

**Nutrient Credit Exchange
Study Committee**
*Expanding the Nutrient Credit
Exchange to Support the VA WIP*

HRPDC Joint Environmental Committee

October 6, 2011

Fran Geissler, Director
James City County Stormwater Division



Senate Joint Resolution 334

- Directs the Secretary of Natural Resources to study the expansion of the Chesapeake Bay Nutrient Credit Exchange Program
 - Convene a committee of nutrient source sector representatives
 - Complete all meetings by November 30, 2011
 - Report to the GA by the start of the 2012 Session
- www.deq.virginia.gov/vpdes/NutCrdExStudy.html



CB Nutrient Credit Exchange

- Existing wastewater sources can buy and sell credits from other wastewater sources
- New forest land, agriculture can sell offsets to new development (stormwater)
- Existing development (stormwater) and on-site waste (septic) systems may not participate
- Expanded program: a credit/offset for every nutrient source sector



Goal of an Expanded Exchange

- Reduce the costs of meeting the Bay TMDL for all
- Promote flexibility among sectors in meeting the TMDL
- Increase efficiency of \$\$ spent
- Foster private investment in nutrient reductions
- Establish a clear & transparent process for participation



Key Issues

- Program design – will all sources have access to all credits? Who may participate?
- Measuring effectiveness, accounting, enforcement?
- Drivers – what will make a source or sector participate?
- Baseline – at what point are credits generated?
- Reasonable Assurance – is the credit really there?
- Trusts & Banks & Brokers – Oh my!
 - An FDIC for a credit bank?



Credit Generation - Stormwater

- Urban Credit Baseline – what is the threshold above which credits are generated?
 - *“achieve reductions beyond those already required”*
 - WIP I, §6.4: *“will utilize MS₄ permits to assure BMP implementation on existing developed lands to achieve....reductions equivalent to Level 2...”*



Generation Options

- Performance baseline: credits generated when urban treatment exceeds the % reduction established in the TMDL on a site by site basis - % load reduced
- Practice-based baseline: treatment exceeds that required by the new stormwater regulations – generates lbs reduced
- Practice efficiency baseline – treatment exceeds efficiencies in Bay model - % load reduced



What do you think?

- Consider the MS₄ BUBBLE...we live in our own bubble and we share amongst our group...
- Is there a better approach for urban credit generation?
- The next Committee meeting is October 12
- Input is needed no later than **Tuesday, October 11**
- Send comments to Fran Geissler, James City County Stormwater Division fgeissler@james-city.va.us