

**Environment and Natural Resources Trust Fund
2011-2012 Request for Proposals (RFP)**

LCCMR ID: 142-F1+2+5

Project Title: Industry Sector and Community Emission-Reduction Program

Category: F1+2+5. Climate Change and Air Quality

Total Project Budget: \$ \$497,109

Proposed Project Time Period for the Funding Requested: 2 yrs, July 2011 - June 2013

Other Non-State Funds: \$ 0

Summary:

Implement at least 36 emission-reduction projects -- each gaining approximately 40% reductions -- in targeted industry sectors in the Twin Cities, Rochester, and Duluth; where possible in higher risk communities.

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Sponsoring Organization: Minnesota Environmental Initiative

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Location

Region: NE, Metro, SE

Ecological Section: Southern Superior Uplands (212J), Northern Superior Uplands (212L), Paleozoic Plateau (222L), Minnesota and NE Iowa Morainal (222M)

County Name: Statewide

City / Township:

| | | | |
|--------------------------|-------------------------|-----------------------------|----------------------|
| _____ Funding Priorities | _____ Multiple Benefits | _____ Outcomes | _____ Knowledge Base |
| _____ Extent of Impact | _____ Innovation | _____ Scientific/Tech Basis | _____ Urgency |
| _____ Capacity Readiness | _____ Leverage | _____ Employment | _____ TOTAL _____% |

2011-2012 MAIN PROPOSAL

PROJECT TITLE: Industry Sector and Community Emission-Reduction Program

I. PROJECT STATEMENT

Minnesota faces difficult decisions related to the health, environmental and economic effects of deteriorating air quality. Federal standards will soon be tightened, and little is being done to gain emission and exposure reductions from area sources – community-scale, smaller, stationary pollution sources like print, machine, and auto body shops or gas stations.

MEI will design and implement emission-reduction projects in three industry sectors drawing on many years of experience designing and implementing strategies to reduce area source emissions. To identify the three industry sectors where projects can generate the greatest reduction of emissions and exposure to dangerous pollutants, MEI will analyze Minnesota's newest emissions inventory and risk analysis data. In past emissions inventories, major area sources included industrial surface coating facilities, machine, printing, and auto body shops. Within each of the three selected industry sectors, MEI will design at least three projects in Rochester and Duluth and 6 projects in Minneapolis/St. Paul (36 projects in all). The emission-reduction projects will implement a variety of technical improvements such as adding pollution control equipment, energy efficiency elements, or changing chemicals used. Where feasible, MEI will also consider cost share or other financial incentives for project participation. Focusing on the most promising industry sectors utilizes economies of scale and concentrates partner recruitment while launching the use of improved practices in multiple industry sectors and advancing the sectors' best management practices. MEI will also prioritize projects in communities facing disproportionately poor air quality and pollutant exposure.

Project goals:

- Emission reductions – improved air quality through measurable reductions averaging approximately 40% in PM, VOC, NOx, and air toxics emissions for each project,
- Projects – at least 36 emission-reduction projects in Rochester (9 projects), Duluth (9 projects), and Minneapolis/St. Paul (18 projects) in areas such as Phillips, North Minneapolis, or East St. Paul. Each project will achieve meaningful emission reductions, as well as pilot and demonstrate best practices.

II. DESCRIPTION OF PROJECT ACTIVITIES

Activity 1: Identify targeted industry sectors and communities of disparate air quality and impact; design emission-reduction projects.

Budget: \$110,474

Obtain, review, and analyze newest MN area-source emissions data and risk factors; prioritize and select industry sectors and communities; design projects for implementation.

| Outcome | Completion Date |
|--|------------------------|
| 1. Identify 3 industry sectors for most efficient emission reductions. | <i>October 2011</i> |
| 2. Identify communities facing disparate air quality or exposure and risk factors in Twin Cities, Rochester, and Duluth. | <i>October 2011</i> |
| 3. Design projects for each of the 3 industry sectors. Analyze chemicals and processes used in each sector. Evaluate and select project options for emission and exposure reduction potential. | <i>March 2012</i> |
| 4. Evaluate partners' resources, recruit additional, new partners as necessary. | <i>April 2012</i> |

Activity 2: Implement 36 industry sector emission-reduction projects.

