

Maryland Pay for Success Program



Maryland
Department of
the Environment



ENVIRONMENTAL POLICY
INNOVATION
CENTER



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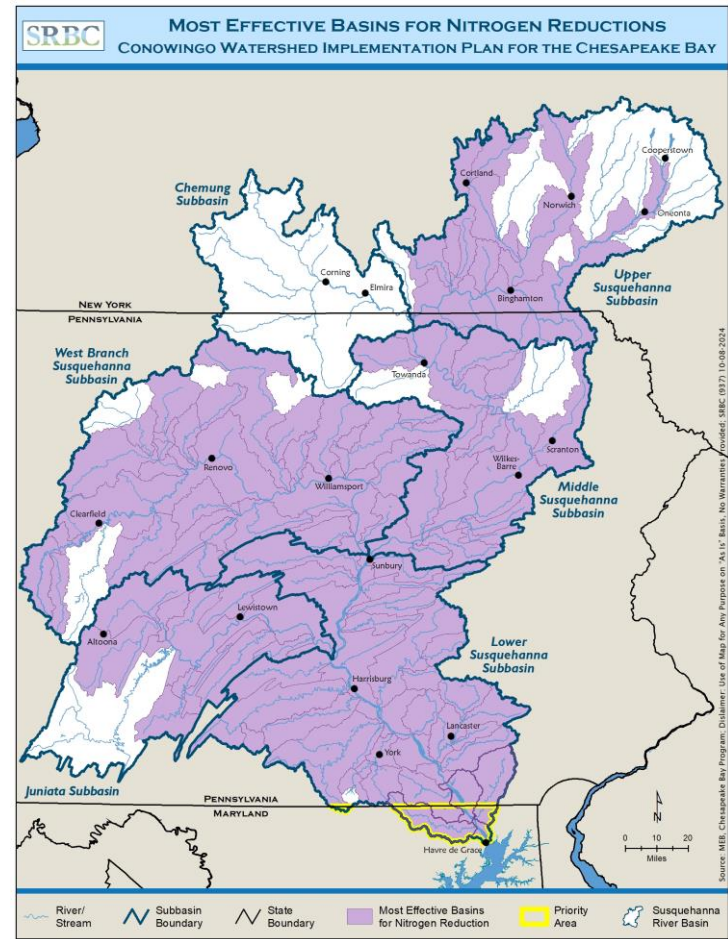
Overview/Background:

- The CWIP allocated Maryland a reduction of 180,000 lbs/year of nitrogen and 3,000 lbs/year of phosphorus coming from the Conowingo Reservoir.
- Pay-for-Success financing was authorized under MD's Conservation Finance Act and was piloted in MD's Clean Water Commerce Act.
 - For the CWIP, \$25 million was appropriated by the MD General Assembly to purchase "environmental outcomes".
- Purchasing focused on verified nitrogen reductions. Phosphorus reductions will be counted toward MD-CWIP, but not considered for project selection. Sediment credit not considered.



Evaluation

- Proposal screening based on eligibility criteria, completeness, and project viability.
- Only Bay Program approved Best Management Practices (BMPs) accepted, using the Chesapeake Assessment Scenario Tool (CAST) as the application evaluation tool.
- Projects with the lowest cost per pound of nitrogen removed are given the highest consideration.
- Projects anywhere in the Susquehanna are eligible, but priority points for projects:
 - Located in Maryland counties
 - Located in the “most effective basins”



Results from the Request for Proposals

- **Round 1 Awards (August 2024)**
 - ~\$11.3 million awarded for a N reduction of ~165,000 lbs/year (~370,000 lbs for life of projects)
 - Annualized price per pound - ~\$12
 - Practices associated with precision nutrient management (annual), and a mix structural practices (stream restoration, forest buffers / land use conversion, streamside fencing for cattle exclusion)
- **Round 2 Applicants (Awards to be announced soon)**
 - 10 proposals received from 7 organizations
 - ~\$50 million requested for a N reduction of ~93,000 lbs/year (~680,000 lbs for life of projects)
 - Practices associated with precision nutrient management (annual), and a mix structural practices (stream restoration, forest buffers / land use conversion, streamside fencing for cattle exclusion, barnyard runoff controls, manure management and treatment)
- **Projects require CWIP crediting coordination with PA/NY**

