considered a low priority for routine inspections by DEQ. Routine inspections comprise the majority of inspections and generally occur when there is no specific reason to believe that a violation exists at a specific facility. Inspections of PT facilities will be conducted if EPA or DEQ has information based on a citizen complaint, other DEQ or EPA program referral or observation, or	The policy affects the facilities considered to be in “good standing” with Performance Track as of September 30 for the following fiscal year’s activities.	N/A

Incentive	Code, Regulation or Grant Agreement Citation	Effective Date	VEEP/ Performance Track Categories Affected	Explanation	Number of Affected Facilities	Results
	is included in the DEQ/EPA Performance Partnership Grant each federal fiscal year for waste.			other information that non-compliance issues may exist, including criminal activity, non-compliance in a priority area of concern to EPA or DEQ, or endangerment to human health and the environment. Otherwise, inspections will be conducted at less-than category specific intervals (i.e., semi-annually rather than annually, etc.) unless such action conflicts with federally mandated requirements.	As of September 30, 2008, there are 15 PT facilities in Virginia.	
Low Priority for Routine Inspections – Water Programs	10/29/03 EPA Office of Enforcement & Compliance Assurance Assistant Administrator Memorandum; a specific list of Virginia facilities entitled to the benefit is included in the DEQ/EPA Performance Partnership Grant each federal fiscal year for water.	10/1/2006	Performance Track (most of these facilities are also E4)	Inspection Schedule: The water division has negotiated a move to a risk-based inspection strategy with EPA Region III beginning in federal fiscal year 2007 (October 1), beginning with E4 facilities.	The policy affects the facilities considered to be in “good standing” with Performance Track as of September 30 for the following fiscal year’s activities. As of September 30, 2008, there are 15 PT facilities in Virginia.	N/A
Low Priority for Routine Inspections – Air Programs	10/29/03 EPA Office of Enforcement & Compliance Assurance Assistant Administrator Memorandum.		Performance Track (most of these facilities are also E4)	Inspection Schedule: DEQ will work with EPA Region III to evaluate requests for this incentive on a case-by-case basis.	The policy affects the facilities considered to be in “good standing” with Performance Track as of September 30 for the following fiscal year’s activities. As of September 30, 2008, there are	The City of Manassas Garage (PT facility) has requested this incentive in relation to its mobile source inspection program; DEQ referred request to EPA Region 3 on

Incentive	Code, Regulation or Grant Agreement Citation	Effective Date	VEEP/ Performance Track Categories Affected	Explanation	Number of Affected Facilities	Results
					15 PT facilities in Virginia.	2-15-07
RCRA Extended Hazardous Waste Storage Time	EPA Regulation 4/22/04 (69 FR 21737); adopted by Virginia HQ IFR2004	9/8/2004	Performance Track (most of these facilities are also E4)	Extends on-site storage times for accumulated hazardous waste for large quantity generators to 180 days (270 days if the waste is transported more than 200 miles) without a RCRA permit or interim status	Qimonda (Sandston) and DuPont Spruance (Richmond)	See Appendix B

