

JOINT REGIONAL AGREEMENT ON WATER QUALITY TRADING

Initial Discussion Guide, March 26, 2013

Agreement Element: Site screening for eligibility (Validation)

Developing a credit project can be costly. An initial site screening can give a project developer, regulatory agency, and NPDES permittee a quick idea of whether a site will meet established eligibility criteria. Not all programs do an initial site screening. Some screen for eligibility as part of verification once there is a design for BMPs and credit estimation complete.

The questions we need to answer are:

- Is there a need for an initial site screening for eligibility;
- Who does that screening; and
- What criteria do they apply?

I. Options and examples

Is an initial site screening required?

Requiring an initial site screening gives program administrators the ability to identify potential issues early on, reducing risk for the project developer and helping set projects on the right track from the outset. Those programs that do not require screening do so both to reduce the costs, and to simplify the number of steps in the approval process.

<p>Option A <i>The proposed project site must pass an initial screening.</i></p> <p>Who does it this way? The Medford trades need to pass an initial site screening.</p>	<p>Option B <i>No screening is required until verification.</i></p> <p>Who does it this way? Many trading programs screen for eligibility at the time of verification.</p>
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Who does the screening?

Whichever party conducts site screening will need to invest internally in trained staff to understand and can interpret eligibility standards. Use of third parties insulates the verification process from fluctuations in agency budgets.

<p>Option A <i>A third party does the screening.</i></p> <p>Who does it this way? Idaho's Boise program intended to use a nonprofit to do the screening. In Medford, Willamette Partnership does the screening.</p>	<p>Option B <i>A state agency does the screening.</i></p> <p>Who does it this way? In Ohio state DNRs do the screening.</p>
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<p>Option C <i>The NPDES permittee does the screening.</i></p> <p>Who does it this way? In the Tualatin, Clean Water Services does the screening.</p>	
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What is reviewed?

Where more information is reviewed early on, the project developer gets greater assurance that the project is likely to be eligible, preliminary credit calculations were done correctly, and that potential red flags have been identified. Willamette Partnership has found that eligibility screening covering the projects additionality, suitability, sustainability, and credit calculation assumptions (Option A) takes 2-4 hours for straightforward projects. Where eligibility is complicated and requires interpretation of eligibility requirements or development of nuanced standards, screening is longer and more involved, however this process would have occurred in verification anyway and is essentially part of a program’s adapative management process.

Including a site visit as part of the screening would provide a greater understanding of the site for the validator, who could then provide more confidence around the site’s eligibility to generate credits. Site visits take 2-4 hours, plus travel to the site.

<p>Option A <i>The screening organization looks at a project’s additionality, suitability, sustainability, and credit calculation assumptions using a set checklist. The screen also confirms ownership of land and credits. It is assumed that information provided is accurate and complete, no site visit is conducted to confirm information until verification occurs.</i></p> <p>Who does it this way? Willamette Partnership uses its validation checklist to review projects.¹</p>	<p>Option B <i>A site visit is conducted to independently confirm validation information.</i></p> <p>Who does it this way? We do not know of programs that do this—primarily because of the additional cost involved.</p>
<p>Option C <i>The project screen evaluates less information.</i></p> <p>Who does it this way? Several projects focus on BMPs meeting quality standards and doing calculations correctly.</p>	

II. Recommended default

The proposed project site must pass an initial screening by the state agency or a third party. The site screen must include criteria for additionality, suitability (including intention to meet BMP quality standards), and sustainability. Project developer must also demonstrate ownership of land.

¹ <http://willamettepartnership.org/tools-templates/tools-and-templates-1>

III. Reasons to deviate from the default

For more complex projects, site screening may include a required site visit, or might be done directly by the state agency. Upon request, project developer can also submit preliminary credit calculations for review.