

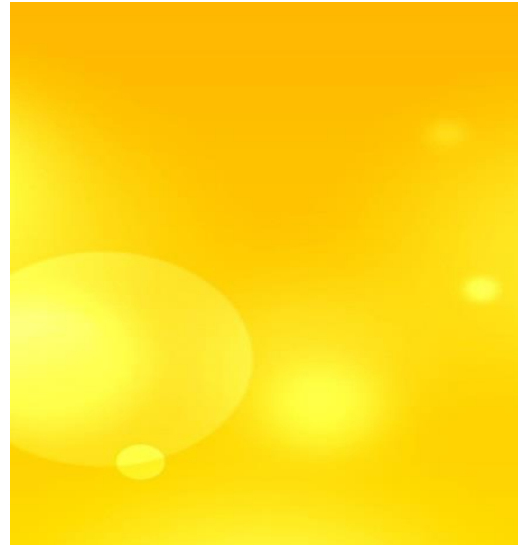


**GEORGIA**  
DEPARTMENT OF NATURAL RESOURCES

ENVIRONMENTAL PROTECTION DIVISION

# Water Quality Trading Draft Guidance

Meeting 4: Wrap up  
October 14, 2021





# STAKEHOLDER MEETINGS

- **Thursday, July 22, 2021, from 1 to 3 P.M.**

This meeting will serve as the initial kick-off meeting and will include a summary of trading-related projects and the 2019 stakeholder process. The meeting will also include a targeted discussion of sections 1-5 of the draft document, which hold much of the framework for water quality trading.

- **Thursday, August 19, 2021, from 1 to 3 P.M.**

This meeting will focus on the implementation specifics (trading plan development and permit language) related to the framework outlined in sections 1-5 of the draft document. These implementation specifics are housed in Appendices B and C.

- **Thursday, September 16, 2021, from 1 to 3 P.M.**

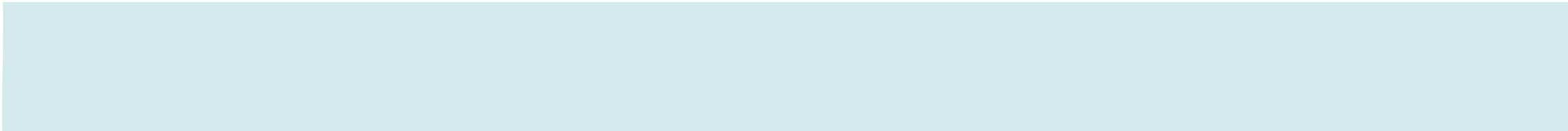
This meeting will focus on a discussion of sections 6-12, which are primarily concerned with credit generation, tracking, and compliance and enforcement.



- **Thursday, October 14, 2021, from 1 to 3 P.M.**

This meeting will serve as a wrap-up discussion summarizing the stakeholder process and feedback received by EPD, answering open questions, closing out any items that required additional information, and describing next steps.

We are here.





# SUMMARY OF PREVIOUS MEETINGS

- Water quality trading background
  - Water quality standards and TMDLs
  - Water quality trading nation-wide
  - Previous work in Georgia

