

**DEPARTMENT OF ENVIRONMENTAL PROTECTION
OFFICE OF THE SMALL BUSINESS OMBUDSMAN**

ANNUAL REPORT

**SMALL BUSINESS ENVIRONMENTAL
ASSISTANCE PROGRAMS**

JULY 1, 2009 – JUNE 30, 2010

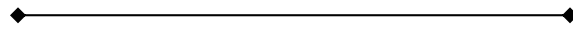


pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

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Small Business Programs



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Introduction

The Pennsylvania Small Business Environmental Assistance Program (SBEAP) has been helping small businesses comply with environmental laws and operate more efficiently since the mid-1990s. This year, the SBEAP, the Small Business Ombudsman of the Department of Environmental Protection (Department) and the Compliance Advisory Committee continued to work together to provide confidential compliance assistance, educational opportunities and financing programs to small businesses in the commonwealth.

First, the Small Business Ombudsman represents the department to the small business community, provides free confidential compliance assistance to small businesses, sits on the Compliance Advisory Committee and administers small business financing programs. Second, the SBEAP, currently outsourced to the Pennsylvania Small Business Development Centers (SBDCs), provides free compliance assistance through a toll-free hotline and on-site visits. The SBDCs also provide assistance with permit applications and pollution prevention and energy efficiency assessments and can refer the small business to general business and financial assistance professionals if appropriate. Third, the Compliance Advisory Committee meets quarterly and takes up issues that impact the small business community. This includes environmental regulations as well as technical and financial assistance programs. These three inter-related programs were created by the Clean Air Act and the Pennsylvania Air Pollution Control Act and originally addressed only air issues; however, all three have been expanded to provide small businesses with assistance in relation to all environmental media.

Small Business Environmental Assistance Program – Technical Assistance Provider

The SBEAP provides technical assistance to small businesses through a third-party contractor. Pennsylvania has traditionally outsourced this function because many small businesses are more comfortable discussing environmental matters with someone outside the department. The contractor provides free, confidential environmental assistance to help business owners determine their regulatory requirements and the best environmental management strategies for meeting those requirements. The technical assistance provider can help business owners with grant applications, emissions calculations, regulatory paperwork, plan approvals, or operating permits. The program also offers facility site visits to help businesses look for ways to lower energy costs and reduce waste.

The department partners with the SBDCs to provide technical assistance through the SBDCs' Environmental Management Assistance Program (EMAP). Providing no-cost, confidential environmental consulting assistance since 1997, EMAP has built a considerable assistance network and presence. EMAP has eight environmental professionals working through 18 college and university-based centers around the Commonwealth. Assistance can be accessed directly through a toll-free hotline at 877-ask-emap (877-275-3627) or through the Web site located at www.askemap.org.

The five-year cooperative agreement between the department and EMAP was renewed in June 2010 for \$420,000 for the 2010-11 fiscal year. This contract may be renewed for up to three additional consecutive terms. This partnership has been effective at improving the ability of the department-sponsored technical assistance program, or SBEAP, to reach the greater Pennsylvania small business community. For the fiscal year 2009-10 year, EMAP reports:

- 144 Hotline contacts
- 572 Non-hotline contacts (e-mails or direct calls)
- 810 Businesses provided with in-depth assistance (one hour or more)
- 125 Site Visits

Small Business Ombudsman's Office

Activities of the Small Business Ombudsman's Office

The Ombudsman's office provides assistance to Pennsylvania small businesses through a number of avenues. The office provides direct, confidential compliance assistance to small businesses, as well as indirect assistance to small businesses through legislators, associations, small business assistance providers, and federal and state agencies. The Ombudsman's office served a total of 1,911 clients from Jan. 1, 2009, through Dec. 31, 2009. Of these, 1,855 were direct contacts with small businesses.

In the first half of 2010, the Ombudsman's office assisted 512 clients with environmental and energy matters. Of those, 490 were direct contacts with small businesses, 18 were government agencies, other assistance providers or consultants. Four inquiries came from other types of entities, including large businesses and non-profits.

As described below, the Ombudsman's office administered three financing programs during the 2009-10 fiscal year.

Small Business Advantage Grant Program

The Small Business Advantage Grant (SBAG) program marked its sixth year of offering grants to Pennsylvania small businesses. This grant program provides 50 percent matching grants, up to a maximum of \$7,500, for a Pennsylvania small business to implement energy efficiency or pollution prevention projects. Energy efficiency and pollution prevention projects can help businesses cut costs and may reduce their regulatory requirements, while simultaneously protecting the environment. Each project is required to achieve at least a 20 percent increase in energy efficiency or pollution prevention. Eligible small businesses must be a for-profit business located within the Commonwealth with no more than 100 full-time employees. Examples of the types of small businesses that are eligible, include manufacturers, retailers, service providers, mining businesses, and agricultural interests.

