# A Nutrient Trading Tool for the Chesapeake Bay Suzie Greenhalgh, Mindy Selman & Alyssa Denzer





# N and P Discharges

Source	Nitrogen	Phosphorus
<b>Total non-point discharges</b>	6,663	1,658
Total point sources	1,495	330
Total discharge (point + non-point)	8,158	2,015
Non-point as a percentage of total	82	84

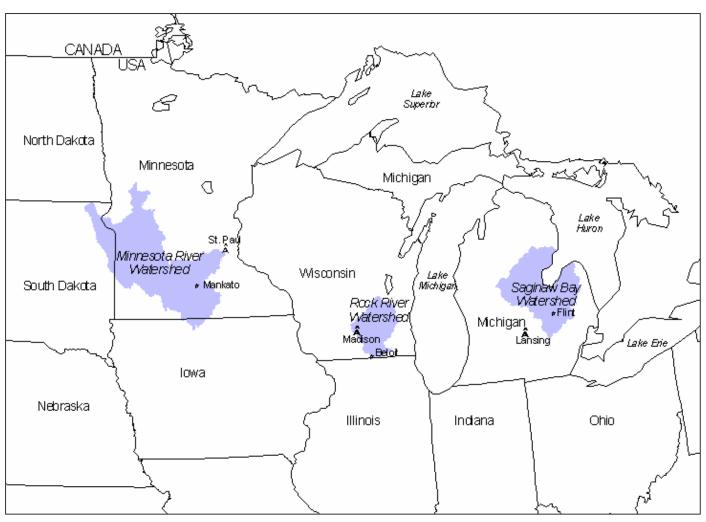
Source: Carpenter et al., 1998

Units: '000 metric tons per year





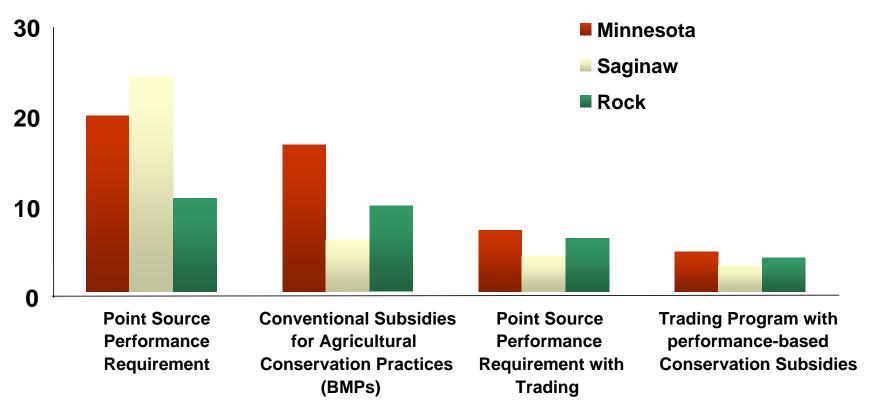
# **Case Study Watersheds**





# Cost for Phosphorus Control Under Different Policies

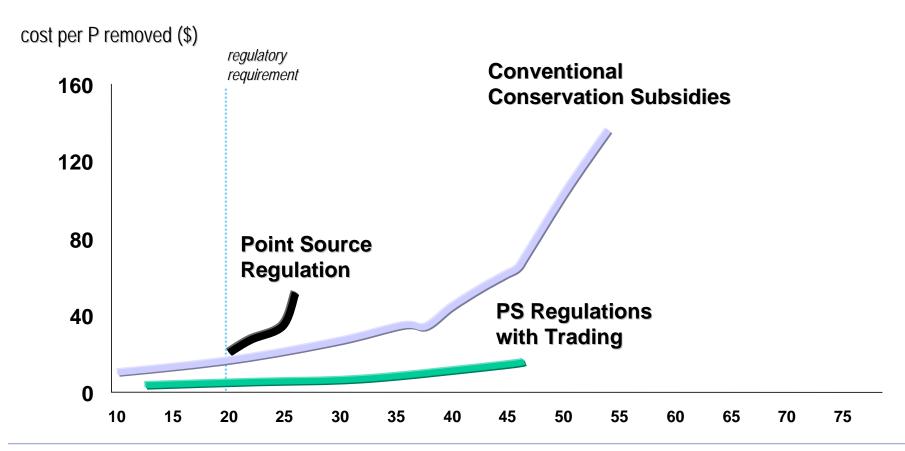
(US\$ per pound of phosphorus removed)





