

Appendix A

Stormwater Credit Trading Terminology

Based, in part, on the following source documents:

Building a Water Quality Trading Program: Options and Considerations - National Network on Water Quality Trading. 2015

The Water Quality Trading Tool Kit - Willamette Partnership. 2016

Guidance for Developing an Off-site Stormwater Compliance Program for Redevelopment Projects in Massachusetts. Center for Watershed Protection, Inc. 2018

Stormwater Credit Program, City of Anaheim. 2023

Virginia Citizen's Guide to Environmental Credit Trading Programs: An Overview. Virginia Cooperative Extension. 2022

Regional Alternative Compliance System Summary Report. City of San Pablo. 2023

Term	Definition
Credit (Also referred to as a Stormwater Credit)	A measurement unit of equivalent pollutant discharge reduction established for a specified location, typically expressed as pollutant load over time, volume retained/treated, acres treated/restored, or other scientifically-defensible measures of equivalency. Units are often adjusted by Credit Retention and/or Credit Trading Ratio factors prior to use in stormwater credit trading programs.
Credit Account	The financial mechanism established to receive, hold, and disburse funds associated with the purchase of Credits.
Credit Bank (Also referred to as Credit Clearing House)	The system established to track available and purchased Credits.
Credit Generator (Also referred to as Credit Provider or Credit Seller)	Entity that provides Credits for sale in a Credit trading program.
Credit Generator Facility	Stormwater management facilities constructed and operated to generate Credits in conformance with the requirements of a Credit trading program.
Credit Generator Facility Verification	The role of the Credit Program Administrator to conduct document reviews and physical inspections of Credit Generator Facilities for proper implementation, operation, and maintenance to ensure adherence to the requirements of the Credit trading program.
Credit Price	The cost per Credit applied in a Credit Trade. The price may be based on the cost of design and construction

	of the Credit Generator Facility or independently set by the Credit Generator based on market conditions. Operations and maintenance costs may be included in the Credit Price or charged separately.
Credit Program Administrator	The entity responsible for the operation of a Credit trading program with responsibilities including defining credit calculation methodologies, protocols, and quality standards; reviewing and tracking Credit Generator Facilities; tracking available and purchased Credits; and reporting to overseeing regulatory agencies.
Credit Retention (Also referred to as Credit Reduction, Credit Adjustments, or Credit Reserve Pool)	A pool of Credits retained in the Credit Account to ensure against various forms of risk and uncertainty in the Credit trading program including unforeseen operational and performance issues at Credit Generator Facilities.
Credit Term	The period from the date a credit becomes usable as an offset to the date that the credit is no longer valid. In many cases, the credits may exist in perpetuity.
Credit Trade (Also referred to as a Credit Purchase or Credit Sale)	The transaction overseen by the Credit Program Administrator, using the Credit Bank and the Credit Account, to transfer Credits from a Credit Generator to a Credit User; transfer funds from a Credit User to a Credit Generator; and, if applicable, assess administrative fees.
Credit Trading Area	A geographic area within which Credits can be generated and purchased by other entities to meet water quality compliance requirements. Credit Trading Areas are typically determined ecologically based on hydrologically connected waters, but other factors may be considered.
Credit Trading Ratio	A ratio, determined by the Credit Program Administrator or overseeing regulatory agency, that requires Credit Users to purchase a specified amount of Credits that exceed stormwater discharge reduction requirements.
Credit User (Also referred to as Credit Buyer)	The regulated entity that purchases Credits generated by another entity to meet stormwater quality compliance requirements.