



State of Michigan Air Permit Process “Value Stream Mapping”



***Steve Chester – Director MDEQ
Jim Sygo – Deputy Director MDEQ***

State of Michigan Air Permit Process

- **Leadership Panel**

- Steve Chester – MDEQ, Jim Sygo - MDEQ, Ray Tessier – General Motors, Tom Breneiser – DaimlerChrysler, Andy Hobbs – Ford, Robert Swanson – MLEG, Mike Johnston – MMA, Vince Hellwig - MDEQ

- **Workshop Participants**

- AQD – Lynn Fiedler, Steve Zervas, Bill Presson, Bob Byrnes, MaryAnn Dolehanty, Paul Collins, Cathy Simon, Steve Kish, Dennis Armbruster, Scott Klipa
- Ford - Dennis Karl
- DaimlerChrysler - Mary Snow-Cooper, Debra Rowe
- General Motors - Steve Tomaszewski, Nick Ramos, Mike Zielke, Sue Bracciano, Chris Bates, Frank Kodrack
- MMA – Mike Johnston
- MDEC – Susan Holben

- **Value Stream Mapping (VSM) Coaches**

- Tim Connors, Carrie Saville

Workshop Dates:

Pre-Scoping Session

March 1, 2004

VSM Training

March 29, 2004

Scoping Session

April 1, 2004

Workshop

April 26, 27, 28, 2004



Department of
Environmental Quality



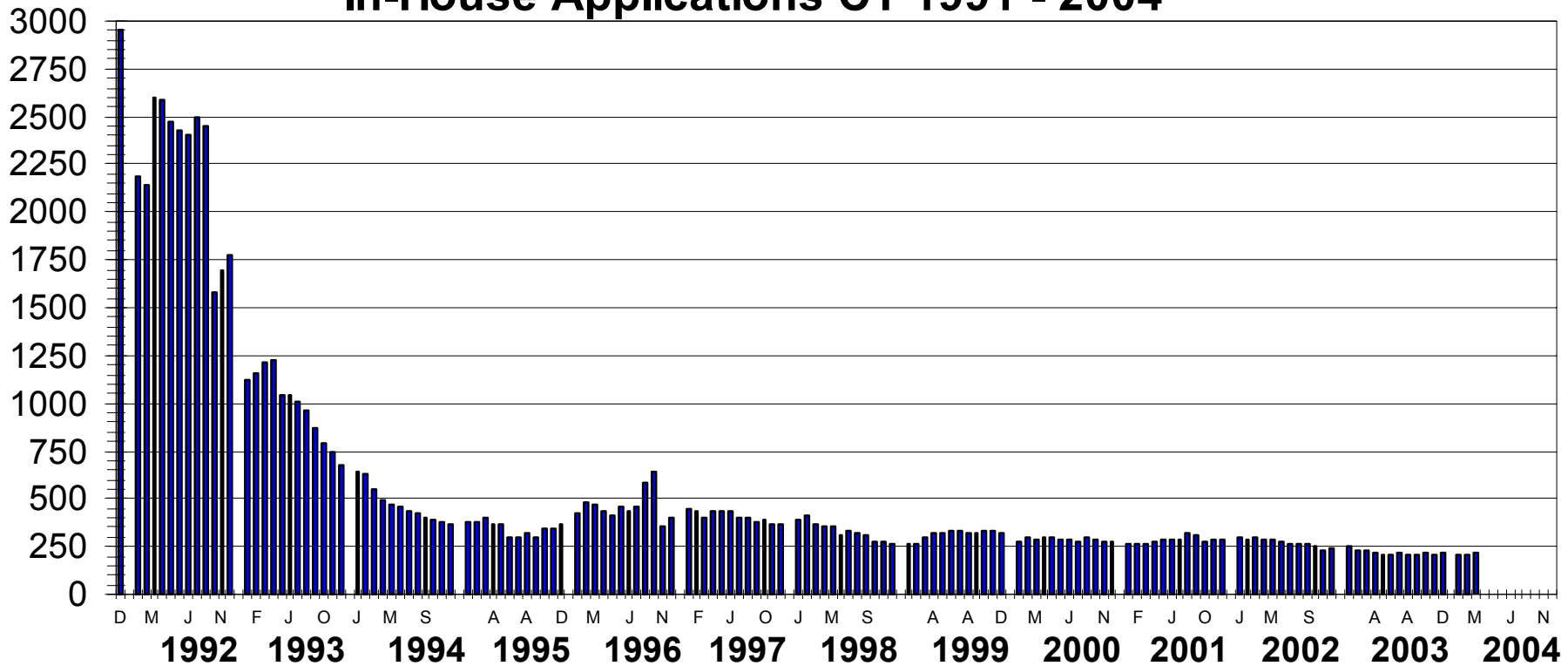
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An Official State of Michigan Web Site