The Small Business Advantage grant program awarded \$1,200,000 in grants during the 2009-10 fiscal year. The grant program opened December 7, 2009 and closed January 15, 2010. The program received 358 applications during the year and funding was approved for 202 applicants.¹ The grant program received applications at an even greater rate than during the prior year and reached the limits of its budget even earlier than during the prior year. The SBAG program reopened in 2010.

The department has been gathering data from projects funded through this grant program during the period from July 1, 2008, to June 30, 2009 -- its fifth year of operation. Data from the one year follow-up reports detailing energy and pollution prevention savings submitted by 41 small businesses are presented in the charts on pages 4 and 5. These 41 companies were awarded a total of \$238,347 from the grant program.

Department staff conducted random inspections of 5 percent of the grant recipients for the 2008-09 fiscal year to verify project completion and equipment operation.

The projects generated from these 41 grant awards allowed these small businesses to save \$93,359 in energy and pollution-related expenses in just the first year since implementing their projects.

¹ During the preceding 2008-09 Fiscal Year, DEP received a total of 238 applications and approved 145 of those applications for funding.

Reported Unit Savings for FY 2008/2009 SBAG Funded Projects – 41 Reports Submitted

Project Type	Annual Reports Submitted	Air Emissions (Tons)	Waste Wood (Tons)	Diesel Fuel (Gallons)	Heating Oil (Gallons)	Water (Gallons)	Electricity (kWh)	Natural Gas (Cubic Feet)	Propane (Gallons)
Heating Ventilation Air Conditioning Systems	9	44			3,259		11,549	19,096	
Anti-Idling Systems	7	10		13,773					
Boilers	6	12						4,192	
Lighting Upgrades	3						122,829		
Insulation	3						1,599	4,074	
Solar Panels	3	1					2,857		104
Clothes Washers/Dryers	2					47,548	1,775	19,800	
Chillers/Freezers	2						18,984		
Waste Oil Furnaces	2				5,603				
Air Compressor	2						2,674		
Recycling	1		1,200						
Food Preparation Equipment	1					3,382	10,625	801	
Total Savings	41	67	1,200	13,773	8,862	50,930	172,892	47,963	104

Reported Dollar Savings for FY 2008/2009 SBAG Funded Projects – 41 Reports Submitted

Project Type	Annual Reports Submitted	Diesel Fuel Savings (\$)	Heating Oil Savings (\$)	Utility Cost Savings (\$)	Waste Disposal (\$)	Total Savings (\$)
Heating Ventilation Air Conditioning Systems	9		9,405	4,745		14,150
Anti-Idling Systems	7	36,865				36,865
Boilers	6			5,253		5,253
Lighting Upgrades	3			8,501		8,501
Insulation	3			1,499		1,499
Solar Panels	3			2,341		2,341
Clothes Washers/Dryers	2			2,051		2,051
Chillers/Freezers	2			1,652		1,652
Waste Oil Furnaces	2			14,049		14,049
Air Compressor	2			2,727		2,727
Recycling	1				1,300	1,300
Food Preparation Equipment	1			2,971		2,971
Total Savings	41	36,865	9,405	45,789	1,300	93,359

Small Business Pollution Prevention Assistance Account (PPAA) Loan Program

The Small Business Pollution Prevention Assistance Account (PPAA) Loan Program, created in 1999, provides low-interest, fixed-rate loans to small businesses undertaking projects that reduce waste, pollution or energy use. Loans may be used to fund up to 75 percent of total eligible project costs. The maximum loan amount is \$100,000. Small businesses located within the commonwealth with 100 or fewer full-time employees are eligible. Terms include a fixed interest rate of 2 percent and a maximum term of 10 years. The Department and the Department of Community and Economic Development (DCED) jointly administer this program. DEP reviews the technical applications and DCED reviews the financial application, performs the credit check and handles the loan closing and maintenance.

For the 2009-10 fiscal year:

- 27 technical applications (\$1,699,267) have been submitted and accepted;
- 29 technical applications (\$1,899,267) have been approved by the department;
- 13 commitment letters (\$984,384) have been issued by DCED;
- 9 loans (\$494,889) have closed.

From program inception through June 30, 2010:

- 244 technical applications (\$12,770,325) have been submitted;
- 235 technical applications (\$12,348,225) have been approved by the department;
- 124 commitment letters (\$6,885,226) have been issued by DCED;
- 91 loans (\$4,981,841) have closed.

