



General Assembly

January Session, 2015

***Raised Bill No. 940***

LCO No. 3559



Referred to Committee on ENVIRONMENT

Introduced by:  
(ENV)

***AN ACT CONCERNING THE SUSTAINABILITY OF THE NITROGEN CREDIT EXCHANGE PROGRAM.***

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 Section 22a-524 of the general statutes is repealed and the  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 from passage*):

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

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

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

12 (2) Establish an equivalency factor for each publicly-owned  
13 treatment works, which may be revised at the commissioner's

14 discretion consistent with the total maximum daily load. The  
15 equivalency factor and any proposed revisions shall be made available  
16 for public comment at least thirty days prior to being implemented in  
17 the nitrogen credit exchange program;

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

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

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

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

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

29 (8) [Purchase all equivalent nitrogen credits created by publicly-  
30 owned treatment works at the annually established value;] Not later  
31 than August 14, 2015, purchase all equivalent nitrogen credits created  
32 through December 31, 2014 by publicly-owned treatment works at the  
33 annually established value. Not later than August 14, 2016, purchase  
34 all equivalent nitrogen credits created through December 31, 2015, by  
35 publicly-owned treatment works at the annually established value. On  
36 or after August 15, 2016, purchase the equivalent nitrogen credits  
37 created by publicly-owned treatment works that are necessary to meet  
38 the nitrogen limits specified in the general permit for nitrogen  
39 discharges, issued pursuant to section 22a-522, at the annually  
40 established value;

41 (9) Sell available state-owned equivalent nitrogen credits including  
42 nitrogen credits purchased from publicly-owned treatment works at

43 the annually established value to enable publicly-owned treatment  
44 works to meet nitrogen limits specified in the general permit for  
45 nitrogen discharges;

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

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

52 (12) Establish any other policies or procedures the commissioner  
53 may deem necessary to carry out the nitrogen credit exchange  
54 program; and

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

57 (c) (1) Not later than March thirty-first, annually, the commissioner  
58 shall audit the performance of each publicly-owned treatment works  
59 operating from January first to December thirty-first of the preceding  
60 year and shall (A) determine the number of equivalent nitrogen credits  
61 for sale and the number of equivalent nitrogen credits to be purchased,  
62 (B) publish the annual value of equivalent nitrogen credits as  
63 determined by the procedure established in section 22a-527, and (C)  
64 notify each publicly-owned treatment works of its equivalent nitrogen  
65 credit balance.

66 (2) Not later than July thirty-first, annually, each publicly-owned  
67 treatment works shall purchase equivalent nitrogen credits necessary  
68 to meet its nitrogen limits. Such purchase shall be paid by check, or  
69 money order or other form of payment acceptable to the Treasurer  
70 made payable to the "nitrogen credit exchange program". The check, or  
71 money order or other such form of payment shall state on its face  
72 "nitrogen credit purchase".

73 (3) Not later than August fourteenth, annually, until August 14,  
74 2016, the commissioner shall purchase all available equivalent nitrogen  
75 credits. On or after August 15, 2016, annually, the commissioner shall  
76 purchase the equivalent nitrogen credits created by publicly-owned  
77 treatment works that are necessary to meet the nitrogen limits  
78 specified in the general permit for nitrogen discharges, issued  
79 pursuant to section 22a-522.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	22a-524

**Statement of Purpose:**

To make the nitrogen credit exchange program more financially sustainable by limiting the state's purchase of excess credits under the program.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*