Policy

Continual Improvement Plans submitted in Industrial Approval Applications under the Environmental Protection and Enhancement Act (EPEA)

Issue:

Continuous Improvement is a key principle underlying the purpose of the Environmental Protection and Enhancement Act. Despite this, approvals are often perceived by applicants as static, without any requirement for adaptation and improvement towards enhanced environmental performance. This is evident when an application for renewal is submitted without containing an evaluation of opportunities and new requirements, and is not accompanied by a plan for improvement. The result is the need for greater interaction between the applicant and staff, and the longer timelines to renew the application.

Though Alberta Environment and Water (AEW) encourages continuous improvement we currently have no formal means to acknowledge, include, or evaluate the effectiveness of the proposed continuous improvement initiatives in an application.

Background

There is a reduced workload associated with coaching applicants through the renewal process who already employ environmental planning and performance evaluation processes. These applicants often demonstrate greater innovation for performance beyond the current technology standards and are more engaged in environmental stewardship.

AEW recognizes these approaches can lead to significant improvements and to an organizational culture that encourages and promotes innovative approaches. A more formal and broader adoption of continuous improvement, in the form of Continual Improvement Plans in approvals, can also support broader changes in approvals design.

Intent of the Continual Improvement Plan Policy

The intent of the Continual Improvement Plan policy is to:

- Reinforce that continuous improvement is the responsibility of applicants and approval holders, and is a key principle under the Environmental Protection and Enhancement Act;

- Specify that the inclusion of a Continual Improvement Plan is a requirement for an application to be accepted as a Complete Application, and that processing of an incomplete application will be refused; and
Outline the intent and nature of a Continual Improvement Plan, including:
- associated administration for such things as reporting and evaluation, clarification of effective date and pertinence of the policy to applications;
- its nature and role in regulatory decision-making;
- the guiding principles i.e. outcomes focused; flexible and adaptive; and the requirement for transparency.

**Intent of the Continual Improvement Plan**
The applicant’s Continual Improvement Plan aims to outline how they intend to improve environmental performance over the term of the approval. In doing so, it will:
- Afford applicants an opportunity to highlight their current and future improvements to environmental performance and stewardship;
- Stimulate a culture of environmental stewardship, innovation and continual improvement;
- Contribute to the prevention, minimization, and/or reduction of site-specific and cumulative environmental impacts over time, including the promotion of conservation and efficiency and the minimization of risk to the environment and human health; and,
- Inform applicants’ long-term planning and efforts to optimize their related investment.

While inclusion of the Continual Improvement Plan is required for the determination of a Complete Application, its requirement will not result in enforceable approval terms or conditions; with the exception of the enforceable requirement for progress reports. The demonstrated progress in meeting the commitments in the Continual Improvement Plan will be considered when making determinations related to amendments and renewals and will be considered representative of the applicant’s performance and commitment to innovation and improvement. Furthermore, Continual Improvement Plans will inform AEW of the range and effectiveness of innovative approaches employed in environmental management.

**Past Practice:**
N/A

**Sections of pertinent legislation:**
*Environmental Protection and Enhancement Act and Regulations*
Policy:
A Continual Improvement Plan is required for the determination of a Complete Application.

The Continual Improvement Plan should capture any improvements made above benchmark requirements, use of Best Available Technologies and use of new and innovative technologies.

Potential Content or Form of a Continual Improvement Plan
The following is intended to provide a range of examples for inclusion in a Continual Improvement Plan. The spectrum is provided to offer examples and to illustrate the breadth of possibilities deemed acceptable. It is not intended to prescribe actions nor preclude other possible actions from being explored. All proposals will be evaluated during the approval application process.

Spectrum includes:
- Equipment technology upgrades and product improvements
  - Use of environmentally-responsible products in operations
- Environmental Management Systems or Operational Improvements
  - Adoption of Best Practices
  - Development of, and/or participation in, Environmental Management Systems or Plans, ISO, or Responsible Care Programs that are transparent and exceed existing minimum requirements
  - Self inspections and third-party verifications, such as auditing or accreditation
  - Improvements in information management, such as record keeping, disclosures, or websites accessible to the public
  - Above or beyond regulated coordinated innovative approaches that result in overall reduction of environmental footprint within an area, such as impact on wetlands, carbon reduction offsets, water quality trading, reuse of waste; waste diversion from landfills, collaborative reclamation planning
  - Corporate or site-specific training programs
- Stewardship and Community Engagement Approaches
  - Increased ‘meaningful’ community/stakeholder participation
  - Development and implementation of environmental education programs
- Research and Industry Betterment
  - Mentorship of other regulated parties/sharing of lessons learned
  - Development and delivery of Industry/Sector Improvement Forums (e.g. Annual Wastewater Product, Practice and Improvement Forums)
  - Research that offers a unique and meaningful intellectual contribution to environmental management. While the research can be partnered, it
should be applicable to the plant or area in question, and not be a literature review and consolidation of previous research.

