

US EPA Water Quality Trading Policy and Related National Developments

Jeffrey Potent

Land Grant University / US
EPA Region 2 Liaison

Potent.jeffrey@epa.gov

212 637-3857





Passaic Project Grew Out of the USDA Regional Water Quality Project (RWQP)

- RWQP Water Quality Trading Initiative
- Initiative developed in collaboration with EPA and other key partners
- Also assessing trading opportunities in New York (as element of the Chesapeake Bay Program) and Puerto Rico



EPA Water Quality Trading Policy, January 2003

- Assure compliance with Clean Water Act and implementing regulations
- Outline constraints and conditions under which trading can be utilized
- An important impetus for the increase in WQ trading projects in the US
- Emerging state trading policies



Recent EPA Actions and Initiatives to Advance WQ Trading

- WQ Trading Network (national) and ad hoc Region 2 trading group (internal)
 - Bimonthly conference calls
 - Regional updates (Region 2 update next month)
- “WQ Trading Assessment Handbook,” 2004
- Trading project grants
 - Targeted Watershed Grant Program (9 that include trading components)
 - Sustainable Environments Research Program (ORD)



Recent EPA Actions and Initiatives to Advance WQ Trading (continued)

- EPA and USDA Second National Water Quality Trading Conference, Pittsburgh, PA, May 23-25, 2006
- National training program
 - To be piloted at national conference (one day training)
 - Region 2 will demo. a two day regional training, June 2006?
 - A four day curriculum is also being developed
- Watershed permitting and trading
 - Watershed permitting guidance references trading
 - NPDES Trading tool



Developing relevant performance measures for trading projects

- Through program design, implementation and evaluation stages
- Addressing grant management and general program performance criteria
- Adequately reflecting the requisite dimensions and steps associated with building effective trading programs (outputs, outcomes, impacts)



Including MS4s in trading programs

- Key issues
 - Authorization to trade (definition of “Maximum Extent Practicable”)
 - Ability to over control
- Three studies underway
 - Shepard’s Creek, Cincinnati, Ohio
 - City of Portland, Oregon (total suspended solids)
 - Lake Whatcom, Washington (total phosphorous)



Maintaining Linkages

- To identify and address crosscutting issues, learn from other projects and share our knowledge and experience
- EPA management and staff addressing general trading policy, NPDES permitting, grants management, etc.
- National environmental and trading groups
 - Environmental Defense
 - World Resources Institute
 - Resources for the Future
 - Environmental Trading Network
- Other academic institutions

The Ultimate Goal!

