



News for Immediate Release

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PENNVEST, DEP Announce Results of Forward Nutrient Credit Trading Auction

Next Auction Planned for September 12

Harrisburg – The Pennsylvania Infrastructure Investment Authority (PENNVEST) and the Department of Environmental Protection, along with financial information services company Markit, has held the second “forward” auction in 2012 for the sale and purchase of nutrient credits in Pennsylvania’s Chesapeake Bay watershed.

A “forward” auction means that the certified credits sold on June 13 will be delivered later and applied to the 2012-15 compliance years. The auction affords wastewater treatment plants and other regulated entities the opportunity to purchase credits to meet their nitrogen and phosphorus discharge limits for these compliance years.

“This auction continues PENNVEST’s and DEP’s commitment to help Pennsylvania meet its goal to reduce nutrient discharge in the Chesapeake Bay watershed in a cost-effective way,” PENNVEST executive director Paul Marchetti said. “The public-private partnership used in the auction process will serve the commonwealth well in its efforts to achieve this goal.”

PENNVEST hosts the auctions to encourage the trading of nutrient credits in the Susquehanna and Potomac watersheds. DEP’s nutrient credit trading program offers a cost-effective way for facilities that are subject to nitrogen and phosphorus limits to meet those limits by working with other facilities, non-point sources or both.

For its auctions, PENNVEST is supported by Markit, which provides the platform for enrollment and eligibility, auctions and registry services. Markit provides operations and infrastructure services to environmental programs worldwide.

Credits representing the annual removal of 20,000 pounds of nitrogen from the Susquehanna River watershed and the Chesapeake Bay during 2012 were sold for \$3.75 per credit. Credits representing the removal of 3,000 pounds of nitrogen in the Susquehanna River watershed during 2014 were sold for \$3.54 per credit.

PENNVEST encourages the trading of nutrient credits by acting as a clearinghouse in the credit market, entering into contracts to buy and sell credits. By participating in these transactions, PENNVEST provides market certainty to buyers and sellers,

which encourages more activity in the market. Hosting periodic auctions is one way for PENNVEST to facilitate these nutrient credit trades.

PENNVEST's next forward auction is September 12. The enrollment period for that auction is expected to begin on July 5.

For more information, visit www.pennvest.state.pa.us or call 717-783-4493.

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