$$\text{TMDL} = \Sigma \text{WLAs} + \Sigma \text{LAs} + \text{MOS}$$

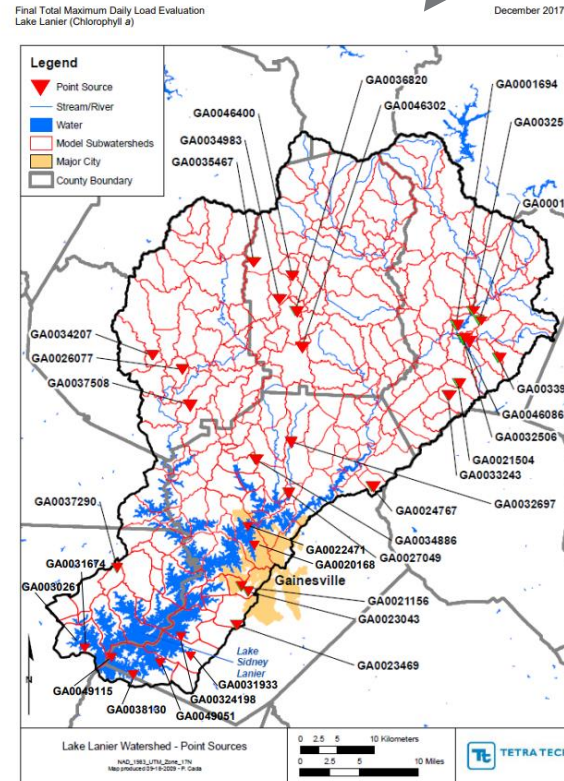


Figure 5. Location of Point Source Discharges

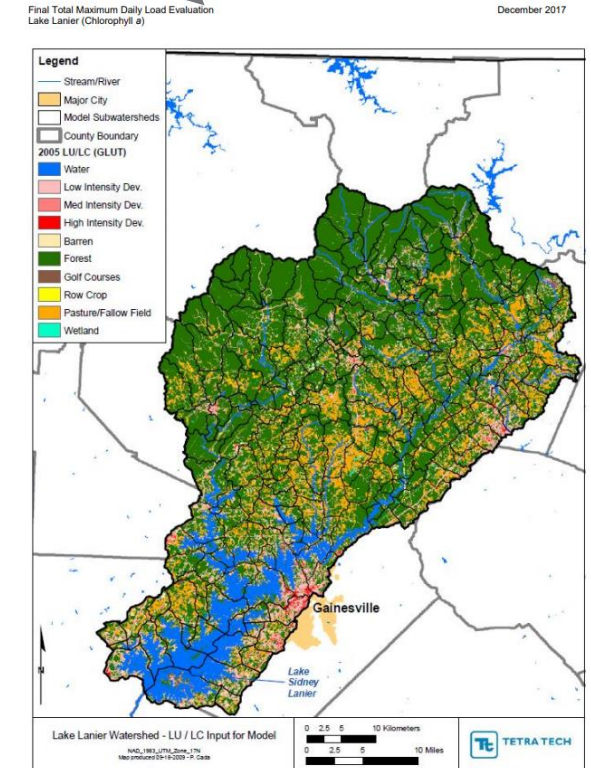
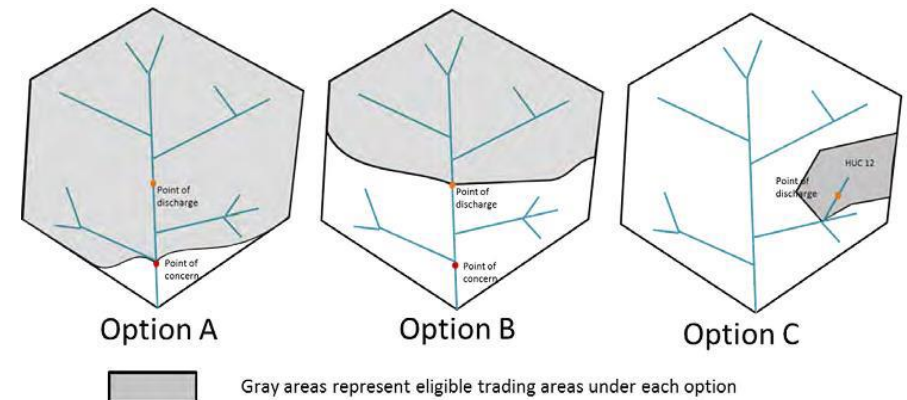


Figure 9. Lake Lanier Watershed Land Cover from 2005 GLUT



# SUMMARY OF PREVIOUS MEETINGS

- **Sections 1-5**
  - Trading Framework
    - Point-point; point-nonpoint; offsets
    - Requirements, such as no double counting, no local adverse impacts
    - WQBELs
  - Conditions for Eligible Trades
    - Who can trade, what can be traded, and where can it be traded
    - Baselines and projects