Inclusion of the following elements and approaches will not be acceptable for a Continual Improvement Plan:
- commitments to compliance with applicable environmental legislation, regulations, policies and standards, and current approval terms and conditions;
- requests to allow installation of substandard equipment for approval conditions, and commit to upgrading in the following years;
- commitments to participate in standard partnerships such as WPACs and/or Airsheds.

AEW recognizes that new facilities will meet current benchmark requirements and therefore likely have less significant opportunities for improvement over their first approval term. In these instances, where technical improvements may be limited, AEW will be more flexible in evaluating Continual Improvement Plan proposals that include refinement of operating procedures and other improvements. Further, AEW will take into consideration the completion of recent significant upgrades beyond technology benchmarks prior to renewal, and similarly be more flexible in evaluating Continual Improvement Plan proposals.

**Minimum Elements of a Continual Improvement Plan:**
A Continual Improvement Plan must consist of:
- identification of planned actions and/or activities;
- implementation process and schedule for the actions and/or activities;
- assessment and monitoring approaches for the actions; and,
- proposed progress and performance reporting schedule.

**Procedures:**

*Initial Continual Improvement Plan Submission:*
Applications for new industrial facilities or plants and for renewal of an approval will require submission of a Continual Improvement Plan. However, applicants that have already submitted an application, or have substantially completed their renewal or new application for submission within one year from this policy’s publication, will be required by their approval to submit their Continual Improvement Plan within two to four years (timing set at the Director’s discretion) of the issuance of the approval.

Facilities applying for amendments will not require the submission of a Continual Improvement Plan in the amendment application.
**Progress and Performance Reporting:**
Continual Improvement Plans and the subsequent progress reports are public information and therefore are subject to disclosure.

Progress reports will include notifications or proposals for any delays or adjustments to the Continual Improvement Plan and the reasons for these. They will also include a post-implementation performance evaluation of the Continual Improvement Plan actions.

Approval holders are expected to submit progress reports every three years or as otherwise requested by the Director. The Director may discretionally set alternative reporting arrangements at the time of approval issuance with consideration of the plan’s implementation timing factors.

Upon evaluation, the Director may determine that reasonable progress has not been made and require approval holders to report more frequently, potentially on an annual basis.

Performance evaluation of each element of the Continual Improvement Plan will be included in the progress report.

**Evaluation:**
The Director will evaluate the Implementation of the Plan during the application process and timeliness of implementation at each progress report.

The Director may require improvements to the Plan prior to approval issuance.

The Director may comment on progress towards commitments in the Continual Improvement Plan at each progress report, acknowledge or question proposed CIP changes, as well as offer suggestions for further opportunities for improved environmental performance.

As part of the Continual Improvement Plan, the applicant will propose performance measures regarding the commitments, and subsequently include performance evaluation following implementation for a period of up to two years (timing set at the discretion of the Director). During review of renewal applications, the Director will evaluate the applicant’s performance regarding continual improvement and progress within the context of AEW legislative and policy requirements for the industry sector and region.

**Adaptation of Implementation Schedule, and of Continual Improvement Plan:**
The schedule to complete commitments set out within a Continual Improvement Plan may require adjustment due to factors beyond the control of the approval holder. The Director may consider accepting schedule changes proposed within a progress report. Additionally, the Director may consider the need to reschedule...
the progress reports as a result of the changed schedule for elements of the plan.

The commitments set out within a Continual Improvement Plan are the responsibility of the proponent. To adapt to changing priorities and innovation the approval holder may propose changes to the Continual Improvement Plan. Adaptations or deviations from the original plan should be submitted as part of the progress report, along with the reasons for the changes and a description of the alternative options evaluated.

The Director may issue a letter to accept proposed changes to the Continual Improvement Plan schedule, changes to Continual Improvement Plan commitments, or both.

**Regulatory Impact:**

While inclusion of the Continual Improvement Plan is required for a Complete Application, the Continual Improvement Plan will not result in enforceable approval terms or conditions; with the exception of the requirement for progress reports. Progress towards Continual Improvement Plan commitments will be considered during amendments (particularly for expansions) and renewals as representative of the applicant’s ability to perform and commitment to innovation and improvement.

Submission of the Continual Improvement Plan or its Progress Report does not replace the approval holder’s requirements to apply for amendments under EPEA prior to making changes to the facility. However, the Continual Improvement Plan should be provided as supporting information when applying for an amendment. This will be a consideration in prioritizing the application, and may allow for the application to be processed as a Routine amendment.

In applications for renewal, the applicant must summarize all of the completed continual improvement elements to date, and propose the Continual Improvement Plan for the next approval period.

**Link to Additional Info:**

*Guide to Content for Industrial Approval Applications*

**Policy review date:** Every five years.