**Offsets**

**Description:** Independent abatement efforts by a discharger designed to remove a certain amount of pollutant discharge from other existing sources to compensate for the discharger’s own discharge.

**Applicability:** Current knowledge indicates that offsets may only be feasible in cases where a TMDL has been established, however, toxics trading/offsets are particularly controversial when the trading occurs elsewhere in the watershed. Concerns arise from situations where criteria are exceeded in certain portions of the waterbody (i.e. “hot spots”). EPA policy does not currently support trading of pollutants considered to be persistent bioaccumulative toxics (PBTs), such as mercury. However, EPA may consider a limited number of pilot projects to obtain more information regarding trading of PBTs (e.g. The case of the Sacramento Regional County Sanitation District to meet the Sacramento River mercury TMDL). Offsets in a pre-TMDL situation will be quite challenging to justify.

**Pros:**

* Where a TMDL has been established, an existing WQBEL may be relaxed if the discharger implements appropriately structured offsets to meet their waste load allocation
* A way of achieving environmental progress by addressing NPSs of toxic pollution through, for example, additional funding of NPS projects. Currently, funding is inadequate to fully address NPSs of pollution.

**Cons:**

* Most likely does not provide WQBEL “relief” for facilities where no TMDL exists. A variance will be needed if a facility cannot comply with a revised WQS through WQBELs, intake credits, or a compliance schedule.
* Facilities will bear ultimate responsibility for implementing offset projects and monitoring to demonstrate that the project is removing a specific load of pollutant

**DEQ Recommendation:** The Department most likely has current authority to allow offsets in the context of a TMDL, however, the Department would need to make a demonstration that offsetting toxics will not create “hot spots” in areas exceeding criteria. If this demonstration is made, the Department may need to revise the Trading IMD to reflect how to implement toxics offsets, and possibly develop trading/offset rule language (still looking into this).