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### **EPRI Awarded \$2 Million for Water Quality Trading Project**

**PALO ALTO**, Calif. – (October 27, 2015) – The Electric Power Research Institute (EPRI) announced today \$2 million in private and public funding that will expand the scope of the Ohio River Basin Water Quality Trading Project, a science-based approach to reducing nutrient loading. This project has important implications for water quality and drinking water in the Ohio River Basin and elsewhere.

The U.S. Endowment for Forestry and Communities (Endowment) committed \$1.5 million to integrate forestry projects as a best management practice on farmland for reducing nutrient (nitrogen and phosphorous) runoff. The U.S. Department of Agriculture (USDA) awarded a \$300,000 Conservation Innovation Grant to develop “credit stacking” of nutrient and greenhouse gas emission reductions. EPRI is contributing \$200,000.

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 nutrient reductions. The project has built a comprehensive, scientifically-based approach for designing and developing cost-effective markets for nutrient reduction credits. It supports the adoption of agricultural conservation practices on farms to reduce nutrient loads and improve regional water quality.

“To date the project holds 5- and 10-year contracts with landowners in three states and verified credits on the project’s [on-line registry](#) provided by Markit,” said Jessica Fox, EPRI senior program manager and leader of the water quality trading project. “Past work translates to 98,314 pounds of nitrogen and 28,699 pounds of phosphorous removed from the watershed, with much more anticipated for this next project phase.”

The Endowment’s grant will add to the list of agricultural conservation practices already in use on farms in Indiana, Ohio, and Kentucky under the project. EPRI will use the grant to add reforestation as an option along with other ongoing land management practices such as cover crops, filter strips, and livestock exclusion to generate nutrient credits for improving local and regional water quality, as well as providing social and economic benefits to the region.

“Forestry is another option for reducing nutrient flow into waterways that creates wildlife habitat and provides farmers and private landowners with the potential for additional income from, for example, timber products,” said Carlton Owen, the Endowment’s president and CEO.

The Conservation Innovation Grant will be used to vet opportunities for creating greenhouse gas and nutrient credits using the same agricultural practice while considering concerns about double counting. For example, it may be possible to account for nitrous oxide (N<sub>2</sub>O) and nitrogen reductions from reduced fertilizer use and qualify them as greenhouse gas and nutrient reduction credits.

“The Ohio River Basin Water Quality Trading Project is a great example of how public and private funding can be combined to address our shared natural resource challenges,” said USDA’s Natural Resources Conservation Service Chief, Jason Weller. “Our Conservation Innovation Grant program is one tool that government can use to help spur cutting-edge solutions to address water quality issues, such as the recent algal blooms in the Ohio River and Lake Erie, across the country.”

EPRI leads the research effort with support from American Farmland Trust; Delta Institute; Troutman Sanders, LLP; Markit; Ohio River Valley Water Sanitation Commission; the University of California at Santa Barbara; the Ohio Farm Bureau Federation; Coalition on Agricultural Greenhouse Gases; 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; and stakeholders from multiple advisory committees.

More information about the Ohio River Basin Water Quality Trading Project is available at [www.wqt.epri.com](http://www.wqt.epri.com).

### **About EPRI**

The Electric Power Research Institute, Inc. (EPRI, [www.epri.com](http://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.

