

Nutrient Credit Trading Program

DEP's Bureau of Clean Water is responsible for managing Pennsylvania's [Nutrient Credit Trading Program](#) (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. Trades take place through direct communication between credit buyers and credit generators. The Program is not involved in financial transactions related to trading.

DEP's Nutrient Credit 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](#). 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 1st – September 30th. Credits generated in a CY may be traded during the truing 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 2019 - 2020 (October 1, 2018 – Sept. 30, 2020) can be found in Table 1.

Table 1. Overview of PA Nutrient Trading Program for CY 2019-20

CY	# of trades	Credits Verified		Credits Registered	
		Nitrogen	Phosphorus	Nitrogen	Phosphorus
2019	167	632,125	68,952	635,145	34,550
2020	92	581,709	48,181	319,983	28,095
Total	259	1,213,834	117,133	955,128	62,645