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Water Quality Trading/Louisiana Department of Environmental Quality: First Pollutant Reduction Credit Is Certified

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The Louisiana Department of Environmental Quality ("LDEQ") issued a May 30th news release stating that it has:

...certified the state's first pollutant reduction credits under its Water Quality Trading ("WQT") program — a major milestone in Louisiana's efforts to use market-based tools to improve water quality and support environmental restoration.

Authority for the Louisiana trading program was enacted in the 2017 Regular Session of the legislature. See the Enrolled Act No. 371. R.S. 30:2074(B)(9)(a), (b), and (c).

The statute provides for:

- Establishing administration of a Water Quality Trading program.
- Certain criteria for credits.
- Limitations on use of credits.
- Pilot program.
- Legislative oversight.

LDEQ adopted and promulgated LAC33:IX Chapter 26 to establish and administer the WQT program. An LDEQ rule addresses standards for:

- Accountability.
- Enforceability.
- Provisions to ensure transparency.

Louisiana is one of a number of areas in the country that are utilizing WQT as one approach to address water quality goals. Clean Water Act National Pollutant Discharge Elimination System ("NPDES") Permits issued at both the federal and state level are increasingly including stringent limits applicable to various pollutants including nutrients.

The cost associated with removing certain pollutants from a point source can be significant. Non-point source discharges may often be reduced at a lower cost on a pollutant basis than the point source discharges. Therefore, trading programs may allow facilities facing higher pollution costs to meet that regulatory obligation by purchasing environmental equivalent (or superior) pollution reductions from another source at a lower cost.

LDEQ states in its May 30th news release that certified credits were generated through a coastal bald cypress reforestation project completed by Restore the Earth Foundation. The project is stated to be located at the Salvador Wildlife Management Area.

The news release states that the project can serve as a model for how:

...nature-based solutions — like large-scale reforestation — can measurably reduce sediment, nitrogen and phosphorus runoff while also promoting soil accretion and enhancing ecosystem resilience.

Restore the Earth Foundation is stated to have submitted the project in partnership with EcoMetrics LLC.

A copy of the [news release](#) and [guidance](#) can be downloaded below.