# SUMMARY OF PREVIOUS MEETINGS

- Appendices B and C
  - Trading Plan development
    - Pre-meeting requirements
    - Plan contents
  - Template permit language for credit generators and buyers for both point-point and point-nonpoint trades

## B. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

Discharge to Mill Creek - Outfall #001 (XX.XXXXXX°, -XX.XXXXXX°):

- a. The discharge from the water pollution control plant shall be limited and monitored by the permittee as specified below:

Parameters	Discharge limitations in mg/L (kg/day) unless otherwise specified		Monitoring Requirements		
	Monthly Average	Weekly Average	Measurement Frequency	Sample Type	Sample Location
Flow (MGD)	15.0	18.75	Seven Days/Week	Continuous Recording	Effluent
Carbonaceous Five-Day Biochemical Oxygen Demand <sup>(1)</sup>	2.9 (165)	4.4 (206)	Five Days/Week	Composite	Influent & Effluent
Total Suspended Solids <sup>(1)</sup>	5 (284)	7.5 (355)	Five Days/Week	Composite	Influent & Effluent
Ammonia, as N <sup>(2)</sup>	0.5 (28.4)	0.75 (35.5)	Five Days/Week	Composite	Effluent
Total Phosphorus, as P <sup>(3) (4)</sup>			Five Days/Week	Composite	Effluent
Trading Plan Implemented <sup>(5)</sup>	0.5 (20)	0.75 (25)			
Trading Plan No Longer Implemented <sup>(6)</sup>	0.25 (10)	0.38(12.5)			
Fecal Coliform Bacteria (#/100 mL)	23	46	Three Days/Week	Grab	Effluent
Escherichia Coli (CFU/100mL)	126	252	Three Days/Week	Grab	Effluent

<sup>(1)</sup> Numeric limits only apply to the effluent.



# SUMMARY OF PREVIOUS MEETINGS

- **Sections 6-12**
  - Credit quantification, verification, and generation
    - Trading ratios
    - Credit life
  - Permitting and compliance
  - Program evaluation



# TIMELINE

The permittee determines that trading is an option they want to pursue. The permittee identifies potential trading partners, trading projects, and trading area.



The permittee contacts EPD to meet to discuss trading.



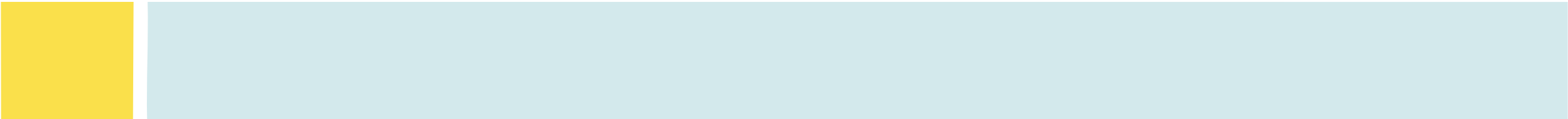
The permittee and EPD meet.



EPD determines the baseline and approves the proposed trading area. EPD provides this information to the permittee.



The permittee completes the Trading Plan and submits it as part of the permitting process.





# TIMELINE

Note: For proposed new nonpoint source BMPs, the BMP installation process may be initiated at any point in this timeline.

EPD completes the draft permit, and posts it for public comment, including the Trading Plan.



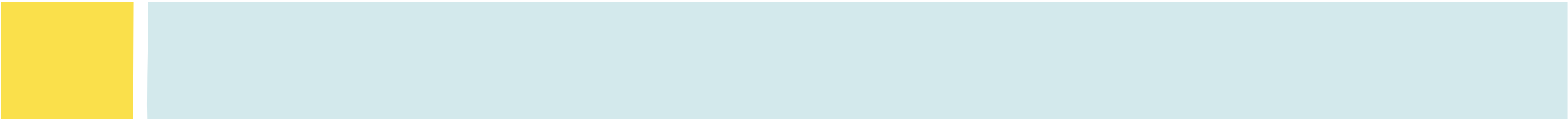
EPD issues the permit, including Trading Plan.



