

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

**ANNUAL REPORT**

**SMALL BUSINESS ENVIRONMENTAL  
ASSISTANCE PROGRAMS**

**JULY 1, 2008 – JUNE 30, 2009**

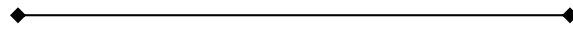


**pennsylvania**

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Julien F. Gaudion, Ombudsman

## **Small Business Programs**



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## **Introduction**

The Pennsylvania Small Business Environmental Assistance Program has been helping small businesses comply with environmental laws and operate more efficiently since the mid-1990s. This year, the Small Business Environmental Assistance Program, 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 Small Business Environmental Assistance Program, 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 Small Business Environmental Assistance Program (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 12 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](http://www.askemap.org).

The five-year cooperative agreement between the department and EMAP was renewed in July 2009 for \$420,000 for the 2009-10 fiscal year. This contract may be renewed for up to four 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 2008-09 year, EMAP reports the following information:

For the 2008-09 fiscal year:

217 Hotline contacts

670 Non-hotline contacts (e-mails or direct calls)

572 Businesses provided with in-depth assistance (one hour or more)

209 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 1,363 clients from Jan. 1, 2008, through Dec. 31, 2008. Of these, 1,245 were direct contacts with small businesses.

In the first half of 2009, the ombudsman's office assisted 1,358 clients (which includes 196 Energy Management Workshop attendees) with environmental and energy matters. Of those, 1,332 were direct contacts with small businesses, 22 were government agencies, other assistance providers or consultants. Nine inquiries came from other types of entities, including large business and non-profits.

As described below, the ombudsman's office administered three financing programs during the 2008-09 fiscal year.

### **Small Business Advantage Grant Program**

The Small Business Advantage Grant program marked its fifth year of offering grants to Pennsylvania small businesses. This grant program provides 50 percent matching grants, up to a maximum of \$7,500, for 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 15 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 \$899,998 in grants during the 2008-09 fiscal year. The grant program opened July 21, 2008 and was so popular that it reached the limits of its funding by Aug. 1, 2008. The program received 238 applications during the year and funding was approved for 145 applicants.<sup>1</sup> 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 Small Business Advantage grant program may reopen in 2009 if funding for the program is obtained.

The department has been gathering data from projects funded through this grant program during the period from July 1, 2007, to June 30, 2008 -- its fourth year of operation. Data from the one year follow up reports detailing energy and pollution prevention savings submitted by 80 small businesses are presented in the charts on pages 4 and 5. These 80 companies were awarded a total of \$444,543 from the grant program.

Department staff conducted random inspections of 10 percent of the grant recipients for the 2007-08 fiscal year to verify project completion and equipment operation.

The projects generated from these 80 grant awards allowed these small businesses to save \$355,315 in energy and pollution related expenses in just the first year since implementing their projects.

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<sup>1</sup> During the preceding 2007-08 Fiscal Year, DEP received a total of 248 applications and approved 163 of those applications for funding.

### Reported Unit Savings for FY 2007/2008 Grant Funded Projects – 80 Reports Submitted

<b>Project Type</b>	<b>Annual Reports Submitted</b>	<b>Air Emissions (Tons)</b>	<b>Diesel Fuel (Gallons)</b>	<b>Heating Oil (Gallons)</b>	<b>Water (Gallons)</b>	<b>Electricity (kWh)</b>	<b>Natural Gas (Cubic Feet)</b>
Anti-Idling Systems	18	38	54,684				
Boilers	17	72		12,174		25,647	4,471,918
Heating Ventilation Air Conditioning Systems	10	55		2,409		58,771	370,300
Clothes Washers/Dryers	6				510,754	7,196	116,030
Digital X-Ray Systems	5				79,444	57,457	
Recycling	5	285	3,998		458,772		
Lighting Upgrades	4					147,647	
Chillers/Freezers	3	4			8,000	26,530	
Insulation	2			1,840		17,400	
Solar Panels	2	3				3,544	300,900
Waste Oil Furnaces	2						880,200
Air Compressor	1					99,074	
Alternate Fuels System	1						69,000
Dry Cleaning System	1					4,730	78,700
Gas Fryer	1	2					26,600
Heat Treatment Oven	1					11,700	
Shade Curtain System	1	15					218,295
<b>Total Savings</b>	<b>80</b>	<b>474</b>	<b>58,682</b>	<b>16,423</b>	<b>1,056,970</b>	<b>459,696</b>	<b>6,531,943</b>

