

## Credit Generation for Stormwater & Alternative Urban (SAU) BMPs

*If there are questions about our Water Quality Trading (WQT) Program not addressed in this or the additional FAQ documents provided by the department, please let us know by filling out our feedback form. [Click HERE!](#)*

*Disclaimer: Please be sure to read the Water Quality Trading (WQT) Program Guidance prior to reading sector specific guidance!*

### **Glossary of Key Terms for the SAU FAQ**

The following terms are helpful to understand when using this document. If there is a term or definition missing that you would like added, please use the Google Form.

- **Aggregator:** means a person that funds, generates, owns, or assembles credits resulting from a number of point or nonpoint sources to resell them.
- **Alternative BMPs:** is a Best Management Practice attributed to the urban sector via MDE's 2014 Accounting for Stormwater Wasteload Allocations and Impervious Acres Treated guidance, Table 3.E.
- **Edge of Tide ratio:** a numeric adjustment applied to a trade to compensate for different EoT factors in the segmentshed where the credit is generated and the segmentshed where credit is used.
- **Generator:** means the original source of the pollution reductions embodied in a credit, regardless of subsequent buyers and sellers of the credit.
- **MS4 Permittee:** means a person (municipal or county) that has been issued a Phase I MS4 permit or Phase II MS4 permit as defined in 40 CFR § 122.26.
- **Municipal Separate Storm Sewer System (MS4):** has the meaning stated in 40 CFR § 122.26.
- **Local water quality impairment:** means conditions in a non-tidal river, stream, or impoundment that would cause the non-tidal river, stream, or impoundment to be listed on the 303(d) list for nitrogen, phosphorus, or sediment.
- **Public funding:** means federal or State grant funding
- **Segmentshed:** means a discrete land area that drains into one of the Chesapeake Bay Program tidal segments for which a TMDL is established in the Chesapeake Bay TMDL.
- **Stormwater:** has the meaning stated in COMAR 26.17.02.02

## **General Questions about Stormwater and Alternative Urban BMPs:**

### **Who can generate credits through the implementation of Stormwater and Alternative Urban BMPs for the WQT Program?**

- Non-governmental (examples: private citizens, aggregator, etc.)
- Non-MS4
- Any permittee who has fully met their permit restoration requirement

### **Can a Phase II MS4 generate credit?**

- Under the Phase II MS4 permits issued in 2018, permittees may generate WQTP credits from any Stormwater and Alternative Urban BMPs that they have installed.

### **What Stormwater and Alternative Urban BMPs can generate credit?**

- All practices identified in the MDE-approved Urban Stormwater and Alternative BMP code list, identified in [Appendix B of MDE's 2014 stormwater guidance](#), that are completed and in compliance with Maryland State regulations. Practices must be regularly inspected and maintained according to state law.

### **When can I start generating credits?**

1. A practice can typically start generating credits as soon as it has been installed. For an MS4 permittee, its permit restoration requirements must be fully met before it can generate credit.

### **How can my practice begin generating credits?**

1. For an MS4 permittee, the permit restoration requirement must first be fully satisfied.
2. A BMP, or suite of BMPs, is implemented with the intent to generate WQ credit and the practice is verified by a qualified person. See MDE's [Mapping website link](#).
3. The generator/aggregator will use the MDE Credit calculator tool to estimate the number of credits they have.
4. Generator/aggregator will supply the information to the Trading Administrator along with:
  - a. [Credit Certification form](#)
  - b. [Verification materials](#)
  - c. [Multiple Practice Spreadsheet](#)
  - d. [Calculator Tool results](#) (can be images of the calc sheet)
5. The Trading Administrator will review the documents and certify the credits (or ask for further documentation)
  - A 5% reserve of credits will be held by the State
  - Credits will be published on the registry. The Generator has the option of putting the credits on the open market.

## **Credit Calculation**

Stormwater point source and non-regulated source credits shall be calculated using assessment tools, such as the [Stormwater Credit Calculator](#), and consistent with the Chesapeake Bay Program modeling tools and accepted by the Department.

## **Credit Verification and Maintenance**

A State/county inspector or professional engineer registered in the State of Maryland is required to verify the credits. Verification for Stormwater practices for lasts up to 3 years. Most alternative BMPs will require annual verification, with the exception of the practices listed in Table 1 which may be verified up to the max credit duration. A maintenance plan must be in place during the lifespan of credit, but this can be transferred to the buyer.

Table 1: Credit verification timelines for alternative BMPs

BMP	Credit Duration
Impervious Urban to Pervious	5 years
Impervious Urban to Forest	5 years
Regenerative Step Pool Storm Conveyance	3 years
Urban Stream Restoration	3 years
Outfall Stabilization	3 years
Shoreline Management	3 years