

OFFSET CREDITS

Environmental Work Group
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Program Intent

- This Offset program has parallels in the wetlands mitigation banking concept: unavoidable impacts from pumping wells are offset by measures that will reduce or minimize those impacts. The “value” of the offset measure should reflect its likely benefit (*e.g.*, activities with more easily measured outcomes, beneficial impacts in summer, and benefits in the same sub-basin as the pumping should receive the most “credit”).

Program Implementation Guidelines

- Eligibility. Communities are not eligible for offset credits unless and until they have met or exceeded the water efficiency standards of 65 rgpcd and 10% unaccounted-for water.
- Measures must be reasonably likely to achieve the required offset for the increase over baseline and the onus is on the water supplier to demonstrate this. The offset credit to be granted under this program will be calculated as followed:
 - “Hard” Offsets: 80% of credit granted must be documented true offset measures, accounted for in gallons. (See Table A)
 - “Soft” Credits: 20% of credit granted may represent measures whose results are more difficult to account for (*e.g.*, bylaws limiting lawns and impervious cover), or which primarily reduce demand on public supplies*. (See Table B)
 - 80/20 Example: If a community has exceeded their baseline by 100,000 gallons they must offset a minimum of 80,000 gallons using “true” offset techniques (outlined in Table A), and can offset the remaining 20,000 using soft credits (outlined in Table B). As any one soft credit item can account for a maximum of 5% of the total offset, the community would need to implement at least four soft credit items to achieve 20%.
- Subbasin Multiplier. For offset measures that retain or return water to the subbasin in which the increased withdrawal is occurring, increased credit will be given by using a multiplier of 1.5.
- Funding Offset Projects. Projects undertaken under the offset program can be funded through a variety of instruments that may include a Water Bank, a Stormwater Utility, rate structure, or another public or private financing mechanism. Towns may choose to fund such instruments through public and/or private mechanisms.
- Offset plans operate in 5-year blocks. Plans can be amended in consultation with DEP.

Program Oversight and Reporting

- The offset program should be overseen by a review committee and have annual reporting to ensure full effectiveness of the credited offsets.

- Offset plans must be stamped by a PE or certified by a qualified professional as being reasonably likely to achieve the required offset.
- The offset program must have an offset accounting system that is approved by the DEP .

* Conservation and water efficiency measures that reduce public water demand will help to reduce a town's use relative to its baseline, and therefore do not represent a "true offset" of increased demand. However, conservation measures that go beyond those required to bring communities into compliance with the performance standards are desirable. To provide incentive for such activities, some conservation measures, as described in Table B (*e.g.*, soil management bylaws that reduce the need for lawn irrigation) may be granted "soft credit." Note that conservation measures that affect withdrawals outside of the public water system (*e.g.* restricting private well use) may be granted "hard offset" credit, to the extent that a reasonable estimate of such savings can be quantified (see Table A).