

Accounting for Sector Growth

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Sector Growth and the 2010 Chesapeake Bay TMDL

- The Phase I and II Watershed Implementation Plans were established on 2010 land uses and nutrient applications
- To achieve the TMDL by 2025, Bay jurisdictions must implement projects and practices that address **new** loads resulting from sector growth/change, such as:
 - Population growth needing new wastewater treatment plants or septic systems
 - Increased use of nutrient-intensive crops
 - Grandfathered projects from before 2010 where standards may have been less stringent could now be under construction/development
 - Growth in the poultry industry resulting in load increases from manure and new poultry house construction

Timeline for Sector Growth Planning

- 2010:**
- Chesapeake Bay TMDL for Nitrogen, Phosphorus, and Sediment



- 2013:**
- EPA Issued the Sector Load Growth Technical Memorandum
 - Jurisdictions demonstrated plans for managing sector growth



- 2014:**
- EPA specified in Grant Guidance that sector growth must be considered in tracking and accounting systems



- 2017:**
- Loads are compared to the 60% of the 2025 allocation interim target
 - Partnership performs a Midpoint Assessment, including sector growth
 - Jurisdictions are expected to update the 2013 plan for managing sector growth

Annually, progress is reviewed and loads are compared to the 60% by 2017 and also to the 2025 target

Annual Progress Review

On an annual basis:

- Bay jurisdictions submit BMP implementation data to the Chesapeake Bay Program
- TN, TP, and TSS loads are calculated from the data submitted and provided to jurisdictions
- Jurisdictions can use these loads data to assess sector load changes by state major river basin.
- Bay jurisdictions are expected to have management systems to address sector growth and to determine the need for additional BMPs

Two-Year Milestones

- Milestones are established for every two year period—2012-2013, 2014-2015, 2016-2017, etc...
- 2016-2017 draft Milestone plan is due January 2016
- EPA has regular calls with every jurisdiction to make sure we are on track with workplans and Milestone and WIP targets

Sector Growth and the 2025 Target

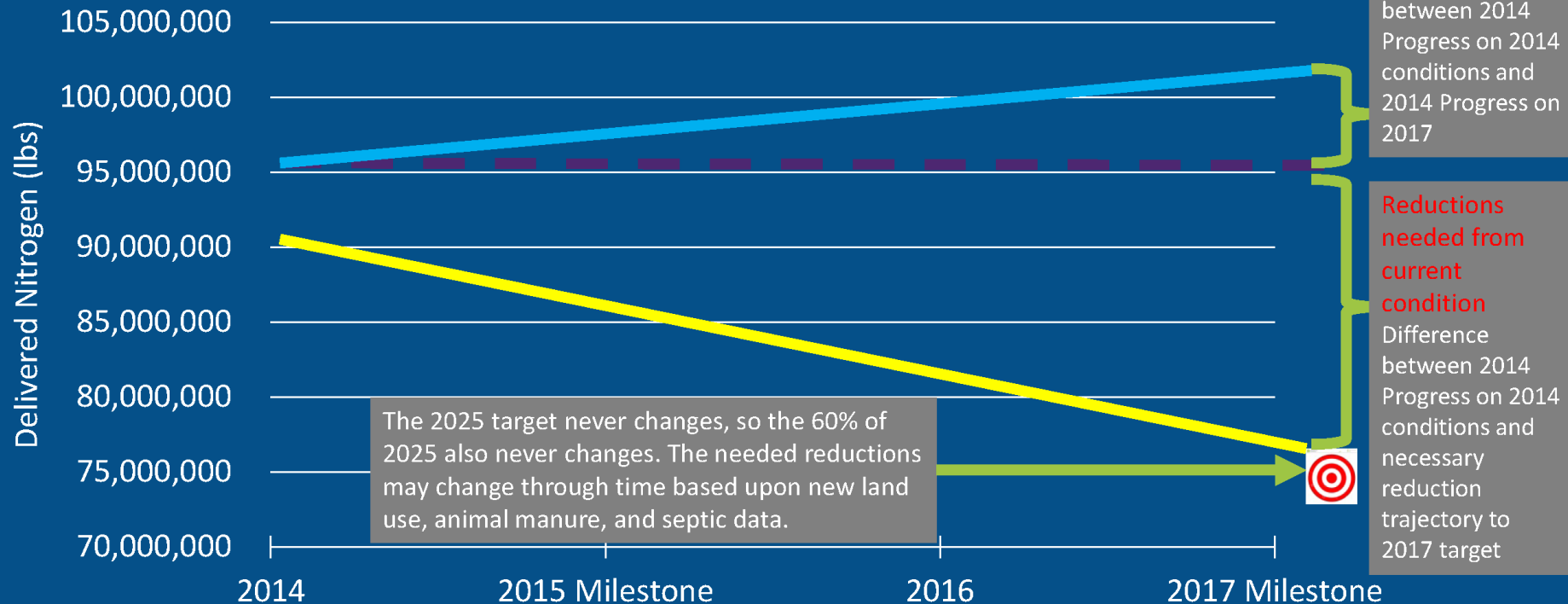
Accounting for Sector Load Growth

EVALUATE: By Jurisdiction, Basin, and Sector

Step 1: Run 2014 Progress on 2014 conditions.

