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EPRI Wins United States Water Prize for Water Quality Trading Project

PALO ALTO, Calif. – (January 27, 2015) – The U.S. Water Alliance selected The Electric Power Research Institute’s (EPRI’s) Ohio River Basin Water Quality Trading Project for its 2015 United States Water Prize that honors individuals, institutions, and organizations that have made an outstanding achievement in the advancement of sustainable solutions to national water challenges.

Jessica Fox leads EPRI’s water quality trading research and will accept the award, which recognizes successful efforts in protecting and improving the health of watersheds in the United States, on April 13 during a ceremony at the National Geographic Headquarters in Washington, DC. The U.S. Water Alliance emphasizes the importance and value of each aspect of the water cycle and promotes more sustainable management of water.

Water quality trading is a cost-effective approach to achieving water quality goals for nutrients, such as phosphorus and nitrogen, by allowing permitted dischargers to buy nutrient reductions from another source. EPRI will hold its second round of trades in a [public auction](#) on April 16 in New York City. More information about the auction can be found at www.wqt.epri.com.

Many parties, such as industrial sources, farmers, and the general public, contribute to nutrient loading that may lead to ecological problems. EPRI also is testing the approach for meeting sustainability goals, including offsetting supply chain impacts, and establishing an economic incentive to support farmers, and improving ecosystems.

EPRI has conducted research on environmental markets for more than a decade, and initiated the Ohio River Basin water quality trading project in 2009 to test the viability of market-based approaches for achieving water quality goals for nitrogen and phosphorus. The project has built a comprehensive, scientifically-based approach for designing and developing markets for nutrient reduction credits. It supports the adoption of agricultural conservation practices to reduce nutrient loads in Ohio River Basin waters and improve regional water quality.

In August 2012, Indiana, Kentucky and Ohio signed a first-of-its-kind interstate trading plan, enabling these states to operate under the same trading rules so that a water quality credit generated in one state can be applied in another. In March 2014, EPRI transacted the first interstate credits for water nutrients in the United States, officially launching water quality pilot

trades in the Ohio River Basin and creating the largest and only interstate water quality trading program.

“American Electric Power is very pleased that EPRI’s Ohio River Basin Water Quality Trading Project has been selected for the 2015 U.S. Water Prize,” said Nick Akins chairman, president, and CEO of American Electric Power. “We have recognized for years the importance of protecting the water and ecosystems in the Ohio River Basin and have been a partner in the trading program since its inception. This project gives us an entirely new option for meeting our broader sustainability targets, supports farmers, and contributes to our community. We congratulate EPRI on this effort and look forward to their next steps when the project will engage many more stakeholders.”

Duke Energy, Hoosier Energy, and American Electric Power were the first buyers in the program. Collectively, the companies purchased 9,000 stewardship credits, agreeing to retire the associated nutrient and ecosystem benefits. The buyers can use the credits to meet corporate sustainability goals and may also be considered for future flexible permit compliance schedules by the participating states and credits can be applied towards Supplemental Environmental Project (SEP) obligations. Stewardship credit trades will continue through 2015.

EPRI leads the research effort with support from American Farmland Trust; Troutman Sanders, LLP; Markit Registry; Ohio River Valley Water Sanitation Commission; the University of California at Santa Barbara; the Ohio Farm Bureau Federation; the U.S. Environmental Protection Agency and the U.S. Department of Agriculture Natural Resources Conservation Service; States of Ohio, Indiana, and Kentucky, and their Soil and Water Conservation Districts; stakeholders from multiple advisory committees; and American Electric Power, Duke Energy, Hoosier Energy, Tennessee Valley Authority, and Exelon.

About EPRI

The Electric Power Research Institute, Inc. (EPRI, www.epri.com) conducts research and development relating to the generation, delivery and use of electricity for the benefit of the public. An independent, nonprofit organization, EPRI brings together its scientists and engineers as well as experts from academia and industry to help address challenges in electricity, including reliability, efficiency, affordability, health, safety and the environment. EPRI's members represent approximately 90 percent of the electricity generated and delivered in the United States, and international participation extends to more than 30 countries. EPRI's principal offices and laboratories are located in Palo Alto, Calif.; Charlotte, N. Car.; Knoxville, Tenn.; and Lenox, Mass.

