

Appendix K – Water Quality Trading using the WI Water Quality Trading Clearinghouse.

Last Revised: March 2026

Note to reader: This appendix is authored by the entity holding the water quality trading clearinghouse contract.

In March 2020, the Wisconsin State Legislature passed Act 151 creating a central clearinghouse to facilitate water quality trades. The Wisconsin Water Quality Trading Clearinghouse was created through an agreement with the Wisconsin Department of Administration and Wisconsin Clearinghouse, LLC.

The intent of the Wisconsin Water Quality Trading Clearinghouse is to provide an easy and user-friendly water quality trading process between wastewater discharge permit holders (credit buyers) and landowners (credit sellers) installing best management practices to prevent soil erosion and stormwater runoff. The Wisconsin Water Quality Trading Clearinghouse Manager is available to assist you with completing all the steps for water quality trading on the Clearinghouse. Please contact the Manager at admin@wiclearinghouse.org.

1.1 How to utilize the Clearinghouse if you are a credit buyer?

Step 1:

Register on the Clearinghouse website portal at wiclearinghouse.org. There are no fees to register and there is no commitment to buy credits at any time.

Step 2:

Start communications with credit sellers that are generating credits. The Clearinghouse website portal offers the ability for you to determine the price and duration of the credits during negotiations with the credit sellers. In the event there are no credit sellers available at the time of registration, the Clearinghouse will work to find credit sellers for you to trade with.

Step 3:

Upon reaching agreement with a credit seller on terms for a water quality trade, you will enter into a written 3 party agreement with the credit seller and the WI Water Quality Trading Clearinghouse. The agreement defines: the amount, cost, and duration of the credits; assurances how credits are maintained; the Clearinghouse duties to conduct annual inspections of the practices generating the credits, provide reports to your facility and seek corrective action when agreement terms have not been met.

1.2 How to utilize the Clearinghouse if you are a credit seller?

Step 1:

Select what best management practices (BMPs) will benefit your operation while reducing soil erosion and stormwater runoff. A list of BMPs can be found in Appendix H.

Step 2:

Register on the Wisconsin Water Quality Trading Clearinghouse website, wiclearinghouse.org. There are no fees to register.

Step 3:

Start communications with credit buyers who need water quality trading credits. The Clearinghouse website portal offers the ability for you to determine the price and duration of the credits during negotiations with the credit buyers. In the event there are no credit buyers available at the time of registration, the Clearinghouse will work to find credit buyers for you to trade with.

Step 4:

Once agreement is reached with a credit buyer, a Credit Verification Packet (CVP) must be developed and provided to the Clearinghouse for verification and to the WDNR for certification. Credits can only be sold after WDNR certification. Contents of the CVP shall include:

- **Location of Activity** – Landowner information; location map; map showing watershed and connectivity to perennial water.
- **Practice or Technology Used** - Describe the practice or technology to be installed; Specify month and year to be installed; Describe other management practices that may be associated with the planned practice or technology; Name the specific standard(s) the practice or technology used will follow; Describe who will be responsible for construction oversight and certification of installation; Planting Plan and/or Construction Plan
- **Maintenance Schedule** - Provide an Operations and Maintenance Plan for each practice that specifies what items will be maintained.
- **Frequency of Inspections** – Describe who is going to conduct annual inspections to ensure BMPs are functioning properly.
- **Amount of Credits Generated** - Describe model(s) used; Results of baseline conditions and planned conditions; Provide uncertainty factor used and describe why it was chosen; show credit calculations table. Use methods and protocols described in this Guidance Manual.
- **Duration of Credits** - Describe the number of years the credits will be generated.

Step 5:

Enter into a 3-party agreement with the Clearinghouse and the buyer of the phosphorus reduction credits. The agreement contains the selling price of the credits, buyer guarantee to purchase credits, years to maintain the BMP, method of guarantee the BMP will be maintained, etc.

Step 6:

Install BMPs according to plan design. Once installed, a certified individual must approve and document it was done according to plan design. Provide as-built certifications to the Clearinghouse.

1.3 Water Outcomes Marketplace

In 2025, the Clearinghouse will expand to offer water quality services to nonregulated entities. Using a similar format to the existing Clearinghouse process, the Water Outcomes Marketplace will offer targeted pollution reduction services to a wider range of potential buyers. Under the expanded marketplace format, any organization or individual may purchase pollutant reductions to further their water quality improvement efforts.

Step 1:

Register on the Clearinghouse website portal at wclearinghouse.org. There are no fees to register and there is no commitment to buy at any time.

Step 2:

Click on the Water Outcomes Marketplace Icon to enter the nonregulated entity clearinghouse portal. Evaluate where nutrient loss reductions are available for purchase. Begin communications with sellers that are registered to generate pollution reductions. The Clearinghouse website portal offers the ability for you to negotiate the price and duration of the reductions with the sellers. In the event there are no projects available at the time of registration, the Clearinghouse will work to find sellers or projects that meet your needs.

Step 3:

Upon reaching agreement with a market participant on terms for a pollution reduction project, you will enter into a written 3-party agreement with the seller and Wisconsin Clearinghouse LLC. The agreement defines: the amount, cost, and duration of the reduction; assurances regarding how projects are maintained; the Clearinghouse duties to conduct annual inspections of the practices generating the reductions, provide reports to you or your organization and seek corrective action when agreement terms have not been met.