

WATER QUALITY TRADING

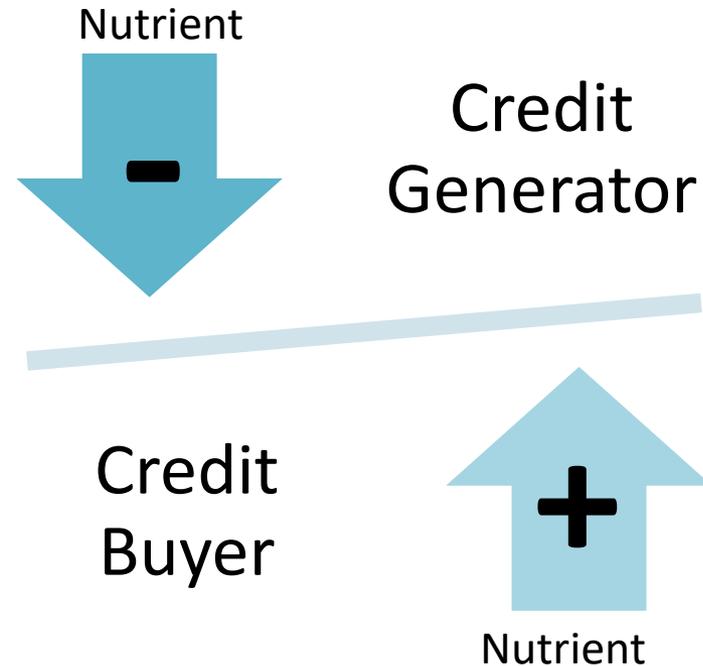
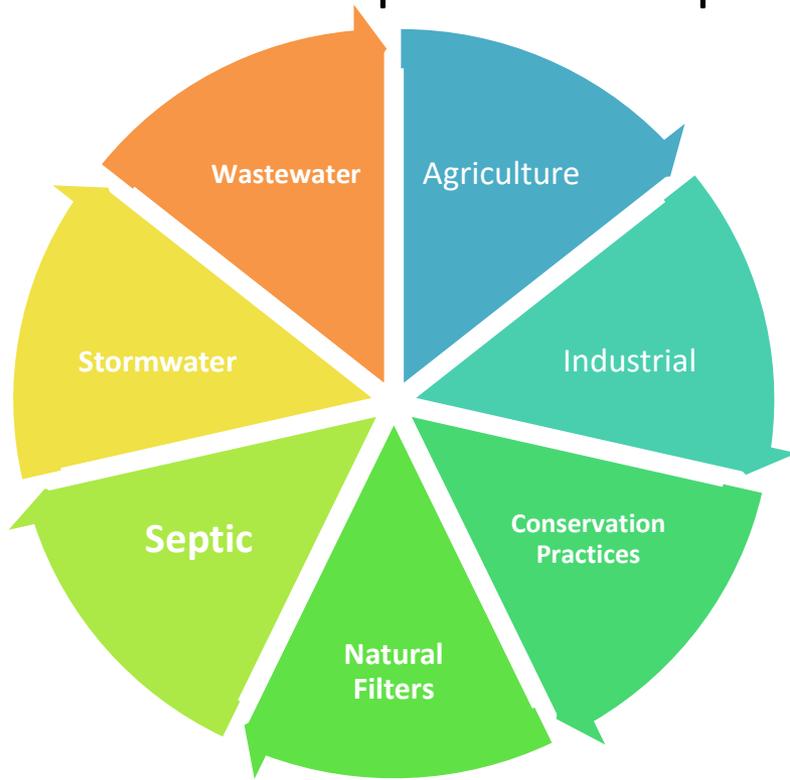


*Matthew P. Clagett, Esq., Assistant Attorney General
Suzanne E. Dorsey, Ph.D., Assistant Secretary
Maryland Department of the Environment*



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





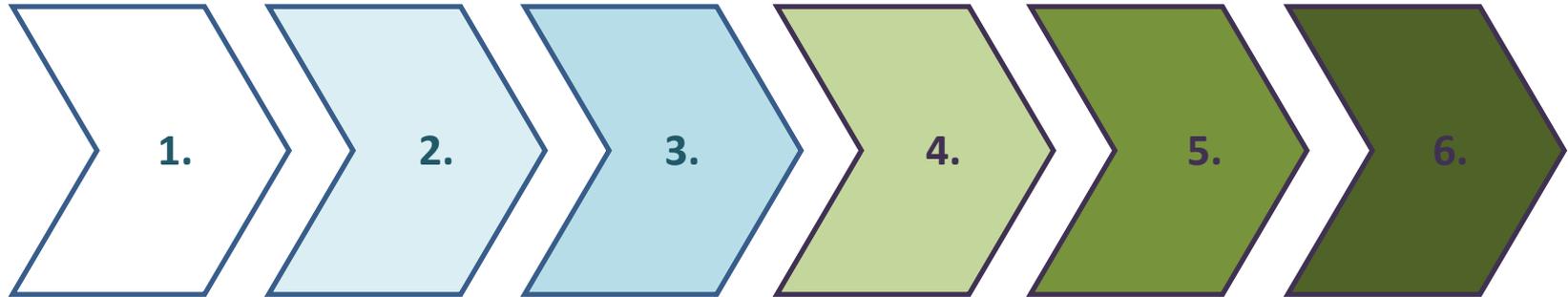
What is Water Quality Trading?

