

An aerial photograph of a lush green landscape. In the center, there is a small pond surrounded by trees. The surrounding area is filled with rolling green hills and fields, some of which appear to be agricultural. The sky is filled with soft, white clouds, suggesting a bright but slightly overcast day. The overall scene is peaceful and natural.

Breaking Down Barriers: Priority Actions for Advancing Water Quality Trading

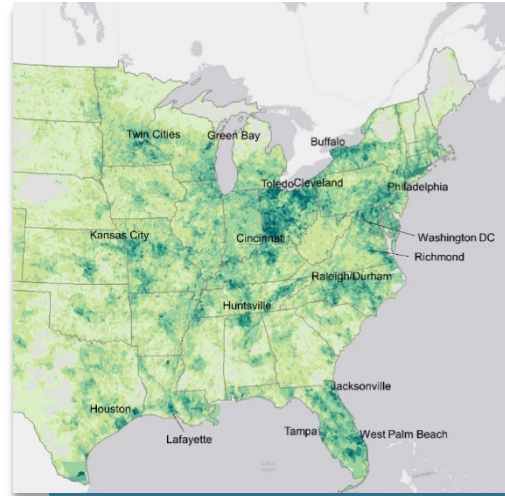


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ACES – December 5, 2018

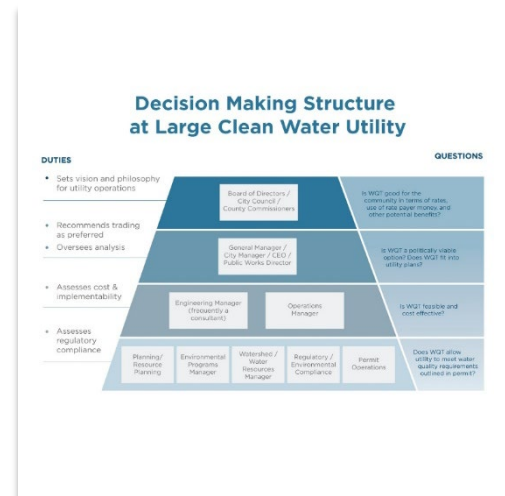
Water Quality Trading Demand Assessment



Lessons Learned from Other Environmental Markets



Geography of Demand



Decision-Making Roles and Processes



Stakeholder Interviews



Decision Criteria

- Broad scope of applicability
- Leverage diversity of stakeholder power and roles
- Cover multiple action areas



Top Barriers to Advancing Water Quality Trading

1. Trading program design and application is too complicated
2. State agency capacity and resource constraints
3. Stakeholders are uncertain about the new administration's/ EPA's position on trading
4. Risk and liability for buyers
5. There is no guidance on trading for MS4 permittees and only a handful of examples to look to
6. Risk of litigation
7. Lack of stakeholder relationships and trust



Priority Actions for ~~Top Barriers to~~ Advancing Water Quality Trading

1. Simplify water quality trading application and implementation
2. State regulatory agencies have adequate capacity and resources to engage on water quality trading
3. Stakeholders are uncertain about the new administration's/ EPA's position on water quality trading
3. Clarify each administration's and the U.S. EPA's position on water quality trading
4. Risk and liability for buyers
4. Actively address real and perceived risks for buyers
5. There is no guidance on trading for MS4 permittees and only a handful of identified markets
5. Identify and address risks of litigation
6. Resolve litigation on trading for stormwater
7. Build stakeholder relationships and trust



