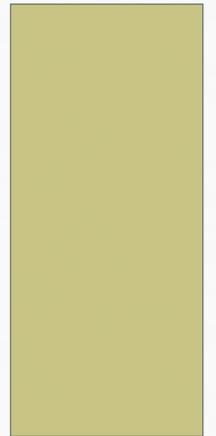


# NUTRIENT TRADING REGULATIONS

REGIONAL ENVIRONMENTAL COMMITTEE  
JANUARY 8, 2015



# TIMELINE

- Proposed regulations published 12/29/14
- Two public hearings in February
  - 2/11/15 – Piedmont Regional Office, Glen Allen
  - 2/12/15 – Blue Ridge Regional Office, Roanoke
- Comment period ends 3/16/15
  
- Draft HRPDC comment letter for February REC.
- Final comment letter approved at March REC.

# BACKGROUND

## **2005 – General Assembly created Nutrient Credit Exchange.**

- Allowed point source dischargers to exchange nutrients

## **2009 – Revisions to Stormwater Regulations**

- Allowed use of non point source credits

## **2010 – Virginia's Phase I Chesapeake Bay WIP**

- Called for expansion of nutrient trading regulations

## **2012 – Nutrient Trading Act**

- Required adoption of regulations to allow credit trading between point and non point sources.

## **2013 - Nutrient Trading RAP established**

# MAJOR PROVISIONS

- Application procedures
- Baseline requirements
- Credit calculation procedures
- Release and registration of credits
- Compliance and reporting requirements for nutrient credit-generating entities
- Enforcement requirements
- Application fees
- Financial assurance requirements.

# POTENTIAL LOCAL GOVERNMENT CONCERNS

- “Management Area” is not clearly defined for projects on publicly owned lands.
- Public notice requirements should be more robust.
- Site visits should be required for new applications.
- Technical Advisory Committees should be convened for new practices until DEQ develops a robust program for evaluating innovative BMPs.
- Water Quality assurances allow trading up to the adjacent basin if no credits are available in a smaller area.

# ISSUES OF RAP NON CONSENSUS

1. Definition of Management Area
2. Public Notification for applications
3. Retirement of credits
4. Local water quality issues
5. Baseline for Agricultural lands
6. Assurances that certified credits meet changing baselines
7. Credit modification allowances
8. Financial Assurances

# LOCALITY IMPACTS

- Trading regulations should help localities meet MS4 permit and Chesapeake Bay requirements.
- Localities can use term or perpetual credits.
- Nothing in the regulation prevents localities from generating credits:
  - Meet appropriate baselines.
  - Pay application fees (not to exceed \$10,000).
- Regulations allow existing local government tax or rate authority to meet financial assurances for structural BMPs.
- Local Water Quality
  - Allowance of trading up to the adjacent basin scale could cause negative impacts to local water quality if a significant amount of development uses credits to meet stormwater regulations.
  - Localities should consider creating or promoting credit generating facilities within locality boundaries(esp. outside MS4 area) to preserve local water quality.

# SCHEDULE FOR REGIONAL COMMENTS

- Additional comments/concerns due to Jenny by 1/13/15.
- Detailed discussion at 1/21/15 Stormwater meeting.
- Draft comment letter for February REC.
- Final comment letter approved at March REC.
- Letter will go out from PDC staff due to the HRPDC Board schedule.