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January 8, 2018

Mr. Gary Setzer
Senior Advisor
Office of the Secretary
Maryland Department of the Environment
1800 Washington Blvd.
Baltimore, MD. 21230

Dear Mr. Setzer:

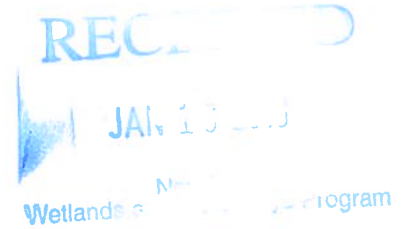
The Chesapeake Conservancy appreciates the opportunity to offer comments on the Maryland Department of the Environment's (MDE) proposed regulations to establish a Water Quality Trading Program (by adding a new chapter 26.08.11 to the Code of Maryland Regulations).

As an introductory comment, Chesapeake Conservancy and our Board, led by Chair Douglas Wheeler and Vice Chair Stephen Harper, support the proposal Secretary Grumbles, Lynn Buhl, you and others at MDE have developed. We appreciate the difficulties of balancing the interests and concerns of the many stakeholder groups with whom the department has been consulting.

We believe that this revised proposal reasonably balances these concerns and that it is now time to launch this program and make adjustments periodically based on actual experience with water quality trades.

As you may know, Chesapeake Conservancy has developed a set of unique and cutting edge technology initiatives via our Conservation Innovation Center (CIC). The team of highly educated, trained, and dedicated staff there have mapped the entire Bay Watershed at a 1 meter scale and are routinely authoring applications using high resolution mapping for a growing list of clients in the region and across the country. Thus, we believe we now have or can bring online the models and applications to provide remote screening of Best Management Practices (BMP) sites used in water quality trades for initial verifications. We are also prepared to augment these technologies with additional staff for on-site verifications as the water quality trading markets develop in Maryland over time.

Thus we would recommend that Section .11(2)(c), regarding those entities eligible to become "verifiers", be amended to recognize that qualified nonprofit organizations are eligible to submit applications to be approved by MDE as "verifiers". Further, it may be desirable for MDE to develop supplemental guidance regarding the details associated with applying for verification, including the possibility of providing some form of "training" for those who are approved as verifiers.



We also wish to take note of the recognition under Section .08, Trading Requirements, Subsection C(1)(b), that land conservation under certain conditions can qualify as a BMP for trading purposes. One of Chesapeake Conservancy's three major mission areas is to promote the permanent conservation of certain lands in the Bay Watershed. The Principals' Staff Committee of the Chesapeake Bay Program during its meeting in December of 2017 and under the strong leadership of Secretary Grumbles, approved new Growth and Development Scenarios to be used in calculating loads going forward. One consequence of this decision is that the Bay Program is now perfecting a set of high quality forest and agricultural land conservation BMPs with estimated load reductions for each. Once finalized, these categories of land if conserved will now be given credit under the Bay Total Maximum Daily Load (TMDL) by the Bay Program. These BMPs and their load reduction values will be shared with the states and local governments in the region as they prepare their Phase III Watershed Implementation Plans over this year and next. Thus the recognition of land conservation as a BMP in the proposed regulations was very timely and very appreciated.

Again, we thank you for the initiative in developing these proposed regulations. They will add "additional tools" in Maryland's "tool box" of strategies and programs to assist in restoring the Chesapeake Bay.

We wish you continued success in this and the many other initiatives MDE is pursuing to restore and maintain a healthy environment for all Marylanders.

Sincerely,

Joel Dunn
President and CEO

CC: Douglas Wheeler, Chairman, Chesapeake Conservancy
Stephen Harper, Vice Chair, Chesapeake Conservancy
Jeff Allenby, Director of Conservation Technology, Chesapeake Conservancy