

# Wisconsin Legislature: Water quality trading clearinghouse finally moving ahead

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MADISON– Senator Robert Cowles (R-Green Bay) and Representative Joel Kitchens (R-Sturgeon Bay) released the following statements after learning that the Wisconsin Department of Administration (DOA) has received a recommendation from the Evaluation Committee to award a contract to Wisconsin Clearinghouse, LLC – which is a subsidiary of [RES](#), a national company with four offices already located in Wisconsin communities – for the operation of a third-party water quality trading marketplace which is required to be established per [2019 Wisconsin Act 151](#), which Sen. Cowles and Rep. Kitchens authored with Senator Jerry Petrowski (R-Marathon):

*“While pollutant trading is a sound strategy that is recognized by the federal Clean Water Act, our state’s existing program has been underutilized for years because most point and nonpoint pollution sources do not have the time or capability to seek out trading partners,”* said Rep. Kitchens. *“The third-party clearinghouse will change all of that and provide our state with more and better opportunities to ensure that we have access to clean water. I am happy that we are finally making progress in selecting the clearinghouse that will operate this program and I look forward to seeing the positive benefits from this partnership for generations to come.”*

*“Today’s news has been more than two years in the making since the signing of Act 151,”* said Sen. Cowles. *“With the start of the water quality trading clearinghouse one step closer to reality, Wisconsin will soon see the various positive outcomes of the clearinghouse, including more economical wastewater permit compliance, cleaner waterbodies than could otherwise be achieved, private monetary incentives for Wisconsin’s farmers and rural communities, and many other ecological, financial, and recreational benefits. While it’s taken quite a while to reach this point,*

*I am confident that the due diligence behind the submitted proposals by DOA, DNR, and other stakeholders will help to create a smoother implementation and long-term operation. I want to congratulate RES on having the highest scored proposal, and look forward to the experience and expertise they'll bring to Wisconsin. I'm hopeful that the clearinghouse will be open for business by the start of the 2023 growing season."*

With the recommendation of the Evaluation Committee having been received by DOA, contract negotiations will begin at DOA and nonpoint credit values will be set by the Department of Natural Resources (DNR) prior to the launch of the clearinghouse. After these administrative steps have been completed, Wisconsin will establish the nation's first statewide water quality credit trading clearinghouse, wherein point-source dischargers (i.e. wastewater treatment plants, dairy and food processing facilities, paper factories, etc.) may provide payment to the clearinghouse which flows to a nonpoint source (i.e. agricultural runoff, urban runoff, etc.) to offset a greater amount of the same pollutant in the same watershed. This results in a financial incentive to an unpermitted entity to engage in otherwise voluntary and sometimes costly water quality activities and results in permit compliance at a lower cost than infrastructure upgrades for a permitted entity. When signed into law in 2020, Act 151 had the co-authorship or co-sponsorship of more than 50 legislators from both sides of the aisle, received unanimous votes in both Senate and Assembly committees and on the floor of both houses, and had racked-up support from 35 different lobbying principals, including agricultural, business, municipal and environmental stakeholders.