Budget: \$386,635

Implement 36 emission/exposure reduction projects; design system to quantify emission-reductions; quantify and disseminate program results.

| Outcome | Completion Date |
|---|------------------------------|
| 1. Obtain 36 willing implementation partners in targeted industry sectors. | <i>July 2012</i> |
| 2. Execute 36 project partner agreements and begin emission-reduction projects. For each shop/facility owner, the agreement will delineate the roles, responsibilities, and expectations of each partner. | <i>September 2012</i> |
| 3. Quantify emission/exposure reductions for each project. | <i>June 2013</i> |
| 4. Work with project partners to communicate results and related information to partners, funders, and other interested stakeholders. | <i>On-going to June 2013</i> |

III. PROJECT STRATEGY

A. Project Team/Partners

- MEI: oversee all aspects of program and projects; data analysis; project design; partner recruitment; and grant coordination (ENRTF funded)
- MPCA: data analysis; input on project direction, quantification, coordination assistance with other state and local initiatives (in-kind contribution of time)
- MnTAP: industry sector analysis and project design; industry contacts; long-term planning (ENRTF funded)
- Local Government Representatives (St. Louis, Hennepin, Ramsey, Olmsted Counties; Cities of Duluth, Rochester, Minneapolis, St. Paul): input and feedback on project ideas and analysis; network of potential project participants; longer term emission reduction efforts; identifying potential local industry partners (in-kind contribution of time)
- MEI Steering Committee: input into project direction, outreach, and implementation contacts (in-kind contribution of time)
- Various Community, Nonprofit, and Industry Category Representatives: staff time to provide connections to community industries; feedback on potential project design and implementation; community outreach assistance (possibly ENRTF funded)

B. Timeline Requirements

This is a 2-year project. Activity 1 is likely to take 10 months. Activity 2 is likely to take 14 months. There are no extraordinary timeline requirements.

C. Long-Term Strategy and Future Funding Needs

The Industry Sector and Community Emission-Reduction Program is expected to continue beyond the grant timeframe. No additional LCCMR funds are anticipated. As with other MEI projects, this effort will seek to generate and leverage future funding from private sources, foundations, and local, state, and federal government entities. As with MEI's earlier area source work, the projects' design will enable it to be adopted and sustained by trade associations or other industry groups. The program will continue selecting new industry sectors and launching new emission/exposure reduction projects. The program will: assess needs and barriers to adoption of the emission-reduction technologies or processes; track the participating partners' experiences and results; develop technical resources for emission-reduction best management practices; and, create a collaboration of local and state governments and agencies, industry stakeholders, nonprofits, and others to assist coordination and implementation. This effort crafts a viable, coordinated, long-term infrastructure to achieve proactive emission reductions from a variety of area source sectors.

2011-2012 Detailed Project Budget
Minnesota Environmental Initiative
Industry Sector and Community Emission-Reduction Program