- 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

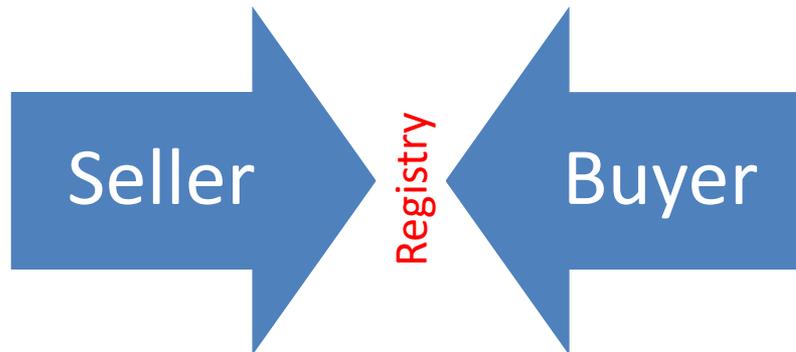
2. Application to
MDA

3. MDA certifies
credits

4. 2 parties
reach
agreement

5. Trade is
Registered
and posted

6. Credit is
transferred



Credit Generation

Credit Acquisition



Credit Generation

- **Baselines**
 - Agricultural Baselines
 - Baseline
 - In good standing
- **Agricultural Credits**
 - Approved BMPs above baseline
- **Certification**
 - Location
 - Permits
 - Maintenance Plan
 - MDA
- **Verification**
 - Practice specific
- **Enforcement**
 - 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





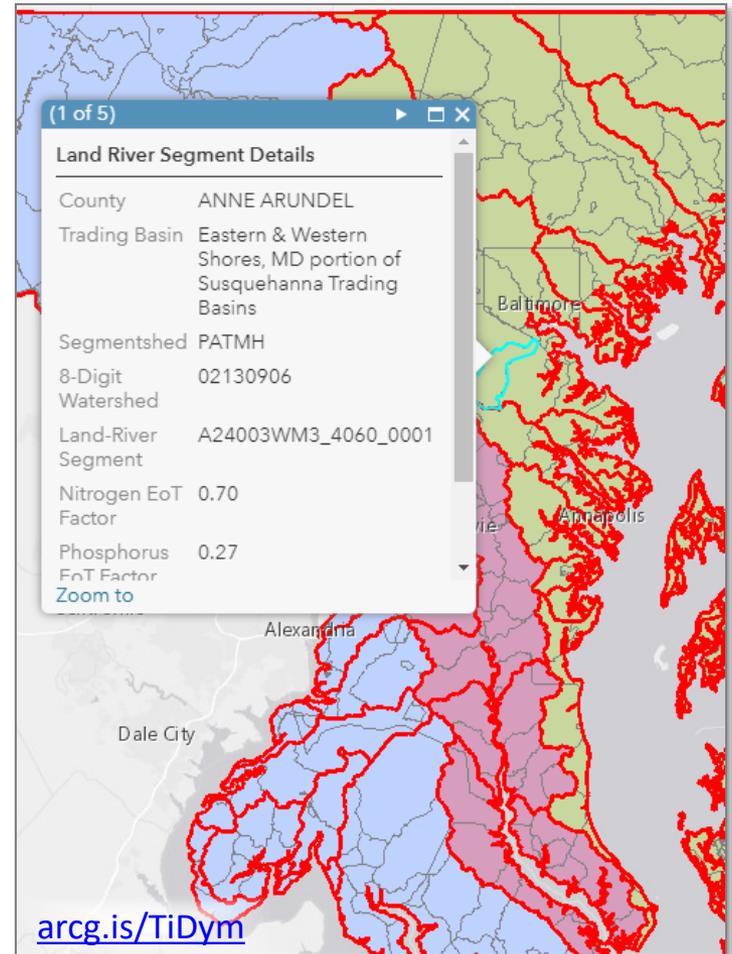
Oyster Aquaculture

- 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





WQ Market and Registry

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:
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