

Green Permits and the Environmental Management Systems Incentives Project

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Oregon Department of Environmental Quality

What Are Green Permits?

The 1997 Oregon Legislature created Green Permits to encourage regulated facilities to achieve environmental results that are significantly better than otherwise provided by law. The legislation, House Bill 3457, encourages the Environmental Quality Commission (EQC) to use innovative environmental approaches or strategies to accomplish these goals. The EQC may create multiple classes or categories of Green Permits, and may establish by rule specific criteria, and procedures for application, review and public participation.

What is the Environmental Management Systems Incentives Project (EMSIP)?

DEQ is exploring one approach which it believes will achieve the environmental results envisioned in the Green Permits legislation. This approach is based on the use of environmental management systems such as ISO 14001. The project is working toward a “tiered”, or multi-level system in which greater demonstrated environmental performance is acknowledged with increasing regulatory “benefits”.

Why is Oregon developing the Green Permits and EMS Incentives Project?

Many factors have contributed to current regulatory reform efforts in Oregon. Among them is a growing recognition by government, industry and environmental groups that:

- the existing regulatory system often does not encourage or reward environmental stewardship;
- many environmental issues can not or will not be adequately addressed by solely regulatory means;
- voluntary, market-driven, outcome-based approaches can be effective in accomplishing desired environmental results; and
- many companies have the knowledge and resources to significantly reduce environmental impacts.

What are the key principles behind the EMS Incentives Project?

The EMS Incentives Project was initiated after studying a variety of regulatory reform projects from around the U.S. and overseas. It is being developed on the following key principles:

- *Compliance with environmental standards is the baseline.* Environmental performance which exceeds that required to meet minimum compliance requirements is expected.
- *Significant and measurable environmental performance goals will be established.* Accomplishments by facilities must result in real and quantifiable gains. In addition to outstanding performance in emission or waste reduction, the project may recognize gains in areas not traditionally covered by regulatory permits, such as riparian habitat protection.
- *Meaningful stakeholder involvement is expected.* In addition to superior environmental performance, EMSIP facilities must demonstrate significant efforts to inform and involve concerned members of the community regarding environmental issues.
- *The system will balance simplicity and certainty with flexibility and innovation.* EMSIP will provide clear principles and expectations of performance to ensure consistent and predictable

results. At the same time, it will be adaptable to unique or new strategies for environmental management.

Who can participate in the EMS Incentives Project?

The EMSIP system is designed to reward and encourage facilities meeting the requirements and commitments of the project. It is anticipated that most participants will be larger facilities because their regulatory burden, and the opportunity to reduce that burden, is greater than for smaller facilities. The EMSIP system will be pilot tested in several facilities prior to adopting rules under the Green Permits legislation, and subsequently wider availability. All EMSIP participants will be expected to have an effective environmental management system, to demonstrate superior environmental performance, and to have meaningful stakeholder involvement activities. Participation in both EMSIP and Green Permits will be voluntary.

Why should companies implement environmental management systems?

Environmental management systems, such as those defined by the ISO 14001 standard, provide a structured process for planning, implementing, reviewing and improving environmental activities. Similar to quality-based systems, EMSs promote a holistic approach which identifies all environmental aspects of a facility's operation, and establishes specific targets which should achieve consistent results. Many companies have reported cost savings through the use of EMSs by reducing inefficiencies, waste and risk, and by more clearly incorporating environmental programs into the management structure of the facility.

What is the Status of Green Permits and the EMS Incentives Project?

DEQ has hired a contractor, Ross and Associates, to assist in the development of the EMSIP pilot system. In early October, a series of focus group meetings will be held to get direct input on issues which will affect the design of the EMSIP. Separate focus group meetings will explore project implications from a variety of perspectives, including the interests of DEQ staff and managers, industry representatives, public interest organizations and consultants. Input received in these meetings will be used to create a set of principles and criteria which will guide initial pilot projects. Another meeting with all interested parties will be scheduled in late November to outline the final project elements. At this point, DEQ will be seeking pilot participants to test the effectiveness of the EMSIP system. Development of criteria and rules for adopting the EMSIP framework as a "Green Permit" will be conducted with the assistance of a formal advisory committee, which will be established in late 1997.

How can I get more information?

If you have questions on the EMS Incentives Project, please contact Marianne Fitzgerald at 503/229-5946 or email at <fitzgerald.marianne@deq.state.or.us>.

If you have questions on Green Permits or regulatory innovation in general, please contact Paul Burnet at 503/229-5776, or email at <burnet.paul@deq.state.or.us>.

Either can be reached at the Oregon Department of Environmental Quality, 811 S.W. Sixth Avenue, Portland, OR 97204. The fax number is 503/229-5850.