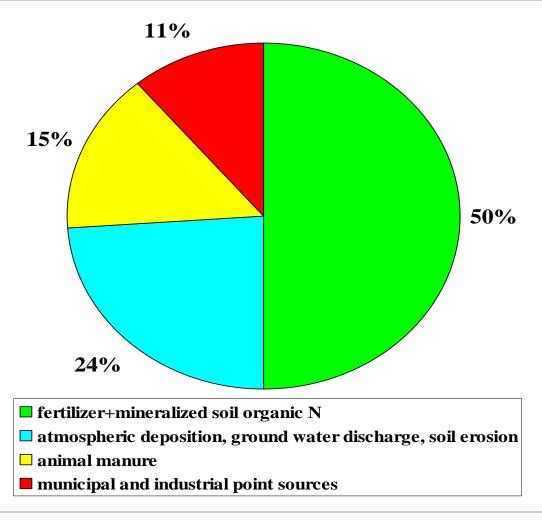


# **Model Solutions for Michigan**



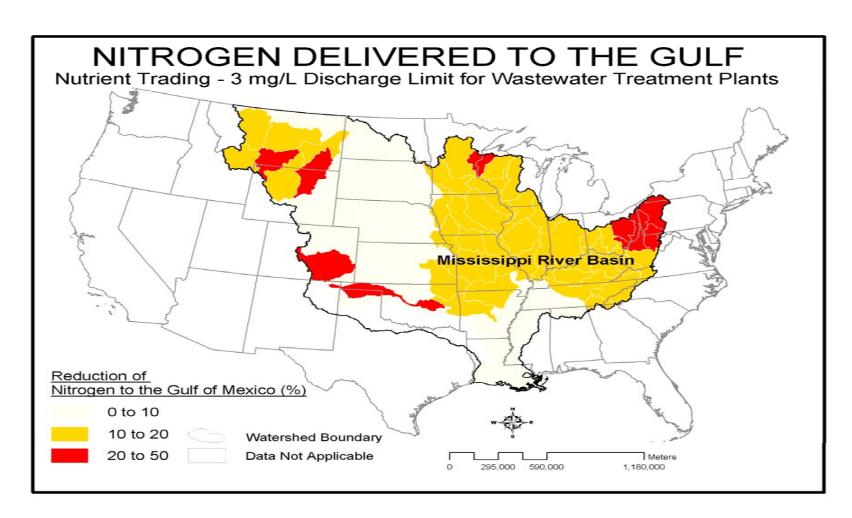


# Hypoxia: Sources of N in MRB



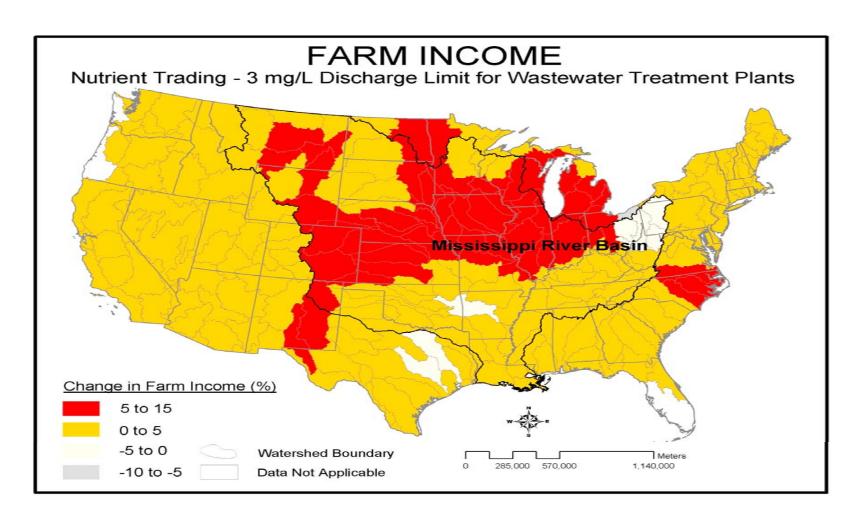


#### **Regional Impacts**





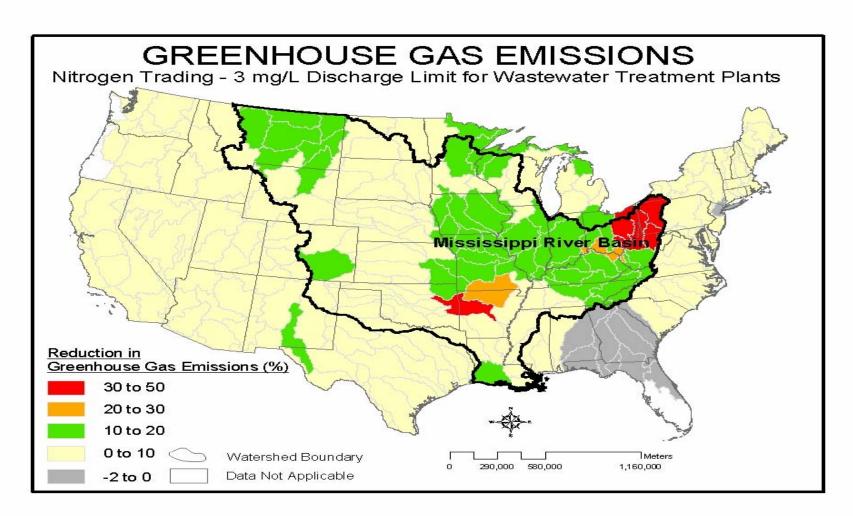
#### **Regional Impacts**







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## **Nutrient Trading**

#### Two basic steps:

- Setting a goal for the total amount of nutrients that enter surface waters
- Allowing sources with low-cost mitigation options to reduce beyond the required amount and sell excess reductions

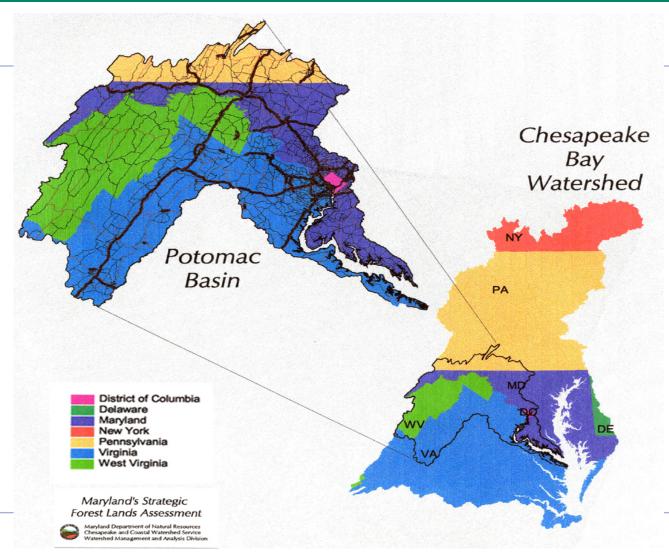


#### Advantages of NutrientNet

# **NutrientNet** was created to build a nutrient trading market place which:

- Provides standardized calculation of reductions;
- Provides estimates of cost and effectiveness of potential trades;
- Allows potential market participants to identify each other;
- Provides a central place to list volumes and types of trades.







#### **Estimation tool based on location:**

- Using data from the Chesapeake Bay Watershed model, NutrientNet links the user-specified field location with segment data
- Linked data includes
  - Edge of Stream coefficient
  - Delivery Factor
  - Deposition
  - BMP efficiency



#### **Baseline estimation for non-point sources:**

- Calculations based on CBWM and Nutrient Management Yardstick
- Baseline loading is equal to the total nitrogen inputs less the nitrogen that is removed through plant uptake and volatilization.

Nitrogen In	Nitrogen Out
Fertilizer	Plant Uptake
Deposition	Volatilization
Irrigation	
Excreted Manure	
Fixation	



#### **Load reductions:**

The baseline loading can be reduced by implementing one of the available BMP options:

Cover crop

Stream protection w/ fencing

Land conversion

Stream protection w/o fencing

Conservation Tillage

Roof runoff control

Filter strip

Manure management system



#### Baseline and reduction estimates for point sources

- Baseline loadings based on actual data from MDE and CBP
- Baseline loading depends on location in watershed
- Point Sources have three upgrade options to reduce their current load:
  - -8 mg/l
  - -5 mg/l
  - -3 mg/l



#### Tradable credits

- Baseline loading Mitigation = Reductions
- Conversion of reductions to credits depends on the rules of the program, e.g.:
  - Trading ratio
  - Cost share



#### **Price of credits**

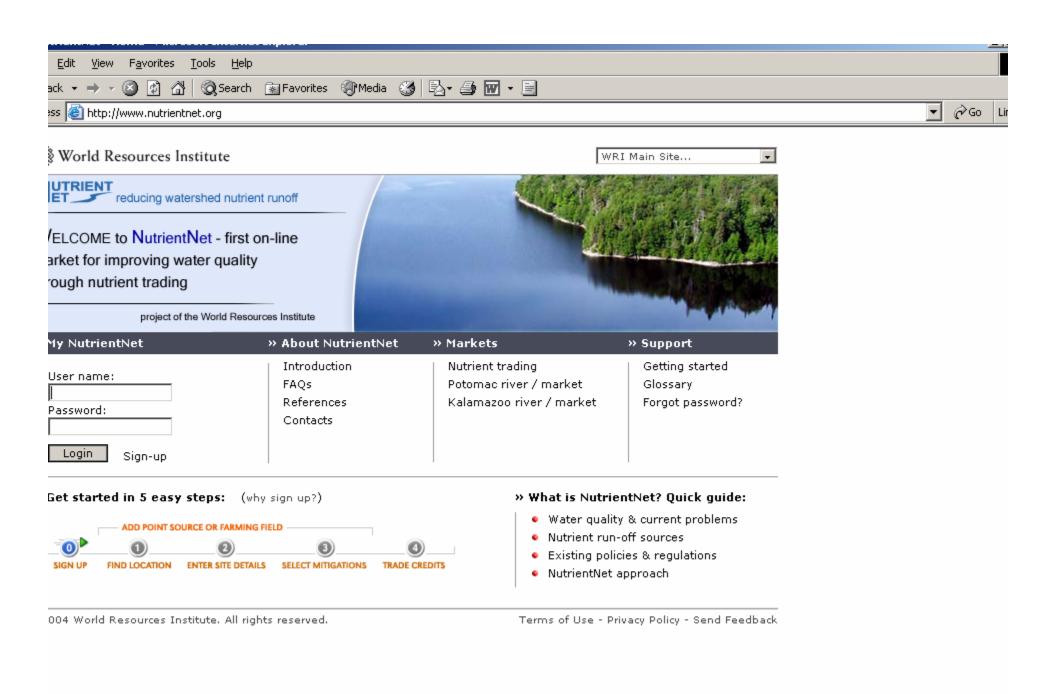
- For non-point sources, NN estimates cost of BMP: the minimum price at which to sell generated credits
- For point sources, NN estimates cost per credit for upgrade
- Credit supply and demand will decide at which price the buyers and sellers will meet



