

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

**ANNUAL REPORT**

**SMALL BUSINESS ENVIRONMENTAL  
ASSISTANCE PROGRAMS**

**JULY 1, 2007– JUNE 30, 2008**



**pennsylvania**

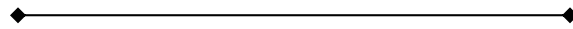
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Commonwealth of Pennsylvania

Department of Environmental Protection

Julien F. Gaudion, Ombudsman

## **Small Business Programs**



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## Members

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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 worked only on 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' existing 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 13 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 cooperative agreement between the Department and EMAP was renewed in June 2008 for \$420,000 for the 2008-09 fiscal year. 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 2007-08 year, EMAP reports the following information:

For the 2007-08 fiscal year:

123 Hotline contacts

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

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

161 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 376 clients from January 1, 2007, through December 31, 2007. Of these, 303 were direct contacts with small businesses. In addition to those figures, the Ombudsman's Office fielded 563 calls concerning the Small Business Advantage Grant program.

In the first half of 2008, the Ombudsman's Office assisted 807 clients (which includes 343 Energy Management Workshop attendees) with environmental matters. Of those, 749 were direct contacts with small businesses, 51 were government agencies, other assistance providers or consultants. Seven inquiries came from other types of entities, including large business and non-profits.

As described below, the Ombudsman's office administered two financing programs during the 2007-08 fiscal year.

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

The Small Business Advantage Grant program marked its fourth 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 \$923,239 in grants during the 2007-08 fiscal year. The grant program opened August 14, 2007 and was so popular that it reached the limits of its funding by September 4, 2007. The program received 248 applications during the year and funding was approved for 163 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 reopened on July 21, 2008.

The Department has been gathering data from projects funded through this grant program during the period from July 1, 2006, to June 30, 2007 -- its third year of operation. Data from the one year follow up reports detailing energy and pollution prevention savings submitted by 97 small businesses are presented in the charts on pages 4 and 5. These 97 companies were awarded a total of \$551,980 from the grant program.

Department staff conducted random inspections of 25 percent of the grant recipients for the 2006-07 fiscal year to verify project completion and equipment operation.

The projects generated from these 97 grant awards allowed these small businesses to save \$571,446 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 2006-07 Fiscal Year, DEP received a total of 199 applications and approved 138 of those applications for funding.

### Reported Unit Savings for FY 2006/2007 Grant Funded Projects – 97 Reports Submitted

Project Type	Annual Reports Submitted	Air Emissions (Tons)	Diesel Fuel (Gallons)	Motor/ Lube Oil (Gallons)	Heating Oil (Gallons)	Water (Gallons)	Electricity (kWh)	Natural Gas (Cubic Feet)
Anti-Idling Systems	42	28	99,956	156				
Boilers	13	228			6,190			863,228
Clothes Washers/Dryers	11					904,408		71,000
Digital X-Ray Systems	9					120,000	12,590	
Heating Ventilation Air Conditioning Systems	8	131	8,875				122,198	1,216,631
Chillers/Freezers	4	2				1,450,000	22,729	
Dry Cleaning Systems	4							
Solar Panels	2	5					7,800	
Suction/Vacuum Systems	1			22		593,750		
Alternate Fuels Systems	1	4			600			
Insulation	1						5,628	25,000
Recycling	1	416	1,957					
Lighting Upgrades	*						19,329	
<b>Total Savings</b>	<b>97</b>	<b>814</b>	<b>110,788</b>	<b>178</b>	<b>6,790</b>	<b>3,068,158</b>	<b>190,274</b>	<b>2,175,859</b>
*Included in other project types.								

**Reported Dollar Savings for FY 2006/2007 Grant Funded Projects – 97 Reports Submitted**

<b>Project Type</b>	<b>Annual Reports Submitted</b>	<b>Diesel Fuel Savings (\$)</b>	<b>Motor/ Lube Oil 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	42	319,833	2,565				322,398.00
Boilers	13			14,986	12,996	800.00	28,782.00
Clothes Washers/Dryers	11				9,700	23,510.00	33,210.00
Digital X-Ray Systems	9				9,493	84,119.00	93,612.00
Heating Ventilation Air Conditioning Systems	8	28,000			26,187		54,187.00
Chillers/Freezers	4				3,157	4,498.00	7,655.00
Dry Cleaning Systems	4				3,400	16,808.00	20,208.00
Solar Panels	2				780		780.00
Suction/Vacuum Systems	1		300		1,900		2,200.00
Alternate Fuels Systems	1			208			208.00
Insulation	1				906		906.00
Recycling	1	5,393					5,393.00
Lighting Upgrades	*				1,907		1,907.00
<b>Total Savings</b>	<b>97</b>	<b>353,226</b>	<b>2,865</b>	<b>15,194</b>	<b>70,426</b>	<b>129,735.00</b>	<b>571,446.00</b>
*Included in other project types.							

