

Sen. Cowles: Introduces legislation to address water quality by creating pollution prevention partnership

Posted on Tuesday, Feb 26, 2019

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LRB-1244 authorizes market-based framework to facilitate more water quality trades

MADISON- Today, Senator Robert Cowles (R-Green Bay) announced the circulation of *P3: A Pollution Prevention Partnership ~ Wisconsin's Trading Marketplace* to create a market-based framework to remove greater amounts of pollution from our state waterways. The legislation, will incentivize more water quality trades by introducing a third-party clearinghouse to establish a fully operational marketplace for nutrient trading. Third-party trading will also eliminate the need for point sources to seek out nonpoint partners, minimize risk in transactions, and provide a certification process for nutrient reduction credits.

“We know that improving water quality in Wisconsin will need an all-encompassing approach to create a sizable impact. Water quality trading is not a new idea, but the inflexibility of the current process along with troubles facilitating direct trades between point and nonpoint sources has left Wisconsin with only a couple of handfuls of trades. Developing a robust marketplace through a third-party clearinghouse would provide the framework necessary to make water quality trading a success.”

These mutually beneficial water quality trades allow nonpoint-sources, such as family dairy farms, to create a reduction in total pollutants entering a waterbody, quantified as credits, to provide relief to a point source, such as a municipal

wastewater treatment plant or cheese factory, on their pollution reduction requirements as part of their Wastewater Pollution Discharge Elimination System Permit (WPDES). The pollution reduction is in exchange for a payment to a nonpoint source, which are typically not required to employ nutrient management practices, to produce a greater pollution reduction within a hydrologic area.

LRB-1244 authorizes a WPDES permit holder to purchase credits from a statewide clearinghouse or other third-party broker, certified by the Department of Natural Resources (DNR) to meet the nutrient reductions required under their permit. The clearinghouse would be required to contract with the Department of Administration (DOA), in consultation with the DNR. Credits are produced through practices employed by nonpoint sources, predominantly on unregulated agricultural lands, and developed through technology tables and modeling reviewed and approved by the DNR. The production and purchase of credits must result in an improvement in water quality of a minimum ratio of 1.2:1, but certain practices would require higher ratios, trades must exchange the same pollutant or the same water quality standard, and trades would occur within the same hydrologic area.

“Due to our farming culture and abundant water quantity, Wisconsin is uniquely situated to host this marketplace. This legislation creates a groundbreaking opportunity to marry more advanced land and water management with an incentive for farmers and other nonpoint sources to participate in pollution reduction by facilitating the transactions through a third-party.”

The deadline for co-sponsorship is Friday, March 8, 2019.