

Nutrient Trading Workgroup
Common Terms

- **Aggregator/Broker** -An individual or entity that can collect and compile credits from individual sources. These credits can then either be sold to the exchange or sold directly to a point source or developer.
- **Baseline**- The level of nutrient load resulting from substantial compliance with current environmental laws and regulations.
- **Certifier**- An individual or entity authorized to calculate and certify that the estimated nutrient reductions are certifiable.
- **Exchange**- An entity authorized to collect and distribute certified credits; handle financial transactions related to the buying and selling of certificated credits; and record necessary information related to credit and financial transactions.

Suggested Terms to add as the trading program evolves:

- **Credit**- The unit of trade, expressed as pounds per year, of nutrient reductions exceeding the baseline and determined after application of applicable trading ratios.
- **Delivery Factor**- Also known as a delivery ratio. This factor compensates for the natural attenuation or loss of nutrients as they travel over land or in water (or both). A delivery factor may be applied to point, as well as, nonpoint sources nutrient reductions.
- **Nonpoint Source**- A source of water pollution that is not a point source. Nonpoint source pollution, sometimes referred to as “polluted runoff”, is generally caused by stormwater runoff across the land or infiltration of pollutants into the groundwater.
- **Nutrient Reduction**- The difference in nutrient loading achieved by a best management practice or technical upgrade compared to a baseline.
- **Point Source**- Any discernible, confined and discrete conveyance, including, but not limited to, any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, CAFO, landfill leachate collection system, or vessel or other floating craft, from which pollutants are or may be discharged.
- **Registry**- A system that tracks and records the exchange of credits between point sources, nonpoint sources and third parties.
- **Third Party**- Any entity that does not discharge nutrients (or pollutants) and who acts as an intermediary in a water quality trading program. This entity could include, but is not limited to environmental groups, developers, watershed associations, aggregators/brokers, and nonprofit organizations.
- **Trading Ratios**- Discount factors applied to pollutant reductions. They may be used to account for uncertainty, delivery factors, and/or special need concerns within a watershed or trading program.