

SENATE JOINT RESOLUTION NO. _____

1 Requesting the Secretary of Natural Resources to study the expansion of the Chesapeake Bay Watershed
2 Nutrient Credit Exchange Program. Report.

3 WHEREAS, the General Assembly established the Chesapeake Bay Watershed Nutrient Credit
4 Exchange Program (§ 62.1-44.19:12 et seq.) in 2005 in order to (i) meet pollution reductions and cap
5 load allocations cost-effectively; (ii) accommodate continued growth and economic development in the
6 Chesapeake Bay watershed; and (iii) provide a foundation for establishing market-based incentives to
7 help achieve the nonpoint source reduction goals; and

8 WHEREAS, an investment of over \$1.5 billion in implementing this program over the past five
9 years has enabled the Commonwealth to achieve significant reductions in nutrient loads discharged to the
10 Chesapeake Bay from Virginia's municipal and industrial wastewater treatment facilities; and

11 WHEREAS, the General Assembly expanded the program in 2009 to allow for nonpoint source
12 nutrient offsets to be secured for new land development projects; and

13 WHEREAS, with the advent of the Chesapeake Bay Total Maximum Daily Load (TMDL)
14 mandated under the federal Clean Water Act, Virginia' Watershed Implementation Plan recognizes that a
15 further expansion of the Nutrient Credit Exchange Program could assist in the implementation of
16 programs and practices necessary to meet the nutrient reductions required by the TMDL; and

17 WHEREAS, such a program that could allow trading and offsets of nutrients among stormwater,
18 onsite septic, wastewater, agriculture and forestry activities would allow for improved decisions
19 regarding the implementation of needed nutrient reduction practices in a timely and cost-effective
20 manner; and

21 WHEREAS, this free market-based approach and the expansion of credit markets could bring
22 additional resources from the private sector to nutrient reduction efforts and the Commonwealth has
23 proposed such a program in its Watershed Implementation Plan; and

24 WHEREAS, a broad-based study with representatives from public and private source sectors and
25 state and local government would allow for the development of a comprehensive program that would
26 meet the needs of the Commonwealth and the relevant nutrient source sectors; now, therefore, be it

27 RESOLVED by the Senate, the House of Delegates concurring, That the Secretary of Natural
28 Resources be requested to study the expansion of the Chesapeake Bay Watershed Nutrient Credit
29 Exchange Program.

30 In conducting its study, the Secretary of Natural Resources shall convene a stakeholder
31 committee to study and develop recommendations relating to the creation of a comprehensive
32 Chesapeake Bay Watershed Nutrient Exchange Program that operates effectively to include both point
33 and nonpoint source pollutants. The stakeholder committee shall include representatives from the
34 nutrient source sectors identified in the Chesapeake Bay TMDL, private sector interests with experience
35 and expertise in market-based approaches and nutrient credits and trading, state agency personnel, local
36 governments, conservation and environmental organizations, and any other persons deemed by the
37 Secretary to have relevant knowledge, perspective, or experience. The Secretary may request the
38 participation of the U.S. Environmental Protection Agency or other federal agencies with experience and
39 expertise.

40 Technical assistance shall be provided to the Secretary of Natural Resources by the Department
41 of Conservation and Recreation and the Department of Environmental Quality. All agencies of the
42 Commonwealth shall provide assistance to the Secretary of Natural Resources for this study, upon
43 request.

44 The Secretary of Natural Resources shall complete his meetings by November 30, 2011, and
45 shall submit to the Governor and the General Assembly an executive summary and a report of his
46 findings and recommendations for publication as a House or Senate document. The executive summary
47 and report shall be submitted as provided in the procedures of the Division of Legislative Automated
48 Systems for the processing of legislative documents and reports no later than the first day of the 2012
49 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

50 #