

Insights: Publications

Supplemental Environmental Projects – A Long History and an Uncertain Future

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Supplemental environmental projects or “SEPs” are “environmental” projects that a defendant agrees to undertake as part of a negotiated settlement of a federal enforcement action. SEPs have been used as a discretionary vehicle for the government to reduce/affect/mitigate a civil monetary penalty in exchange for a defendant performing a project that is otherwise not required by law. Some defendants find SEPs worthwhile, providing a conduit to spend money on projects with concrete environmental benefits as compared to paying money into the US Treasury. SEPs have been especially popular with municipalities allowing public funds to be spent on beneficial projects directed toward community needs. SEPs are also viewed favorably by regulators as providing another route to advance broader environmental protections as part of a singular enforcement action.

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