

**COASTAL ZONE CONVERSION PERMIT ACT
OFFSETS WORK GROUP MEETING #1
SEPTEMBER 11, 2018
MEETING SUMMARY**

MEETING IN BRIEF

The meeting covered: 1) an introduction to the statute regarding offsets, 2) a review of the existing CZA and Air Quality offsets programs at DNREC, 3) discussion of the scope of issues to cover, and 4) next steps. Presentations and background can be found at the DNREC Work Groups webpage at: de.gov/czcpaworkgroups.

SUMMARY OF KEY POINTS

DNREC noted that the group is not bound to the existing offset program under the existing CZA and may design an entirely different approach for conversion permits. The initial presentations on current programs generally noted:

- The current air quality process for NOX and VOCs is long and well developed, complex, across states and regions, and very specific to these pollutants. Any “new source” permit is already required to offset more than 1 to 1 for its emissions depending on the severity of the area where the emissions occur (up to 1.5 to 1). Permittees that do not pass a certain annual threshold of emissions are not subject to the offset under the CAA but would still be required to do offsets under a CZA permit.
- The current DNREC CZA offsets program is state-only, long-standing, flexible, and not nearly as formalized, specified, or detailed as the air quality offset program. While it has produced creative, community-based projects in some cases, it could be significantly improved.

In discussion the scope and existing programs, the members raised the following comments and questions for further discussion:

- Build off of and do not recreate existing off-set programs.
- How the scale of a Conversion Permit might affect the current limited credits available through the DE Small Business (i.e., a large application would quickly use up all the existing credits)?
- Credit banking, including how it work and would it allow trades from the existing CZA permit credits that individual firms may hold?
- How to enforce, track and monitor “annual” commitments?
- “Net” environmental impact and how that is defined related to what “remains” to be offset.
- Role of and participation by communities in offset development.
- Social determinants of health as a way to consider offsets more broadly.
- Are we offsetting emissions or the impacts of those emissions?
- How does this group interface with the Environmental Work Group?
- How does remediation compete, on-going, or needed fit into offsets?
- Are we going to require offsetting CO2?

A few key clarifications were made:

- The Conversion Permit is intended to “offset” what otherwise isn’t taken care of through other programs (i.e, “net” environmental impacts and their offsets) – that is, what’s left after all other permit responsibilities are met.

- The CZA is intended to broadly offset and address all kinds of environmental impacts, many without any programs or rules.
- Some permits allow a certain degree of emissions or degradation but the CZA requires that those, even if permitted, need to be offset.

Next steps include IEC, the technical consultant, bringing forward options under various issues named in the scoping paper distributed the meeting. The next Offset Work Group meeting is: **Tuesday, September 25, 9:00am to 12:00pm, location TBD**. Members should forward any initial ideas to IEC through Bob within one week.

APPENDIX A: PARTICIPANT LIST

Work Group member attendance

Name	Affiliation
Jeremy Ashe	DNREC Division of Fish & Wildlife
Matt Brill	Self
Gene Donaldson	DelDOT
Tom Godlewski	Delaware City Refinery/PBF Energy
Simeon Hahn	NOAA Office of Response and Restoration
Doug Janiec	Sovereign Consulting
Todd Keyser	DNREC Division of Waste and Hazardous Substances
Rita Landgraf	University of Delaware, College of Health Sciences
Susan Love	DNREC Division of Climate, Coastal, & Energy
Ellie Mortazavi	New Castle County, Department of Public Works
Bob Palmer	DNREC Division of Watershed Stewardship
Mark Prettyman	DNREC Division of Air Quality
Peggy Schultz	League of Women Voters
Derrick Schweitzer	Croda, Inc.
Ping Wang	DNREC Division of Water
Martin Willis	Self

Others in attendance

Name	Affiliation
Michael Donlan	Industrial Economics (staff)
Patrick Field	Consensus Building Institute (staff)
Ronald Handy	Boys & Girls Club of Delaware / CZCPA RAC Member
Judith Jordan	DNREC Division of Climate, Coastal, & Energy
Bob Scarborough	DNREC Division of Climate, Coastal, & Energy (staff)