



pennsylvania
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Office of Water Management

Nutrient Credit Trading Program

Program Enhancements

Spring 2015

Overview

- Results of Negotiations with EPA
- Update on Other Program Enhancements
 - Previously Discussed
- Timeline for Implementation

➤ EPA Negotiations

- EPA Started Objecting to Permit Renewals in April 2014
 - Concern over NPS Baseline Definition
 - Current regulations are inconsistent with the TMDL
 - DEP has agreed to interim measures so the program can move forward
 - Definition of baseline will be re-evaluated

➤ EPA Negotiations

- To resolve the issue and move forward:
 - Evaluate modeling tools to provide quantitative estimates of nutrient loadings from agricultural operations
 - Increase the Sampling Frequency at POTWs
 - TN and TP
 - From one to two samples per week
 - Establish at time of permit renewal
 - Adjust Baseline Definition for Credit Generation

➤ Point Source Baseline

- Wastewater Treatment Facilities (WWTFs)
 - No change to the assigned cap load.
 - All existing credit certifications expire, including those for “capacity” credits, on September 30, 2015.
 - No longer accepting any new applications for certification of “capacity” credits.
 - All WWTF’s with an assigned cap load will be **certified** to generate credits through September 30, 2017.
 - Phase 2 Chesapeake Bay Watershed Implementation Plan Wastewater Supplement

Point Source Baseline

- WWTFs, cont.
 - To **verify** and **sell** credits:
 - Must be in compliance with all nutrient effluent requirements.
 - Must achieve a yearly average effluent concentration of 6.0 mg/L-TN and/or 0.8 mg/L-TP
 - Follow verification and registration process outlined:
 - Phase 2 Chesapeake Bay Watershed Implementation Plan Nutrient Trading Supplement
 - DEP Website:
http://www.depweb.state.pa.us/nutrient_trading
 - No Trading Ratio
 - Results are based on monitoring

➤ Point Source Baseline

- NPS Treatment Technologies with a Permit
 - Credits generated based on sampling results as defined in verification plan
 - Account for Individual Farm Activities
 - Individual Farm Worksheet
 - Subject to adjustments in accordance with NPS Baseline definition
 - Subject to change based on Chesapeake Bay Expert Panel results
 - Final report is due October 1, 2015
 - Existing Certifications Approved past 2016 will expire September 30, 2016

▶ NPS Baseline

- Current – September 30, 2017
 - No change to current regulatory definition of baseline and threshold
 - Continue use of current spreadsheet to calculate credits.
 - Unless the Performance –based Modeling Tool becomes available
 - No change to existing approved credit certifications.
 - Expiration dates:
 - Those without a designated expiration date -- September 30, 2015.
 - Those with designated expiration date of September 30, 2015 – September 30, 2015
 - Those with designated expiration dates AFTER September 30, 2015 – September 30, 2016

➤ NPS Baseline, cont.

- Current – September 30, 2017
 - Trading ratio for all new and renewed credit certifications will be 3 to 1.
 - These credit certifications will all expire September 30, 2017.
 - Administratively extended on an annual basis for an additional five years, if performance-based calculation tool is not in place by October 1, 2017.
 - Manure Hauling Re-visited Based on Input of Workgroup
 - Hauled outside Chesapeake Bay Watershed
 - Applied to nutrient deficient lands
 - Stringent Verification Protocols under development
 - 3:1 Ratio Applied

➤ Nonpoint Source Baseline

- Transition to Performance-Based Approach
 - Use the Chesapeake Bay Multi-State Trading Tool (MSTT) to calculate credits.
 - Baseline (loading rate or percent reduction) will be defined using Phase 6 of the Bay Watershed Model
 - Regulatory compliance will still be required to participate.
 - Goal is to have the modeling tool in place by October 1, 2017 if not earlier.
 - Credit certifications will be approved for 5 years
 - No trading ratio planned at this time.



Implementation Plan

- Three sources of information:
 - Phase 2 Chesapeake Bay Watershed Implementation Plan Wastewater Supplement
 - List of facilities certified to generate credits
 - List of delivery ratios for each facility
 - Phase 2 Chesapeake Bay Watershed Implementation Plan Nutrient Trading Supplement
 - Trading Program requirements, both point & nonpoint
 - Identifies process and procedures
 - DEP website:

http://www.depweb.state.pa.us/nutrient_trading

Implementation Plan

- Other Mechanisms for Implementation
 - Permit Renewals
 - Eliminates ability to generate capacity credits
 - Eliminates designation of delivery ratio
 - Establishes ability to participate in the Trading Program
 - Establishes increased monitoring frequency
 - Mass Certification of all WWTF for credit generation
 - Publish draft in *PA Bulletin* April 18, Comments due May 20
 - Eliminate the ability for capacity credits
 - List of systems in the Phase 2 WIP Wastewater Supplement
 - Depending on comments, publish final with October 1, 2015 effective date

Implementation Plan

- Standardized Certification, Verification, and Registration Process
 - Standard application and approval forms (Now in place)
 - Standard Verification form template using NRCS Technical Standards
 - Up for discussion and input

Implementation Plan

- Regulation Changes
 - Confirmed
 - Update regulations to reflect baseline changes
 - Extend true up period to 180 days
 - Expand the authority to implement a Trading Program statewide
 - Up for Discussion at Future Meetings
 - Collect a fee for program implementation
 - Auditing/3rd Party Verification Program
 - Other

▶ PROPOSED Key Dates

- **Spring/Summer 2015**– Outreach and Training
- **April 2015** – Begin Permit Renewals
- **April-June 2015** – Re-certification of Credits Begins
- **Fall/Winter 2015**- Review Draft Regulations
- **Spring 2016** – EQB Meeting Draft Regulations
- **Summer 2016** – Public Comment on Draft Regulations
- **Spring 2017** – Review revisions based on public comment
- **Summer 2017** – EQB Meeting Final Regulations
- **Fall 2017**-- Regulations Published as Final



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Questions



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