Appendix B: VEEP Alternate Compliance Method (ACM) Agreements

Name of Facility	Innovation Request	Affected Regulatory Requirement or Administrative Process	ACM Status	Benefits
International Paper (Franklin)	Air: Lime kiln scrubber refresh flow rate not be considered part of the Continuous Parameter Monitoring System with MACT II recordkeeping and reporting requirements	Permit: Recordkeeping and reporting requirements modified	Requested change will be approved through a change in permit language to reflect that the refresh flow rate continue to be monitored, but not as part of the CPMS under MACT II. This will occur when the facility's FESOP (federally enforceable state operating permit) and Title V permit are reissued (expected 1/09).	The CPMS recordkeeping and reporting requirements under the MACT are more burdensome than those already in effect at the facility. The facility will reduce staff costs by 16 hours/year.
International Paper (Franklin)	Air: Waiver to opacity limits for one of the facility's boilers	Permit: Condition modified so that the visible emissions from the #4 Recovery Boiler will be consistent with only the MACT (opacity limits imposed by the minor New Source Review permit to be waived)	Requested change will be approved when the facility's FESOP (federally enforceable state operating permit) and Title V permit are reissued (expected 1/09).	No additional environmental benefit would be gained by requiring two sets of opacity limits, since the Boiler is routinely in compliance with opacity limits. The facility will reduce staff costs by 120 hours/year.
International Paper (Franklin)	Air: Change in the frequency of the Cylinder Gas Audits and Relative Accuracy Test Audits on the Lime Kiln TRS Continuous Emissions Monitoring System	Permit: Reduction in frequency of audits and test audits	Requested change will be approved. Quarterly CGA thresholds will be established to trigger resumption of original RATA frequency to ensure adequate data accuracy. This will occur when the facility's FESOP (federally enforceable state operating permit) and Title V permit are reissued (expected 1/09).	The facility will reduce their QA/QC costs by \$13,000/year (40 hours). There will be no accompanying loss in data accuracy.
International Paper	Air: Change in notification requirements for scheduled G-Set	Permit: Permit modified (dependent on EPA concurrence) to waive this requirement for these two	In order to grant relief from this requirement, the State	More efficient use of staff resources for both the facility

Name of Facility	Innovation Request	Affected Regulatory Requirement or Administrative Process	ACM Status	Benefits
(Franklin)	Steam Stripper or RTO Outage	pieces of equipment because this reporting requirement is redundant with excess emissions reporting that the facility must do under 9 VAC 5-20-180 C and/or under the MACT.	Air Pollution Control Board will need to grant a variance in the form of a regulation. The variance will also need approval by EPA. EPA Region 3 has indicated they will not support the change as requested in the form of an E4 variance. The facility will need to submit a request for a variance under existing regulations.	and DEQ. The facility will reduce staff costs by 25 hours/year.
International Paper (Franklin)	Air: Change in reporting requirements for excess emissions that require the facility to report within four business hours for any permit deviations or control equipment failure/malfunction that may cause excess emissions for >1 hour.	Permit: Permit condition will change to allow the facility to report routine calls for excess emissions within 24 hours, instead of 4 hours as is currently required. The facility has stated that if the excess emission event has the potential to cause an immediate impact on the surrounding community or release of a hazardous material, reports will be submitted with the 4 business hour period.	In order to grant relief from this requirement, the State Air Pollution Control Board will need to grant a variance in the form of a regulation. The variance will also need approval by EPA. EPA Region 3 has indicated they will not support the change as requested in the form of an E4 variance. The facility will need to submit a request for a variance under existing regulations.	The facility will no longer have to make several calls/day for different excess emissions events throughout the plant that have no adverse environmental impact and for which no DEQ response is needed, reducing staff costs by 100 hours/year. Instead, the facility can make one phone call each day listing all the events for the previous day. This will lead to a more efficient use of staff resources at the facility and DEQ.
International Paper (Franklin)	Air: Reduction in air compliance inspection frequency	DEQ Inspection Schedule (detailed in annual federal grant workplan negotiated with EPA): EPA Compliance Monitoring Strategy (CMS) is implemented through DEQ's grant and does not allow any reduction in inspection. EPA approval will be required.	Requested change approved. Site specific Compliance Monitoring Strategy has been developed. The facility's Full Compliance Evaluation will be conducted every 3 years (as opposed to every 2 years). Partial Compliance Evaluations will be done as a result of	This request will benefit both DEQ and the facility by reducing the time staff needs to dedicate to inspections of VEEP facilities. All reports will continue to be submitted and be reviewed by DEQ. The facility will reduce staff costs by 50 hours/year.

