

## What is a supplemental environmental project?

A supplemental environmental project (SEP) is an environmentally beneficial project. For companies found in violation of an environmental regulation, a SEP may be used to reduce the cash penalty amount the person or company may owe, if certain conditions are met.

A SEP must be an activity that the person or entity is not otherwise required to perform by any state, local, or federal statute, regulation, rule, order, decree, permit, or other law or agreement.

**A SEP must go beyond what a violator is required to do to achieve and maintain compliance.**

A SEP cannot be part of an action the company is required to perform as injunctive relief in the current case, as part of a settlement or order in another legal action, or as part of what is required to ensure normal compliance with environmental regulations.

## For More Information

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## Web Resources

**Idaho Code 39-108(5)(b): Monetary Penalties**  
[www.legislature.idaho.gov/idstat/Title39/T39CH1SECT39-108.htm](http://www.legislature.idaho.gov/idstat/Title39/T39CH1SECT39-108.htm)

**Idaho Code 39-4414(1)(c): Monetary Penalties**  
[www.legislature.idaho.gov/idstat/Title39/39CH44SECT39-4414.htm](http://www.legislature.idaho.gov/idstat/Title39/39CH44SECT39-4414.htm)

**Compliance and Enforcement**  
[www.deq.idaho.gov/compliance-enforcement](http://www.deq.idaho.gov/compliance-enforcement)

**Environmental Assistance and Resources**  
[www.deq.idaho.gov/assistance-resources](http://www.deq.idaho.gov/assistance-resources)

**Pollution Prevention**  
[www.deq.idaho.gov/pollution-prevention-for-businesses](http://www.deq.idaho.gov/pollution-prevention-for-businesses)



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## Frequently Asked Questions about

# DEQ Supplemental Environmental Projects



Courtesy of Idaho Tourism



Idaho Department of  
Environmental Quality  
[www.deq.idaho.gov](http://www.deq.idaho.gov)



## What are the categories of SEPs?

A SEP must fall into at least one of four categories: pollution prevention, pollution reduction, public awareness, or general enhancement of the quality of the environment.

### Pollution Prevention

A pollution prevention SEP reduces, at the source, the amount or toxicity of any hazardous substance, pollutant, or contaminant entering any wastestream or otherwise being released into the environment. These projects may involve changing industrial processes, substituting fuels and raw materials, or implementing recycling and reuse. Pollution prevention also includes any project that protects natural resources through conservation or increased efficiency in the use of energy, water, or other materials.

### Pollution Reduction

A pollution reduction project employs recycling, treatment, containment, or disposal techniques to reduce the toxicity of a pollutant or wastestream that has already been generated or released.

### Public Awareness

Public awareness SEPs may include publications, broadcasts, or seminars aimed at the regulated community that underscore the importance of environmental compliance, pollution reduction, and/or pollution prevention. These projects may be accomplished directly by the company or through donations to nonprofit groups. They may also include efforts directed toward emergency planning or preparedness support or providing training to responsible state or local emergency response or planning entities or other specific or general public groups.

A well driller reduced the cash portion of his water violation penalty with a SEP that involved developing and publishing of a well driller's regulatory compliance guidebook aimed at educating the industry about water regulations and compliance options.

A landfill used a SEP to reduce the cash portion of its air quality violation penalty by running a two-year, local air toxics monitoring program and conducting local risk assessment workshops.

### Environmental Enhancement

An environmental enhancement SEP goes beyond repairing the environmental damage caused by a violation to protect, restore, or otherwise enhance the environment. Cleanups required by law do not fall under this category. Included in this category are proposals to donate money to a local government or nonprofit entity to advance the goals of a specific environmental program or project or to conduct qualifying research.

A facility reduced the cash portion of its hazardous waste violation penalty through a SEP by donating \$150,000 to establish and operate a local nature preserve.

## How is the penalty reduction calculated?

The penalty reduction a company or person may receive from implementing a SEP is calculated using the cost of the SEP minus any economic benefit gained from implementing the project. A maximum 2:1 ratio may then be applied such that for every two dollars spent on the SEP, the penalty may be reduced by one dollar, with a maximum reduction not to exceed 75% of the total penalty amount.

## How does an entity apply for penalty reduction using a SEP?

A company or person wishing to substitute a SEP for a portion of a cash penalty must submit a proposal prior to signing the consent order or other binding agreement and as early in the penalty determination phase as possible.

The proposal should outline the details of the SEP including an itemized projected budget; a breakdown of equipment, labor, capital, operations, and maintenance costs; and a timeline for implementation and completion. The proposal must also itemize any benefit the company may receive from the SEP, such as tax savings. The cost to develop and manage the SEP and SEP oversight are the responsibility of the violator.

Preference may be given to projects with an environmental benefit that relates to the violation or the objectives of the underlying statute that was violated or that enhances the quality of the environment in the general geographic location where the violation occurred. As SEPs are based on Idaho Department of Environmental Quality discretion. The department has ultimate approval authority. If accepted by the department, the terms and the conditions of the SEP will be explicitly included in and enforceable under the terms of the consent order or other agreement.

To submit a proposal, contact DEQ's air, water, or waste compliance and enforcement sections.  
(See contact information on back.)