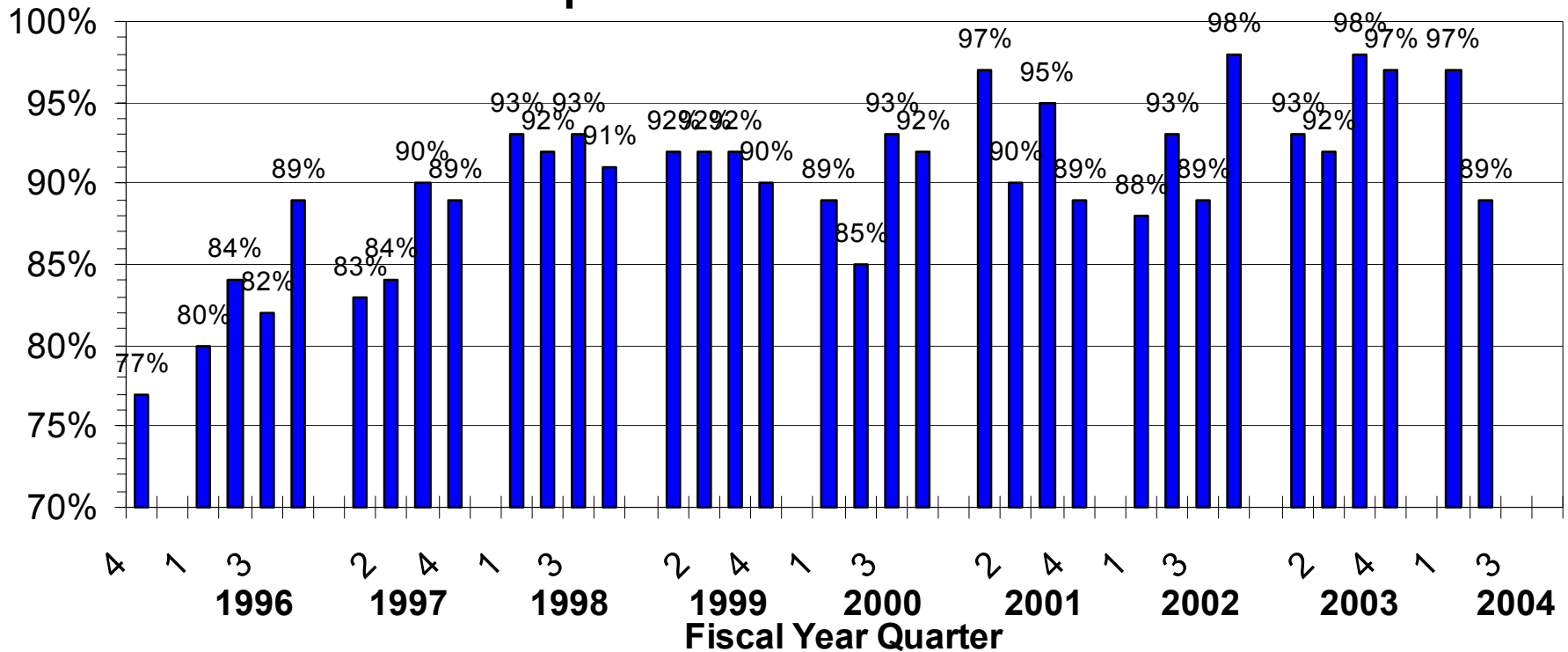


PERMITS to INSTALL

In-House Applications CY 1991 - 2004



Percent of Permits to Install Approved within 60/120 Days of Technical Completeness from FY 1995 to 2004



