

Water Quality Trading Fact Sheet

What is water quality trading?

Water quality trading is a flexible approach that allows regulated point source dischargers the opportunity to partner with other point source or nonpoint source entities to reduce pollution. Point source and nonpoint source entities can earn water quality credits based on pollution reductions beyond those required by law or regulation. These credits can be purchased by a regulated point source discharger to achieve less costly pollutant reductions than if the discharger acted alone. The trade ultimately results in equal or greater reduction in pollution to a specific waterbody at a reduced cost to the regulated entity.

Why is Georgia EPD interested in water quality trading?

Preventing and addressing water quality degradation is a difficult ecological, economic, and regulatory challenge that requires states and communities to rely on a diverse set of tools and strategies. Water quality trading is one tool that could be used to protect and restore waterways, while producing substantial cost savings.

What has been done so far on water quality trading?

Many states have utilized water quality trading and alternative permitting strategies to address pollution reductions. Much of this work has focused on nutrients. For a countrywide overview of water quality trading, please visit USEPA's Water Quality Trading website at:

<https://www.epa.gov/npdes/water-quality-trading>

As reflected in the USEPA link, Georgia EPD has begun to implement limited point source-point source water quality trading through the NPDES permits issued to Cobb County and City of Atlanta. Cobb County and the City of Atlanta each have their own trading program. Each program is limited to specific facilities owned by the same entity (either Cobb County or City of Atlanta) and discharging into the same watershed.

Georgia EPD has also identified trading as a potential option for meeting pollutant load reductions in nutrient-related Total Maximum Daily Loads (TMDLs). The Lake Allatoona (2013), Carter's Lake (2016), Lake Lanier (2017), and Savannah River 5 R (2015) all explicitly mention water quality trading as a potential future tool to be implemented to meet the TMDL. For more information about the TMDLs, please visit Georgia EPD's website at:

<https://epd.georgia.gov/total-maximum-daily-loadings>

Georgia EPD has also funded, through 319(h) grants and State Seed Grants for Regional Water Planning, a series of projects exploring implementation of water quality trading. The majority of this work has been done in the Coosa Basin and includes a report titled *Nutrient Trading in the Coosa Basin: A Feasibility Study Prepared for North Georgia Water Resources Partnership* (August 2013), and an Alternative Nutrient Management Strategies report (October 2018). Both documents are available at the North Georgia Water Resources Partnership website at:

<http://www.ngawater.org/blog/index.php/>