### Reported Dollar Savings for FY 2007/2008 Grant Funded Projects – 80 Reports Submitted

<b>Project Type</b>	<b>Annual Reports Submitted</b>	<b>Diesel Fuel Savings (\$)</b>	<b>Heating Oil Savings (\$)</b>	<b>Utility Cost Savings (\$)</b>	<b>Waste Disposal, X-Ray Supplies &amp; Chemicals Savings (\$)</b>	<b>Total Savings (\$)</b>
Anti-Idling Systems	18	185,035				185,035
Boilers	17		22,369	25,249	1,500	49,118
Heating Ventilation Air Conditioning Systems	10		4,858	10,897		15,755
Clothes Washers/Dryers	6			4,046	696	4,742
Digital X-Ray Systems	5			7,110	14,186	21,296
Recycling	5	13,993		2,264	8,452	24,709
Lighting Upgrades	4			11,724		11,724
Chillers/Freezers	3			2,378	325	2,703
Insulation	2		2,760	1,270		4,030
Solar Panels	2			4,462		4,462
Waste Oil Furnaces	2			11,145	1,312	12,457
Air Compressor	1			11,395		11,395
Alternate Fuels System	1			356		356
Dry Cleaning System	1			1,273		1,273
Gas Fryer	1			375		375
Heat Treatment Oven	1			1,170		1,170
Shade Curtain System	1			4,715		4,715
<b>Total Savings</b>	<b>80</b>	<b>199,028</b>	<b>29,987</b>	<b>99,829</b>	<b>26,471</b>	<b>355,315</b>



## **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 2008-09 fiscal year:**

- 35 technical applications (\$1,962,517) have been submitted;
- 34 technical applications (\$1,797,992) have been approved by the department;
- 13 commitment letters (\$678,270) have been issued by DCED;
- 9 loans (\$437,755) have closed.

### **From program inception through June 30, 2009:**

- 217 technical applications (\$11,079,467) have been submitted;
- 206 technical applications (\$10,457,367) have been approved by the department;
- 111 commitment letters (\$5,894,971) have been issued by DCED;
- 82 loans (\$4,486,952) have closed.

From plan inception to June 30, 2009, 49 small businesses have reported savings of \$9,673,538 since implementing their pollution prevention/energy efficiency project. These 49 small businesses borrowed a total of \$2,835,754 from the loan program. This equates to a \$3.42 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 49 small businesses are as follows:

- Air Emissions – 38 Tons
- Water – 121,118,391,388 Gals.
- Waste – 51,527 Tons
- Energy – 439,134,965,338 BTUs
- Amount of money saved - \$9,673,538

## **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. On May 6, 2009, 53 grants were awarded totaling \$514,524. Additional grant awards will be made in the second half of 2009.

### **2009 Energy Management Workshops**

The department hosted a series of free half-day workshops at seven locations across Pennsylvania in the spring of 2009 to help small and medium-sized businesses find ways to conserve energy and reduce their energy costs.

Many small and medium-sized businesses have been significantly impacted by the rise in natural gas, oil and electricity prices. The goal of these workshops was to provide the small business community with easily implemented changes to conserve energy in their operations and facilities. The workshops were designed for business owners who have never attended energy efficiency workshops/training.

Business owners received information on energy-supply options and learned how to identify energy-saving opportunities, develop an energy action plan and understand their utility bills. The workshop offered attendees information on financial and technical resources that are available for energy-efficiency upgrades, including easily implemented, cost-effective changes for manufacturing facilities.

The workshops were sponsored by The department's Office of the Small Business Ombudsman in partnership with business and economic development groups, local government organizations, and institutions of higher education. Funding for the energy management workshops was provided through a U.S. Department of Energy grant.

Approximately 200 attendees attended the seven workshops across the state. The attendees evaluated the workshops in a very affirmative manner and responded that 75 percent had never attended an energy workshop previously. Because of the positive responses from the attendees, future workshops are planned for 2010 (provided funding is available).

### **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 Dec. 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 227 Pennsylvania recyclers registered in the program. A total of 60,587 mercury-containing switches, or 133.29 pounds of mercury, have been removed since the inception of the program. Three outreach workshops were conducted in November 2008 to educate the recyclers, shredders, steel industry and foundries regarding the NVMSRP and the area source Maximum Achievable Control Technology (MACT) requirements for electric arc furnace steelmaking facilities and iron and steel foundries. From August 2008 through July 2009, the NVMSRP offered a \$4.00 per switch incentive. Currently, the funding for the incentive is depleted.

**2009 Dry Cleaner Calendar** – In Nov. 2008, the 2009 Dry Cleaner Compliance Calendar was mailed to more than 1,000 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 2010 calendar which will be distributed in the fall of 2009. The 2010 calendar will include a 5-page Korean translation of the instructions.

**Electrotechnology Applications Center (ETAC)** – ETAC helps businesses gain a competitive advantage by applying alternative technologies to improve heating, drying, coating and curing processes. 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*	Total
Companies Consulted	68	68	72	122	104	107	47	100	68	48	804
Different Industry Types	20	5	4	5	3	1	17	14	4	2	75
Demonstration Projects Completed	15	16	11	14	9	11	5	7	10	12	110
Emissions Reductions (tons per year) of Volatile Organic Compounds Projected Over 10 Years	3383	10356	5260	7373	5655	2207	293	13977	4761	2438	55703
Emissions Reductions (tons per year) of Hazardous Air Pollutants Projected Over 10 Years	0	251	438	4146	0	0	0	60	0	600	5495
Emissions Reductions (tons per year) of Particulates Projected Over 10 Years	70.5	0	0	0	2000	0	0	1	0	0	2071

\*In addition, ETAC assisted businesses in reducing their emissions by 8737 tons of COx, 38 tons of SOx and 10 tons of NOx during 2008.

For more information, visit  
[www.depweb.state.pa.us](http://www.depweb.state.pa.us), keyword: Ombudsman.

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