



EPA WATER QUALITY TRADING NEWS

January 2006

UPCOMING TRAININGS AND CONFERENCES

March 8-9, 2006

- ◇ ENVIRONMENTAL CREDITS GENERATED THROUGH LAND-USE CHANGES
Workshop funded by EPA's National Center for Environmental Economics (NCEE/OPEI) in cooperation with Texas A&M University, Environmental Defense, and Environmental Trading Network
Location: Baltimore, MD
Contact: Barry Korb—
korb.barry@epa.gov
(202) 566-2307

May 22-25, 2006

- ◇ THE SECOND NATIONAL WATER QUALITY TRADING CONFERENCE: IMPLEMENTATION ON A WATERSHED SCALE
Joint sponsorship by EPA and USDA
Location: Pittsburgh, PA
Contact: Ginny Kibler—
kibler.virginia@epa.gov
(202) 564-0596
<http://www.epa.gov/owow/watershed/trading/conferences.html>

June 26-28, 2006

- ◇ AWRA 2006 SUMMER SPECIALTY CONFERENCE: ADAPTIVE MANAGEMENT OF WATER RESOURCES
Abstracts for this conference are now being solicited through January 20, 2006.
Location: Missoula, MT
Additional information is available at <http://www.awra.org/meetings/Montana2006>

NEXT ISSUE:

- ◇ EPA Grants involving Trading
- ◇ USDA Trading efforts

2ND NATIONAL WATER QUALITY TRADING CONFERENCE

May 23-25, 2006—Pittsburgh, PA

The conference theme is "Implementation at the Watershed Scale", with sub-themes of: Fundamentals of Trading, Mechanics of Trading, and Examples of Trading. Registration and Agenda information will be available in Winter of 2006.

NONPOINT SOURCE TRADING MANUAL

Conservation Technology Information Center was issued a cooperative agreement through EPA to develop this manual. Work is expected to be completed by late Spring 2006.

OHIO TRADING POLICY

Ohio EPA has released a framework paper on developing water quality trading rules for external review and comment. Ohio's timeline for developing rules is:

12/31/05—Framework external review ends
4/15/06—Draft rules to interested party review
9/1/06—Propose rule package
12/15/06—Adopt final rules

The framework paper is available on the internet at http://www.epa.state.oh.us/dsw/WQ_trading/index/html.

VA TRADING LEGISLATION

Virginia passed legislation regarding water quality trading on March 24, 2005. The state is now developing a watershed general permit for the control of discharges of Total Nitrogen and Total Phosphorus to the Chesapeake Bay Watershed, with the hopes of having it effective by January 2007. More information can be found at <http://www.deq.virginia.gov/vpdes/>.

PA TRADING DRAFT POLICY

The state-wide policy and additional documents provide details for the trading of nutrient and sediment reduction credits and as well as additional program specific information regarding the use and incorporation of nutrient trading in the Chesapeake Bay watershed. The public comment period ended on 12/31/05. Documents and information can be found online at:

http://www.dep.state.pa.us/river/river_trading.htm



IDAHO TRADING ACTIVITIES:

EPA Region 10 and Idaho DEQ have been working together on developing language authorizing point source to point source phosphorus trading to be inserted in new permits for aquaculture sources in the Mid-Snake ("Upper Snake/Rock") TMDL watershed (Idaho is not delegated to issue NPDES permits). This trading language will implement the trading program developed by the second water quality trading demonstration project in Idaho and which built on the precedent established by the first demonstration project in the Lower Boise River watershed, and the subsequent development of Idaho's water quality trading guidance for all watersheds in Idaho. The aquaculture permit is expected to be issued in the spring of 2006 and will soon be followed with a similar permit authorizing point source to point source trading by the City of Twin Falls - expected to be the leading supplier of phosphorus credits to the Mid-Snake watershed. The Lower Boise River phosphorus TMDL is currently under development and is expected to be completed in March 2006. Then EPA Region 10 will then start working on the permits authorizing point source - nonpoint source phosphorus trading in the Lower Boise Watershed, following the trading system developed under the Lower Boise demonstration project.

OREGON TRADING ACTIVITIES:

Oregon DEQ issued its first permit authorizing temperature trading to Clean Water Services (CWS) in the Tualatin River watershed. This innovative watershed-based permit allows CWS to meet its new temperature limit by restoring many miles of riparian habitat upstream from its outfall location, calculating the amount of offsetting credits by how much solar radiation is being blocked by the increasing amount of shade from the densely planted native vegetation. The details of the trade are laid out in the Temperature Management Plan accompanying the permit, both of which are available on Oregon DEQ's website at: <http://www.deq.state.or.us/wq/wqpermit/cwswatshedpermit.htm> This trading model is what the newly awarded Targeted Watershed Grant for the Willamette Partnership will be following as it implements a basin-scale temperature trading system for the Willamette River Basin. The City of Portland also recently received a grant from the Office of Research and Development (under its Collaborative Science and Technology Network for Sustainability program) to launch a stormwater credit trading program to encourage more onsite treatment of stormwater in its urban areas.

(Please contact Claire Schary of EPA Region 10 with questions about Oregon & Idaho trading activities: schary.claire@epa.gov)

TOOLS AND PRODUCTS

Publication: WATER QUALITY TRADING IN THE UNITED STATES—This working paper provides a systematic overview of water quality trading in the US based on a detailed database, collected and compiled by a team of researchers at Dartmouth College. Cynthia Morgan and Ann Wolverton (NCEE/OPEI) will revise their June '05 draft this fall.

Webcast: INTRODUCTION TO TRADING FOR WATER QUALITY PROTECTION—A two hour audio version of this webcast seminar, which took place on December 14, 2005, is available on the internet: <http://www.epa.gov/owow/watershed/wacademy/webcasts/>

Tools:

- ✧ **COST EFFECTIVENESS** A tool is being created to help watershed planners, communities, and others to think about and compare the cost effectiveness of various nutrient reduction methods in a consistent manner. This tool should help make the results of cost effectiveness analyses more comparable. (Fall of 2006)
- ✧ **POLLUTANT AND TECHNOLOGY DATABASE** is being developed to support EPA's Water Quality Trading program and other watershed-based initiatives. (Ongoing)
- ✧ **IMPLEMENTING WATER QUALITY TRADING THROUGH NPDES PERMITS** will be a web-based tool for permit writers. This tool will be designed to assist permit writers on how to incorporate trading in all types of permits, including guidance on what the permit writer needs to know about the local trading program design and how the trading program design will impact the conditions in the permit.