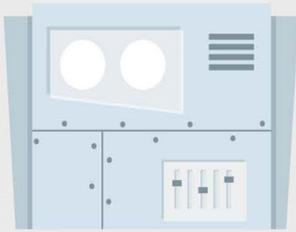




How the Erie P Market Works

FOR COMPLIANCE



Permitted facility (buyer) assesses phosphorus compliance needs



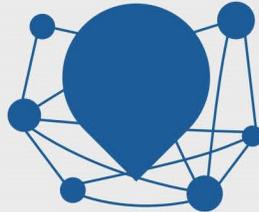
Buyer decides it is **cost effective to purchase credits**



Buyer contacts the Great Lakes Commission to **inquire about credit purchasing opportunities**



Buyer and seller work with GLC to **negotiate a trading contract**



Seller works with local conservation partners to **calculate total phosphorus load reduction and credit generation**



A farmer (seller) seeks funding for conservation practices



Seller installs new conservation practices; total phosphorus entering the watershed is reduced beyond the buyer's permit requirement



Buyer uses the generated credits to **achieve compliance**



Watersheds are cleaner and permittees enjoy lower compliance costs

What is the Erie P Market?

In January 2016, the Great Lakes Commission launched the Erie P Market to test water quality trading as a nutrient reduction tool in the Western Lake Erie Basin. Water quality trading is an innovative market-based approach that allows industrial facilities and municipal wastewater treatment plants to achieve regulatory compliance by investing in agricultural conservation as a cost-effective method of reducing the nutrients entering a watershed. In addition, water quality trading is an excellent outreach tool for business to engage with their customers and surrounding communities.

The Great Lakes Commission is currently looking for interested parties to participate in the pilot phase of the Erie P Market in either the **Fall of 2017 or Spring of 2018**.

How Does Water Quality Trading Work?

When a permittee needs to reduce phosphorus in their discharge, they usually look for an in-house solution to achieve compliance. Alternatively, the permittee could meet some of their compliance needs, potentially at lower cost, by becoming a **“Buyer”** in the Erie P Market and purchasing **Water Quality Credits**. These credits are generated by agricultural producers (**“Sellers”**) who voluntarily implement conservation practices that reduce the amount of nutrients (including phosphorus) leaving their fields and entering nearby waterways. Allowing permit holders to invest in agricultural conservation incentivizes actions that improve water quality and soil health, while yielding economic benefits for both buyers and sellers.

The Multiple benefits of Water Quality Trading

The value of water quality trading goes far beyond its utility as a cost-effective option for achieving permit compliance. Entities that are already in compliance can still reap multiple benefits including:

- A potential buffer against exceedances of phosphorus limits established by permit
- Additional benefits related to sediment or nitrogen reductions, habitat improvements, improved soil health, and potential carbon sequestration
- Engagement with local community members and connection to the shared watershed
- Enhancement of existing conservation initiatives or corporate sustainability plans
- Improved local water quality improves quality of life for employees and the surrounding community

The Erie P Market Sounds Great, How Do I Learn More?

Additional materials are available at <http://www.glc.org/work/eriepmarket>, or contact Great Lakes Commission Program Manager Nicole Zacharda at nzacharda@glc.org or 734-396-6084.