Step 2: Run 2014 Progress on 2017 conditions.

Step 3: An offset scenario must achieve reductions to hit target load **on target year's conditions**.



Sector Load Growth Demonstration

Technical Memorandum

- Finalized June 2013
- Applied to all Bay TMDL point and nonpoint source load sectors
- Intended to assist the Bay jurisdictions with the determination of whether pollutant loads are projected to increase for any particular sector, and thus would require the load to be offset
- EPA expects each jurisdiction to demonstrate periodically numerically and programmatically whether a formal offset program is necessary

2013 Sector Growth Demonstrations*

Management of Sector Growth	DC	DE	MD	NY	PA	VA	WV
Offset Program Development	✓	✓	✓	✓	✓	✓	✓
Methods for Accounting and Managing New and Increased Loads**	W, SW	A, W, SW	A, W, SW	Not App	✓	W, SW	Not App
Tracking Changes in Loads for Accountability and Verification***	apr	apr	apr	2017 MPA	nass	apr	apr
Accounting for Movement Among Sectors***	MS4, NPDES	nlap	Per- mits	2017 MPA	Per- mits	2017 MPA	2017 MPA

*Based on initial responses by 2/28/2013, final responses by 8/16/2013, and additional information.

** A = agriculture, W = wastewater, SW = stormwater.

*** apr = annual progress review, 2017 MPA= midpoint assessment, nass = National Agricultural Statistics Service, nlap = Nutrient Load Assessment Protocol.

CBRAP Grant Guidance

- EPA determined in 2013 that most of the jurisdictions did not have adequate accountability and tracking systems for the purposes of tracking offsets of new or increase pollutant loads resulting from sector change
- EPA maintained the dollar amounts of existing grants
- EPA included the expectation in the FY2014 grant guidance that each jurisdiction must by 12/31/2015 either
 - Begin making improvements to existing tracking and accountability systems, or
 - Develop a new operational system (in place by the deadline)
- Each jurisdiction also must provide EPA with a narrative addressing tracking trades and offsets in each applicable pollutant source sector, and plans for improvement to tracking

http://www.epa.gov/region3/chesapeake/grants/2015Guidance/2015-CBPO-GG_030315.pdf

EPA 2015 Grant Guidance

U.S. ENVIRONMENTAL PROTECTION AGENCY CHESAPEAKE BAY PROGRAM OFFICE GRANT AND COOPERATIVE AGREEMENT



Substantive updates to this Guidance are in

Additional Work Plan Content Specific to CBRAP Grants

Activities eligible for funding under the CBRAP grants differ from those funded by CBIG. CBRAP grants fund activities related to the water quality goal of the **2014 Chesapeake Bay Watershed Agreement**, whereas CBIG can fund all goals of the **2014 Chesapeake Bay Watershed Agreement**. Although there is some overlap among the eligible uses of these grants, recipients cannot fund the same activity or task with more than one of these grants.

In 2012, EPA conducted program assessments of all seven Bay jurisdictions' offset and trading programs. These assessments contained recommendations that each jurisdiction was to address by the end of FY 2013. The jurisdictions did not identify or provide information in their February 2013 or August 2013 sector growth submittals that demonstrated that they have adequate tracking and accounting systems in place that could determine whether sector loads were increasing or not. Based on these responses, EPA determined that most of their accountability and tracking systems were inadequate for purposes of tracking offsets of new or increased pollutant loads.

EPA **did** not reduce the dollar amount of any of the Bay jurisdictions' existing grants as a result of that determination. However, **in 2014** EPA including the expectation in **the FY 2014** grant guidance that each of these jurisdictions must, at a minimum, either:

- Begin making improvements to an existing tracking and accountability system so that it is operational by December 31, 2015; or
- Begin developing a new system that is operational by December 31, 2015.

In its 2014 CBRAP work plan submission, EPA **expected** each jurisdiction to provide a narrative addressing each applicable pollutant source sector and describing either how the jurisdiction is currently tracking trades and offsets for the source sector and/or how it plans to improve tracking of trades and offsets in the near future.

In parallel, EPA will continue to build trading and offset reporting and accountability functionality within the CBP partnership's Chesapeake Bay TMDL Tracking and Accountability System (Bay TAS) which linked with the public interface through the CBP partnership's ChesapeakeStat website. EPA will continue to work with the jurisdictions on the interconnections between the individual jurisdictions' systems and this basinwide system, looking for shared efficiencies in the collection and generation of the data residing in these systems.

EPA contractor assistance may be available to the Bay jurisdictions for this purpose in the form of direct assistance to support multi-jurisdictional work on common templates and/or common systems and in-kind assistance for addressing jurisdiction specific needs (see sub-section E.

Next Steps

- EPA now is quantitatively looking at sector growth
- EPA is providing jurisdictions with the necessary information about sector growth in advance of the 2016-2017 Milestone planning deadline
 - Will analyze and project what has been done and what still needs to be done regarding sector growth
 - There will be meetings in early June between EPA and the jurisdictions
- EPA is analyzing the 2014 progress and assessing the gap for achieving 60% of the 2025 target by 2017 based on projected land use and animal manure loads for 2017

Questions?