

“Crediting Conservation”

*Exploring policy options for
nutrient reduction value*

December 17, 2014 Trading & Offsets Workgroup Meeting

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Chesapeake Bay Commission

Policy for the Bay

- Tri-State Legislative Commission
 - PA, MD, VA
- Established by state law
- 7 Members Each (21 total)
 - 2 Senate
 - 3 House
 - 1 Cabinet-level
 - 1 Citizen at Large



Chesapeake 2000 (C2K)

- Over 100 Commitments
- 5 Broad Goals
 - Water Quality
 - Habitat
 - Living Resources
 - Sound Land Use
 - Stewardship



Chesapeake 2000 (C2K)



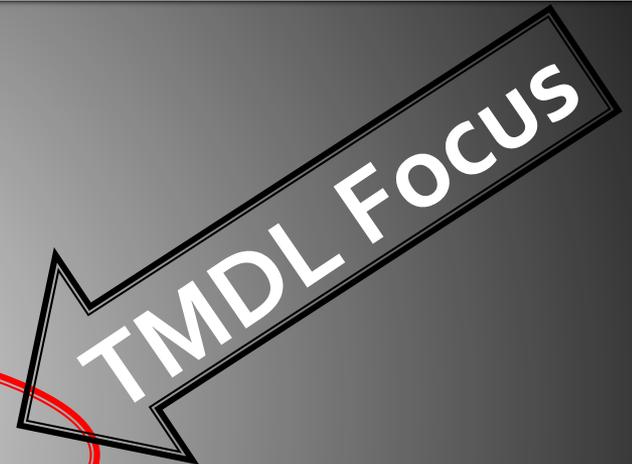
Watershed Implementation Plans

- Over 100 Commitments
- 5 1 Overarching Goals

Water Quality

- Habitat
- Living Resources
- Sound Land Use
- Stewardship

Dissolved oxygen
Chlorophyll A
Water clarity



* NEW 2014 Bay Agreement

Fundamental Ecosystem Services

- climate regulation (i.e., oxygen, carbon dioxide, nitrogen dioxide)
- water flow regulation
- water supply filtering
- stormwater management control
- erosion control
- soil formation
- waste treatment
- pollination
- habitat restoration and protection

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4-Step Process



1. SCIENCE

2011 Healthy Watersheds GIT STAC request
2012 STAC workshop- pollution processing rates of natural landscapes vary by location

2. LEGAL ANALYSIS

2012 Hogan Lovells for legal analysis of CWA, TMDL, etc.
– no constraints

3. POLICY

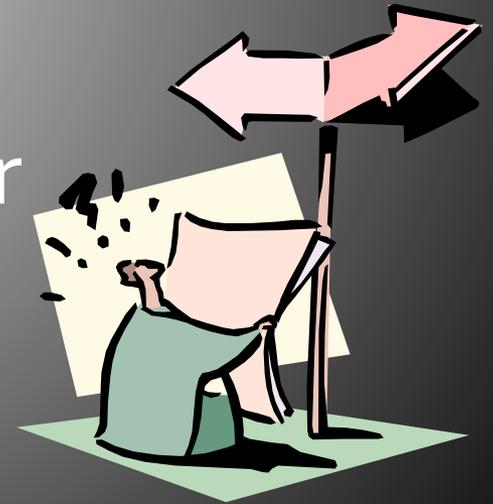
2012-13 Expert Panel – developed options for nutrient reduction valuing of land conservation

4. EPA

2013 CBC "Crediting Conservation" Report delivered
Response and Dialogue

Policy Option Concepts

1. Land protection as “credit multiplier” for BMPs
2. Water quality value by attribute(s)
3. Mitigation scheme- preservation can offset loading
4. Preserving land targeted for development by 2025



Policy Change Option 1

Perpetual BMP “credit multiplier”

- + Permanency increases value
- + Improved verification
- + Greater certainty
- **increase duration?** (not amount)



Requires greater geographic specificity

Policy Change Option 2

Premium Credit for Targeted Conserved Lands

- + Location is important
- + Attributes vary, can add value
- + Headwater streams have higher functionality



- Hard sell; protection worth higher value?
- Pushed for new classes of land in model

Requires geographic specificity & attributes

Policy Change Option 3

Crediting Conservation in Offset Calculations

- + Compensatory hierarchy
- + Preservation as compensation
- + Implement through nutrient offset programs

- EPA Technical Memo supports this

Requires offset program & valuation



Policy Change Option 4

2025 Land Use Baseline

- + Acknowledge growth impacts
- + Is a Direct incentive to conserve
- + Supports higher density
- Works backward from higher load
- Jurisdictions have opposed approach
- May be developed as Phase III WIP 2025 baseline



Requires geographic specificity and growth projection for 2025



EPA Comments

- Land conservation essential to Bay long-term health
- Jurisdictions must account for growth
- Recognize role in holding the line against pollution
- Supports WQGIT exploring how to credit
- Additional means to credit and incentivize land conservation worth considering
- May become an important component of the 2017 midpoint assessment
- Consideration in technical memoranda



Trading/offset technical memorandum - Feb 12, 2014

“EPA believes that a [trading] ratio of less than 2:1 [between non-point and point sources] may be appropriate for projects involving implementation of land conservation measures that ensure permanent protection through a conservation easement or other instrument attached to the deed and where load reductions can be reliably determined.

Examples of land conservation measures may include, though are not limited to, reforested lands, vegetated buffers, and restored wetlands that are subject to perpetual easement and annual inspections.”

The Beginning; Not the End

NEXT STEPS:

- GIT₄ & GIT₃ Scoping Activity for “best” policy change option(s) **GITs agreed, working**
- EPA Headquarters Meeting **Held, EPA supports**
- Explore each chosen option; understand specific science needs for each; **still exploring**
- Possible CIG grant to develop science
- Who needs to trigger changes? Bay Program? EPA? Jurisdictions? NGOs? You?

**CBC is ready to assist with state
and federal policy making**

Questions?



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Policy for the Bay

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