## Walkthrough of NutrientNet

# The next slides will take you through NutrientNet





no

Internet



# Signing Up for NutrientNet

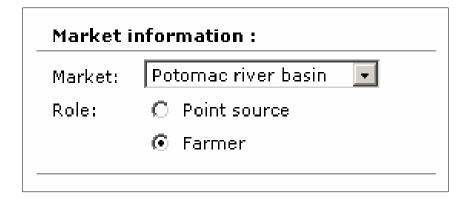
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assword:	Home > My NutrientNet	> Sign up			
	About NutrientNet	Create a new acco	unt		
Login ( Sign-up	Markets				
Sign sp	Support	Use this form to sign up and	start using NutrientNet.		
		Login information :	* required fields	Market information :	
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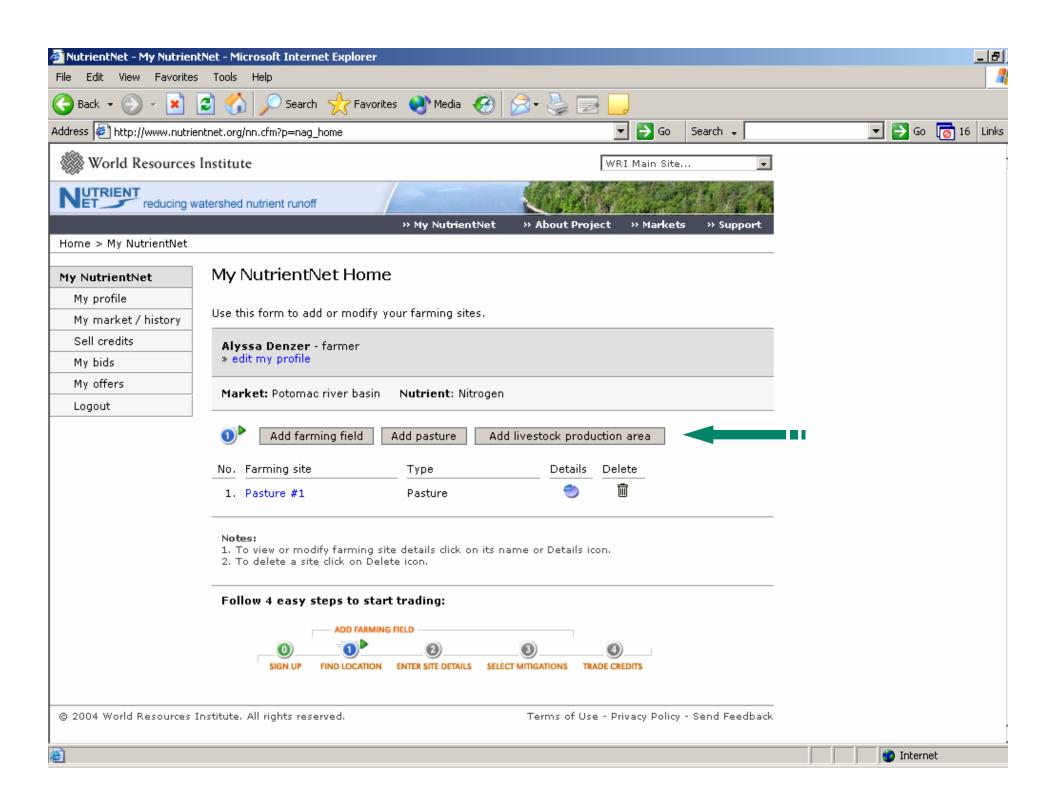


