ALTERNATIVE TO THE "ALL OR NOTHING APPROACH":

INTRO TO "PARTIAL CREDIT"

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Breaking the section down:

- The "All or Nothing" Approach Referenced in our Charge
- Other examples of Partial Credit at the Bay Program
- Examples of How Partial Credit Could be Applied
- Reservations towards the Concept
- Discussion
- Proposed Actions moving Forward

WHAT IS THE "ALL OR NOTHING" APPROACH?

- This refers to <u>if a BMP is not verified, and its credit duration expires, it will be dropped from the model completely.</u>
  - **For example**, a practice that has not been reverified with an inspection date reaches the end of its credit duration. At this time, the practice will no longer receive a nutrient reduction efficiency in the model; the nutrient reduction efficiency will go from its full value to zero.

<u>Management Board Charge:</u>

ISSUE V. Alternatives to "All or Nothing" Approach to BMP (Re)verification

- Can there be gradual or partial credit over a period of time as opposed to zero credit for those BMPs that cannot be verified? Perhaps there's room for a compromise that's acceptable (particularly for those BMPs that are Natural Resources Conservation Service (NRCS) practices).

HOW HAS "PARTIAL CREDIT" MATERIALIZED IN THE PAST?

- Resource Improvement BMPs
  - These practices receive the full credit of their NRCS counterparts but have a shorter credit duration.

- Urban BMP Effectiveness due to Large Rainstorm Events

  - The model decreased BMP effectiveness with large storm rainfall durations. The effectiveness would go to near zero as the storm size increased.

- Verification for Semi-Regulated BMPs
  - These BMPs are typically installed locally under a state construction general permit (CGP) outside of a MS4 community. Some of these semi-regulated communities are not required to have an inspection program to enforce maintenance or rely on the state to do it on their behalf (who in turn, may currently lack inspection/enforcement resources).
  - Option 3: State or third party conducts a sub-sample to verify BMPs reported within several non-MS4 communities. If a local government or federal facility fails to perform verification inspections, it will receive a gradual downgrade in BMP performance over time. Full performance credit will be given for the first five years, followed by a 20% downgrade each year over the next five years, such that entire Appendix B Urban Stormwater BMP Verification Guidance 105 BMP credits expires after ten years. Hopefully, smaller communities will develop effective verification programs over the next decade to prevent the downgrades from occurring
  - For the Group: Are there other examples that are missing? We may need a new phrase to describe this proposal.

Some Examples of What Partial Credit Could Be:

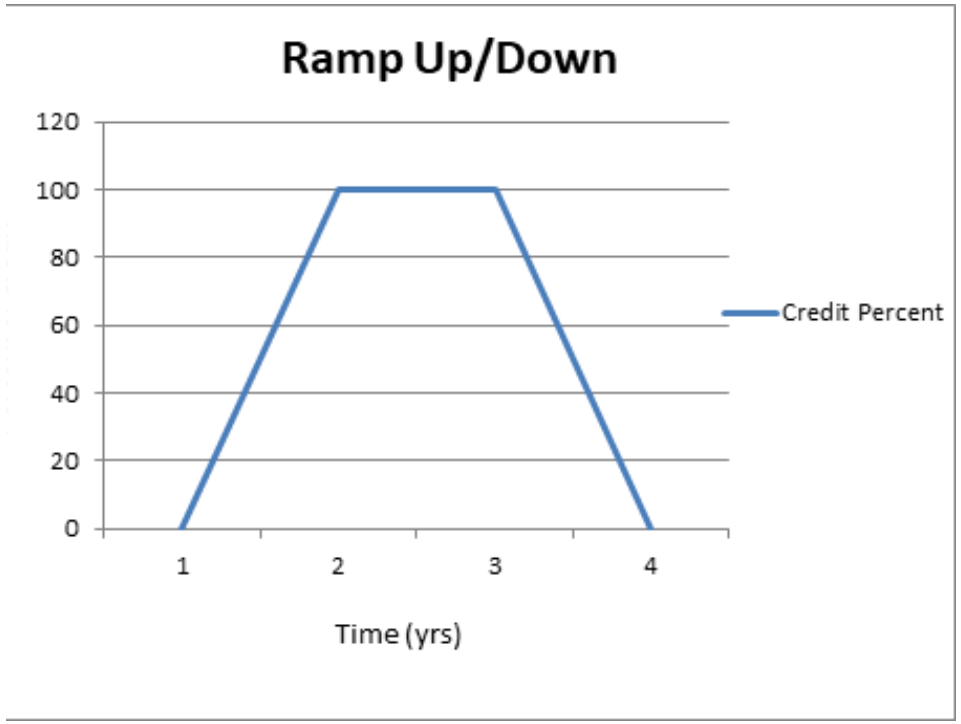
1. The Actual change in BMP efficiency over time

