

Water Quality Trading Program Requirements & Monitoring

Alex Johnson
65 SW Yamhill St
Portland, OR 97204
503-504-9668
alex@thefreshatertrust.org

The quality, integrity, and transparency of water quality trading programs are critical to their long term viability. Standards governing the creation and use of credits provide the level of quality, credibility and transparency that regulators require and the public expects to protect and enhance water quality through market mechanisms. I will present The Freshwater Trust's experience with credit-generating restoration sites in our current water quality trading programs, with a focus on the monitoring programs in place to prove adherence to quality standards and how each layer of rigor has driven and proven the value of closely monitoring projects over time.

Critical points for valid and functional projects in water quality trading context are:

Quality Standards – Credits used to offset discharger impacts must meet strict standards for project quality.

Independent Verification – Third-party verification is needed to ensure that quality standards, site management, and long-term stewardship requirements are being met over time.

Credit Registration – A credit registry helps regulated entities and regulators guarantee and report to the public that credits used to offset regulated impacts are in place, are performing to standards, and are being used by only one buyer against one regulated impact at any one time.

Scaled-Up Operations – Large multi-year restoration programs demand long term preparation and recruitment schedules, efficiencies in contracting, site preparation and maintenance, and consistency from subcontractors.

Risk Management – The liability inherent in delivering compliance credits requires professional contracting, financing and accountability mechanisms to effectively manage risk.

Long View – As each project for thermal or nutrient compliance must be maintained to standards for 5 to 20 years, cost modeling and pricing becomes more comprehensive and informed to drive down the total costs of implementation and maintenance over time.