IV. TOTAL TRUST FUND REQUEST BUDGET - 2 years

| BUDGET ITEM | AMOUNT |
|--|-------------------|
| Personnel: | |
| Project Director, (overall project oversight and coordination; including reports, quantification, partner recruitment, and project designs), 28% FTE, 84% salary, 16% benefits, 24 months | \$ 50,014 |
| 2 Project Managers, (general oversight of one or two implementation projects; including community data collection and analysis; identifying emission reduction opportunities; reviewing sector opportunities with criteria such as: whether targeted pollutant, source category or industry is subject to an existing or upcoming regulatory control that would inhibit or preclude voluntary action; the pollutant and/or source category is not already being adequately treated by other organizations or efforts in the state; emission-reduction technologies or opportunities for the pollutant or source category exist, and could be built into a voluntary project.), 33% FTE each, 79% salary, 21% benefits, 24 months | \$ 62,224 |
| 2 Project Associates, (daily operations of one or two implementation projects; including installing project designs, maintaining partner involvement), 35% FTE each, 75% salary, 25% benefits, 24 months | \$ 58,868 |
| Chief Financial Officer, (contract and operating agreement drafting and review; vendor agreements and procurement system review; financial, accounting and budget coordination), 6% FTE, 84% salary, 16% benefits, 24 months | \$ 9,973 |
| Contracts: | |
| Implementation and procurement of cleaner technology or equipment, pollution control devices, or toxic chemical alternatives | \$ 280,000 |
| MnTAP: industry sector analysis and project design; industry contacts | \$ 16,050 |
| Community Groups: feedback on potential project design and implementation | \$ 11,700 |
| Travel: | |
| Rochester (20 trips x 180 miles x \$.50 per mile) | \$ 1,800 |
| Duluth (20 trips x 320 miles x \$.50 per mile) | \$ 3,200 |
| Twin Cities (80 trips x 22 miles x \$.50 per mile) | \$ 880 |
| Additional Budget Items: | |
| Publication and printing | \$ 2,400 |
| TOTAL ENVIRONMENT & NATURAL RESOURCES TRUST FUND \$ REQUEST | \$ 497,109 |

V. OTHER FUNDS

| SOURCE OF FUNDS | AMOUNT | Status |
|---|---------------|----------------|
| In-kind Services During Project Period: | TBD | <i>pending</i> |

Project Manager Qualifications and Organization Description

Bill Droessler will be the project manager. Droessler has been Senior Director of Environmental Projects at MEI since 2003. He will direct the project and provide support, oversight and integration with other MEI emission-reduction activities. He will oversee all project elements, including outreach and communications, implementation design and coordination, reporting, and logistical elements.

Droessler spearheads MEI's Clean Air Minnesota and Project Green Fleet activity, and is regarded as a pioneer and leader in developing Minnesota's large and expanding network of voluntary diesel-reduction efforts. He has worked on environmental issues for major international corporations, state and federal agencies and nonprofits. Prior work experience includes environmental law for the Zurich American Insurance Company, Program Director for Minnesota Public Interest Research Group, and Director of Outreach and Programming for 1000 Friends of Minnesota. He holds a BA in Government and History from Beloit College and a law degree from the Environment and Energy Law Program at Chicago Kent - College of Law, Illinois Institute of Technology.

Minnesota Environmental Initiative (MEI) is nonprofit 501(c)(3) organization founded in 1992 by a group of visionaries from the public and private sectors who sought new approaches for advancing environmental protection, policy, and management. They wanted to create a setting where businesses, environmental nonprofits, and government entities could explore common concerns, develop consensus, and build working relationships to implement the best of their ideas. After decades of interacting primarily through the adversarial venues of the courts and the legislature, these individuals created MEI as an alternative that would draw stakeholders together in a spirit of cooperation and shared interests. Today, MEI plays a key role in the development and management of partnerships that result in environmental action and productive outcomes.

MEI has extensive experience in successful, proactive emission-reduction projects. Over the last four years, MEI has received more than \$4 million for mobile source emission and exposure reduction efforts through seven EPA grants. Lauding its uniqueness and success, the EPA honored MEI in 2008 with a national Clean Air Excellence Award, recognizing that its emission-reduction project partners, "have undertaken the risks of innovation, served as pioneers in their fields, and have helped improve air quality." MEI was one of only two winners nationally in the Community Action category, whose recipients must have "significantly improved the community quality of life." MEI's Project Green Fleet (PGF) program also recently received a 2009 Midwest Clean Diesel Initiative Leadership Award (EPA Region 5) for significant, measurable improvements in air quality through the development and/or implementation of clean diesel actions. MEI also recently won the Minnesota Governor's Award for Pollution Prevention, a statewide award recognizing PGF's superior environmental achievement by Minnesota's businesses, nonprofits, government and institutions. MEI was recently invited to participate in a White House/EPA/HHS briefing on the clean energy economy, which brought together public health advocates and community leaders, experts from agencies, and White House officials for a discussion on the lasting public health benefits of a clean energy economy. MEI also presented at an EPA conference in January on its work with community groups and in areas suffering from disparate impacts on air quality from transportation related sources.

