

Critical Issues for Implementing Trading Programs in the Chesapeake Bay Watershed

STAC Workshop

May 14, 2013

Annapolis, MD

Take-away messages

- Success of a trading program is based on water quality and costs of compliance, not the number of trades
- Verification is required to track BMP implementation, but strict verification suppresses market participation by farmers
- Using baseline requirements to increase nonpoint source abatement for load allocation and to reduce the risk of non-additional credits could reduce trading volumes
- Prospect of MS4s trading with agriculture magnifies the issues addressed in this workshop

Agenda (proposed)

- What lessons have we learned from existing trading programs? (Jim Shortle)
- What lessons have we learned from watershed-scale nonpoint source pollution control projects? (Don Meals, Douglas Jackson-Smith)
- Panel discussion of State trading program monitoring and verification plans (Chris Pyke moderator) (Allan Brockenbrough (VA), Veronica Kasi (PA), MD, and EPA Region 3)

Agenda (continued)

- Presentations on State baselines (Marc Ribaudo moderator) (Allan Brockenbrough (VA), Veronica Kasi (PA), MD, and EPA Region 3)
- Implications of baseline choice on trading volume, meeting load allocation, and additionality (Marc Ribaudo)
- Panel discussion of baseline issues (Ribaudo and state reps, EPA Region 3, moderator Lisa Wainger)
- Summary of issues covered in workshop and implications for management (Charles Abdalla)
- What are some alternatives to trading? (Dan Nees)