

Topic #3:

Environmental Impacts and Offsets

Background Information

What are Environmental Impacts and Offsets?

Environmental impacts are caused by:

- (1) the construction or operation of an industrial facility or infrastructure project, or
- (2) the release of a substance into (or a disturbance to) the environment.

Environmental impacts may affect air, water, land, or living organisms, starting from where the impact originates. Impacts can be positive, negative, or neutral.



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Offsets are actions used to counteract negative environmental impacts.

Certain environmental laws require developers to carry out offset “projects” to counteract the negative environmental impacts caused by their proposed development. Offset projects need to take into account:

- **Type** – What the impact is (for example, air vs. water pollution)
- **Location** – Where the impact originates, how far the impact reaches
- **Timing** – How long the impact lasts, how often the impact is generated
- **Impacted Community** – What people or living organisms are impacted

Offsets are most effective when the project counteracts the impacts as closely as possible in Type, Location, Timing, and Impacted Community.

Offsets should be considered only after all reasonable steps are taken to avoid the negative impact.

What does the Coastal Zone Act say about Environmental Impacts and Offsets?

The Act gives an example list of environmental impacts:

- Air and water pollution
- Likely destruction of wetlands, plants, and animals
- Land erosion, drainage issues, and flood control
- Surface water and groundwater quality and quantity
- Glare, heat, noise, vibration, radiation, electromagnetic interference, odors

Conversion permit applicants must do all of the following in their application:

- Develop an Environmental Impact Statement for their proposed development
- Provide information on the environmental impacts of two scenarios:
 - Their proposed development, and
 - The most recent heavy industrial use on the site
- Compare the impacts of the two scenarios above
- Propose an offset project that both:
 - “more than offsets” the impacts of their proposed development “on an annual basis,” and
 - favors offsets that directly benefit Delaware



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Preliminary Recommendations

NOTE: The information below is only an overview of the Committee's preliminary recommendations. For the full text of the recommendations, please see the Preliminary Recommendations Packet.

What did the Regulatory Advisory Committee recommend?



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The Act states that conversion permit applicants must provide information on the environmental impacts of the most recent heavy industrial use on the site to be developed. This type of information may be difficult to locate for some of the 14 heavy industry use sites.

Because of this, the Committee recommended that DNREC produce a report of the current use and existing environmental conditions, impacts, and risks of all 14 heavy industry use sites. The Committee noted this would put all conversion permit applicants on an “even playing field” for reporting impacts. The Committee recommended that applicants be allowed to provide information in addition to what is in the DNREC report.

Regarding offsets, the Committee made the preliminary recommendation that offset projects should:

- Address both one-time impacts and impacts over the duration of the permit
- Benefit Delaware and that local impacts should be offset locally
- Be located as close to the project site as possible
- Match offsets and impacts as closely as possible in Type, Location, Timing, and Impacted Community
- Only address impacts that the applicant is not able to first avoid or minimize



Photo by Susan Love, DNREC

How did the Committee come up with its preliminary recommendations?

In August 2018, the Regulatory Advisory Committee formed a Work Group of Delaware experts with experience in environmental impacts and offsets, who outlined options for the Committee to consider. The Committee deliberated these options over three meetings and made preliminary recommendations in January 2019.

The Committee also recommended a step-by-step process that a conversion permit applicant should follow to determine an appropriate offset project. This process outlines the types of offset projects an applicant must attempt if they cannot match impacts and offsets in Type, Location, Timing, or Impacted Community. For specifics on this process, see the Preliminary Recommendations Packet.

For the full set of the Committee's preliminary recommendations on environmental impacts and offsets, please see the Preliminary Recommendations Packet.