

## Erie P Market: Great Lakes Commission to Test Cooperative Approach to Reduce Nutrient Runoff in Western Lake Erie Basin



In January 2016, the Great Lakes Commission launched an effort to examine and test water quality trading as a nutrient reduction tool capable of crossing state and provincial boundaries in the Western Lake Erie Basin. The project, known as **Erie P Market**, will test whether a market exists to drive investments in upstream conservation that would not otherwise occur. Indiana, Michigan, Ohio and Ontario are participating in the project, along with other key partners.

Science tells us that nutrients, particularly phosphorus, leaving agricultural lands are a primary contributor to excessive phosphorus and associated Harmful Algal Blooms in Lake Erie. At present, reducing phosphorus use and associated runoff from agricultural lands is largely a voluntarily action by farmers.

Excessive nutrients, or nutrient pollution, also come from industrial facilities and municipal wastewater treatment plants, most of which have permits that limit how much pollution can be discharged into the water. When these permit holders face high costs to meet their permit limits, water quality trading provides an opportunity for them to invest in upstream conservation instead of expensive end-of-pipe controls. It also offers an incentive for farmers to keep nutrients from entering nearby waterways.

The *Erie P Market* project will see whether water quality trading may be an additional tool to help address the nutrient pollution problem in the Western Lake Erie Basin. The ability to measure pollution reductions—for example, pounds of phosphorus reduced—is fundamental to water quality trading. As with other trading programs, only a portion of the pounds reduced would be counted as actual credits. This ensures that the “trade” results in meaningful water quality improvements. The two-year project also aims to develop a common approach for who can trade with whom, and how, where and when trading can occur, as well as examine ways to verify that conservation practices are working to improve water quality. The agreed-upon approach will be tested through several pilot trades.

*Erie P Market* is funded by a Conservation Innovation Grant from the US Department of Agriculture’s Natural Resources Conservation Service.