

# Conowingo Pay for Success

## Susquehanna River Basin Commission



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# Pre-Proposal Webinar

## October 23<sup>rd</sup> 2023



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# Timeline:

Dissemination of Preliminary Information	9/14/2023
Dissemination of RFP	10/16/2023
Pre-Proposal Webinar	10/23/2023
<b>Submit Questions via Application Website</b>	<b>10/31/2023 by 4PM EST</b>
Response to Questions	11/6/2023
<b>Proposals Submitted via Application Website</b>	<b>12/20/2023 by 4 PM EST</b>
Proposals Selected and Awardee Notified	2/5/2024
Anticipated Contract Start Date	No later than 3/15/2024



# Background:

Maryland's load for CWIP allocates a reduction of 0.18 M lbs/year of nitrogen and .003 M lbs/year of phosphorus coming from the Conowingo Reservoir.

Pay for Success financing is authorized under MD's Conservation Finance Act and was piloted in MD's Clean Water Commerce Act. The process is a "reverse auction" where proposed restoration projects with measured and validated nitrogen reductions will propose a cost/lb reduction in the application process.

\$25 million was appropriated by the MD General Assembly to purchase "environmental outcomes" using the pay for performance/success procurement strategy

The Susquehanna River Basin Commission is administering the financing and related procurement process for MD's CWIP Implementation.

The Environmental Policy Innovation Center is providing technical guidance.



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# Overview:

**\$25 million total funding.** We expect to distribute at least \$10 million to awardees in this round, but more can be awarded pending receipt of attractive proposals and costs.

**Purchase of verified nitrogen.** Phosphorus reductions will be counted toward MD-CWIP, but not considered for project selection

**Bay Program Approved Best Management Practices** are accepted.

**Susquehanna Watershed.** Projects located anywhere in the watershed are eligible. Certain locations will be given priority.

# Proposal Requirements

Project Information

Project Description (including Cover Sheet)

Payment Schedule

Certifications

Submission



# Project Description

- a. Upload Cover Sheet (Appendix B of RFP)
- b. Summary description of the Project.
- c. Location and Project Site Details (Upload)
- d. Load Reports from CAST (Upload)
- e. Proposed verification plan
- f. Implementation timeline and details

# Payment Information and Schedule

Applicants will include a schedule describing how much funding they will request each year and the total amount of funding requested to cover all costs. These rates must be tied to **verified pounds of nitrogen** being prevented each year. No funds will be provided until outcomes have been produced and verified. **Rates should be inclusive of all costs** including fringe benefits, overhead and fee/profit. Payments are not to exceed 20 years.

**For example:** A project that prevents 10 pounds of nitrogen per year beginning in year 3 has a 10 year expected life, and is selling credits at \$10/pound would list \$100 for each of the years 2026 through 2035.



# Certifications and Proposal Submission

The Application requires certification of four statements.

An electronic proposal, inclusive of all requested information and supporting documents, must be submitted via Amplifund:

<https://mdw.srbc.net//conowingo-watershed-implementation-plan/>



# Proposal Evaluation

SRBC will screen proposals based on eligibility criteria, completeness, and project viability. The SRBC reserves the right to reject any proposal based on a nitrogen reduction at a cost deemed too high, where the verification of the reduction or nature of the project would be too uncertain, or the lack of available funding for the total project cost. All eligible and complete proposals will then be evaluated based on the following:



# Application Success: Cost-Effectiveness

The most cost-effective proposals with the lowest cost per pound of nitrogen removed will be given the highest consideration.

Specifically, the proposal with the lowest cost per pound of nitrogen will receive the maximum points (50 pts) and the Commission will award points in this criterion to other proposals based on how their cost per pound of nitrogen compares to the lowest cost proposal.



# Application Success: Location

Projects located anywhere in the Susquehanna watershed are eligible.

*However.....*

Projects located in the Susquehanna Watershed **within the Maryland counties** of Harford and Cecil will be given additional consideration **(20 pts)**.

Projects in the watersheds of **Deer Creek, Conowingo Creek, or Octoraro Creek in Pennsylvania** are given will receive additional points **(10 pts)**

Those in the **most effective basins** developed by the Conowingo Watershed Implementation Plan are given additional points as well **(10 pts)**.



