

2006 Air Innovations Conference

Iowa Air Quality Construction
Permit Streamlining Efforts
Dave Phelps

Iowa Department of Natural Resources

Why Me?

- Air Permitting perceived as obstacle to business
- Standard (First) Event sponsored (paid \$25K) by IBC
- Many IBC members already doing Kaizen
- PSD original targeted area
- Chose standard permitting 80% of load

What is Kaizen?

- Kaizen means “good change” which has been interpreted to mean continuous incremental improvement
- The event is a highly-focused, action-oriented, 2-5 day event in which an empowered team takes immediate action to improve a specific process.

How Does Kaizen Work?

- Eliminate non-value added steps
- Team process, no rank – everyone checks their seniority hat at the door
- Tight focus on process
- Quick & simple changes
- Necessary resources immediately available
- Immediate results (new process functioning by end of the week)

Event Work

- Map Original Process
- Map New Future State Process
- Focus Target of Event (Complex out)
- Eliminate Non-value Added Steps / Handoffs
- Time Remaining Steps
- Develop Goals Prior to Event and Review and Modify Goals During Event
- Implement New Process

Standard Process Changes

- Technical Review the same
- Increase the Percent of Value Added Steps, > 50% increase
- Re-arrange offices to establish the new process

Changes Made by Process Improvement Team from Standard Event

- Process Modified
- Welcome Calls to expedite requests for information
- Permit forms were modified
- Hot Line of 1-877-Air-Iowa
- SWAT team dedicated to backlog pool of as-built (700 permits) projects

Changes Made by Process Improvement Team on Standard Event

- Steps Eliminated (23 to 7)
- Handoffs (18 to 4)
- Moved some staff offices for better workflow

Values Prior to Kaizen for Standard* Permitting Projects

- Project Lead Time 62 days (Days from receipt to issuance including time waiting for information)
- Permit Output 8 permits per day (Approximately 2000/year in 250 working days)
- Information Requests 1.06/project
- Denials (all)

*Standard permits are routine, non-PSD, NESHAP projects; not complex

Targets Established for Standard Projects

- Project Lead Time: 25% Reduction (45 Days)
- Permit Output: 25% Increase (10/day)
- Information Requests: 50% Reduction
- Denials: To be none

Standard Event Goals

- 5 days per permit (1 day + 4 days) includes holidays and weekends
- 10 permits per day
- 0.53 Requests for information per project
- Dropped denial change as goal

Changes Made Since Standard Event

- Coordination with Modeling Group to Prioritize projects
- Nonstandards taken out of calculations
- As-built letter - Nice NOV by Engineer
- More Site Visits (24 per engineer per 12-month period)
- Addition of 4 staff (from Backlog)
- Switch from First-In;First-Out to Time Management (Cherry Picking)

Summary for Standard Projects to Date

Goals Achieved?

	<u>Goal</u>	<u>Current Level</u>
Project (1565) Lead Time*:	7 days	(11.3)
Permit (6624) Output:	10 / day**	(8.2)
Information Requests:	50% ↓	(55% ↓)

*Switch to project basis from permit basis

**2600/year, more than we receive

Projects with requests for information (now 50%)