Name of Facility	Innovation Request	Affected Regulatory Requirement or Administrative Process	ACM Status	Benefits
			complaints, testing, concerns with the facility's compliance status, etc.	
International Paper (Franklin)	Water: Change in submittal date for water Discharge Monitoring Report	Permit Waiver to Reporting Requirement: If IP participates in the eDMR program (see Appendix A), then the report due date can be moved from the 10 th to the 24 th of the month.	Requested change approved.	This will allow the facility to only have to submit one set of data each month instead of two or more. It will reduce the DEQ staff time needed to input updated information. The facility will reduce staff costs by 50 hours/year.
International Paper (Franklin)	Water: Virginia Pollution Discharge Elimination System (VPDES) permit length	Permit: The length of water discharge permits is established by the federal Clean Water Act; DEQ, as an agency delegated by EPA to carry out the requirements of the Clean Water Act, is subject to its requirements, which establish the permit length at five years.	DEQ is not able to grant the requested change as proposed due to statutory requirements. However, DEQ will make every effort to expedite permits, including moving the requested permit application/request ahead of other permit actions when deemed appropriate by regional management given the needs of other VEEP facilities and critical projects.	Unknown
International Paper (Franklin)	Water: Reduction in inspection frequency for Effluent Treatment System/Laboratory	DEQ Inspection Schedule (detailed in annual federal grant workplan negotiated with EPA): DEQ has adopted EPA's policy for low priority for routine inspections of E4/Performance Track facilities in the water program.	Requested change approved The required inspection is conducted once per 3 yrs vs. the normal of once per 2 yrs. The reduction is based on the E4 status and history of compliance (facility was last inspected was July 2008).	Reduction in both facility and DEQ staff resources dedicated to the inspection. The facility will reduce staff costs by 40 hours/year.
International Paper (Franklin)	Waste: Changing inspection frequency for hazardous waste compliance from every 2 years to every 5 years.	DEQ Inspection Schedule (detailed in annual federal grant workplan negotiated with EPA): DEQ has adopted EPA's policy for low priority for routine inspections of E4/Performance Track facilities in the hazardous waste	Requested change approved. The required inspection frequency is once every 3 years since the facility is	Reduction in both facility and DEQ staff resources dedicated to the inspection. The facility will reduce staff

Name of Facility	Innovation Request	Affected Regulatory Requirement or Administrative Process	ACM Status	Benefits
		program.	considered a land based facility. In addition, the Risk Based Inspection Strategy may be applied and a Focused Compliance Inspection performed rather than a full Compliance Evaluation Inspection. IP was satisfied with this compromise.	costs by 40 hours/year.
International Paper (Franklin)	Waste: Changing inspection frequency for solid waste compliance from quarterly to semi-annually	DEQ Inspection Schedule	Requested change approved. IP is now scheduled to be visited once every six months for routine inspections.	Reduction in both facility and DEQ staff resources dedicated to the inspection. The facility will reduce staff costs by 10 hours/year.
International Paper (Franklin)	Waste: Remove Annual Appendix IX monitoring due to the high cost associated with it.	Permit: Reduction in the number of parameters in the facility's RCRA Corrective Action monitoring	Request withdrawn until EPA authorizes DEQ's regulatory changes that will allow DEQ to change the permit.	The facility will save \$10,000/year in costs associated with monitoring compounds not in the corrective action program.
International Paper (Franklin)	Waste: Waiver from the requirement that an on-site certified solid waste management facility operator be available at all times due to the fact that the facility is only used part of the day and is otherwise secured. [Note: DEQ ultimately did not adopt this provision.]	DEQ Policy	Requested change approved. DEQ will allow the operator to be nearby at the main facility. [Note: DEQ ultimately did not adopt this provision.]	The facility will save \$180,000 per year.
DuPont Spruance (Richmond)	Multimedia: DEQ single point-of-contact for facility to be used by the facility as needed	Agency communications with facility	Requested change approved. DEQ's Piedmont Regional Director will serve as the facility's single point-of-contact This is relevant only when the facility is initiating the communication (e.g., all DEQ programs are not required to communicate to	The facility estimates that it will save \$5,000 per year (8 person days per year). The single point-of-contact is of particular importance to the facility when dealing with large multimedia issues.

