

Passaic Trading: Special Topics



Passaic Trading Symposium
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USEPA Targeted Watershed Grant Program



NPS and MS4 Trade Opportunities

- Feasibility analysis of MS4 trading
 - Quantitatively, trade opportunities exist between small WWTPs discharging less than 1 MGD at high phosphorus effluent and proximate MS4s.
 - **Legal problem:** MS4s cannot generate credits to sell because of ambiguity of Maximum Extent Feasible
 - Need to trade with stormwater source not regulated by MS4 permit, e.g., privately owned shopping center, on a *contractual* basis (outside CWA jurisdiction)
- Peckman River is also NPS trade opportunity
- Ancillary benefits to TP from NPS trades that reduce fecal coliform

Trading with water purveyor

- Mentioned in TMDL as “option” (p. 47)
- Our task: not proposing any trades; just working out the logistics of how it could happen hypothetically
- Two scenarios: NJDWSC as buyer
- Two scenarios: NJDWSC as seller

Trading with water purveyor

- NJDWSC as buyer
 - Buyer = Pays WWTPs to upgrade
 - Scenario 1: Buys and then retires allowances
 - Scenario 2: Buys and then resells allowances to other WWTPs
 - Purveyor acts as “banker”
 - Draft report details how to apply trading ratios in these special cases

Trading with water purveyor

- NJDWSC as seller
 - Seller = Receives \$\$ from WWTPs to treat diverted water
 - Dundee Lake still needs to be addressed
 - *However:* Inter-Management area trade restrictions become obsolete, trading across entire watershed feasible if diverted water is treated
 - Draft report details how to apply trading ratios in this special case
- Questions
 - Can Upper Passaic and Pompton plants adopt seasonal limits if diverted water is treated ?
 - Problem for Wanaque Reservoir ?
 - Feasible to only charge Pompton and Upper Passaic plants in years of diversion / extreme diversion ?