2. The Gradual Phase Out

PROPOSALS

THE ACTUAL CHANGE IN BMP EFFICIENCY OVER TIME

- **This would attempt to simulate the way a BMP performs on the ground.**
- **For example**, a sapling does not create the same load reduction as a mature tree (Phase-in).
- **OR:** Bioretention cell may slowly clog with its performance weakening after many years. (Phase-out).
- For this, **Partial Credit would not be applied equally** since this is directly tied to a specific practice's performance over time.
- This may require a literature review and recommendations from the original BMP expert panels.



PROPOSALS

THE GRADUAL PHASE OUT APPROACH

Why?

- **There is a likelihood of a BMP Continuing to Function after its Credit Life.**

Either:

- **Partial Credit Should be Applied Equally across all BMPs.**
  - Each BMP receives the same reduction from its original efficiency.

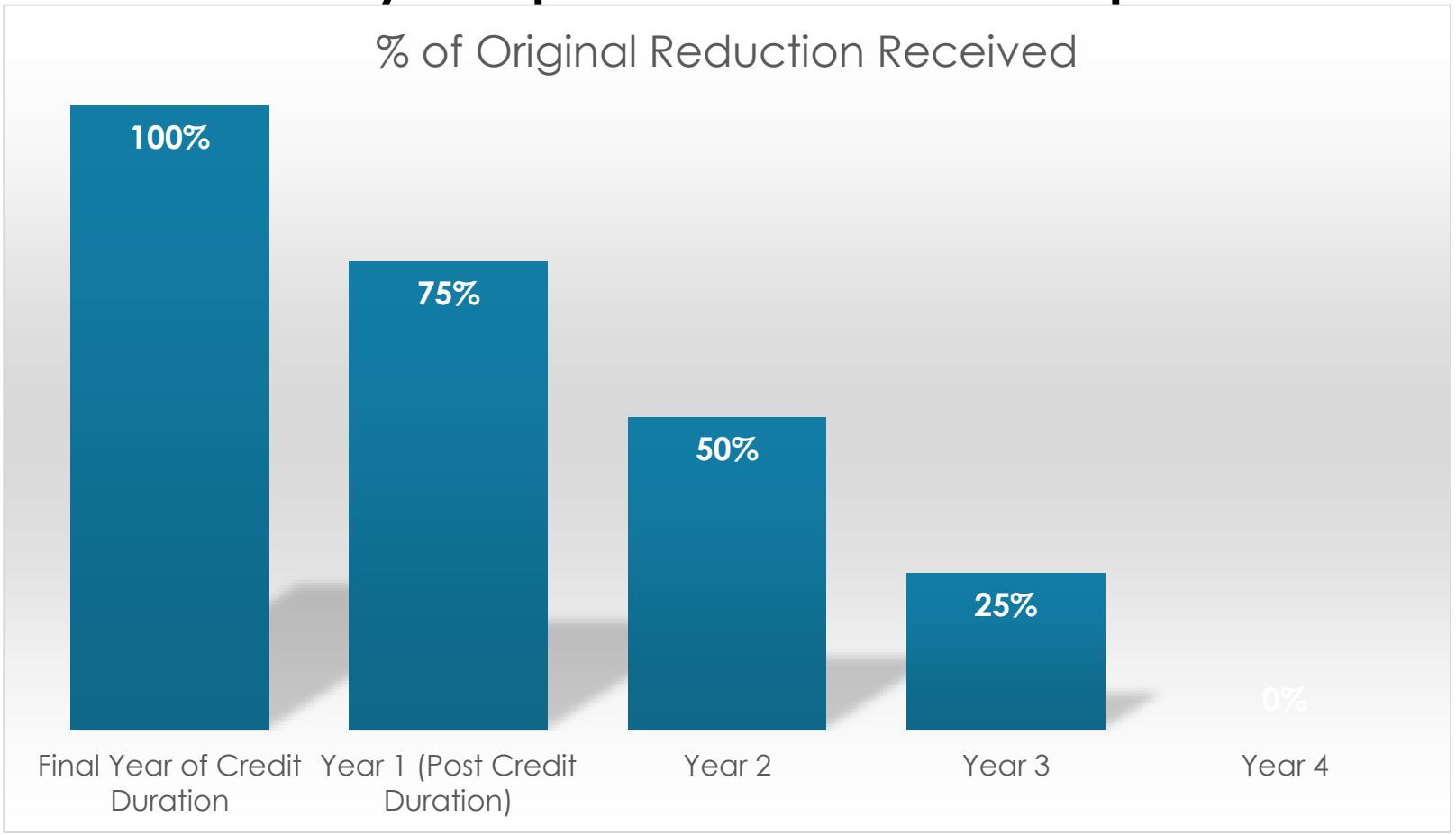
OR:

- **Different Partial Credit for different BMPs**
  - Put together data of BMPs that are inspected 10 years after installation (with no visits in between) and if 50% are still functioning, that might be reason to suggest we could allow BMPs of that type to stay in the system at a discounted rate of 50% of the total approved load reduction.

PROPOSALS

THE GRADUAL PHASE OUT APPROACH

- **Ex.** Across the board number, like *25%, with full phase out of credit 4 years after credit duration expires* ***OR*** *20%, with full phase out after 5 years.* **Partial credit should not exceed 5 years past credit duration expiration.**



RESERVATIONS TOWARDS PARTIAL CREDIT

- Partial credit may undermine efficiencies established by expert panels.
- Partial credit may undermine the purpose of the partnership's BMP verification program.
- Partial credit may impact co-benefits. Partial credit may be reasonable for nutrient or sediment reductions but have significant impacts on other co-benefits. There are ripples beyond the core reduction benefits.
  - For example, "Forested buffers impact stream temperature which has a significant impact on aquatic habitat."
- What is the best professional judgement behind impacting BMP effectiveness with partial credit following credit duration expiration?
- Partial credit can begin to take effect prior to the expiration of a practice's credit duration.

- **Discussion Questions.**

  - Is it possible to include different partial credits for different BMPs in the model?
  - Should all BMPs be considered for partial credit?
  - How long should a BMP exist in the model past its credit duration without being reinspected?
  - Should a BMP be allowed to remain in perpetuity?
  - Should our verification framework allow for partial credit or does it diminish its purpose?
  - How will a jurisdiction track BMPs that are receiving partial credit and develop plans for reinspection before the BMP phases out?

- **Proposed Actions Moving Forward**

  - Send out a post meeting survey to determine before we delve further into specific proposals if the group would support or consider supporting a proposal of partial credit.

  - Determine the involvement of the source sector workgroups and the WTWG.

  - Work with the CAST and modelling teams to determine what technical work needs to be accomplished on the backend to achieve a crediting system that enables BMPs to stay in the model following their credit duration expiration.

  - For the Group: Does anyone propose different or additional action items?

ANY ADDITIONAL COMMENTS?