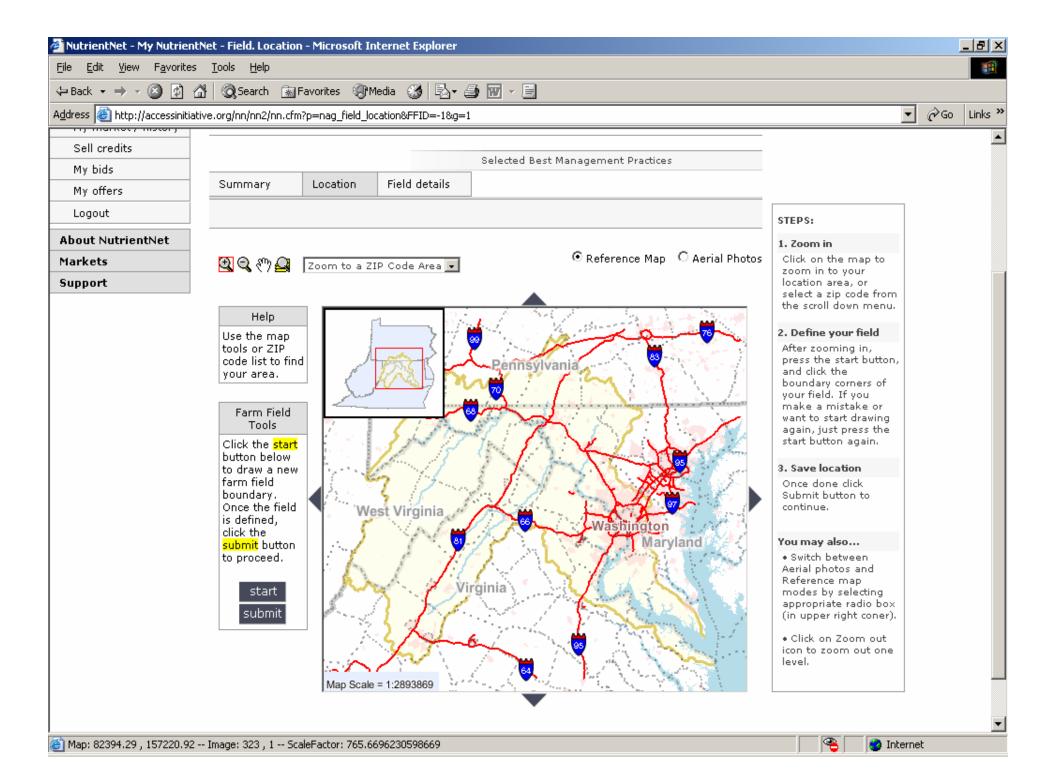


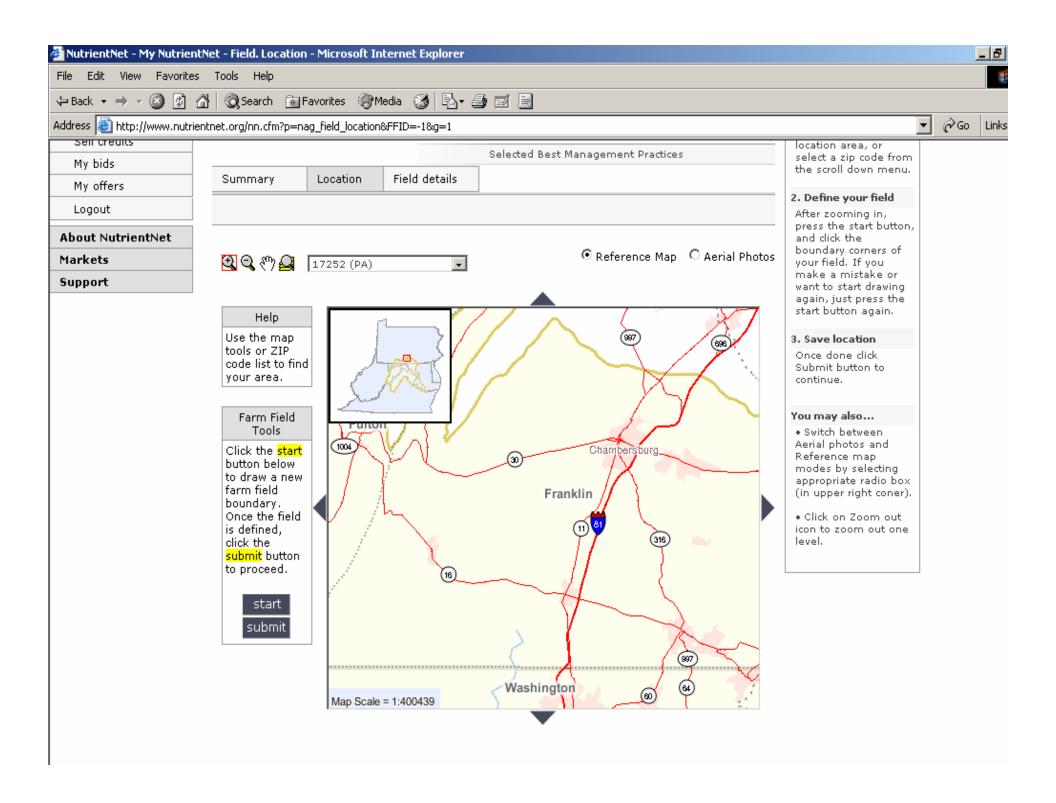
#### NutrientNet as a Farmer

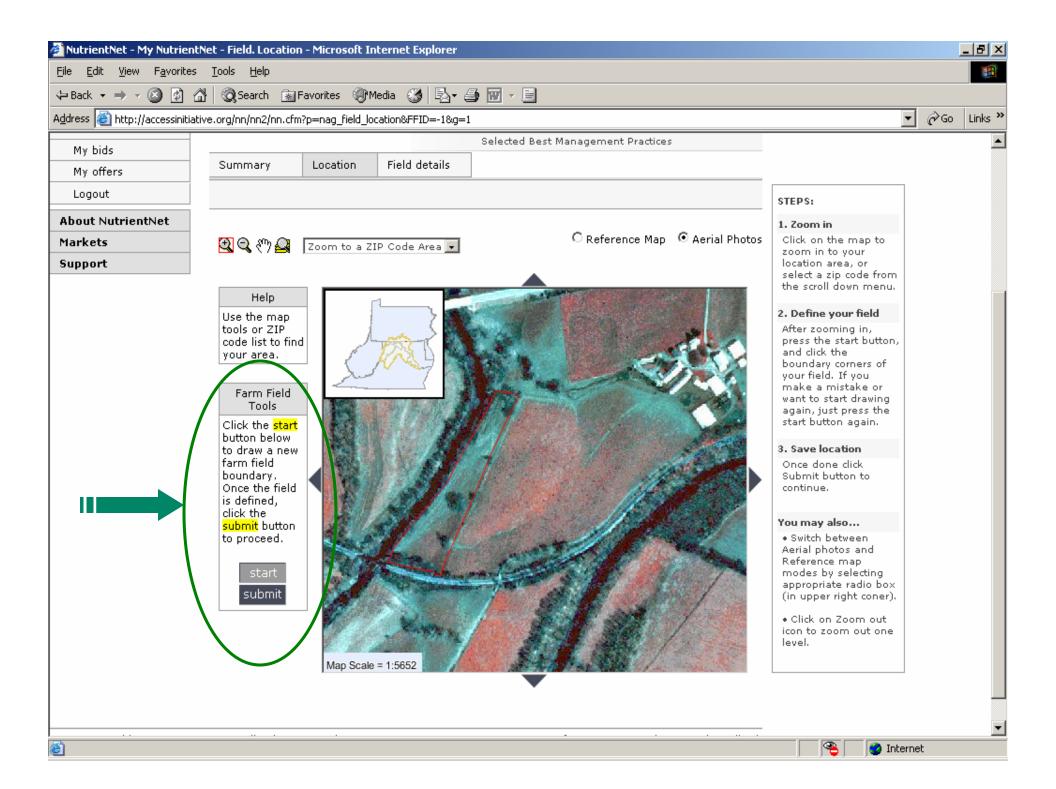
First we will review *NutrientNet* from a Farmer's perspective:

