

## **Supplemental Environmental Project (SEP) Program Ideas for Increasing Participation and Streamlining Procedures**

The SEP Program team brainstormed with members of the Office of Compliance and Enforcement (OCE) and identified the changes listed below, which could be implemented at a future date. These changes are expected to increase participation in the SEP Program in several ways: increasing the number of Third-Party Administrators, allowing for more projects on the Pre-Approved SEP list; increasing participation from Respondents; allowing for more penalty dollars to go to different pre-approved SEPs and better fund them toward completion; and streamlining processes to promote faster SEP development and enforcement case settlement.

Allowing for these changes will promote TCEQ's mission and the SEP Program's statewide goals of cleaner air and water resources, and safer waste management, all of which would enhance the environment in communities affected by environmental violations.

The ideas are:

1. Identify areas with a low presence of SEP Program Third-Party Administrators (e.g., West Texas, Permian Basin, along the border) and perform outreach to increase program participation;
2. Promote SEP success stories and solicit ideas for potential SEPs on TCEQ's public website;
3. Eliminate non-statutory restrictions for how SEP contributions can be made (*i.e.*, remove offset percentage limitations, media type limitations, etc);
4. Streamline negotiations with enforcement case respondents by incorporating a "checkbox" system to proposed agreed orders used for settlement purposes; and/or
5. Offer an incentive to enforcement case respondents by providing an additional percentage reduction in the administrative penalty assessed in agreed orders that contain a SEP.

## SUPPLEMENTAL ENVIRONMENTAL PROJECT (SEP) THIRD-PARTY ADMINISTRATOR PROCESS

TCEQ is seeking eligible parties to enter into agreements with to conduct environmental-enhancement projects known as pre-approved SEPs.

### Are you a...

- Nonprofit organization under Internal Revenue Code section 501(c)(3); or
- Governmental organization?

### Can you...

- Receive and manage SEP funds in a separate bank account or ledger account;
- Provide a line-item budget for the project;
- Estimate and report the quantifiable benefits of the project; and
- Submit detailed SEP Quarterly Reports and provide supporting documents?

### Then... Apply!

Complete and submit the [Third-Party Administrator SEP application](#). The application will be reviewed for consideration by the SEP Program and a panel of TCEQ staff from the agency's Litigation, Enforcement, and Program Support & Environmental Assistance divisions (the "SEP Panel") to ensure the proposed SEP meets criteria and that all agency priorities are met. Once a SEP proposal is agreed upon, an agreement will be drafted, signed by your authorized representative, then executed with final signature by TCEQ.

### Approved, now what?

The new SEP will be added to the pre-approved SEP list on the TCEQ's website. TCEQ is not permitted or responsible for determining which pre-approved SEPs receive funding contributions from enforcement case respondents. If you are interested to know information about pending TCEQ enforcement actions, with respondents who may be interested in contributing to pre-approved SEPs, you can find that information here: <http://www2.tceq.texas.gov/oce/penenfac/>.

### Fun Facts:

- You can have more than one project! Feel free to submit multiple applications.
- You are welcome to solicit contributions for your own project!
- Aside from contributions toward your SEP from enforcement case respondents, you are welcome to receive donations from elsewhere toward your SEP project. However, please note all donations become SEP funds and are subject to the terms of the executed agreement.
- [Check out current projects on our website!](#)
- Ask us about whether and to what extent administrative costs and capital improvements can be paid for with SEP funds.

### Examples of Current Projects:

- Restoration Projects
- School Bus Replacements
- Energy Efficiency Upgrades
- Water Monitoring and Air Monitoring Networks
- Collection and Clean-ups Events

### Current Areas of Need?

- West Texas
- Border Community
- Various Water Projects