Passaic Trading: Special Topics

Passaic Trading Symposium
July 15, 2008
USEPA Targeted Watershed Grant Program

RUTGERS
THE STATE UNIVERSITY OF NEW JERSEY

Cornell University
NPS and MS4 Trade Opportunities

- **Feasibility analysis of MS4 trading**
  - Quantitatively, trade opportunities exist between small WWTPs discharging less than 1 MGD at high phosphorus effluent and proximate MS4s.
  - **Legal problem**: MS4s cannot generate credits to sell because of ambiguity of Maximum Extent Feasible
    - Need to trade with stormwater source not regulated by MS4 permit, e.g., privately owned shopping center, on a **contractual** basis (outside CWA jurisdiction)

- **Peckman River is also NPS trade opportunity**

- **Ancillary benefits to TP from NPS trades that reduce fecal coliform**
Trading with water purveyor

- Mentioned in TMDL as “option” (p. 47)
- Our task: not proposing any trades; just working out the logistics of how it could happen hypothetically
- Two scenarios: NJDWSC as buyer
- Two scenarios: NJDWSC as seller
Trading with water purveyor

- NJDWSC as buyer
  - Buyer = Pays WWTPs to upgrade
  - Scenario 1: Buys and then retires allowances
  - Scenario 2: Buys and then resells allowances to other WWTPs
    - Purveyor acts as “banker”
  - Draft report details how to apply trading ratios in these special cases
Trading with water purveyor

• NJDWSC as seller
  – Seller = Receives $$ from WWTPs to treat diverted water
  – Dundee Lake still needs to be addressed
    • *However*: Inter-Management area trade restrictions become obsolete, trading across entire watershed feasible if diverted water is treated
  – Draft report details how to apply trading ratios in this special case

• Questions
  • Can Upper Passaic and Pompton plants adopt seasonal limits if diverted water is treated?
    – Problem for Wanaque Reservoir?
  • Feasible to only charge Pompton and Upper Passaic plants in years of diversion / extreme diversion?