WATER QUALITY TRADING

Matthew P. Clagett, Esq., Assistant Attorney General
Suzanne E. Dorsey, Ph.D., Assistant Secretary
Maryland Department of the Environment
What is Water Quality Trading?

- Water Quality Trading Program
  - Water quality marketplace
  - Transactions between sectors
  - To Improve Chesapeake Bay water quality
WE ARE TRADING
Trading NOW

• Waste Water Treatment to Storm water
• Oyster Aquaculture
• Private to Public
• Public to Public
What is Water Quality Trading?

• Goals
  – Enhance Maryland’s effort to protect and restore its waters
  – Cost Effective
  – Innovative
  – Trusted
How credits are created and traded

1. Baselines met: BMP Implemented
2. Application to MDA
3. MDA certifies credits
4. 2 parties reach agreement
5. Trade is Registered and posted
6. Credit is transferred

Credit Generation

Seller

Buyer

Credit Acquisition

Registry
Credit Generation

• **Baselines**
  – Agricultural Baselines

• **Agricultural Credits**
  – Approved BMPs above baseline

• **Certification**
  – Location
  – Permits
  – Maintenance Plan
  – MDA

• **Verification**
  – Practice specific

• **Enforcement**
  – Baseline
  – In good standing
  – Deficiencies
  – Revoke or suspend credits

• **Appeals**
  – Administrative Procedures Act
    • Right to review

• **Aggregators**
  – Brokers
Credit Certification Lifespans

- Lifespans depend on BMP:
  - Structural
    - Certify for three years per COMAR
  - Cover Crop
    - Certify for one year
  - Forested Buffers
    - Certify for five years
• Baseline: No minimum pollutant reduction

• To generate credit oysters must:
  – Grown to minimum size of 2.0 inches shell height
  – Be alive when removed
  – Certification will be in loads of 1 pound or greater

• Harvests reports submitted to DNR for verification
  – After verification, MDE reviews Credit Application

• Annual Practice
Geography

- Segmentshed Trading Basins
- Edge of Tide
Publically-accessible ledger of credits and trades

- Developed sector
  - MDE’s ledger
- Agricultural credits
  - MDA’s ledger
General Guidelines to Trade

- Credit and trades must conform with:
  - Trading geography
  - Trading year (vintage)
  - Maintenance and verification
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Contact Information

• MDE Trading Webpage:
  mde.maryland.gov/programs/Water/WQT/Pages/index.aspx

• MDE Trading Program:
  mde.wqtrading@maryland.gov

• MDA Trading Webpage
  mdnutrienttrading.com

• MDA Trading Administrator:
  nutrtrade.mda@maryland.gov