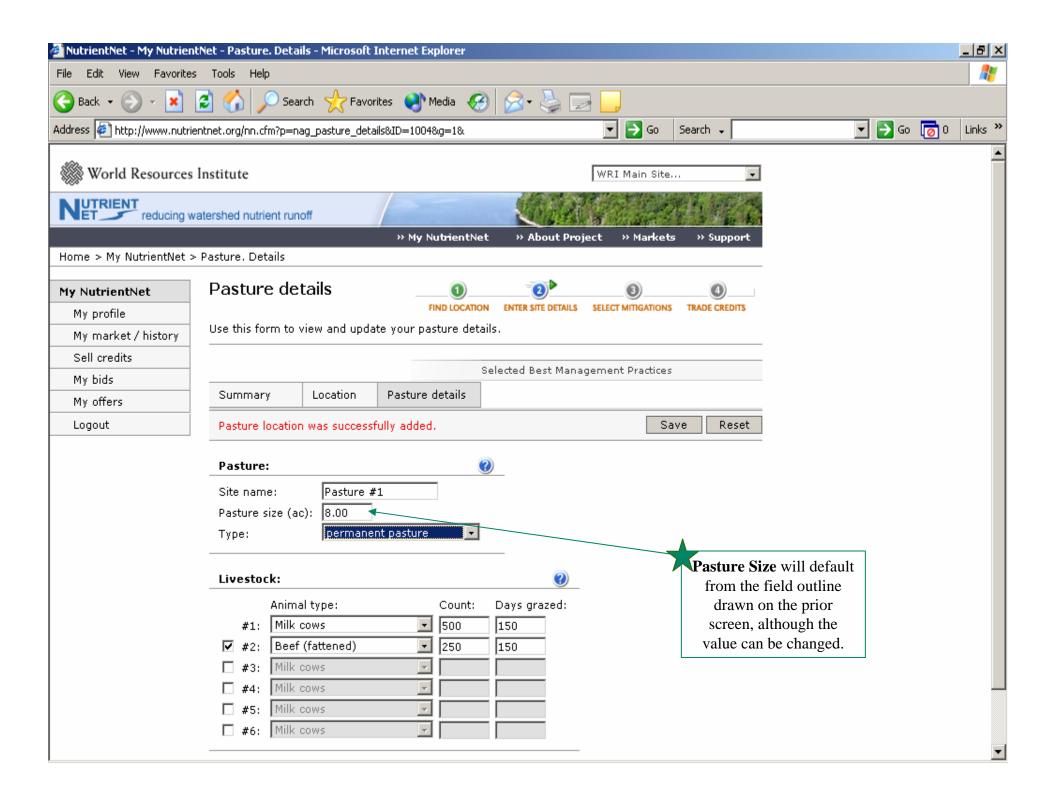


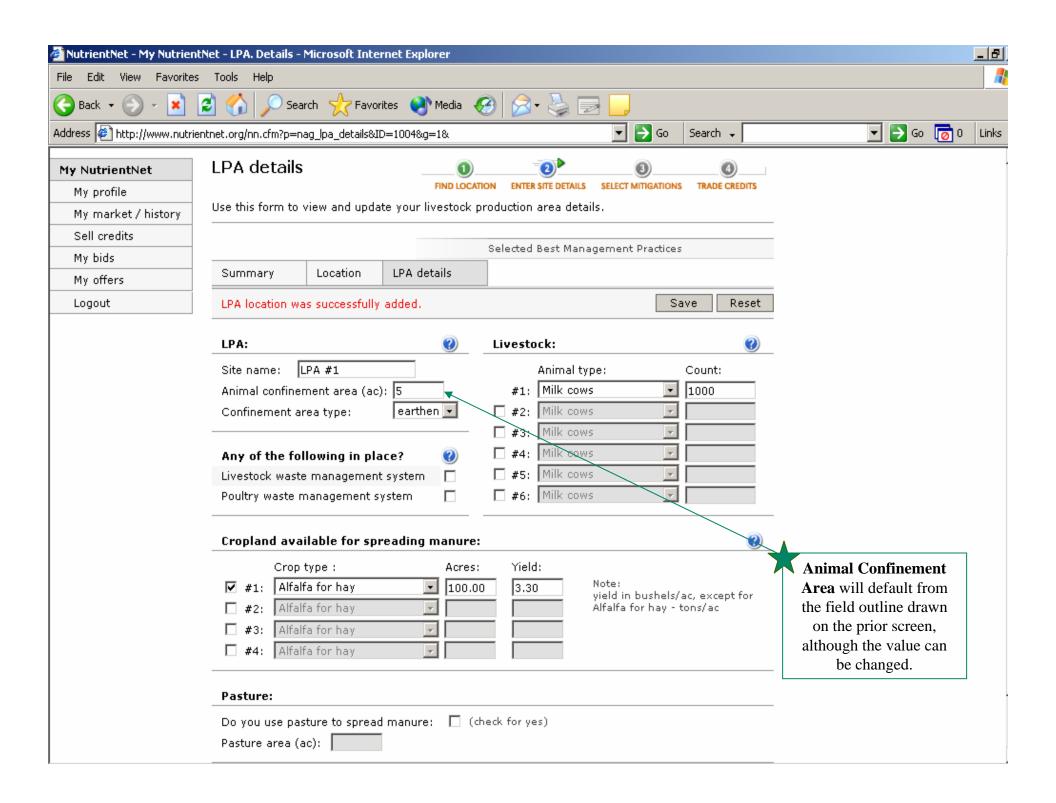


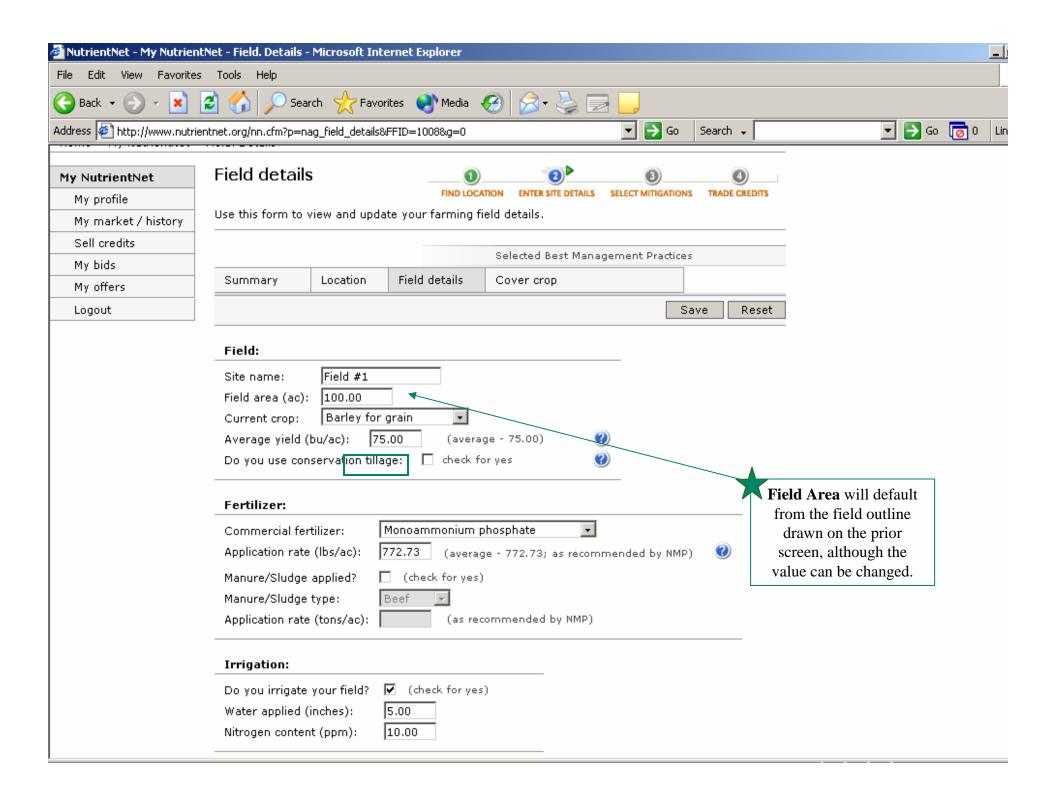


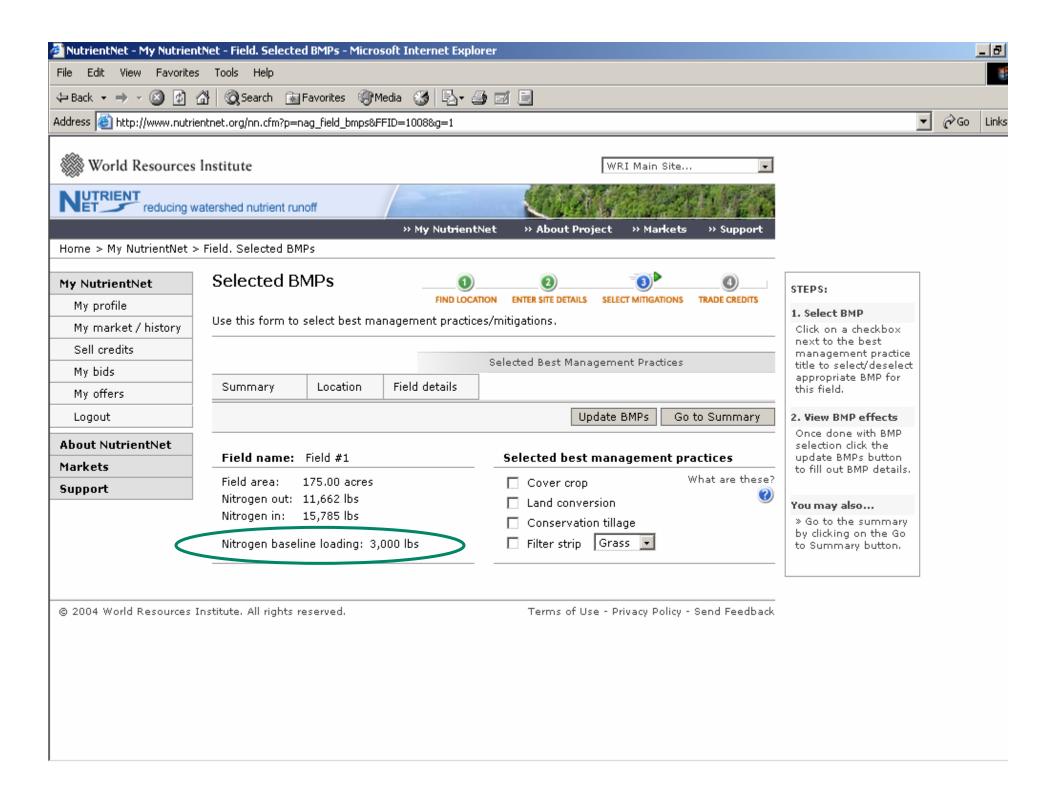


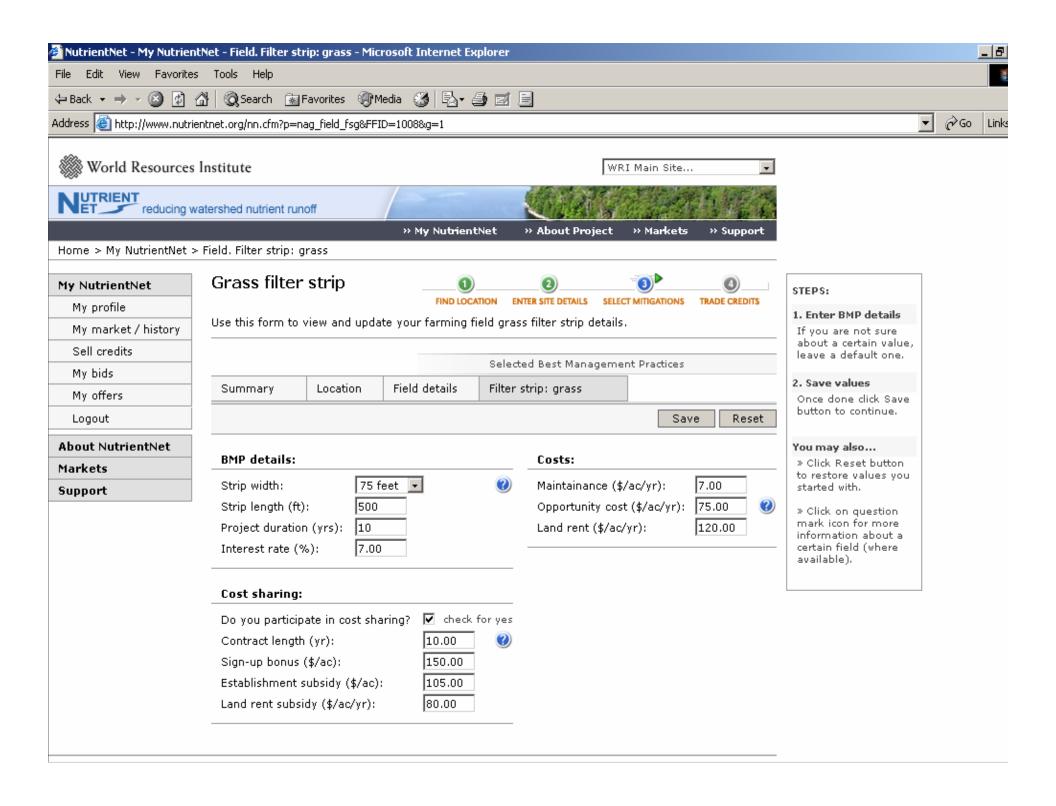


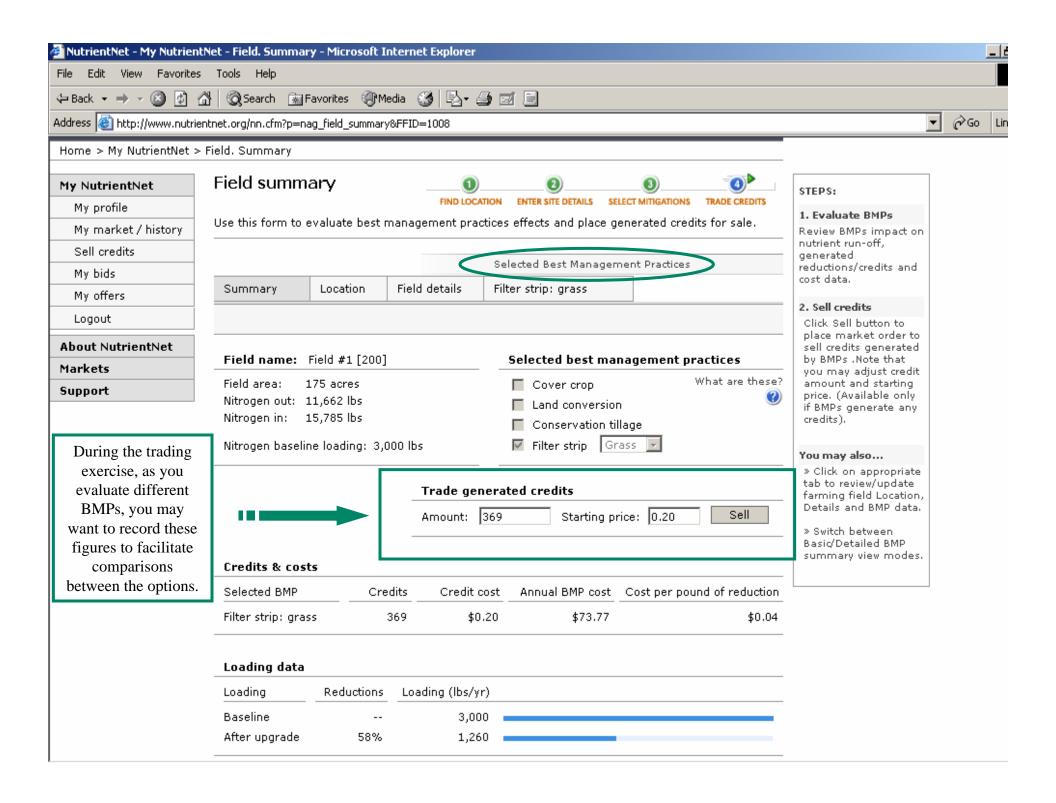


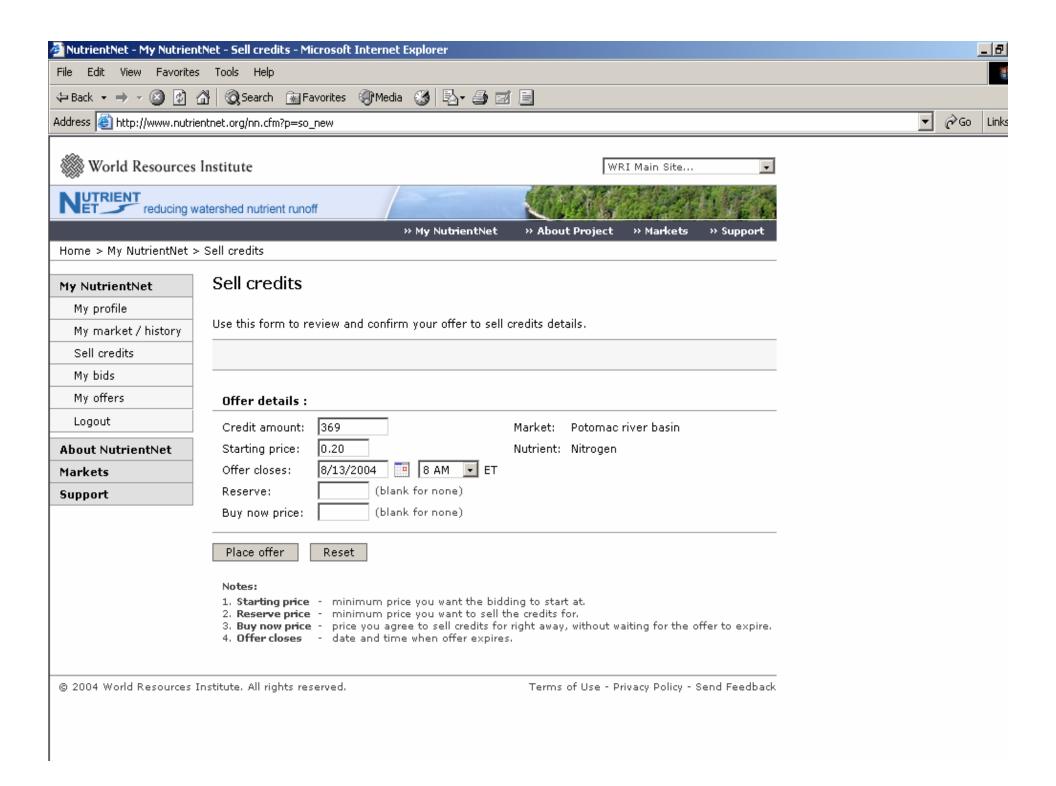


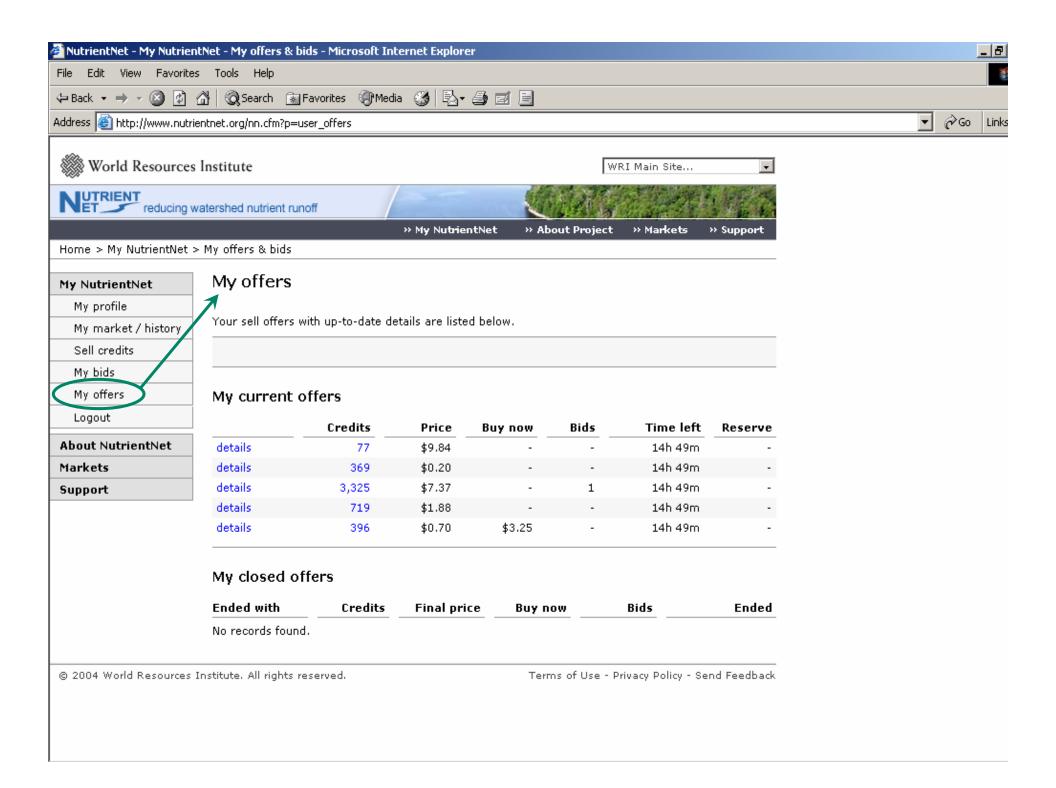