6/26/03-12/12/03

12/13/03-6/30/04

Needed Additional Information

54%

40%

Received with in 1 day

41%

54%

Received with in 4 days

54%

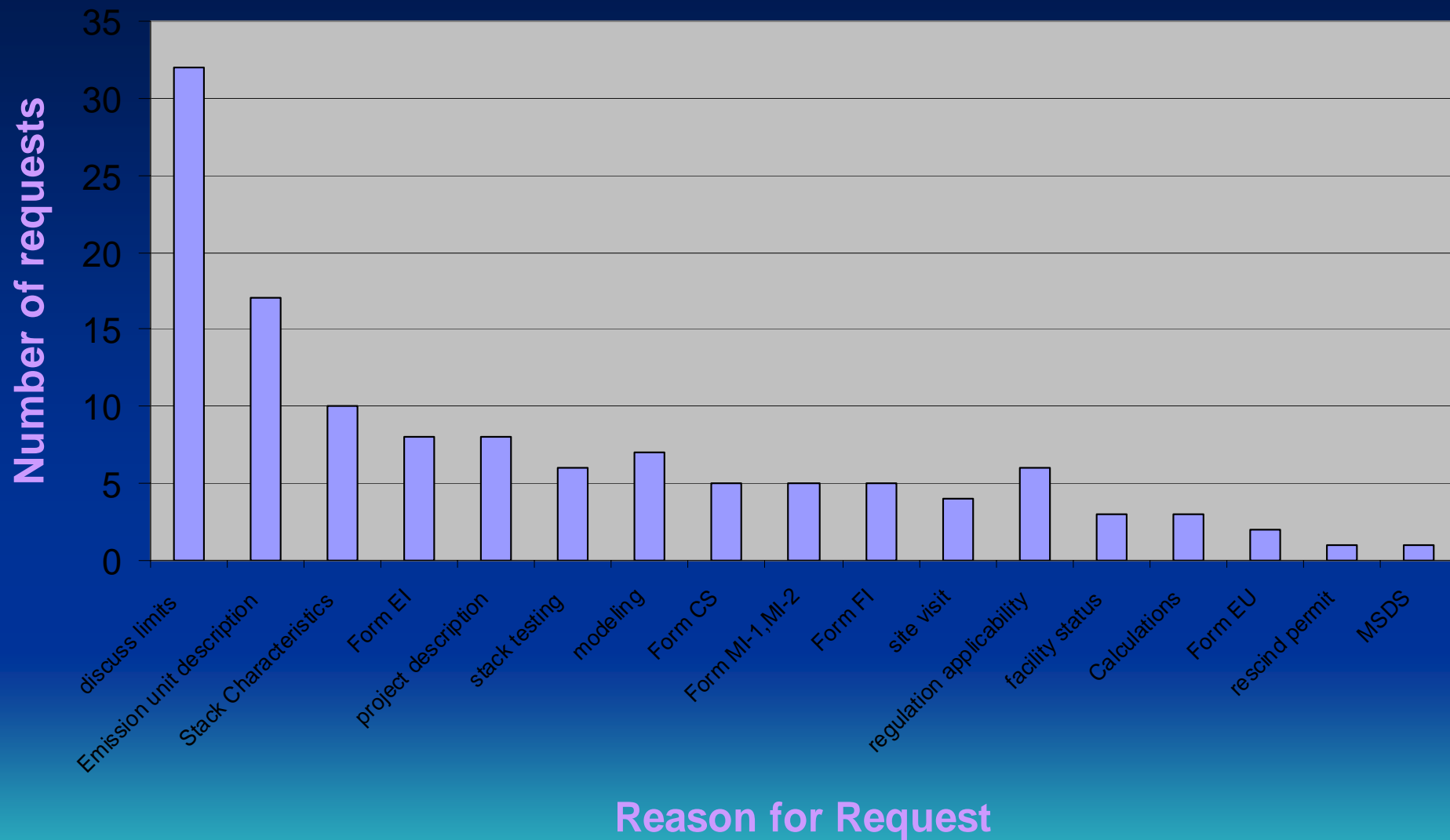
76%

Received with in 7 days

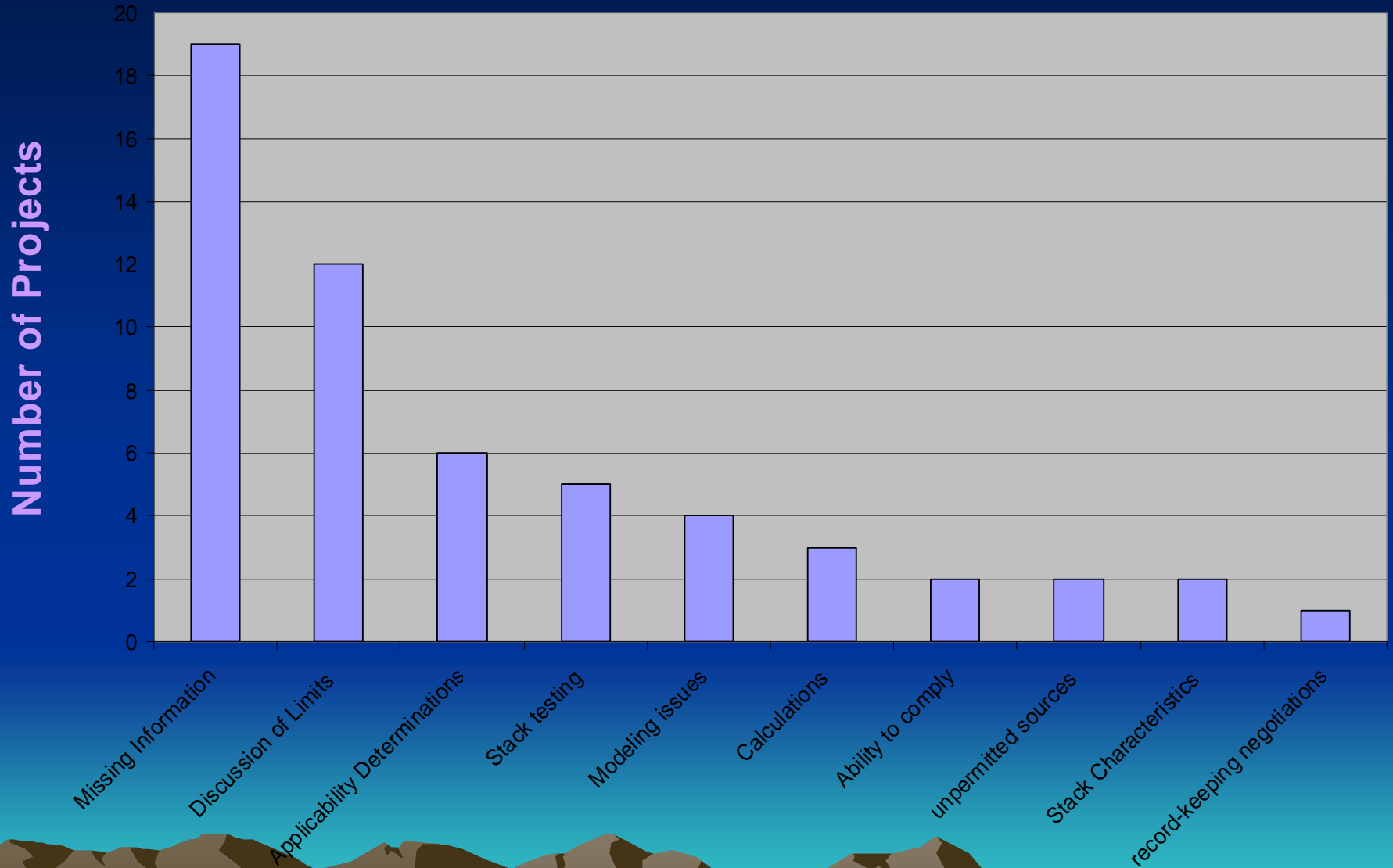
64%

94%

Requests for Additional Information (181-365 days)



Reasons for Non-Standard Determination



Reasons

Complex Permit Kaizen Event

October 2004

Defining Complex Permit

- PSD Projects \leq 180 days (follow new process)
- non-Ethanol Greenfield(s) \leq 180 days (follow new process)
- Complex Legal – are consent orders, compliance orders, SIP not subject to new process at this time (outside processes and other legal complexities difficult to control)
- Complex – Syn. Minor, Netting, VOP, 112(g), Ethanol Greenfield(s) \leq 90 days (require pre-meeting, clock starts after pre-meeting)

Background

- AQ Complex Permitting Process was “Kaizened” because
 - It consisted of 15% of total projects but it took >30 -40% of total staff time.
 - Projects have greatest environmental and economic impact in communities
 - Greatest lead time needed for facility

Pre-Event Objectives and Goals

- Reduce lead time for PSD projects from 210 to 125 days (including 40 days comment period). Reduction of 50%
- Reduce requests for additional information by 50%
- Reduce the number of unanticipated comments in the comment period by 50%
- Develop a standard operating procedures guide for project reviewers and project applicants

New Complex Process Timeline

Activity	Time (work days, excluding weekends)	Time (calendar days)
Application submitted	0	0