Framework for VSM Air Permit Process

Suppliers:

1. Applicants
2. Regulations
 - a. EPA
 - b. MDEQ
3. Public
4. Consulting firms supporting applicant

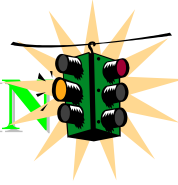


Framework for VSM Air Permit Process

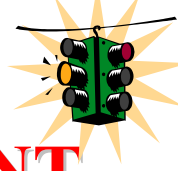
Inputs:

1. Application
2. Regulation and Policies
3. Project Related to Applicant
4. Data related to project
5. Schedule / Project Timeline
6. Site selection
7. Citizen Complaints
8. Environmental, Legislative and Local Government
9. DLEG & Other State Agencies

PROCESS START POINT



Pre-Application Meeting



PROCESS END POINT

Permit Issuance

Outputs:

- 1. Permit with Value Added Special Conditions**
- 2. Response to Comment Documents**
- 3. Permit Evaluation Form**
- 4. Public Announcement of Final Decision**

Benefactors:

- 1. Applicant**
- 2. Public**

Benefactors Requirements:

- 1. Requirements are clearly defined and communicated at Start of Process**
- 2. Permit Issuance in less than 6 months**
- 3. Manufacturing flexibility with environmental protection**
- 4. Permits with achievable, demonstrable and value added special terms and conditions**
- 5. Permits that are in compliance with State and Federal Requirements**
- 6. Permits process that is efficient, minimizes waste, and is clear, transparent and concise**
- 7. Supports Final Decision**

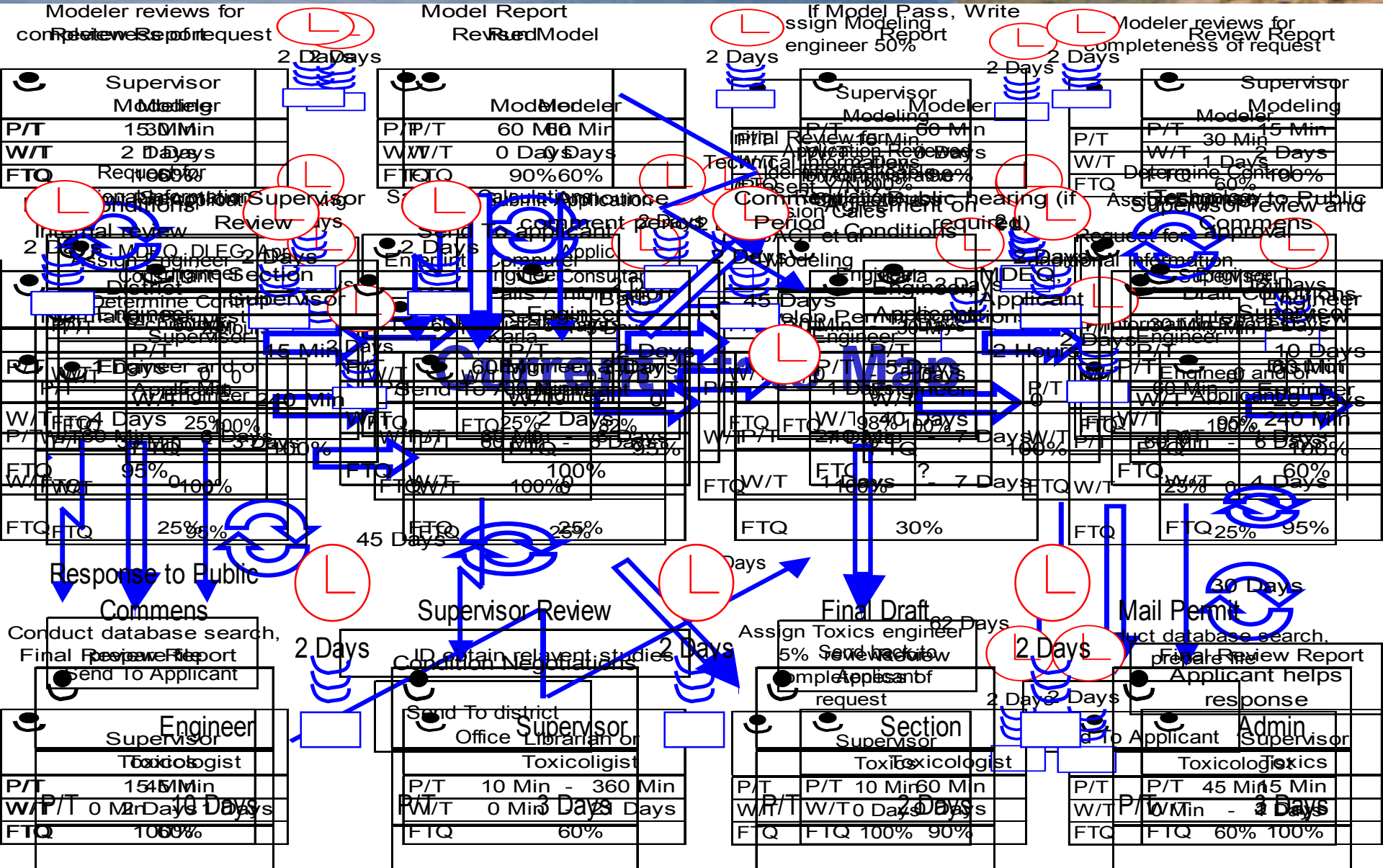
<u>IN SCOPE (We Can Do It)</u>	<u>OUT OF SCOPE</u>
Interpretation of Rules, Policies and Guidance Documents (MDEQ / EPA)	EPA Regulations
Internal AQD Permit Organizational Structure	Modify Existing Rules
AQD Internal Permit Process and Timing	Additional Resources
Applicant Internal Permit Process and Timing	Appeal Process
Electronic Submittals	Any new software / computerized system
Application Content	Mandated Public Participation Requirements
Permit Content	Title V Permitting
Special Condition Content	
Communication (Internal and External)	

