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## MEA Calls for Amendments to SB 91 to Provide Clarity & Accountability

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**Contact:** Tressie Kamp, Staff Attorney, 608-819-7729 or tkamp@midwestadvocates.org

**Midwest Environmental Advocates, Inc., (MEA) opposes 2019 SB 91 in its current form.** MEA is a nonprofit environmental law center that works for healthy water, air, land and government for this generation and the next. We support our partners who are working with the Legislature to amend this bill to provide clarity and accountability.

Certain requirements for the proposed central clearinghouse are vague and should be more detailed and explicit consistent with the requirements under the Clean Water Act and Wis. Stat. § 283.84. MEA recommends amendments to the proposed legislation to address the following points and questions:

- A “commercially reasonable process for soliciting and entering into transactions” should be defined.
- Can the clearinghouse sell advance credits or does work need to be done before selling credits?
- Additional language is necessary to address enforcement and ultimate responsibility for ensuring pollutant reductions.
- It is not clear whether the clearinghouse trades and credit generation would be open for public review and accountability.

Because existing state law already allows for establishment of trading exchanges, the benefits of requiring the DNR to create a single clearinghouse are unclear. Other DNR permitting programs, including the wetland program, allow for third parties to generate and sell credits, but it is an open market and with multiple third-party sellers.

Based on trading program analysis by the Chesapeake Bay Foundation<sup>1</sup>, as well as requirements in current state law, MEA urges an amendment to SB 91 to require a ratio of 2:1, as compared to the lesser proposed ratio of 1.2:1. The language of the bill also demonstrates uncertainty regarding the research and scientific models that would be employed to determine the total number of credits that can be produced. To ensure actual reduction of nonpoint pollution, all clearinghouse agreements should include a provision to allow for public compliance and enforcement.

<sup>1</sup> See <https://www.cbf.org/document-library/cbf-guides-fact-sheets/nutrient-trading-fact-sheet-pa-and-va374c.pdf>; see also <https://extension.psu.edu/a-primer-on-water-quality-credit-trading-in-the-mid-atlantic-region>

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612 W MAIN STREET, SUITE 302 P 608.251.5047  
MADISON, WISCONSIN 53703 F 608.268.0205