Completeness review of application and modeling; Follow-up correspondence; Request and receive additional information	12	15
Technical Review / Communication / Negotiation	30	40
Review Department Analysis/Draft Permit	30	55
EPA Draft Review	15	20
Public Comment Period	35*	35
Review and Respond to Comments/Issue Final Permit	10	15
Total Work Days	132	180

Implemented

- Initial Call Checklist
- **Pre-Application Meeting Agenda**
- Pre-Application Meeting Web Document
- Pre-Application Timeline/Schedule Document
- Updated Application Forms
- Provided Guidance on Proposing Permit Language
- Table of Content for the Guidance
- Work in Progress Plan
- Start Date of New Process (1/1/2005)
- Communication Plan
- Metrics for Measuring Progress
- Web Plan for Posting all New Process Information
- EPA Agreement Document

Homework

What	Who	Completed By
Guidance Doc.	Karen/Gary	12/1
Training	Aaron/Bob	Draft 12/1 Final 1/4
Roll out Plan	Brian/Brad/ Mick	11/15
Application Checklist	Michael/Aaron	11/15
Additions to tracking spreadsheet	Holly/Gary	11/15
PSD Modeling Guidance	Michael/Brad/ Lori	11/15

What Else Have We Done?

- General Permits
- Exemptions
- Heart-to-Hearts
- Revisit Standard planned for
October 2 – 6, 2006

Next?

- Standard Process Issues for Next Event
 - Was original goal realistic?
 - Why so many modifications (52% Projects, 68% permits)?
 - Why so many nonstandard applications?
 - Assignment Process
 - Impact from Modeling?
 - Why are applications missing information?
 - Waiting For Assignment & “Cherry Picking”



Thank You!

Dave Phelps

515-281-8189

dave.phelps@dnr.state.ia.us