EPA-USDA National Workshop on Water Quality Markets

Lincoln, Nebraska

September 15-17, 2015
3 Types of Markets to Consider

1. Annual Compliance for Existing WWTPs
2. Credits for New or Expanded Discharges (10 Year)
3. Offsets for Stormwater / MS4 (Permanent)
Basic Market Design Factors

- Regulatory Drivers
- Eligibility of Buyers and Sellers
- Baseline requirements before trade
- Credit generation practices
- Sale period requirements
- Banking Allowed?
- Currency-N,P,S, Temperature
- Service Area
- Certification process of NPS credits
- Liability for success
- Trading Ratios (Uncertainty, Delivery and/or Retirement)
- Credit release schedule
- Verification process
- Exchange?
Market Examples

**North Carolina**

**Satisfying Nitrogen and Phosphorus Control Regulations**

*Over 330,000 lbs. of Nonpoint Source Nitrogen and Phosphorus Offsets Delivered*

- Cape Fear Nutrient Umbrella Mitigation Bank
- Forrest Creek Stream, Buffer and Nutrient Umbrella Mitigation Bank
- Neuse Nutrient and Buffer Umbrella Mitigation Bank

**Buyers**

Retail: Consumers, Developers

**Virginia**

**Enabling Compliance with State Water Quality Control Laws**

*Over 150 lbs. of Nonpoint Source Phosphorous Offsets Delivered*

- Elk Run Nutrient Bank
- Holy Cross Abbey Nutrient Bank
- Midland Nutrient Bank

**Buyers**

VDOT, Retail

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Delivering Ag-Based Nutrient Reduction Solutions
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