Stakeholders

Utilities/Permittees

State Regulatory
Agencies

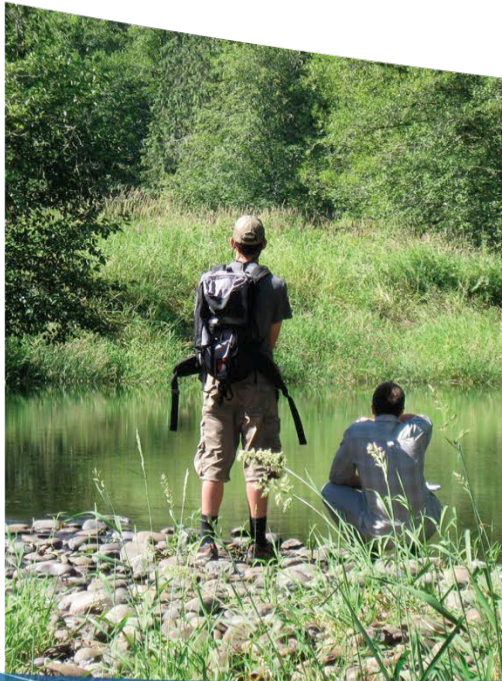
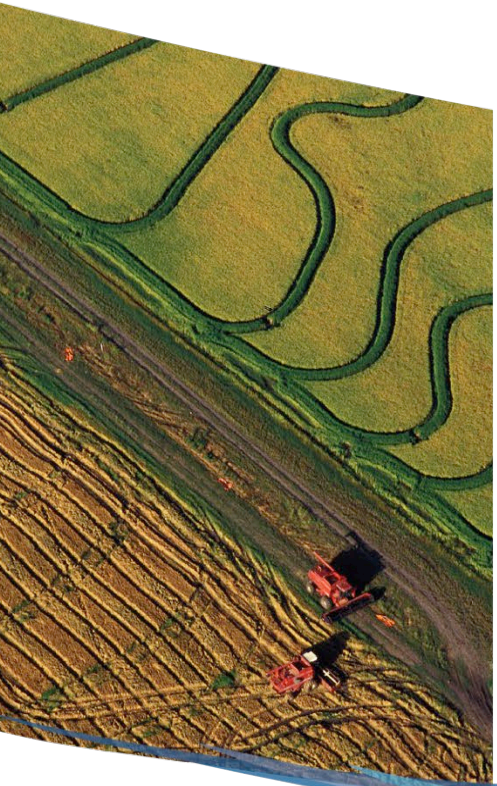
NGOs

Funders

Law Firms

US E.P.A

7 Priority Actions for Advancing Water Quality Trading



1. Simplify water quality trading program design and application

Utilities/Permittees

Publish lessons learned

U.S. EPA

Clarify approach to evaluating quantification methods

State Regulatory Agencies

Consider alternative partnership models



2. Ensure state regulatory agencies have adequate capacity and resources to engage on water quality trading

Utilities/Permittees

Advocate for funding long-term WQT staff positions at state regulatory agency

NGOs

Develop resources for states to train new permit writers



3. Clarify each administration's and the U.S. EPA's position on water quality trading

U.S. EPA

Release statement of support for trading

Clarify role of memos, guidance, and other documents on trading



4. Actively address real and perceived risks for buyers

State Regulatory Agencies

Consider programmatic mechanisms to address commonly cited risks

NGOs

Educate potential buyers on sources of risk and risk-related misperceptions

Funders

Incentivize watershed approaches



5. Identify and address risks of litigation

Law Firms

Become familiar with risks of litigation and communicate responses to permittee clients