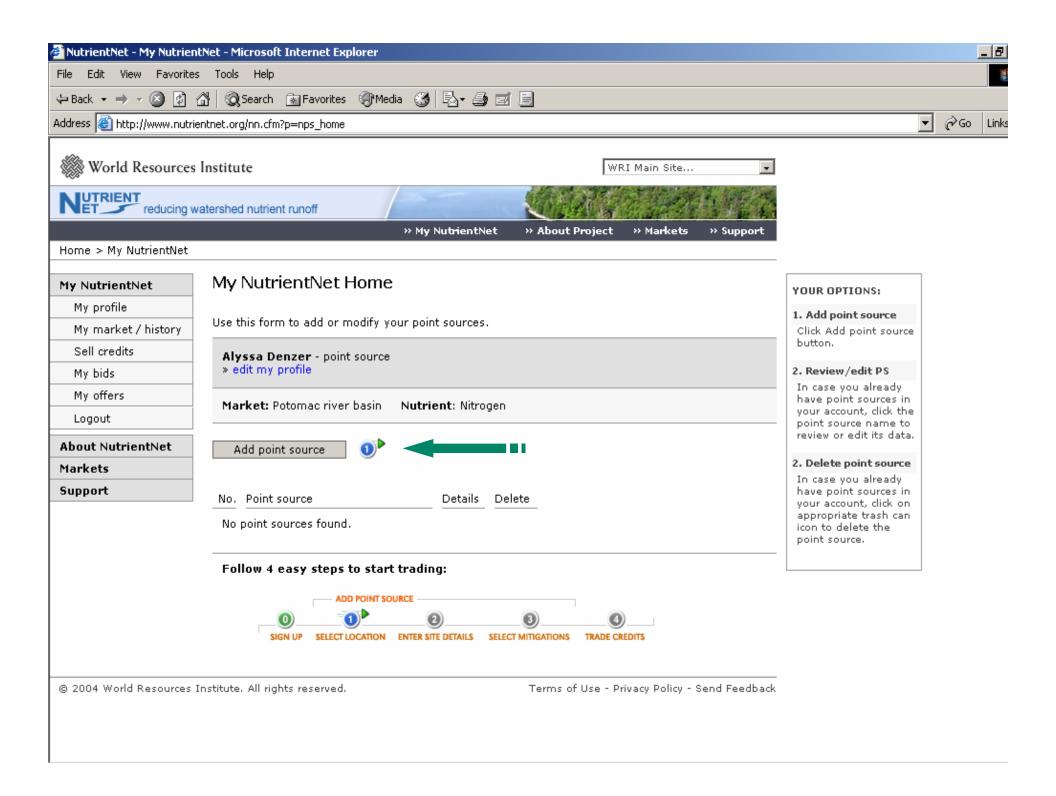


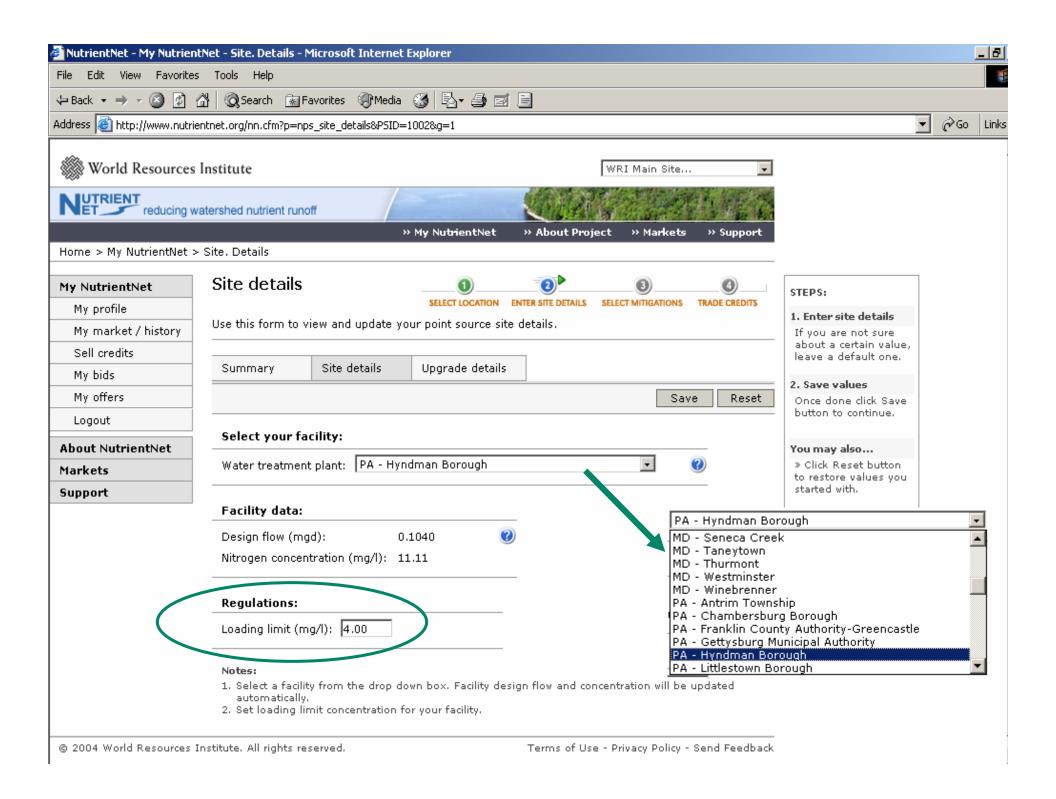


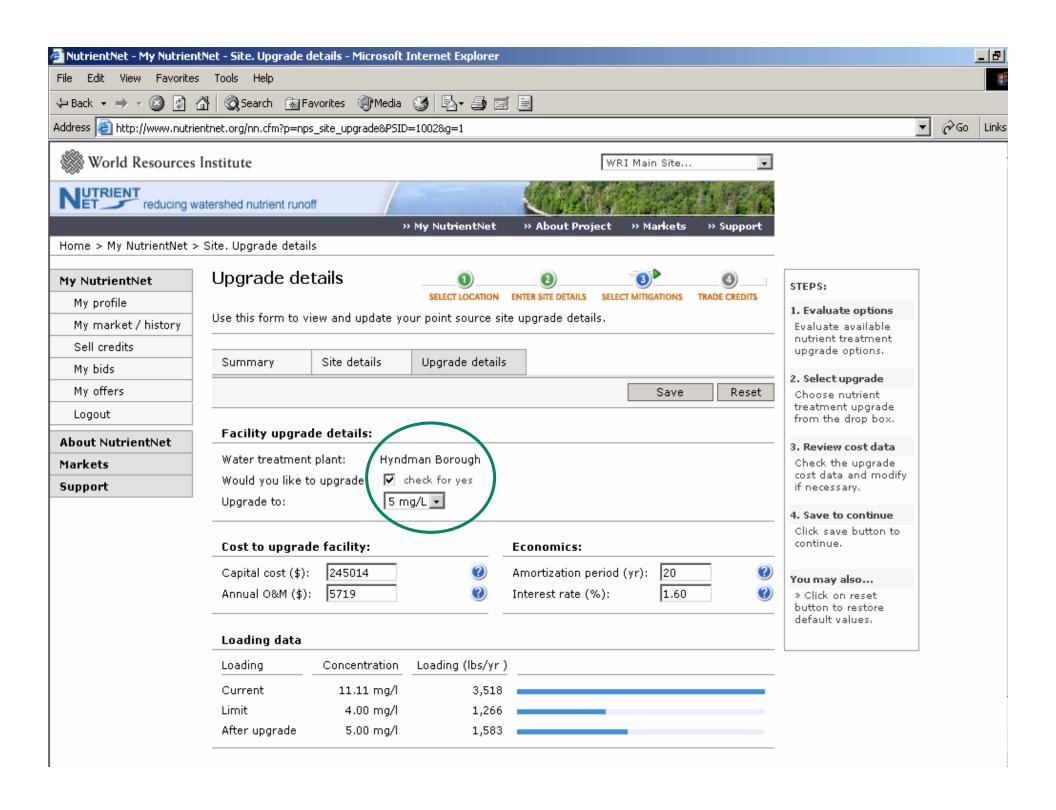
#### NutrientNet as a Point Source

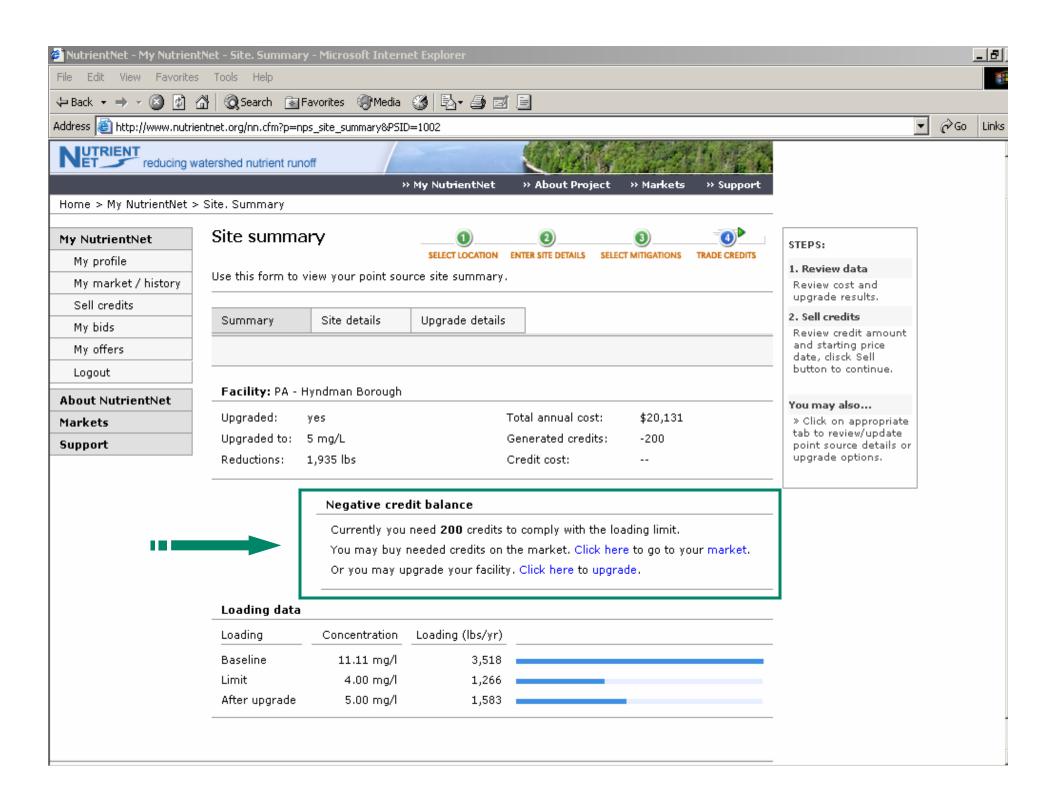
Now let's take a look at the NutrientNet site from a Point Source's perspective, as defined by the user profile:

Market:	Potomac river basin	-