Public Participation

- **When**
 - Major source or major modification
 - “Opt out” or synthetic minor
 - Known public controversy
 - Denial
- **Requirements**
 - Minimum 30-day Public Comment Period
 - Public Hearing – Required / If requested
 - Public Notice
 - Local newspapers AQD Website Direct mailing
 - Notification of EPA & local government
 - Fact Sheet

Purpose Statement

- **The purpose of the Air Permit Team is to develop and implement an air permitting process that results in expeditious issuance of environmentally sound, operationally flexible, and achievable permits in a timeframe **not to exceed 6 months** and ensure requirements are identified clearly prior to submittal **reducing rework in the process by 90%** .**



Root Cause Analysis

Waste / Problem Identified	Root Cause	Improvement Idea / Solution
<p>Correction - Lack of administrative completeness at permit submittal phase</p>	<p>Why: People don't follow directions</p> <p>Why: Not clear, choose not to follow, too long, oversight, no consequences</p> <p>Why: No error-proofing</p>	<ol style="list-style-type: none"> 1. Return application if not administratively complete 2. Standardize application clear concise directions 3. Somehow identify absolutely required fields
<p>Correction – Lack of standardized pre-application meeting purpose</p>	<p>Why: Not a requirement</p> <p>Why: Not been requested</p> <p>Why: Each company has their own</p> <p>Why: Each project is unique</p> <p>Why: Not sure who benefits</p>	<ol style="list-style-type: none"> 1. Set specific start stop time of pre-app meeting 2. Need clear defined purpose/expectation for the meeting and these need to be communicated 3. Have meeting at the same time or immediately before application is submitted

Root Cause Analysis

Waste / Problem Identified	Root Cause	Improvement Idea / Solution
<p>Overproduction – Permit process starts too early – allow change, “junk-in, junk-out”</p>	<p>Why: Because we choose to Why: To assure constructions start (start of production). Permit on critical path Why: No standardized permit timeline</p>	<p>1.Kick off meeting @ application submittal phase, develop timeline, check list</p>
<p>Correction – Too many iterations and wait time during technical review process</p>	<p>Why: Lack of info in application Why: It’s permit engineers judgment Why: Info supplied doesn’t match desired outcome Why: Moving target of needed info Why: Fear of additional requirements Why does AQD need engineering detail they ask for?</p>	<p>1.Develop a standard face to face technical review X days before permit application with clear pre-work outcomes to minimize number of secondary info requests 2.Develop clear escalation problem resolution meetings and milestones to eliminate minimize wait times</p>

