

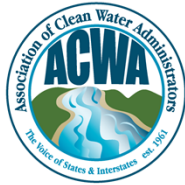
National Network on Water Quality Trading



Addressing Risk and Uncertainty

Water Quality Markets Workshop, September 2015

National Network on Water Quality Trading



Technical advisor



Coordinators

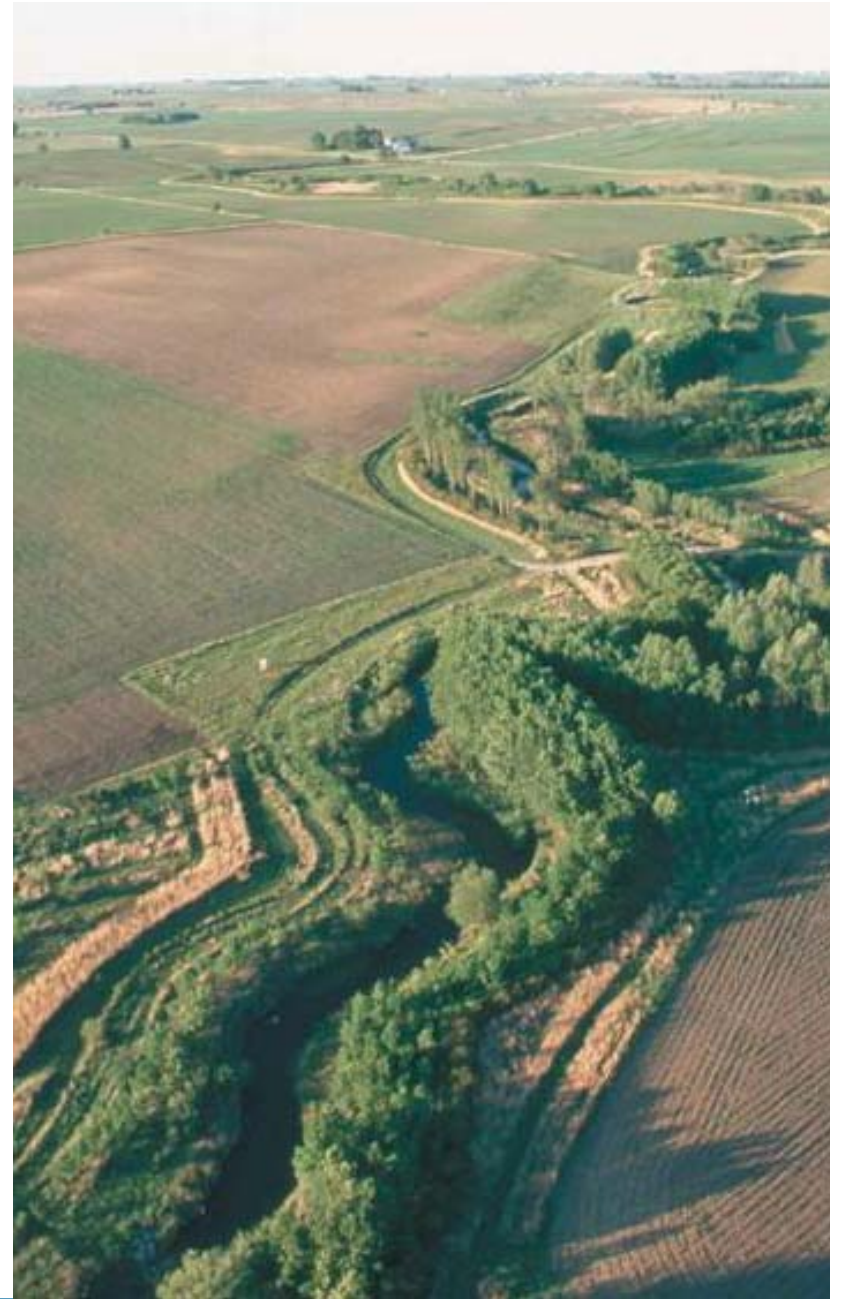


Funding support provided by USDA and Electric Power Research Institute

The purpose of the Network is to establish a national dialogue on how water quality trading can best contribute to achieving clean water goals. That includes providing options and recommendations to improve consistency, innovation, and integrity in water quality trading

Vision for a National Network

To improve the consistency, integrity, and environmental performance of water quality trading through shared principles, core program elements, and best practices.



Building a Water Quality Trading Program: Options and Considerations

- A reference on the elements and decisions inherent in trading
- Focus of this version is on point-nonpoint trading
- Detailed options on 11 elements of trading
- Pros and cons for each option
- Examples with detailed references
- Consistent definitions and language



Building a Water Quality Trading Program: *Options & Considerations* **What's Inside?**

1. Policy & regulatory instruments to support trading
2. Trading basics: who, where, what, & how
3. Eligibility
4. Quantifying water quality benefits
5. Managing risk and uncertainty
6. Credit characteristics
7. Project implementation & quality assurance
8. Project review, certification, and tracking
9. Compliance and enforcement
10. Improving programs over time
11. Roles, responsibilities, transaction models, and stakeholder engagement

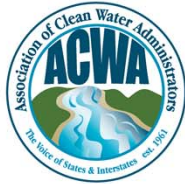
Types of Risk and Uncertainty

1. Biophysical Uncertainty
2. Catastrophic Events
3. Buyer Risk
4. Regulatory Risk
5. Market Risk

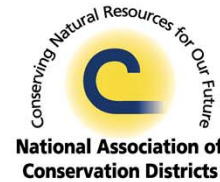
Addressing Risk and Uncertainty

- Uncertainty Ratio (biophysical risk)
- Reserve Ratio (catastrophic events)
- Financial assurances (buyer risk)
- Grandfathering (regulatory risk)
- Credit bank (market risk)

National Network on Water Quality Trading



CHESAPEAKE BAY
FOUNDATION
Saving a National Treasure



Technical advisor



Coordinators



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Download the publication: www.willamettepartnership.org/NN-WQT

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