Nutrient Trading Program Banking/Clearinghouse Concept

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Nutrient Banking Theory

* SWCP already has infrastructure in place
* Standard practices, expectations for performance
* Current levels of nutrients being removed is known and documented

Nutrient Banking Theory

* NTT tool can be applied to watersheds to determine "value" of practices already in place
    * How many pounds of nitrogen are available to trade?
    * At what cost per pound?
* This "value" capitalizes the bank
    * overcapitalize to mitigate weather events, etc
* Credits in bank are now available for trade
    * PS to NPS

Nutrient Banking Theory

* PS buys into banked practices (credits)
  * Multiple approaches-
    * PS pays for 100% of practice
    * PS pays for 75% and landowner pays 25%
    * PS only pays for 25% of practice and SWCP pays for 75%
    * Other

Considerations of various ratios

landowner participation required or not

Use PS funds to supplement current practices, not supplant

Funding now available for “non-eligible” cost share practices

Nutrient Banking Theory

* Funding from PS now available for “non-eligible” cost share practices-

* Wetlands
* Streambank stabilization
* Urban stormwater
* Other Watershed needs

Nutrient Banking Theory

* Assumptions:
  * All practices run through MOSWIMS to standardize
  * Cost per pound of nutrient removal is cheaper for NPS than for PS
  * Baseline is current condition
  * Trade is within watershed
  * Reasonable attenuation factor

First State Bank of Nitrogen

Not a member of FDIC

Discussion/Questions?

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