



**pennsylvania**

DEPARTMENT OF ENVIRONMENTAL PROTECTION



Office of Water Management

# **PA Nutrient Credit Trading Program**

National Workshop on Water Quality Markets

September 15-17, 2015

Chesapeake Bay Regional Forum

# Overview

- History – Why was the program created?
- Evolution of the Program
- Current Program Issues & Plans to Improve

# Why was the program created?

- Started program development in 2005
- Market to be driven by the needs of Wastewater Treatment Plants (WWTPs) (Buyers)
- NPDES Permits for these WWTPs required compliance with Cap Loads starting in 2010
- Goal was to also accelerate reductions from agriculture through installation of BMPs
- Designed to be a Free Market

# Evolution

- Most WWTPs upgraded their facilities instead
  - Excuse to address aging infrastructure needs
  - Minimize risk and uncertainty
- Nutrient Credits sell for \$1 to \$2 vs. \$11 projected
- Now Trading Program is a **TOOL**:
  - To facilitate compliance with NPDES Cap Loads
  - New NPDES Discharges get a Cap Load of Zero
  - Future Role....Sector Growth

# Current Program Issues

- Rules changed with the issuance of the TMDL
- EPA did evaluation of states' programs in 2012
- EPA started objecting to NPDES permits last April
- PA reached agreement with EPA in late June
- Process of making significant program changes
  - Re-definition of Baseline for both point and nonpoint sources
  - Revisions to calculation methodology

# Credit Summary for 2014

Activity	Certified		Verified		Registered as Sold	
	TN	TP	TN	TP	TN	TP
Wastewater Treatment Facilities (WWTFs) with Concentration Credits below 6 mg/L TN or 0.8 mg/L TP			351,923	43,230	164,751	25,699
WWTF Capacity Credits	1,875,934	175,560	1,519,572	86,098	516,531	61,810
Nonpoint Source Ag BMP	299,859	253	106,030	0	94,040	0
Nonpoint Source Manure Hauling	1,547,654	206,444	197,370	24,187	119,331	8523
NPS Treatment w/Permit	1,720,454	59,315	77,959	241	75,455	241
<b>TOTALS</b>	<b>5,443,901</b>	<b>441,572</b>	<b>1,900,931</b>	<b>110,526</b>	<b>805,357</b>	<b>70,574</b>
<b>TOTAL TRADES</b>					151	



**pennsylvania**  
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Office of Water Management

**Veronica (Nicki) Kasi**

**[vbkasi@pa.gov](mailto:vbkasi@pa.gov)**

**717-772-4053**