Office of Regulatory Management

Economic Review Form

Agency name	Virginia Department of Environmental Quality (DEQ)
Virginia Administrative Code (VAC) Chapter citation(s)	Not applicable – DEQ guidance document
VAC Chapter title(s)	Not applicable – DEQ guidance document
Action title	Not applicable – DEQ guidance document
Date this document prepared	June 2, 2026
Regulatory Stage (including Issuance of Guidance Documents)	Issuance of new Guidance Document

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)

(1) Direct & Indirect Costs & Benefits (Monetized)	Background Beginning in the fall of 2022, the Nonpoint Source Nutrient Trading Program (Program) began accepting applications for shoreline management projects. The Program certifies nutrient reductions that can be sold in an off-set market and utilizes the Chesapeake Bay Program's (CBP) "Recommendations of the Expert Panel to Define Removal Rates for Shoreline Management Projects" as the basis for crediting methodologies. However, some credit calculation factors and data methodologies included in the expert panel report allowed for States to make their own determinations when crediting shoreline management projects. Depending on those determinations, the number of nutrient credits generated by each project can vary significantly. This guidance document supersedes the crediting criteria contained in the interim document developed on November 21, 2024, and will be utilized to evaluate all shoreline management projects submitted to the Nonpoint Source Nutrient Trading Program. Direct Costs: This guidance provides clarification on the requirements of 9VAC25-900-80, Procedure for application for certification of nutrient credits (Section 80) for shoreline management projects applications through the Nonpoint Source Nutrient Trading program and does not impose any direct costs on stakeholders or the Department. Indirect Costs: There are no indirect costs to the regulated community or DEQ as a result of this guidance. Direct Benefits: This guidance document streamlines the credit calculation procedures for all shoreline management projects applying through the Nonpoint Source Nutrient Trading Program. This action will also save DEQ staff time to review applications received through the program. Indirect Benefits: This guidance supports programmatic transparency and equitability when evaluating project applications received through the Nonpoint Source Nutrient Trading Program for shoreline management projects.

(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Direct Costs: N/A (b) Indirect Costs: N/A	(a) Direct Benefits: Less staff time used to review shoreline management applications, as well as more

		equitable credit calculations procedures. (b) Indirect Benefits: Unable to monetize.
(3) Net Monetized Benefit	Unable to monetize	
(4) Other Costs & Benefits (Non-Monetized)	Reduced time to conduct and review of shoreline management applications; more efficient and equitable review of applications; time savings for planners and reviewers; ensures submittals are consistent with the statute and regulation.	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<u>Direct Costs:</u> The current nutrient reduction credit calculation protocols for shoreline management projects leave multiple factors open to interpretation that increases staff time needed to review for consistency across received applications. This additional staff time could be better utilized for other programmatic tasks. <u>Indirect Costs:</u> The nutrient reduction credit calculation protocols that are left open for interpretation have the potential to lead to the inequitable certification of nutrient credits depending on how the protocols are interpreted by the applicant and staff reviewing the application. <u>Direct & Indirect Benefits:</u> There are no direct benefits under the status quo. There are no indirect benefits under the status quo.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) As guidance, there are no direct costs. Unable to monetize expected indirect costs.	(b) Unable to monetize.
(3) Net Monetized Benefit	Unable to monetize	

(4) Other Costs & Benefits (Non-Monetized)	N/A
(5) Information Sources	N/A

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

(1) Direct & Indirect Costs & Benefits (Monetized)	There is no alternative approach to providing this guidance except for maintaining the status quo. That option was rejected due to the costs of the status quo identified in Table 1b.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

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)	Direct Costs: There are no direct costs to local partners because this action does not change their existing responsibilities. Indirect Costs: There are no indirect costs to local partners because this action does not change their existing responsibilities. Direct Benefits: There are no direct benefits to local partners because this action does not change their existing responsibilities.

	Indirect Benefits: There are no indirect benefits to local partners because this action does not change their existing responsibilities.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See Table 1a.	(b) See Table 1a.
(3) Other Costs & Benefits (Non-Monetized)	See Table 1a.	
(4) Assistance	NA	
(5) Information Sources	NA	

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)	Direct Costs: There are no direct costs that impact families associated with the proposed guidance. Indirect Costs: There are no indirect costs that impact families associated with the proposed guidance. Direct Benefits: There are no direct benefits that impact families associated with the proposed guidance. Indirect Benefits: There are no indirect benefits that impact families associated with the proposed guidance.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A

(3) Other Costs & Benefits (Non-Monetized)	(a) None
(4) Information Sources	NA

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)	Direct Costs: There are no direct costs that impact small businesses associated with the proposed guidance. Indirect Costs: There are no indirect costs that impact small businesses associated with the proposed guidance. Direct Benefits: This guidance document streamlines the credit calculation procedures for small business applying for shoreline management projects through the Nonpoint Source Nutrient Trading Program. Indirect Benefits: This guidance supports programmatic transparency and equitability when evaluating project applications received by small businesses through the Nonpoint Source Nutrient Trading Program for shoreline management projects.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) None	(b) Unable to monetize.
(3) Other Costs & Benefits (Non-Monetized)	There are no other costs or benefits associated with the proposed guidance.	
(4) Alternatives	N/A	
(5) Information Sources	N/A	

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
N/A Guidance	**(M/A):**				N/A
	(D/A):				N/A
	(M/R):				N/A
	(D/R):				N/A
				Grand Total of Changes in Requirements:	**(M/A):N/A**
					(D/A): N/A
					(M/R): N/A
					(D/R): N/A

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
N/A Guidance				N/A

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A Guidance		N/A

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

Title of Guidance Document	**Original Word Count**	**New Word Count**	**Net Change in Word Count**
New Guidance document – Nutrient Reduction Crediting Procedure for Shoreline Management Projects – GM25-2005	N/A New guidance document	12 Pages	+12 pages

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