Root Cause Analysis

Waste / Problem Identified	Root Cause	Improvement Idea / Solution
<p>Unreasonableness & Overproduction – Conditions review process, too many changes to draft permit conditions</p>	<p>Why: Applicant disagrees with number of and scope Why: Metrics aren't flexible Why: Applicant didn't anticipate outcome Why: Expectations weren't known/communicated Why: Not realistically implementable</p>	<p>1. Provide template earlier (pre-app meeting) 2. Remind applicant of similar permits</p>
<p>Muri Unreasonableness – RTC (Response to technical comments)</p>	<p>Why: Lack of guidance to the permit engineer (format, when to start, why only <u>their</u> job Why: Interactive Process</p>	<p>1. Provide writing assistance to permit engineer 2. Set benchmark times for decision maker from start of public comment to issuance 3. Inform decision maker as early as possible on tough issues</p>

Measurable Metrics & Performance

Estimated during Scoping

Metric SPQRC	Current Estimate (coming into workshop)	From Current State Map Day 1	Target from Future State Map Day 2	Actual (post implementation) 90 Days
<i>Responsiveness & Cost</i> Process Time	18wks, 6.5days	51 Days - 70.5 Days	90 – 94 Days (w/o pre-meeting) 97 – 101 Days	
<i>Responsiveness</i> Wait Time	63 weeks, 5.5 days – 80 weeks, 5.5 days	322 days (134 unidentified) (188 identified)	57 – 88 Days (w/o pre-meeting) 78 – 109 Days	
Lead Time		367 - 392 days	147 – 182 Days (w/o pre-meeting) 175 – 210 Days)	
<i>Quality</i> First Time Quality	0%	0%	72%	