NGOs

Expand application of WQT principles beyond regulatory compliance context



Picryl/Carol M. Highsmith

6. Create guidance on trading for stormwater

NGOs

Develop guidance to explain how stormwater trading works

U.S. EPA

Issue MS4 trading/
alternative compliance
policy statement



7. Invest more in stakeholder relationships and trust

Funders

Provide small grants to get partnerships up and running

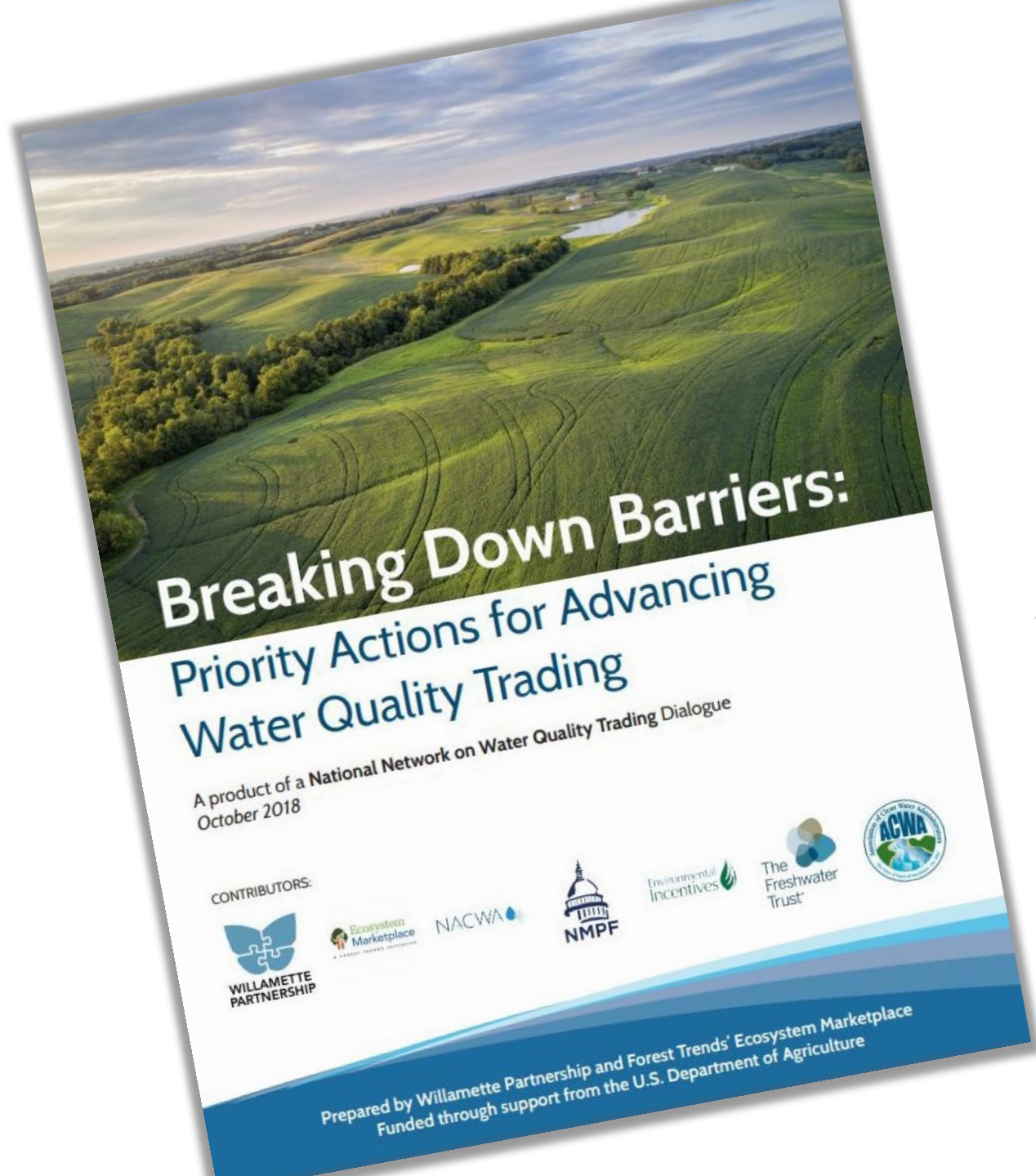
All

Reframe how we talk about water quality trading

Utilities/Permittees

Map out critical relationships





Download the report:
www.nnwqt.org/action



Thank you!



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An aerial photograph of a lush green landscape. The foreground and middle ground are dominated by rolling hills covered in vibrant green crops, likely corn, with distinct curved rows. A small, irregularly shaped pond is situated in the center-right of the frame. To the left, a dense cluster of trees with green foliage is visible. In the background, the landscape continues with more green fields and a few scattered white buildings under a sky filled with soft, grey clouds. The overall scene is bright and natural.

Questions?

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