For existing BMPs, the credits start getting generated annually for the life of the project once the permit is effective. Credits can be used immediately.



For new BMPs, credits cannot be generated until the trading project is complete and pollutant reductions have been measured.







## CONTACT INFORMATION

Questions or comments

Anna Truszczyński

[Anna.Truszczyński@dnr.ga.gov](mailto:Anna.Truszczyński@dnr.ga.gov)

470-384-7440

Written comments may be **sent to [EPDComments@dnr.ga.gov](mailto:EPDComments@dnr.ga.gov)** or mailed to Environmental Protection Division, Watershed Protection Branch, Suite 1152 East Tower, 2 Martin Luther King, Jr., Dr., Atlanta, GA 30334.

If you choose to e-mail your comments, please include the words “**Water Quality Trading**” in the subject line to help ensure that your comments will be forwarded to the correct staff.

**Please submit comments by November 1, 2021.**



# SUMMARY OF THE 2021 STAKEHOLDER FEEDBACK TO DATE

- **Recommend that EPD re-evaluate the quantification of nonpoint source credits.**
  - Monitoring may be challenging.
    - BMP effectiveness may show some year-to-year variation due to changes in rainfall patterns or the BMPs themselves.
    - Monitoring at an outfall or point may be straightforward, but some BMPs, such as conservation easements, may not lend themselves to straightforward monitoring. That may discourage the use of those BMPs.
  - Nonpoint source load reductions under the TMDL may be high and may discourage trading. General questions about:
    - Tracking of nonpoint source load reductions outside of trading contexts
    - Different load reductions based on nonpoint source



# SUMMARY OF THE 2021 STAKEHOLDER FEEDBACK TO DATE

- Recommend that EPD revisit language discussing the cancellation of a trade based on BMP failure or insufficient load reductions.
  - Compliance schedules or alternative options, such as insurance credit pools, may be an appropriate response.
  - Recommend that EPD treat the exceedance like any other permit limit violation and offer similar options for a return to compliance.



# SUMMARY OF THE 2021 STAKEHOLDER FEEDBACK TO DATE

- **Recommend that EPD not limit the use of public funds for BMP installation.**
  - EPD supports the use of cost sharing to help reduce nonpoint source pollution. To prevent double counting, however, the proportion of a credit-eligible trading project that is funded by public funds for the purposes of reducing loading of the traded pollutant cannot be used to generate credits. Proportional accounting for multi-purpose trading projects is allowable.

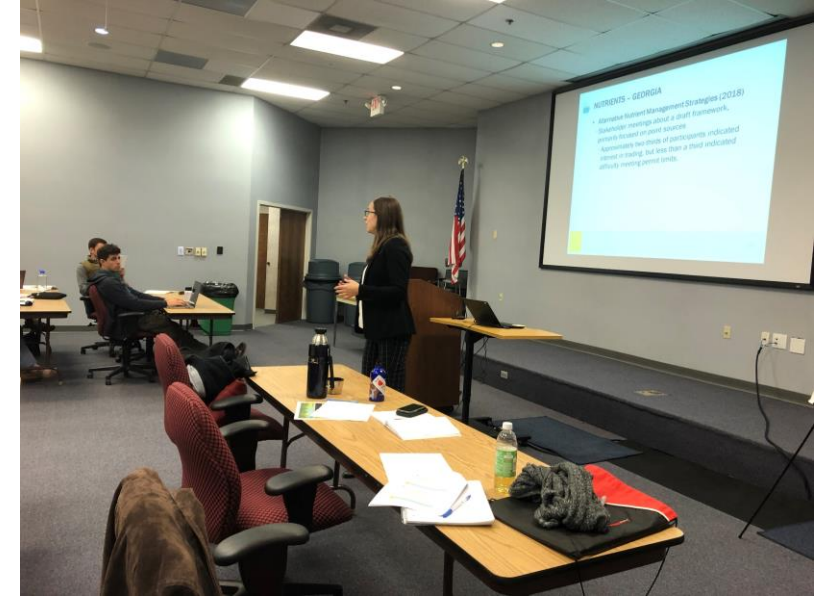


# SUMMARY OF THE 2021 STAKEHOLDER FEEDBACK TO DATE

- Recommend that EPD explore pilot projects and the Innovative and Alternative Technology Assessment Manual (1980).
- Recommend that all pollutants should be eligible for trading. If a BMP removes both phosphorus and nitrogen, both should generate credits that can then be sold.
- Recommend that the trading timeframe match the permit term (five years).