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Role:	Point source	
	C Farmer	











#### Viewing the Market

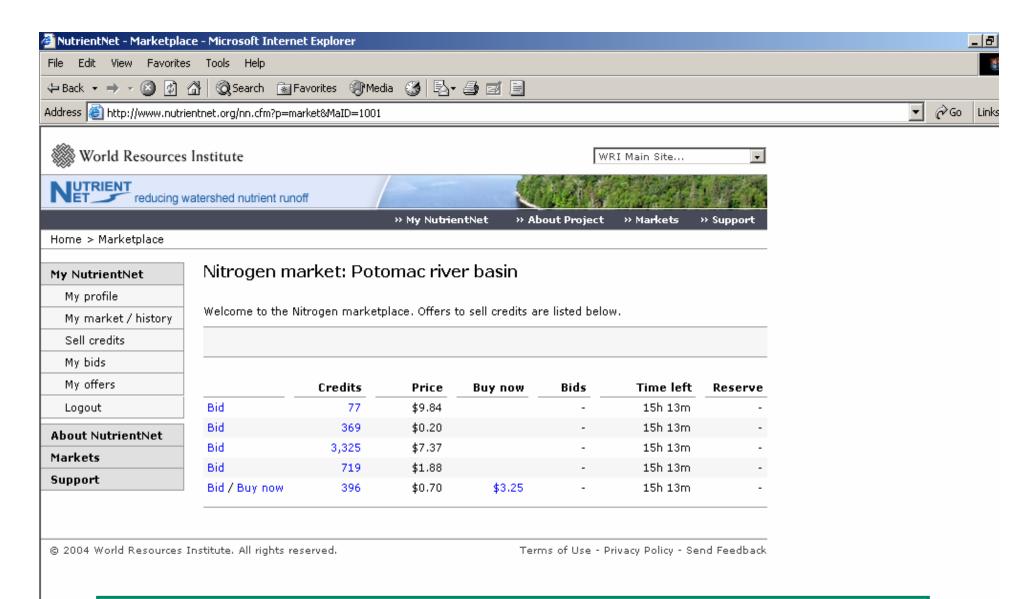
- After establishing that the Point Source will need to buy credits, the next step is to view the **Market**
- My Market displays credits for sale and current bids

#### Negative credit balance

Currently you need 200 credits to comply with the loading limit.

You may buy needed credits on the market. Click here to go to your market.

Or you may upgrade your facility. Click here to upgrade.



My Market is accessed either via the link shown on the previous slide, or via clicking My Market on the sidebar to the left.

