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# NATIONAL NETWORK OVERVIEW

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*Last Updated January 10, 2014*

## Why a National Network on Water Quality Trading?

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The purpose of the National Network (“Network”) is to establish a national dialogue on how water quality trading can best contribute to clean water goals. That includes providing options and recommendations to improve consistency, innovation, and integrity in water quality trading.

Water quality trading (WQT)<sup>1</sup> programs continue to emerge across the country as permittees seek cost-effective compliance alternatives and interested stakeholders seek to accelerate the pace and scale of water quality improvements to meet the goals of the Clean Water Act. WQT programs are still developing, but a considerable base of experience has been assembled on how to build trading programs that are effective and gain support from multiple stakeholders. Successful WQT programs maintain transparency in their methods, ensure real and verifiable pollutant reductions, track and verify projects and credits throughout their lifecycle, rely on sound science, and establish clear lines of responsibility.

Establishing a national community of WQT practitioners to articulate shared principles, core trading program design elements, recommendations for implementing and operating trading programs, and lessons learned from experience, will help improve consistency and integrity across WQT programs. The information will make it easier to establish WQT programs, provide greater transparency about what WQT programs hope to accomplish, and help WQT programs meet their clean water goals.

## What will a Network do?

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There is a need to consolidate information on WQT programs into a form that new and evolving programs can leverage to reduce start-up costs and inform ongoing management decisions. The Network will distill experiences from existing programs into a range of options for designing, operating, and improving WQT programs over time. The Network is structured as a facilitated dialogue between stakeholders who are central to making WQT programs work (agriculture, permitted point sources, state

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<sup>1</sup> The Network has chosen to focus first on point-nonpoint trades. The Network will discuss trades with urban stormwater (MS4, industrial, and construction) and NPDES-permitted wastewater facilities. Trades include both offsets for future growth and crediting against current discharges. Future effort may turn to point-point or other forms of trading.

water quality agencies, environmental groups, and practitioners). Incorporating the range of experiences and options in WQT programs, this dialogue hopes to accomplish the following:

- Articulate shared principles for guiding the development and operation of WQT programs;
- Define a range of reasonable options and best practices for each program element needed to support a successful WQT program; and
- Capture the debate and diversity of viewpoints around each program element to provide new and evolving programs with the pros and cons associated with different choices that they might face.

Ultimately, approval of trading programs and their elements is up to the stakeholders engaged in those programs and the relevant state and federal regulatory agencies. The Network will provide insights and support tools to aid in the development of successful WQT programs.

## Who is currently involved in & coordinating the Network?

For this first 12-18 months, the Network will facilitate a series of dialogues between core participants to identify the range of options and best practices associated with WQT programs. The Network’s strength derives in part from its diversity of experience and viewpoints. Thus, all network participants are free to maintain their own individual positions on any issues or documents discussed or published by the Network as a whole. The following organizations are currently contributing as Network participants:

Network Participants	
American Farmland Trust	National Association of Clean Water Agencies
Association of Clean Water Administrators	National Association of Conservation Districts
Chesapeake Bay Foundation	The Freshwater Trust
Electric Power Research Institute	The Ohio Farm Bureau Federation
Environmental Defense Fund	Troutman Sanders
Kieser & Associates, LLC	US Water Alliance
Maryland Department of Agriculture	
Technical Advisors	
US Department of Agriculture	US Environmental Protection Agency
Coordinators	
Willamette Partnership	World Resources Institute

Willamette Partnership and World Resources Institute will act as the Network coordinators by organizing meetings, facilitating discussions, and documenting options and best practices. The US Department of Agriculture (USDA) and US Environmental Protection Agency (EPA) will serve as technical advisors to the Network.

## What will a Network deliver & when?

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The Network will publish two documents anticipated for release in Spring 2015. These include:

- **Options and Considerations:** A collection of the range of options with pros, cons, and issues to consider when building or operating a WQT program. This document will pull from the experiences of existing WQT programs.
- **Principles and Practices:** A document summarizing the outcome of the facilitated discussion on the range of reasonable options available to people building WQT programs. The effort will establish a common set of principles to assist WQT programs and a set of best practices that support a WQT program. For some program elements, there may be a narrow range of reasonable options, and for others there may be several options from which to select.

## How is the Network funded?

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The National Network is grateful for seed funding provided by the Electric Power Research Institute (EPRI) and USDA that covers the gathering of options and initial dialogue between the diverse network participant stakeholders. Additional funders are welcome and would enable a broader engagement of stakeholders in conversation about what WQT trading programs might look like and the range of options that not only fosters consistency and integrity but also embraces flexibility and innovation.

*For more information, please contact the Network coordinators:*

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