# DISCUSSION







## GROUP DISCUSSION – POLL #1

- **What risks do you see for you/your stakeholder group?**
  - I am concerned that the trades are conducted in a fair and transparent manner.
  - I am concerned that the promised water quality benefits are realized.
  - I am concerned that finding a reliable trading partner may be challenging.
  - I am concerned that the risk is borne disproportionately by the NPDES permittee, compared to nonpoint source partners.
  - I am concerned that the process is too complicated.



## GROUP DISCUSSION – POLL #2

- What benefits do you see for you/your stakeholder group?
  - I am interested in trading as a potential additional revenue stream.
  - I am interested in trading as a potential tool for improving water quality and meeting pollutant limits.
  - I am interested in trading as a potential option in long-term capital improvement planning.
  - I am interested in trading as a tool for educating trading participants and their local communities about water quality.
  - I am interested in trading as a potential new area for innovation.



[This Photo](#) by Unknown Author is licensed under [CC BY-SA](#)



## GROUP DISCUSSION – BREAK OUT ROOMS

- Given the last three meetings and the discussion of risks and benefits, what do you see as the main barriers to participation in trading?
  - Take a moment to think about the question while we move you into four separate break out rooms.
  - Facilitator: each room will have a facilitator who will report out on the general discussion. The facilitator is the person whose first name comes first alphabetically.
  - You will have six minutes for discussion.



## GROUP DISCUSSION - ROLES

- Does the guidance document sufficiently describe the roles of the various parties participating in trading?
  - What is the role of EPD?
  - What is the role of the credit purchasers?
  - What is the role of the credit generators?
    - Point source credit generators?
    - Nonpoint source credit generators?



# GROUP DISCUSSION – WHAT’S MISSING?

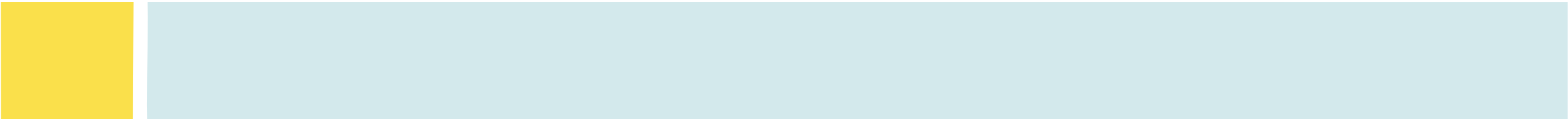
- Is the draft guidance document missing anything?
- Is something not included in the document that should be there?



[This Photo](#) by Unknown Author is licensed under [CC BY](#)



# GROUP DISCUSSION – FINAL THOUGHTS







# NEXT STEPS



This Photo by Unknown Author is licensed under CC BY-NC-ND



## CONTACT INFORMATION

Questions or comments

Anna Truszczyński

[Anna.Truszczyński@dnr.ga.gov](mailto:Anna.Truszczyński@dnr.ga.gov)

470-384-7440

Written comments may be **sent to [EPDComments@dnr.ga.gov](mailto:EPDComments@dnr.ga.gov)** or mailed to Environmental Protection Division, Watershed Protection Branch, Suite 1152 East Tower, 2 Martin Luther King, Jr., Dr., Atlanta, GA 30334.

If you choose to e-mail your comments, please include the words “**Water Quality Trading**” in the subject line to help ensure that your comments will be forwarded to the correct staff.

**Please submit comments by November 1, 2021.**