

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	State Water Control Board
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	9VAC25-151
<b>VAC Chapter title(s)</b>	Virginia Pollutant Discharge Elimination System (VPDES) General Permit Regulation for Discharges of Stormwater Associated with Industrial Activity
<b>Action title</b>	Amendments to Chapter 1080 of the 2026 Acts of Assembly
<b>Date this document prepared</b>	May 1, 2026
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Final exempt

**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)**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p><b>Background:</b></p> <p>The VPDES General Permit Regulation for Discharges of Stormwater Associated with Industrial Activity (9VAC25-151) governs all stormwater discharges associated with industrial activity from facilities in industrial sectors specified in the general permit. This includes stormwater discharges, through a point source to surface waters, or through a municipal or nonmunicipal separate storm sewer system to surface waters. Pursuant to 9VAC25-151-70, the authorized discharge shall be in accordance with the effluent limitations, monitoring requirements and special conditions in Part I of the general permit, the conditions applicable to all VPDES Permits in Part II, the Stormwater Pollution Prevention Plan requirements in Part III, the sector-specific requirements in Part IV, and, specific to this regulatory action, the Chesapeake Bay Total Maximum Daily Load (TMDL) Compliance requirements in Part V (9VAC25-151-400). Permittees that are required to demonstrate compliance with the Chesapeake Bay TMDLs may do so through reductions provided by one or more of the BMPs found in the Virginia Stormwater BMP Clearinghouse, implementation of site-specific BMPs, or acquisition of nonpoint source credits.</p> <p>Chapter 1080 of the 2026 Acts of Assembly (HB952) allows permittees to use nutrient credits generated by point sources for the purpose of industrial stormwater general permit nutrient reduction compliance for calendar years 2025 and 2026, subject to criteria established in the legislation.</p> <p><b>Direct Costs:</b></p> <p>There are currently 733 facilities with an active Industrial Stormwater General Permit (ISWGP) that are located in the Chesapeake Bay Watershed. 197 of the facilities had to develop TMDL action plans and make nutrient reductions by December 31, 2025, to meet 100 percent of their reduction requirements. Based on reports that were due to DEQ on January 10, 2026, over 100 facilities had not achieved the required nutrient reductions.</p> <p>Under current law, the only form of credits that may be used for compliance with the ISWGP nutrient reduction requirements or an individual VPDES permit for industrial stormwater’s nutrient reduction requirements are nonpoint source (i.e., perpetual) credits. These credits, which do not expire, are significantly more expensive than point source (i.e., annual) credits. While the pricing of credits is governed by market principles of supply and</p>
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	<p>demand, and varies by nutrient bank and watershed, DEQ has heard reports of nonpoint source credits that cost as much as \$35,000 per pound of phosphorous (perpetual, so just a one-time payment is required). In contrast, point source or annual credits typically cost in the \$10-\$15 per pound range per year.</p> <p><b>Indirect Costs:</b> There are no indirect costs associated with this change in the law and resulting regulation.</p> <p><b>Direct Benefits:</b> This change in law and the resulting regulation will provide facilities that did not meet 100% reductions by December 31, 2025, another alternative to meet compliance for calendar years 2025 and 2026.</p> <p><b>Indirect Benefits:</b> None identified.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Direct costs would vary by facility based on the above-mentioned factors.	(b) Facilities that did not meet compliance reductions will have an option available to now be compliant.
(3) Net Monetized Benefit	Indeterminate but positive.	
(4) Other Costs & Benefits (Non-Monetized)	None identified	
(5) Information Sources	Data on the number of facilities affected was compiled by VPDES Program staff and comes from reports facilities submitted as a condition of their ISWGP. The cost of credits also came from DEQ program staff.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>This regulatory amendment is in response to state law where no agency discretion is involved. Retaining the status quo is not an option.</p> <p><b>Direct Costs:</b> There are currently more than 100 facilities that have not met the required nutrient reductions. Lacking an alternative option to become compliant with reduction requirements, these facilities could face enforcement actions and the resulting penalties.</p> <p><b>Indirect Costs:</b></p>
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	<p>N/A</p> <p><b>Direct Benefits:</b> N/A</p> <p><b>Indirect Benefits:</b> N/A</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to be estimated, however enforcement actions against noncompliant facilities could potentially result in financial penalties.	(b) None identified
(3) Net Monetized Benefit	None identified	
(4) Other Costs & Benefits (Non-Monetized)	None identified	
(5) Information Sources	See table 1a	

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

This regulatory action is mandated by legislation that becomes effective July 1, 2026, Chapter 1080 of the 2026 Acts of Assembly (HB952 – Del. Lopez). There are no alternative approaches.