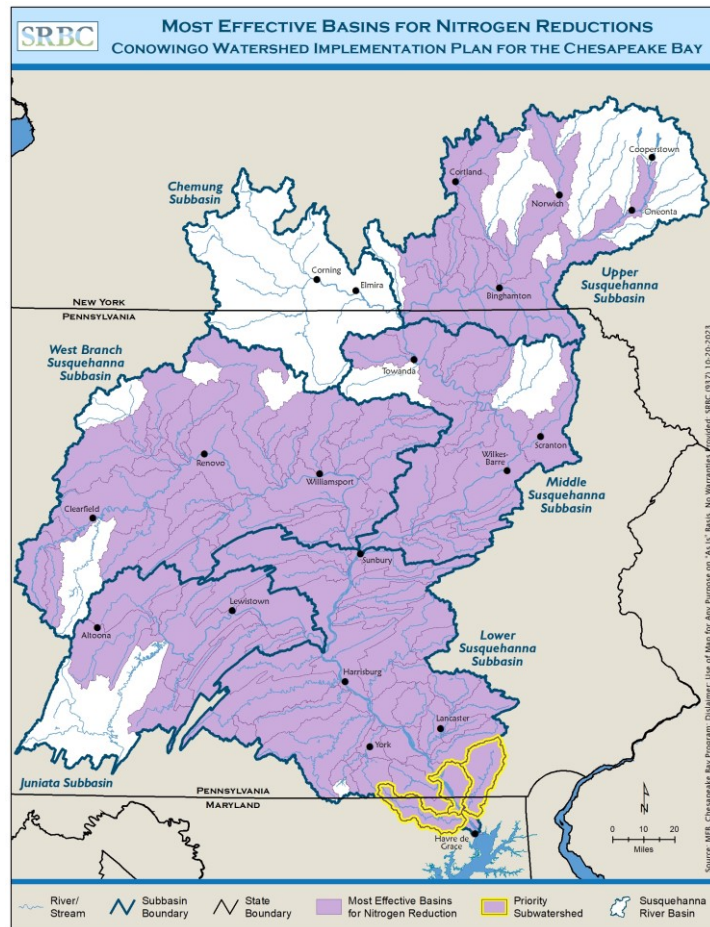
# Application Success: Location

## Clarification of the RFP for assignment of points for location:

Projects located in Maryland portion of the Susquehanna watershed and Projects located the watersheds of Deer Creek, Conowingo Creek, or Octoraro Creek in Pennsylvania are also eligible to receive the points for being located in a most effective basin developed by the CWIP planning committee and as shown on the attached map.



# Application Success: Location



# Application Success: Other factors

Proposals involving **dredging** will be given additional consideration (**10 pts.**)

Any project that produces the overwhelming majority of its nitrogen reductions by directly removing sediment and debris from the Conowingo Reservoir would receive these points.



# Application Success: Bay Program Approved BMPs

Load reductions will be **quantified** using the Chesapeake Assessment Scenario Tool (CAST) and **verified** using the Chesapeake Bay Program's Best Management Verification Guidance.

CAST:

<https://cast.chesapeakebay.net/>

BMP Verification Guidance:

<https://www.chesapeakebay.net/what/programs/bmp-verification/sector-verification-guidance>





# Process if Selected

Successful projects will enter into a **Pay For Success Contract** with the SRBC, which is attached as Appendix A to the RFP.

After the Contract is fully executed, the SRBC will present the Contract and an invoice to MDE for the full Award Amount of the Contract. Once MDE distributes the total funds to SRBC to pay for the **verifiable environmental outcomes** associated with the Contract, the SRBC will issue a **Notice to Proceed** authorizing work to begin.

No work or activity may be undertaken until the Notice to Proceed is issued and the Contractor will be proceeding at their own risk prior to receiving the Notice to Proceed.

# Application

Available October 24<sup>th</sup>:

<https://mdw.srbc.net/conowingo-watershed-implementation-plan/>



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## Conowingo Watershed Implementation Plan - RFP for Verified Nutrient Reductions

Susquehanna River Basin Commission

Webinar - October 23, 2023 1:00 pm to 2:00 pm

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## Conowingo Watershed Implementation Plan - RFP for Verified Nutrient Reductions

**Event:** Conowingo Watershed Implementation Plan RFP Webinar

**Date:** Monday, October 23, 2023 from 1:00 pm to 2:00 pm

**Where:** Zoom Virtual Meeting Platform

**Presentation Topics:**

### Topic 1

Overview of the request for proposals for verified nutrient reductions and the Pay for Success Program

### Topic 2

Introduction to the AmpliFund application process.

Application will be open on 10/24 after the webinar!

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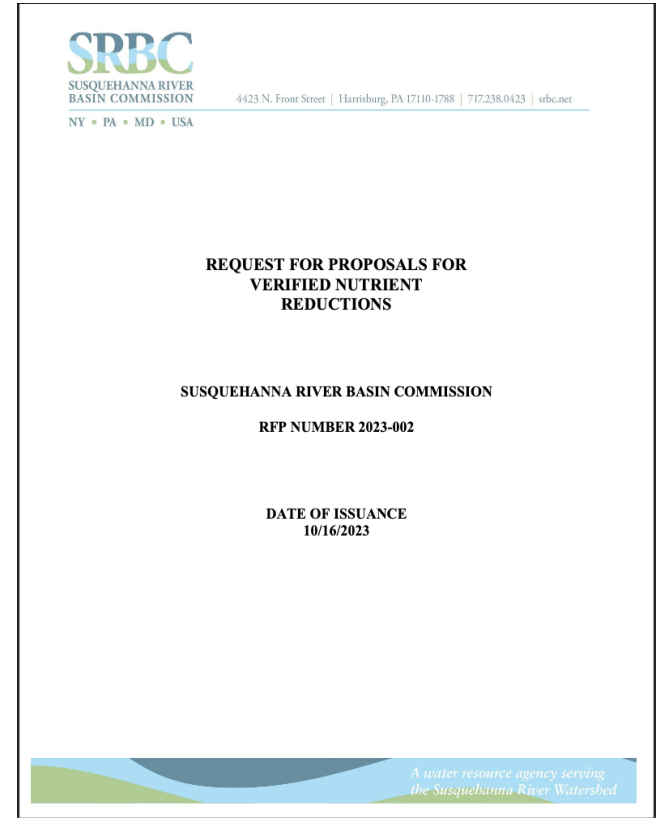
# Request For Proposal

[mdw.srbc.net/conowingo-watershed-implementation-plan](https://mdw.srbc.net/conowingo-watershed-implementation-plan)

Deadline: 12/20/23 4:00pm  
EST



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# Questions?

*Additional questions may be submitted to: [ConowingoWIP@srbc.gov](mailto:ConowingoWIP@srbc.gov)*

*A written response to all questions will be distributed by 11/6/23*



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