

Subcommittee #1: Suggested Changes to the Nutrient Trading Program

1. Simplify the current trading program by developing standardized protocols and redefining baseline requirements for non-point generators. Simplification and standardization will encourage more non-point credit generation while hastening the improvement of water quality.
 - a. It is recommended that there be efforts to standardize protocols for generating and securing credits. Since current protocols for Nitrogen (N) and Phosphorus (P) have been developed by various groups under the Department of Environmental Protection (DEP) grants and guidelines there is not one standardized protocol to use. This leads to confusion. A special committee or board should be established to develop N, P, sediment, (and possibly Carbon) protocols.
 - b. It is also recommended that DEP should redefine baseline requirements for non-point generators to allow for increased participation and greater acceleration of water quality. This can be accomplished by requiring the following baseline criteria:
 - (1) Credit generators to have an implemented Farm Conservation Plan or be “on-schedule for implementation”.
 - and
 - (2) Adhere to a Nutrient Management Plan as per Act 38 (if required) or implement a Nutrient Management Balance Plan.
2. Provide assurances for buyers that credits are guaranteed, in adequate supply, certified, and verified. Guarantees and assurances help insure longer terms (10 years plus) and provide buyers with a comfort level to participate.
 - a. It is recommended that an agency with regulatory abilities develop sample contracts, define a process for renewing credits annually using acceptable certification procedures, define who can bank generated credits, what credits qualify, and how credits can be purchased and utilized. Additionally this agency would guarantee buyers of the credits that DEP is holding adequate credits in reserve for failed BMPs. The agency should also recommend that Delegation Agreements be developed between DEP and county conservation districts for verification of both structural and non-structural BMPs. Standards and protocols should also be developed for private consultants desiring to function as a verifying entity.
 - b. It is further recommended that DEP put a process in place that can certify verified credits in a reasonable time (maximum of 30 days).

3. The Nutrient Trading Program needs to be involved closely with the environmental community showing that good science is undergirding the trading program and that water quality standards are being met.
 - a. It is recommended that the various committees and or agencies that are formed to bring about the above recommendations have representatives from appropriate environmental organizations involved.
 - b. DEP needs to work with EPA to come to an understanding that regulated activities that build improvements today that meet or exceed existing water quality standards may have great difficulty and expense in meeting more stringent standards that Total Maximum Daily Load (TMDL) may bring tomorrow.
 - c. Consideration should also be given for credit generation from both structural and non-structural BMPs that were placed in service prior to 1/1/05 but were not accounted for within DEP's Chesapeake Bay Tributary Model and have definitive scientific data that will support improved water quality.

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