

# Baselines

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# Baseline Requirements

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- **Baseline:** Pollutant control requirements that apply to buyers and sellers in the absence of trades or offsets
  - Sellers must first achieve applicable baselines before entering a market to sell credits.
  - Buyers can purchase credits to achieve baselines once they have met minimum control levels
- **Practice-based or performance-based methods** are suitable for defining baselines and calculating credits generated...
- **As long** reductions to meet allowable loads under either the Bay TMDL or local TMDL, whichever is most stringent.

# Baseline Issues

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- Model consistency – watershed v. farm scale:
  - For a trading model to produce loads comparable to those used to develop the Bay TMDL, the model needs to be consistent with the Bay TMDL assumptions and the scale of the allocations.
    - For example: Compare load to basin allocations for specific land uses – Hay, Crop, Pasture, production area
  - If load reductions are not similar between the models, then the states may think they are making progress in meeting TMDL targets, when they may not be.
  - Once loads are traded, those reductions are no longer available for that source, and that source could have difficulty meeting the TMDL allocation. Jurisdictions must report BMPs for the Annual Progress Review, rather than anticipated load reductions.

# Baseline Issues

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- Modeling suite of practices
  - To evaluate if an agricultural load meets the TMDL allocations (baseline), it must be assumed that a certain number of agricultural acres will implement a set of practices. The number of acres and set of practices can be complex.
  - For example, it must be determined if the set of practices is the same for the state, or varies spatially.
- Working with jurisdictions to evaluate baseline options