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Understanding Point Source Cost Structure and Willingness to Pay for Water Quality Trading

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Understanding Point Source Cost Structure and Willingness to Pay for Water Quality Trading

Andrew McLaughlin, MS Research Assistant, Wuyang Hu, Associate Professor

Objectives

1. Understand methods point sources plan to implement to meet new requirements
2. Learn Current and historic costs for controlling water quality in the Kentucky River
3. Assess Willingness To Pay for credits from a Point Source perspective

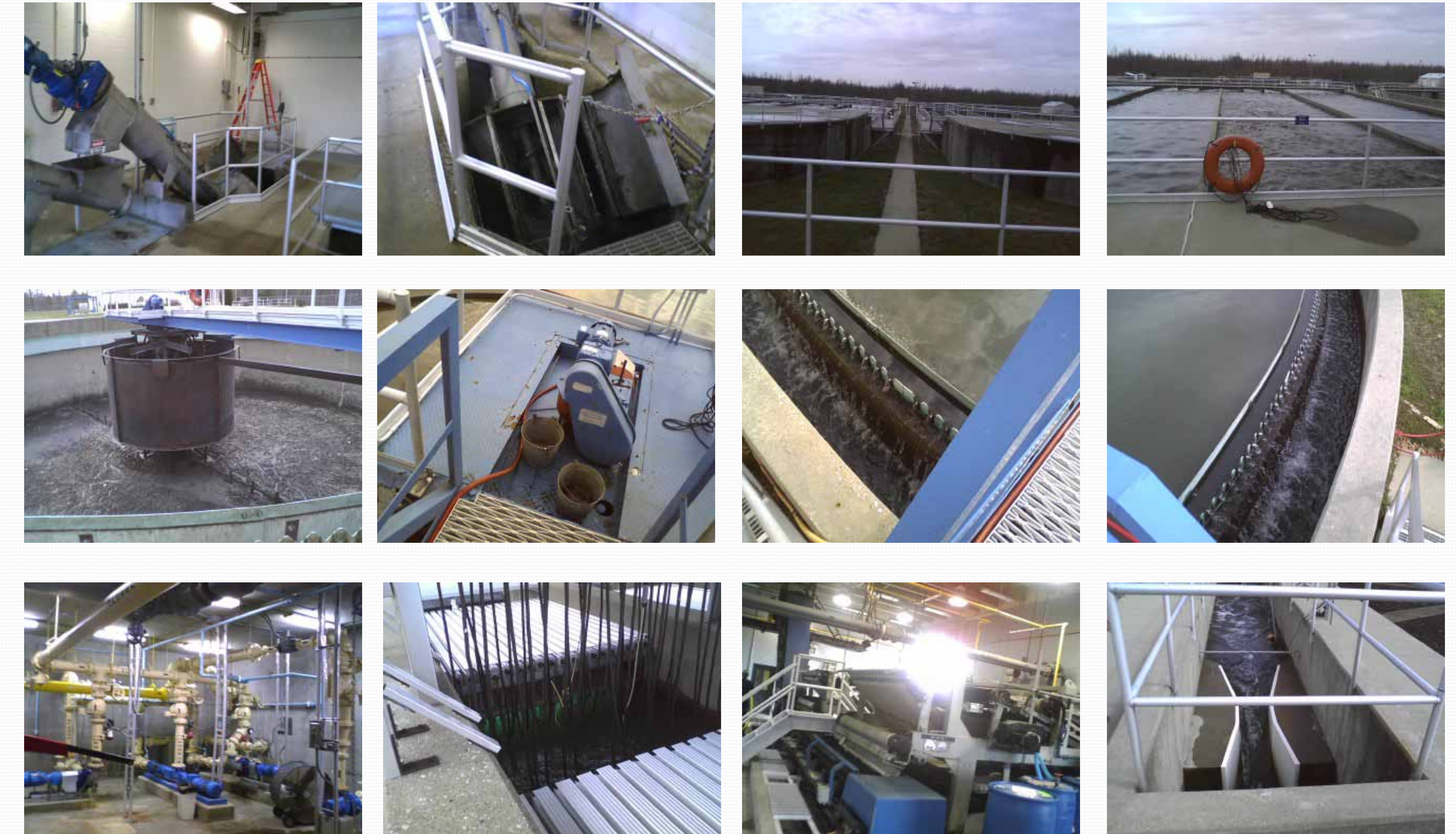
Background

1. The National Pollutant Discharge Elimination System is establishing a permit program to limit the amount of pollutants in wastewater
2. Program will be overseen by the Kentucky Department of Water
3. Market is made of Buyers (over-polluters) and Sellers (under-polluters)
4. Driving force of the market: Failure to meet requirements for Total Maximum Daily Load



Hypoxia

- Excess nutrients (Phosphorous and Nitrogen) promote algae growth
- When algae decays, oxygen is depleted, creating a hypoxic zone



Data Collection

- In-Person interviews were conducted with operators of waste water treatment facilities
- Contact information was provided by the Kentucky Department of Water

**Results: Survey is in the final stages of completion.
Results will go HERE, before AAEA.**