



General Assembly

Substitute Bill No. 5570

February Session, 2006

* HB05570ENV 032006 *

**AN ACT CONCERNING ECONOMIC INCENTIVES FOR ACHIEVING
NITROGEN EFFLUENT REDUCTIONS TO LONG ISLAND SOUND.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 22a-524 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) The Commissioner of Environmental Protection shall establish a
4 nitrogen credit exchange program to assist in the implementation of
5 the total maximum daily load. The nitrogen credit exchange program
6 shall apply to all publicly-owned treatment works included in the
7 general permit issued pursuant to section 22a-522, as amended by this
8 act.

9 (b) The commissioner, in consultation with the Nitrogen Credit
10 Advisory Board, shall:

11 (1) Establish a schedule and monitor all nitrogen removal
12 construction projects;

13 (2) Establish an equivalency factor for each publicly-owned
14 treatment works, which may be revised at the commissioner's
15 discretion consistent with the total maximum daily load. The
16 equivalency factor and any proposed revisions shall be made available
17 for public comment at least thirty days prior to being implemented in

18 the nitrogen credit exchange program;

19 (3) Establish the individual waste load allocation for each publicly-
20 owned treatment works utilizing the equivalency factors and taking
21 into consideration the schedule for nitrogen removal construction
22 projects;

23 (4) Monitor annual progress in meeting the fifteen-year
24 implementation schedule in the total maximum daily load;

25 (5) Propose modifications, as may be necessary, to the general
26 permit for nitrogen discharges;

27 (6) Oversee and execute all equivalent nitrogen credit exchanges;

28 (7) Maintain a separate account of state-owned equivalent nitrogen
29 credits;

30 (8) Purchase all equivalent nitrogen credits created by publicly-
31 owned treatment works at the annually established value;

32 (9) Sell available state-owned equivalent nitrogen credits including
33 nitrogen credits purchased from publicly-owned treatment works at
34 the annually established value to enable publicly-owned treatment
35 works to meet nitrogen limits specified in the general permit for
36 nitrogen discharges;

37 (10) Whenever practicable, sell remaining state-owned equivalent
38 nitrogen credits to any other public or private entity;

39 (11) Establish accounts of funds created from the purchase and sale
40 of equivalent nitrogen credits to be used for administration of the
41 nitrogen credit exchange program and which may be used for nitrogen
42 removal projects, habitat restoration projects and research;

43 (12) Establish any other policies or procedures the commissioner
44 may deem necessary to carry out the nitrogen credit exchange
45 program; and

46 (13) Establish a technical assistance program to educate and assist
47 municipalities in implementing the nitrogen credit exchange program.

48 (c) The commissioner, in consultation with the Nitrogen Credit
49 Advisory Board, may establish the individual waste load allocation for
50 each private sector entity that discharges nitrogen into state waters
51 utilizing the equivalency factors.

52 [(c)] (d) (1) Not later than March thirty-first, annually, the
53 commissioner shall audit the performance of each publicly-owned
54 treatment works operating, and, if applicable, each private sector
55 entity that discharges nitrogen into the waters of the state, from
56 January first to December thirty-first of the preceding year and shall
57 (A) determine the number of equivalent nitrogen credits for sale and
58 the number of equivalent nitrogen credits to be purchased, (B) publish
59 the annual value of equivalent nitrogen credits as determined by the
60 procedure established in section 22a-527, and (C) notify each publicly-
61 owned treatment works of its equivalent nitrogen credit balance.

62 (2) Not later than July thirty-first, annually, each publicly-owned
63 treatment works and, if applicable, each private sector entity that
64 discharges nitrogen into the waters of the state, shall purchase
65 equivalent nitrogen credits necessary to meet its nitrogen limits. Such
66 purchase shall be paid by check, or money order or other form of
67 payment acceptable to the Treasurer made payable to the "nitrogen
68 credit exchange program". The check, or money order or other such
69 form of payment shall state on its face "nitrogen credit purchase".

70 (3) Not later than August fourteenth, annually, the commissioner
71 shall purchase all available equivalent nitrogen credits.

72 Sec. 2. Section 22a-522 of the general statutes is repealed and the
73 following is substituted in lieu thereof (*Effective October 1, 2006*):

74 Notwithstanding any provision of section 22a-430, as amended, or
75 22a-430b and notwithstanding nitrogen limits specified in individual
76 discharge permits issued pursuant to said section 22a-430, the

77 Commissioner of Environmental Protection shall issue a general
78 permit for publicly-owned treatment works specifying effluent limits
79 for nitrogen in accordance with the total maximum daily load and may
80 issue a general permit for private-sector entities that discharge
81 nitrogen into state waters specifying effluent limits for nitrogen in
82 accordance with the total maximum daily load. In order to meet water
83 quality standards, the commissioner may incorporate compliance
84 schedules into permits issued under this section and said sections 22a-
85 430 and 22a-430b. The general permit shall establish effluent limits for
86 nitrogen and shall establish an annual compliance schedule for
87 nitrogen for each publicly-owned treatment works and for each
88 private-sector entity that discharges nitrogen into state waters. Under
89 the general permit, the commissioner may require publicly-owned
90 treatment works to (1) meet effluent limits and other conditions for
91 discharging nitrogen to the waters of the state pursuant to their
92 individual waste load allocations, (2) comply with monitoring
93 requirements as set forth in the general permit, and (3) comply with
94 any other requirements as determined by the commissioner necessary
95 to carry out the provisions of this section. Publicly-owned treatment
96 works may participate in the nitrogen credit exchange program in
97 order to comply with effluent limits for nitrogen specified in the
98 general permit.

99 Sec. 3. Section 22a-526 of the general statutes is repealed and the
100 following is substituted in lieu thereof (*Effective October 1, 2006*):

101 The Commissioner of Environmental Protection may adopt
102 regulations, in accordance with chapter 54, to carry out the provisions
103 of sections 22a-522 to 22a-525, inclusive, as amended by this act. Said
104 regulations may provide for programs for the private sector including,
105 but not limited to, marketable permits, effluent reduction credits or
106 other economic incentives, but shall not require or allow the transfer of
107 state bond funds from publicly owned treatment works participating
108 in the general permit authorized under section 22a-522, as amended by
109 this act, to the private sector.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	22a-524
Sec. 2	<i>October 1, 2006</i>	22a-522
Sec. 3	<i>October 1, 2006</i>	22a-526

Statement of Legislative Commissioners:

The act was rewritten to conform with statutory format.

ENV *Joint Favorable Subst.-LCO*