

## Nutrient Trading Program

DEP's Bureau of Clean Water is responsible for managing Pennsylvania's [Nutrient Trading Program](#). The Program is one part of the Chesapeake Bay restoration strategy being implemented in Pennsylvania to address water quality issues. The primary purpose of the Program is to provide a more cost-efficient way for National Pollutant Discharge Elimination System (NPDES) permittees in the Chesapeake Bay Watershed to meet their effluent cap load for nutrients.

An effluent cap load is the mass load of a pollutant that a facility may discharge as authorized by an NPDES permit. If a facility discharges more nutrients than its permit cap load and the permit allows for nutrient trading, the facility may purchase verified nutrient credits from a credit generator implementing nutrient reduction activities as long as surface water quality will be protected and maintained as required by applicable regulations and DEP permits, schedules of compliance and orders.

The Program manages the three administrative steps that are required for every trade to occur: certification, verification, and registration. Inspection and enforcement actions related to NPDES permit cap loads are handled by DEP Regional Clean Water staff. The Program is not involved in financial transactions related to trading.

Trades can take place through direct communication between credit buyers and credit generators, or the participating parties may use the [PENNVEST IHS Market Auction](#) to buy or sell credits.

DEP's Nutrient Trading Program regulations can be found at [25 Pa. Code § 96.8](#). Requirements for generating credits were updated effective October 1, 2015 in the [Phase 2 Watershed Implementation Plan Nutrient Trading Supplement](#). All of the forms, instructions, and public webpages were updated in 2017. The Program is currently working with EPA and the United States Department of Agriculture to update credit calculation methodology for nonpoint source credit generators.

The Compliance Year (CY) runs from October 1<sup>st</sup> – September 30<sup>th</sup>. Credits generated in a CY may be traded during the trading period of Oct. 1st to Nov. 28th immediately following the end of a CY, but may only be used to meet the permit cap load requirements for the same CY as when the credits were generated. Trades for CY 2016 & 2017 (October 1, 2015 – Sept. 30, 2017) can be found in Table 1.

**Table 1.** Overview of PA Nutrient Trading Program for CY 2016-17

CY	# of trades	Credits Verified		Credits Registered	
		Nitrogen	Phosphorus	Nitrogen	Phosphorus
2016	163	591,243	43,249	602,487	45,487
2017	82	567,123	43,121	272,399	35,143
<b>Total</b>	245	1,158,366	86,370	874,886	80,630