

Missouri Nutrient Trading Program: Missouri Department of Natural Resources Public Notices Draft Revisions



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The Missouri Department of Natural Resources (“MDNR”) is public noticing a revised draft of its Missouri Nutrient Trading Program (“Draft”) that was originally announced in April.

MDNR states that the document outlines the specific guidelines it intends to implement in future water pollution permits that provide permittees:

... with a new, flexible, market-based pathway for compliance with total nitrogen and total phosphorus permit requirements.

Water quality trading generally involves an attempt to achieve water quality goals in a more efficient or cost effective manner. The “trading” is based on the premise that sources in a watershed may be subject to varying costs to control the same pollutant. Facilities facing higher pollution costs may utilize the trading program to meet their Clean Water Act discharge limitations by purchasing environmentally equivalent pollution reductions from another source at lower costs. If so, this may enable the facility to achieve the same water quality improvement in overall lower costs.

Consequently, a number of areas in the country are using water quality trading as an approach to address water quality goals. For example, Clean Water Act National Pollutant Discharge Elimination System permits issued at the federal and state level are increasingly including stringent limits applicable to the discharge of nutrients such as phosphorus or nitrogen. The costs associated with removing nutrients from a point source can be significant. Non-point source discharges may often be reduced at a lower cost on a pollutant basis than the point source discharges.

Arkansas is an example of a state that enacted legislation intended to promote water quality trading. Act 335 of 2015 provides the Arkansas Department of Energy and Environment – Division of Environmental Quality the authority to develop a nutrient water quality trading program. The legislation also provided for the creation of a Nutrient Water Quality Trading Advisory Panel whose responsibilities include assistance in developing regulations and related guidance necessary to establish an Arkansas water quality trading program.

The MDNR announcement regarding its revised draft states that its program incorporates the most up to date policy guidance supplied by the United States Environmental Protection Agency as it relates to nutrient trading under the Clean Water Act and National Pollutant Discharge Elimination System permits. Further, MDNR states that many of the policy positions initially explored in the Missouri water quality

trading framework of 2016 have been refined. The draft is also stated to incorporate public and stakeholder comments that have been received since the April public meeting.

A link to the revised draft can be found [here](#).