

Office of Regulatory Management
Economic Review Form

Agency name	Department of Environmental Quality
Virginia Administrative Code (VAC) Chapter citation(s)	9 VAC 25-820
VAC Chapter title(s)	General Virginia Pollutant Discharge Elimination System (VPDES) Watershed Permit Regulation for Total Nitrogen and Total Phosphorus Discharges and Nutrient Trading in the Chesapeake Bay Watershed in Virginia
Action title	Periodic Review
Date this document prepared	October 10, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

Omitted pursuant to ORM Regulatory Economic Analysis Manual

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

Omitted pursuant to ORM Regulatory Economic Analysis Manual

Table 1c: Costs and Benefits under Alternative Approach(es)

Omitted pursuant to ORM Regulatory Economic Analysis Manual

Agency Note: There are no regulatory changes associated with this periodic review.

The mandate of this regulation is §62.1-44.19:14 of the Code of Virginia which directs the State Water Control Board to issue a Watershed General Virginia Pollutant Discharge Elimination System (VDPES) Permit authorizing point source discharges of total nitrogen and total phosphorus to the waters of the Chesapeake Bay and its tributaries. This General permit is limited to a term of 5 years and has been previously amended and reissued to allow for the continued trading of credits for total nitrogen and total phosphorus.

The general permit governs facilities holding individual VPDES permits that discharge or propose to discharge total nitrogen or total phosphorus to the Chesapeake Bay or its tributaries. The facilities are authorized to discharge to surface waters and exchange credits for total nitrogen and/ or total phosphorus.

All dischargers of nutrients in the Chesapeake Bay watershed are subject to the general permit registration requirements included in Part I.G of the general permit (9VAC25-820). Localities within the Chesapeake Bay Watershed include all or portions of the Counties of Accomack, Albemarle, Alleghany, Amelia, Amherst, Appomattox, Arlington, Augusta, Bath, Bedford, Botetourt, Buckingham, Campbell, Caroline, Charles City, Chesterfield, Clarke, Craig, Culpeper, Cumberland, Dinwiddie, Essex, Fairfax, Fauquier, Fluvanna, Frederick, Giles, Gloucester, Goochland, Greene, Hanover, Henrico, Highland, Isle of Wight, James City, King and Queen, King William, Lancaster, Loudoun, Louisa, Madison, Mathews, Middlesex, Montgomery, Nelson, New Kent, Northampton, Northumberland, Nottoway, Orange, Page, Powhatan, Prince Edward, Prince George, Prince William, Rappahannock, Richmond, Roanoke, Rockbridge, Rockingham, Shenandoah, Spotsylvania, Stafford, Surry, Warren, Westmoreland, and York; and the Cities of Alexandria, Buena Vista, Charlottesville, Chesapeake, Colonial Heights, Covington, Fairfax, Falls Church, Fredericksburg, Hampton, Harrisonburg, Hopewell, Lexington, Lynchburg, Manassas, Manassas Park, Newport News, Norfolk, Petersburg, Poquoson, Portsmouth, Richmond, Staunton, Suffolk, Virginia Beach, Waynesboro, Williamsburg, and Winchester.

This general permit complements 9VAC25-40 (the Regulation for Nutrient Enriched Waters and Dischargers within the Chesapeake Bay Watershed) and 9VAC25-720 (the Water Quality Management Planning Regulation) and is intended to provide compliance flexibility to the affected facilities in order to ensure the most cost-effective nutrient reduction technologies are installed within the respective tributary watersheds. This regulation does not impose any additional compliance costs upon regulated entities above and beyond those already imposed by the aforementioned regulations, and is intended to provide an alternative means of compliance in order to save the regulated entities money.

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Direct Costs:</p> <p>Permittees registered under this general permit regulation are required to meet nutrient wasteload allocations specific to their facility. If a facility is unable to comply with its wasteload allocation, the following options are available to bring the facility into compliance, each of which may present a significant cost to the permittee:</p> <ol style="list-style-type: none"> 1) Installation and operation of additional nutrient removal technology at their wastewater treatment plants (cost unknown, but typically millions of dollars); 2) Purchase of additional wasteload allocation or point source credits from another permitted facility (cost unknown, private trade agreements or through the Virginia Nutrient Credit Exchange Association); 3) Purchase of perpetual non-point source credits at a 2:1 ratio pursuant to § 62.1-44.19:20 of the Code of Virginia (cost unknown, market based); or, 4) Purchase of credits through the Nutrient Offset Fund (\$5.08 per pound of nitrogen, \$11.15 per pound of phosphorus). <p>The registration fee for coverage under this general permit is \$600. There are currently 143 facilities registered.</p> <p>Indirect Costs: unknown</p> <p>Direct Benefits: Permittees that discharge less than their wasteload allocation generate credits on an annual basis that can be sold to other permittees. Further, permitted discharges covered by this regulation can make market-based decisions concerning the treatment technologies they use vs. the costs to purchase or sell wasteload allocation or credits.</p> <p>Indirect Benefits: This regulatory program benefits water quality and provides a means of obtaining wasteload allocation for new economic development projects.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>

	(a) Direct Costs – unable to be monetized Indirect Costs – unknown	(b) Direct Benefits – unable to be monetized Indirect Benefits – unknown
(3) Other Costs & Benefits (Non-Monetized)	This regulation protects the health, safety, and welfare of citizens while providing flexibility to the regulated community to trade or purchase nutrient credits.	
(4) Assistance	Agency does not provide financial assistance to local partners for the trading of nutrient credits.	
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

Agency Note: There are no regulatory changes associated with this periodic review.

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: There are no monetized direct costs to families associated with this regulation.</p> <p>Indirect Costs: There are no monetized indirect costs to families associated with this regulation.</p> <p>Direct Benefits: There are no monetized direct benefits to families associated with this regulation.</p> <p>Indirect Benefits: There are no monetized indirect benefits to families associated with this regulation.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	NA	

(4) Information Sources	
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Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

Agency Note: There are no regulatory changes associated with this periodic review.

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Small businesses are subject to the same regulatory requirements as local partners, see Table 2. DEQ is not aware of the number of small businesses that are participating in this trading program.</p> <p>Indirect Costs:</p> <p>Direct Benefits: Small businesses are allowed the same regulatory flexibility as large businesses and are allowed to trade or purchase credits, see Table 2.</p> <p>Indirect Benefits:</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)		
(4) Alternatives	There would be no benefit to excluding small businesses from this trading program.	
(5) Information Sources		

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed. In the last row, indicate the total number for each column.

Table 5: Total Number of Requirements

Agency Note: This is a periodic review, and Table 5 is not required to be completed.