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			the facility via the POC).	
DuPont Spruance (Richmond)	Multimedia Enforcement Relief	Agency communications with facility	Requested change approved. DEQ will contact the facility via the telephone prior to issuing a warning letter or Notice of Violation in cases where a document/report submission appears to be late or missing.	The facility estimates that it will save \$1,500 per year (3 person days/year) at a minimum, but could double or triple those savings depending on the nature of the issue.
DuPont Spruance (Richmond)	Simplify community right-to-know reporting so that the facility can submit the Tier One form in lieu of the Tier Two form.	EPCRA reporting requirements	Requested change approved.	The facility estimates that it saves \$2,000/year in reduced labor costs.
DuPont Spruance (Richmond)	Waste: Take advantage of EPA Performance Track's extended storage for large quantity hazardous waste generators.	Hazardous waste storage requirements for Large Quantity Generators	Requested change approved.	Reduced disposal and labor costs.
DuPont Spruance (Richmond)	Multimedia: High priority for permit assessments related to process or expansion plans and high priority (when requested) on new or modified permits due to expansion or process changes.	Agency permit review schedule	Requested change approved. DEQ will make every effort to expedite the permits, including moving the requested permit application/request ahead of other permit actions when deemed appropriate by regional management given the needs of other VEEP facilities and critical projects.	Unknown
DuPont Spruance (Richmond)	Air: Electronic storage of records related to visible emissions inspections conducted by plant personnel.	Records storage requirements.	Requested change approved.	Unknown
Hopewell Regional Wastewater Treatment Facility	Water: Reduce water discharge sampling frequency from 7 days/week to 5 days/week for Biological Oxygen Demand, fecal coliform, E. coli and chorine residual.	Water Discharge Permit	Request pending. DEQ is currently drafting the reissued permit, which will include the monitoring requirements for bacteria.	The plant would be able to reduce lab staff necessary for weekend analyses.
Qimonda (Sandston)	Waste: Take advantage of EPA Performance Track's extended storage	Hazardous waste storage requirements for Large Quantity Generators	Requested change approved.	Disposal cost savings of approximately \$25,000.

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	for large quantity hazardous waste generators.			Labor cost savings of approximately \$1,850 for Technician and Coordinator's administrative time.
City of Manassas Maintenance Garage	Air: Reduced frequency of inspections of the City's inspection/maintenance mobile source program.	Air: Regulations for the Control of Motor Vehicle Emissions in Northern Virginia Area.	Requested change denied. The frequency of inspection audits is mandated by regulation at 2/year; therefore, the frequency cannot be reduced.	N/A
Hopewell Cogeneration Facility	Water: Request for discussion of whether the water permits renewal process can be streamlined.	Water: Discharge Permit Regulations	Request pending.	The facility estimates that cost savings from reduced testing would be more than \$5,000 and a minimum of 20-30 man-hours.
Hopewell Cogeneration Facility	Air: Requested a change or an addition to the facility's Title V permit to use biodiesel as an approved combustion fuel.	Title V Permit Regulation	Request pending.	The use of biodiesel would result in an average cost savings of over \$5,000,000 per year and a minimum reduction of 40.5 tons of sulfur dioxide, a greenhouse gas (possibly as high as 100 tons depending on the fuel blend used). There are also expected reductions in lead, carbon monoxide and carbon dioxide emissions (the process is still being tested).
Hanover Solid Waste Transfer Station	Waste: Use landfill gas flare and its heat to dry latex paint prior to disposal to eliminate the free liquids. Latex paints are typically dried by adding kitty litter or saw dust.	Solid Waste Management Regulations	Requested change approved.	Unknown
Volvo Trucks North America	Multimedia: DEQ single point-of-contact for facility to be used by the facility as needed	N/A	Requested change approved. DEQ's Blue Ridge Regional Office Director will serve as the facility's single point-of-contact This is relevant only	Unknown

Name of Facility	Innovation Request	Affected Regulatory Requirement or Administrative Process	ACM Status	Benefits
			when the facility is initiating the communication (e.g., all DEQ programs are not required to communicate to the facility via the POC).	
Micron Technology Virginia	Air: Allow the use of generators currently used as emergency backup to reduce the facility's use of electricity off the grid, which will require a permit modification.	New Source Review Performance Regulations	Request pending.	Unknown