**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**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Costs:</b> No direct costs specific to local partners are associated with the regulation.</p> <p><b>Indirect Costs:</b> No indirect costs specific to local partners are associated with the regulation.</p> <p><b>Direct Benefits:</b></p>
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	<p>No direct benefits specific to local partners are associated with the regulation.</p> <p><b>Indirect Benefits:</b> No indirect benefits specific to local partners are anticipated as a result of this regulatory action.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None identified	(b) None identified
(3) Other Costs & Benefits (Non-Monetized)	None identified	
(4) Assistance	None identified	
(5) Information Sources	See Table 1a.	

**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**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Costs:</b> No direct costs specific to families are associated with the regulation.</p> <p><b>Indirect Costs:</b> No indirect costs specific to families are associated with the regulation.</p> <p><b>Direct Benefits:</b> No direct costs specific to families are associated with the regulation.</p> <p><b>Indirect Benefits:</b> No indirect benefits to families are anticipated as a result of this regulatory action.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None identified.	(b) None identified.
(3) Other Costs & Benefits (Non-Monetized)	None identified.	
(4) Information Sources	See Table 1a.	

**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**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p><b>Direct Costs:</b> No direct costs specific to small businesses are associated with the regulation.</p> <p><b>Indirect Costs:</b> No indirect costs specific to small business are associated with the regulation.</p> <p><b>Direct Benefits:</b> No direct benefits specific to small businesses are associated with the regulation.</p> <p><b>Indirect Benefits:</b> No indirect benefits specific to small businesses are anticipated as a result of this regulatory action.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None identified.	(b) None identified.
(3) Other Costs & Benefits (Non-Monetized)	None identified.	
(4) Alternatives	None identified.	

(5) Information Sources	See Table 1a.
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**Changes to Number of Regulatory Requirements**

**Table 5: Regulatory Reduction**

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

*Change in Regulatory Requirements*

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
9VAC25-151-400	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	71	0	0	0
	(D/R):	9	1	0	+1
				<b>Grand Total of Changes in Requirements:</b>	(M/A): 0
					(D/A): 0
					(M/R): 0
					(D/R): +1

**Key:**

*Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:*

**(M/A):** Mandatory requirements mandated by federal and/or state statute affecting the agency itself

**(D/A):** Discretionary requirements affecting agency itself

**(M/R):** Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

**(D/R):** Discretionary requirements affecting external parties, including other agencies

*Cost Reductions or Increases (if applicable)*

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
9VAC25-151-400	Allows permittees to use nutrient credits generated by point sources for the purpose of ISWGP nutrient reduction compliance for calendar years 2025 and 2026.	The pricing of credits is governed by market principles of supply and demand and varies by nutrient bank and watershed. DEQ has heard	Point source or annual credits typically cost in the \$10-\$15 per pound range per year.	The pricing of credits will vary, however adding an alternative means by which to become compliant would potentially save permittees thousands of dollars.

		reports of nonpoint source credits that cost as much as a one-time payment of \$35,000 per pound of phosphorous.		
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*Other Decreases or Increases in Regulatory Stringency (if applicable)*

<b>VAC Section(s) Involved*</b>	<b>Description of Regulatory Change</b>	<b>Overview of How It Reduces or Increases Regulatory Burden</b>
9VAC25-151-400	Allows permittees to use nutrient credits generated by point sources for the purpose of ISWGP nutrient reduction compliance for calendar years 2025 and 2026.	Adding an alternative route for facilities that did not meet 100% reductions by December 31, 2025, the opportunity to meet compliance for calendar years 2025 and 2026. The alternative means is directly required by Chapter 1080 of the 2026 Acts of Assembly (HB952 - Del Lopez)

*Length of Guidance Documents (only applicable if guidance document is being revised)*

<b>Title of Guidance Document</b>	<b>Original Word Count</b>	<b>New Word Count</b>	<b>Net Change in Word Count</b>
N/A			

\*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).