Future State Map

Start of Formal Process

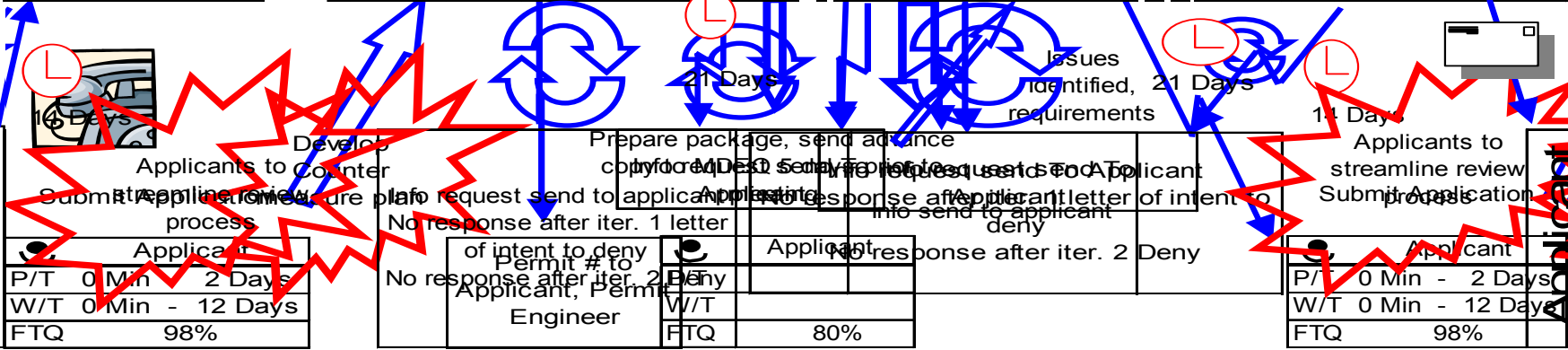
MDEQ

MDEQ



Applicant

Applicant



Highlights of Future State Air Permit Process

Permit Scoping Meeting

•Current

- Technical Information requests ~62 days average

•Future

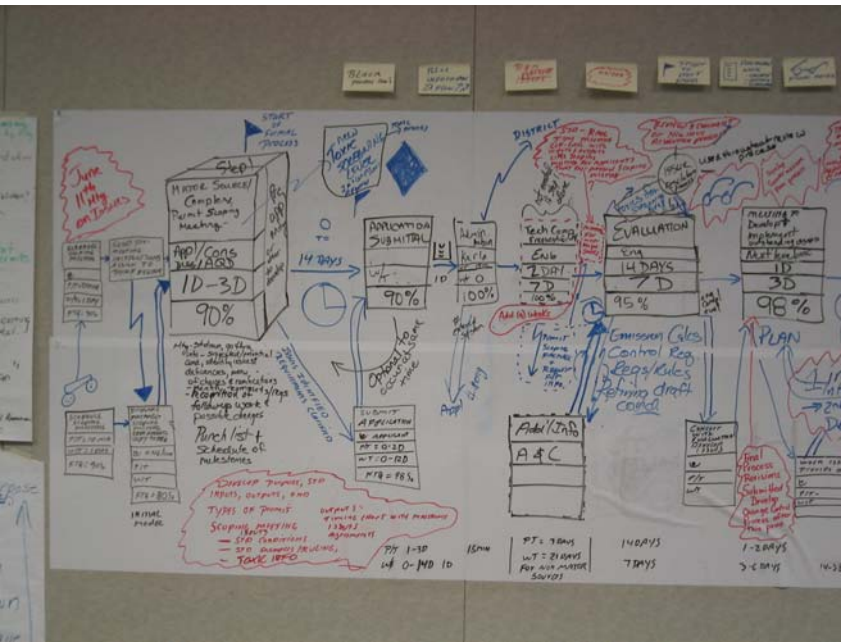
- MDEQ Permit Engineer Assigned
- One-three day intensive application scoping meeting with applicant

•Inputs

- Project description
- Proposed BACT, LAER et al
- New Toxics screening
- Suggested/Potential conditions

•Outputs

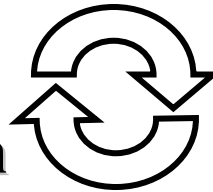
- Preliminary BACT, LAER agreement
- Timing Charts with Milestones
- Draft Permit Conditions
- Follow up work punch list
- Issue identification



Highlights of Future State Air Permit Process

In the first 21 days:

- **The MDEQ will:**
 - **Begin new toxics screening as necessary**
 - **Technical evaluation**
 - **Emission calculations**
 - **Control Technology**
 - **Regulation/ Rules**
 - **Refine Draft conditions**
- **The Applicant will:**
 - **Reply to requests for information clarification**



Highlights of Future State Air Permit Process

Complete Permit Evaluation

- **Current**
 - ~98 days average
 - Letters and emails often one way
- **Future**
 - 21 – 49 days
 - Following “Look See 1” another all day intensive outstanding issues
 - 14 days to resolve outstanding issues, deficiencies
 - “intent to deny” notification after Second iteration



Highlights of Future State Air Permit Process

- **Eliminate rework / waiting in permitting process ensuring requirements, issues, and goals are identified and clearly communicated prior to application submittal and/or initiating engineering review**
- **Ensure review process is on schedule and meeting established goals**
- **Provide to all permit applicants a clear, efficient, written process for resolving outstanding, permit-related issues**
- **Clearly defined conditions review process to eliminate rework and waiting**
- **An informed final permit decision in a timely manner**
- **New permit process is effectively communicated and training is provided to interested parties in a timely manner.**

Expected Results

SPQRC IMPACT

- **Quality**



- **Improve FTQ of Air Permit Process from 0% to > than 70%**

- **Responsiveness**



- **Improve lead time of Air Permit Issuance from avg. 367 – 392 days per permit to avg. 147 – 182 days for permits utilizing permit scoping process and avg. 175 – 210 days for all other applicants.**

Next Steps

- **Complete Methods/Action Steps**
- **Revise Plan as Needed**
- **Meet at 30, 60, 90, and 120 Day Intervals with Leadership Team to Review Status**
- **Implement New Process September 1**