



# Lean Government

## Region 6 Air Greenhouse Gas Permitting Process Lean Event Case Study

### Summary

In 2011, the Environmental Protection Agency (EPA) began accepting permit applications to build or modify facilities that would emit greenhouse gases (GHG). While many states issue their own permits, the State of Texas initially declined to issue GHG permits, leaving the task to EPA Region 6. With an abundance of petrochemical and other carbon-based industries on the Gulf Coast, Region 6 faced one of the largest and most ambitious tasks for GHG Permitting of all the EPA Regions. The Region conducted a Lean project in February 2014 to streamline its GHG permitting process before transferring authority to issue permits to the Texas Commission on Environmental Quality (TCEQ). On November 10 2014, permitting authority transferred to TCEQ; thus, Region 6 will no longer be issuing GHG permits to Texas companies once the Region finalizes the remaining permits in process. Despite the pending transfer of authority over the last year, the improvements to Region 6's permit writing process initiated by the Lean event have allowed industries in Texas to receive permits faster and begin construction in a timelier manner.

### Results

The Region 6 GHG permitting Lean project created a faster permitting process by streamlining three inefficient aspects of the process:

1. obtaining supplemental information from permit applicants;
2. coordinating with federal, state, and tribal agencies on cross-cutting issues; and
3. responding to public comment.

The improvements identified allowed Region 6 to issue permits faster, and for Texas industries to proceed with development in a way that both protects the environment and helps grow the Texas economy. The Lean event team did not quantify the time and efficiency savings from the project.

### Scope of the Lean Project

#### Project Scope:

The Lean project scope encompassed the Region 6 GHG permitting process in receiving and taking action on a GHG permit.

#### Goals:

- Develop a flow chart of the R6 Air Greenhouse Gas Permitting Process
- Identify roadblocks and solutions to roadblocks
- Identify innovations to improve process efficiency

### Process Changes and Improvements

The Lean team mapped the GHG permitting process and identified a number of process changes to reduce lead time and improve efficiency. In particular, the team identified three main inefficiencies in the permitting process: (1) obtaining supplemental information from the applicant, (2) coordinating with federal, state, and tribal entities on cross-cutting issues, and (3) responding to public comments.

## Obtaining supplemental information from the applicant

- Nearly every GHG permit application requires the permit writer to request additional details from the applicant. Prior to the Lean event, permit reviewers collected this information via random phone calls from applicants. Permit writers now keep a call log to track these incoming calls so they become part of the permit record and to facilitate an accurate response when inquiries are made about a permit's status.
- Region 6 also developed standard communication materials, such as a form letter to remind applicants to notify the Region if changes are made to project design, and started emailing applicants a list of missing items to expedite retrieval of omitted application materials.

## Improving coordination with federal, state, and tribal entities on cross-cutting issues

- Region 6 must consult with (and sometimes obtain approval from) other federal and state agencies and tribes, which can introduce delays to the permit decision. To streamline coordination, the Lean event team developed a standard checklist which identifies and tracks outreach to the federal, state, and tribal entities that might be involved in the review of each permit. Region 6 also assigned a liaison responsible for overseeing the checklist and coordinating involvement with these external parties.
- To improve coordination and prevent delays, the Region initiated alerts to the state Congressional office ahead of GHG permit issuance and began coordinating with the Office of External Affairs to flag GHG permits in weekly congressional reports and in outreach to Congressional Staff.

## Responding to public comments more efficiently

- The comments that Region 6 receives on GHG permits are usually lengthy, technical, and specific to each permit. The Lean team recommended the Region develop responses for similar issues and repeat responses where applicable.
- The team developed a public comment checklist that both the permit writers and the Office of Regional Counsel use to ensure the Region addresses all public comments.
- Region 6 now encourages permit applicants to hold direct conversations with environmental groups to address concerns prior to the comment period on a draft permit. These conversations can minimize, and perhaps eliminate, comments avoiding both the need for a response from Region 6 and the potential to challenge the permit before the Environmental Appeals Board.

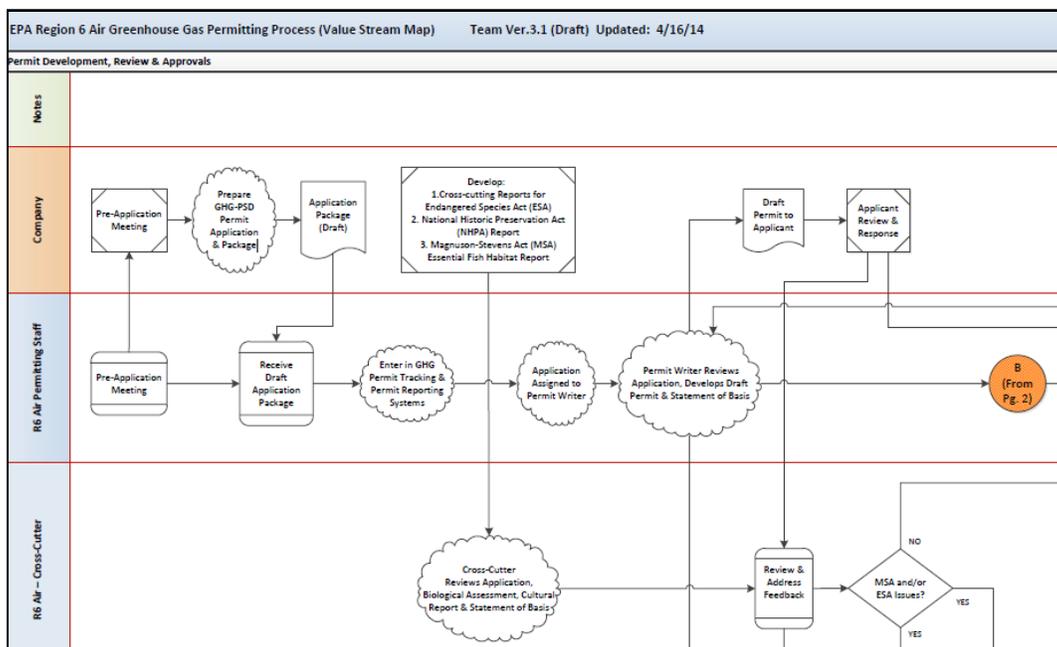


Figure 1: A snapshot of the Lean event team's value stream map.

**Region 6 also made the following procedural changes that targeted reductions in lead time in the permitting process:**

- Initiated concurrent reviews on draft permits in some source categories with EPA Headquarters and the company applying for a permit prior to proceeding to public notice. Concurrent reviews eliminated an additional week from the review schedule.
- Developed a ranking of all permits that do not need Headquarters oversight, reducing process steps and overall lead time.
- Created a standard checklist for the process for permit writers to follow.
- Eliminated national review on draft permits in source categories where Region 6 has approved multiple permits (e.g., coal-fired power plants).
- Changed protocol to assign more complex permits to the most experienced permit writers.
- Brought in temporary technical staff support to increase the rate of permit review in advance of transferring permitting authority to Texas.

## Implementation

Region 6 implemented the process changes discussed above. The Region will no longer be issuing GHG permits in Texas once all permits in its queue have been issued. As of November 2014, GHG permitting authority transferred to TCEQ and Region 6 will continue to be involved with oversight of the GHG permits.

### For More Information:

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