

Maryland's Conowingo Pay for Success Program

The State of Maryland is providing over \$20 million to purchase water quality outcomes to meet the nutrient reduction goals of the Conowingo Watershed Implementation Plan. The funds will be administered by the Susquehanna River Basin Commission and will target projects that reduce nutrient loads entering the Chesapeake Bay.

The Basics of the Chesapeake's Newest Pay for Success Program:

- Cost-Effective Nitrogen Reductions:
 - Maryland is seeking the most cost-effective reductions of nitrogen entering waterways that lead to the Susquehanna River, which provides 55% of the Chesapeake Bay's freshwater. Projects will be quantified using the <u>Chesapeake Assessment Scenario Tool</u> (CAST) and verified using the Chesapeake Bay Program's <u>Best Management Verification Guidance</u>. Cost-effective proposals involving dredging are specifically encouraged to apply.
- The Susquehanna Watershed:
 - Projects located anywhere in the Susquehanna watershed are eligible. Those in the <u>most effective basins</u> developed by the <u>Conowingo Watershed Implementation Plan</u>, in Harford and Cecil Counties of Maryland, and/or in the sub-watersheds of Deer Creek, Conowingo Creek, or Octoraro Creek in Pennsylvania will all receive additional prioritization.
- Proposals due December:
 - A formal request for proposals is expected to be released in October with a December due date. If interested in learning more, you can join the RFP mailing list and register for a webinar at mdw.srbc.net/conowingo-watershed-implementation-plan.
- Groundbreaking:
 - Pay for Success contracting, allowed under Maryland's <u>Conservation Finance Act</u>, is a proven method of procuring verified environmental outcomes more cost-effectively. The Conservation Finance Act also creates a framework for Maryland–with other states' support-to finance projects upstream and be able to count those nutrient reductions against its obligations. This program will be the *first known example* of one state purchasing environmental outcomes produced in another.





