CLEAN WATER COMMERCE ACCOUNT
FOR ENVIRONMENTAL OUTCOMES
SOLICITATION INSTRUCTIONS AND SCORING SYSTEM

Overview:

In accordance with the Maryland Clean Water Commerce Act of 2021 (the Act), which authorizes the use of the Bay Restoration Fund to purchase environmental outcomes (nitrogen load reductions that can directly measured or modeled using the Chesapeake Bay Program Models), the Maryland Department of the Environment (MDE) is requesting proposals to sell environmental outcomes achieved through environmental practices.

The Act provides $20 million a year for purchasing environmental outcomes, with the goal of improving the health of Maryland's waterways in a cost-effective manner. If a proposal is accepted by MDE, the reductions and price will be specified in an agreement between the selected entity and MDE. The agreement will specify the duration of the contract, which may be between 10 and 20 years. MDE intends to enter into multiple contracts. Each application must specify the environmental practice source for which it is being considered.

Environmental practice sources, as specified in the Act, with dedicated funding carve-out level, are:

- *Agricultural practices* as defined as "a best management practice that is approved by the Chesapeake Bay Program Partnership and implemented on land or water that is used for the production or processing of an agricultural crop. Agricultural practice includes agricultural, horticultural, silvicultural, and aquacultural operations." (35% of funding; $7M)
- *Nonagricultural landscape restoration projects* as defined as "a project that is installed on nonagricultural and has an intended lifespan of at least 10 years and provides environmental outcomes. Nonagricultural landscape restoration projects include a project that returns land to native or natural land cover, such as afforestation or reforestation projects." (10% of funding; $2M)
- *Projects*, including stormwater management and green infrastructure projects, established *in communities disproportionately burdened by environmental harms or risks* as identified by a Socioeconomic Score (Distribution Across Maryland) of 80 or higher using MDE's Environmental Justice Tracking Tool (20% of funding; $4M) ***These projects can be from an agricultural or nonagricultural source.*
- *Any environmental practice source*, including any of the preceding sources (remaining funds)

Evaluation and Selection Process:

All proposals will be scored using the scoring system below. Each environmental practice source (agricultural, disproportionately burdened communities, nonagricultural landscape) will be separately ranked based on the within the source category based on the scores received using the scoring system. Any proposal that is not selected for the environmental practice source carve-out funding will be considered for the remaining funding available for any environmental practice source using the scoring system. Proposals will be selected based on their ranking using the Total Score received.

Maximum of 100 points

Cost-effectiveness of Nitrogen Reductions (Maximum of 60 points)

1. Maximum of 60 points for the quintile of proposals with the lowest price per pound of nitrogen, 45 for the second lowest price quintile, 30 for the third lowest price quintile, and 15 for the fourth lowest quintile, and 0 for the most expensive per pound quintile

Co-benefits (Maximum of 40 points)

Co-benefits for each project can be received for all of the below categories, based on the applicant selecting the co-benefit in the application form and providing explanation and/or documentation to substantiate the selection.

2. 10 points for enhancing the mitigation of and/or resilience to the effects of climate change, including one or more of the items included on the application form.
3. 10 points for alleviating the environmental harms and risks borne by communities disproportionately burdened by environmental harms and risks as identified by a score of 80 or higher in at least one census tract using MDE's Environmental Justice Tracking Tool.
4. 10 points for contributing toward the attainment of local water quality standards, including one of the items included on the application form.
5. Phosphorous or sediment load reductions that can be counted toward the State's pollution reduction requirements under the Chesapeake Bay TMDL
    a. Maximum of 5 points for the quintile of proposals which reduce the most phosphorus, 4 points for the second highest reduction quintile, 3 points for the third highest reduction quintile, 2 points for the fourth highest quintile, and 1 for the quintile of applications with the least phosphorus reductions.
    b. Maximum of 5 points for the quintile of proposals which reduce the most sediment, 4 points for the second highest reduction quintile, 3 points for the third highest reduction quintile, 2 points for the fourth highest quintile, and 1 for the quintile of applications with the least sediment reductions.
6. 10 points for inclusion of natural filter practices as defined in 8-701 of the Agricultural Article, or agricultural ditch management practices as defined by the Chesapeake Bay Program.

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ATTACHMENT A – ELIGIBILITY DETERMINATION
(Completed by the Department)

After the applicants submit their proposals, the Department will use this form to determine the amount of Pounds/Year eligible to be purchased based on the Delivery Factor, and other factors included in the CWCA Solicitation Instructions and Application Form. Payments for the reductions will be made annually based on the environmental practice performance and the actual annual reductions reported by the applicant and verified by the Department for the prior calendar year.

Environmental Project Name:

_____

Environmental Project Location:

_____

	Units/Year		Delivery Factor	Units/Year Delivered	Price per Unit/Year	Total Price/Year
Nitrogen Reduction		Lbs/yr				

Total Price per Year: _____

Number of years of accepted useful life of the Practice: _____

Total Contract Price (Up to): _____