## **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, up to a maximum of \$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. The Department reviews the technical applications and DCED reviews the financial application, performs the credit check and handles the loan closing and maintenance.

### **For the 2007-08 fiscal year:**

- 27 applications (\$1,321,284) have been submitted;
- 26 technical applications (\$1,285,809) have been approved by the Department;
- 18 commitment letters (\$840,929) have been issued by DCED;
- 15 loans (\$861,071) have closed.

### **From program inception through June 30, 2008:**

- 182 applications (\$9,153,243) have been submitted;
- 172 technical applications (\$8,695,668) have been approved by the Department;
- 98 commitment letters (\$5,213,122) have been issued by DCED;
- 72 loans (\$4,010,233) have closed.

From plan inception to June 30, 2008, 44 small businesses have reported savings of \$8,482,641 since implementing their pollution prevention/energy efficiency project. These 44 small businesses borrowed a total of \$2,476,470 from the loan program. This equates to a \$3.43 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 44 small businesses are as follows:

- Air Emissions – 28 Tons
- Water – 121,043,503,038 Gals.
- Waste – 50,653 Tons
- Energy – 354,048,117,168 BTUs
- Amount of money saved - \$8,482,641

## **2008 Energy Management Workshops**

The Department hosted a series of free half-day workshops at seven locations across Pennsylvania in the spring of 2008 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.

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.

The seven workshops were well attended. The total number of attendees for all of the workshops was 343 and approximately 75 percent of these had never attended an energy workshop previously. The attendees evaluated the workshops in a very affirmative manner. Because of the affirmative responses from the attendees, future workshops are planned for 2009 (provided that funding is available).

### **2008 Small Business Ombudsman/Small Business Environmental Assistance Program (SBO/SBEAP) National Conference**

The Office of the Small Business Ombudsman hosted the annual SBO/SBEAP national conference held in Harrisburg on June 17-20, 2008. The conference was designed specifically for state SBOs/SBEAPs, other small business environmental assistance providers, the U.S. Environmental Protection Agency (EPA), and small businesses. This annual conference was an opportunity to share information which can help small businesses with their environmental compliance, energy, and pollution prevention issues. Speakers included Pennsylvania's Secretary of Community and Economic Development, EPA's Region III Administrator, national trade association representatives, small business owners and managers of state small business programs. There were over 130 attendees from across the country that participated in the conference.

### **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 November 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 September 30, 2007. The

program offered a reimbursement of \$2 per switch to participating auto recyclers at least until the grant's expiration date. On August 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. A total of 36,024 mercury-containing switches, or 79.25 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. As of August 2008, the NVMSRP is offering a \$4.00 per switch incentive.

**2008 Dry Cleaner Calendar** – In December 2007, the 2008 Dry Cleaner Compliance Calendar was mailed to over 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 2009 calendar which was distributed in the fall of 2008. In June 2008 a mailing was sent to Pennsylvania dry cleaners notifying them to complete and submit a Compliance Notification Form by July 28, 2008 as required by the 2006 amendments to the federal dry cleaning regulations. To date approximately 260 forms have been received. A second mailing was sent to dry cleaner owners in the fall of 2008.

**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	Total
Companies Consulted	68	68	72	122	104	107	47	100	68	756
Different Industry Types	20	5	4	5	3	1	17	14	4	73
Different Counties	19	12	11	4	3	5	15	11	5	85
Demonstration Projects Completed	15	16	11	14	9	11	5	7	10	98
Emissions Reductions (tons per year) of Volatile Organic Compounds Projected Over 10 Years	3383	10356	5260	7373	5655	2207	293	13977	4761	53265
Emissions Reductions (tons per year) of Hazardous Air Pollutants Projected Over 10 Years	0	251	438	4146	0	0	0	60	0	4895
Emissions Reductions (tons per year) of Particulates Projected Over 10 Years	70.5	0	0	0	2000	0	0	1	0	2071

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

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