From plan inception to June 30, 2010, 52 small businesses have reported savings of \$9,844,350 since implementing their pollution prevention/energy efficiency project. These 52 small businesses borrowed a total of \$2,948,613 from the loan program. This equates to a \$3.34 savings for the small business on each \$1.00 borrowed. In addition, since this is a revolving loan program, the principal is repaid to the commonwealth with interest. Total actual savings reported by the 52 small businesses are as follows:

- Air Emissions – 38 Tons
- Water – 121,118,874,773 Gals.
- Waste – 53,648 Tons
- Energy – 439,300,921,418 BTUs
- Amount of money saved - \$9,844,350

Small Business Energy Efficiency Grant Program

The Small Business Energy Efficiency Grant Program (SBEEG) marked its first year of providing grants to Pennsylvania small businesses. SBEEG was created from and is funded through Pennsylvania House Bill 1 (the Alternative Energy Investment Act). This grant program provides a 25 percent reimbursement grant, up to a maximum of \$25,000, to enable Pennsylvania small businesses to acquire certain pieces of equipment or adopt certain processes that promote energy efficiency. Well-designed energy efficiency projects can help small businesses cut operating costs and increase competitiveness, while simultaneously reducing Pennsylvania's energy demand. Each project is required to achieve at least a 20 percent increase in energy efficiency. Eligible small businesses must be a for-profit business located within the

commonwealth with no more than 100 full-time employees. The grant can be applied toward the cost of purchasing and installing numerous energy efficient items and systems, including geothermal heat pumps; energy efficient HVAC, lighting, and refrigeration systems, as well as insulation and air sealing projects.

The grant program opened for application on Jan. 12, 2009 and closed May 1, 2009. From plan inception to June 30, 2010, the grant program awarded 162 grants totaling \$1.8 million.

DEP Bureau of Air Quality, Compliance Assistance & Monitoring Section (BAQ CAM)

This section oversees the planning, development, coordination, implementation and evaluation of the statewide air quality compliance assistance & pollution prevention program. It develops compliance assistance outreach tools and materials and pollution prevention programs.

Mercury Switch Program

On Nov. 9, 2004, the department announced the creation of the Pennsylvania Mercury Automobile Switch Removal Program (PA MASRP). The MASRP is a voluntary program that encouraged the removal of mercury switches from automobiles in a safe, effective and relatively easy manner. In December 2005, Pennsylvania Automotive Recyclers Trade Society (PARTS) was awarded a sole-source grant from the Department to administer the voluntary program until Sept. 30, 2007. The program offered a reimbursement of \$2 per switch to participating auto recyclers at least until the grant's expiration date. On Aug. 11, 2006, the United States Environmental Protection Agency announced the creation of the National Vehicle Mercury Switch Removal Program (NVMSRP). In the fall of 2006, the PA MASRP was merged with the NVMSRP. There are 329 Pennsylvania recyclers registered in the program. A total of 75,998 mercury-containing switches, or 167.20 pounds of mercury, have been removed since the inception of the program.

2010 Dry Cleaner Calendar – In November 2009, the 2010 Dry Cleaner Compliance Calendar was mailed to over 850 Pennsylvania dry cleaners. The calendar is a convenient way for dry cleaners to maintain required federal and state records. The Department has distributed this compliance assistance tool since 2001. Revisions were also completed for the 2011 calendar which will be distributed in the fall of 2010. The 2010 calendar included a 5-page Korean translation of the instructions. This translation has been favorably received by the Korean Drycleaners Association.

Emerging Technology Applications Center (ETAC) – ETAC helps small businesses gain a competitive advantage by applying alternative technologies to improve heating, drying, coating and curing processes as well as reducing their energy usage and carbon footprint. With support from the department, ETAC helps businesses investigate new equipment, materials and processes before making large investments or production changes. The following chart summarizes the assistance that the BAQ CAM has provided through its grant with ETAC.

Summary of ETAC Activities and Benefits

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009*	Total
Companies Consulted	68	68	72	122	104	107	47	100	68	48	43	847
Different Industry Types	20	5	4	5	3	1	17	14	4	2	2	77
Demonstration Projects Completed	15	16	11	14	9	11	5	7	10	12	7	117
Emissions Reductions (tons per year) of Volatile Organic Compounds Projected Over 10 Years	3,383	10,356	5,260	7,373	5,655	2,207	293	13,977	4,761	2,438	1,151	56,854
Emissions Reductions (tons per year) of Hazardous Air Pollutants Projected Over 10 Years	0	251	438	4,146	0	0	0	60	0	600	0	5,495
Emissions Reductions (tons per year) of Particulates Projected Over 10 Years	70	0	0	0	2,000	0	0	1	0	0	52	2,123

*In addition, ETAC assisted small businesses in reducing their emissions by 9,443 tons of COx, 53 tons of SOx and 16 tons of NOx during 2009.

For more information, visit
www.depweb.state.pa.us, keyword: Ombudsman.

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