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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 112 Session of  
2009

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INTRODUCED BY PERRY, BAKER, CAUSER, CUTLER, FAIRCHILD, FLECK,  
GRELL, GROVE, HELM, HENNESSEY, KAUFFMAN, M. KELLER, MILLER,  
MOUL, ROCK, STERN, SWANGER, TRUE, WATSON, PICKETT, HUTCHINSON  
AND BARRAR, JANUARY 30, 2009

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
JANUARY 30, 2009

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AN ACT

1 Establishing the Nutrient Reduction Credit Trading Program, the  
2 Nutrient Reduction Credit Trading Program Board and the  
3 Chesapeake Bay Advisory Council; and providing for their  
4 powers and duties and for improving energy efficiency in  
5 agricultural operations.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Chesapeake  
10 Bay Watershed Nutrient Reduction and Credit Trading Act.

11 Section 2. Legislative findings.

12 The General Assembly finds that:

13 (1) The Chesapeake Bay and its tributaries are an  
14 important natural resource. The Chesapeake Bay watershed  
15 encompasses more than 14,000,000 acres within this  
16 Commonwealth which represents 35% of the total area of the  
17 watershed.

18 (2) The Commonwealth is a party, along with Maryland,

1 Virginia, Washington, D.C., the Chesapeake Bay Commission and  
2 the United States Environmental Protection Agency, to the  
3 Chesapeake Bay Program, whose duty it is to restore the  
4 environmental integrity of the Chesapeake Bay.

5 (3) The Commonwealth has entered into several multistate  
6 agreements, most recently in 2000, to set standards and goals  
7 to curtail nutrient and sediment pollution into the  
8 Chesapeake Bay from various sources in this Commonwealth.

9 (4) Many of these standards were based on the Federal  
10 Water Pollution Control Act (62 Stat. 1155, 33 U.S.C. § 1251  
11 et seq.) requirements necessary to remove the Chesapeake Bay  
12 from the Federal list of "impaired" waters and to avoid the  
13 United States Environmental Protection Agency's development  
14 of a total maximum daily load for the Chesapeake Bay.

15 (5) The 2000 Bay Agreement resulted in the preparation  
16 of the Pennsylvania Chesapeake Bay Tributary Strategy by the  
17 Department of Environmental Protection. This document  
18 released in 2005 sets standards and goals for nutrient and  
19 sediment reduction from Pennsylvania point and nonpoint  
20 sources.

21 (6) The Chesapeake Bay Tributary Strategy was further  
22 refined in 2006, to include a nutrient credit trading program  
23 and a phased approach for point source dischargers to meet  
24 nutrient reduction goals.

25 (7) Proactive steps can be taken to control nutrient and  
26 sediment runoff from agricultural operations, however, a  
27 series of financial incentives will be necessary to engage  
28 farmers in nutrient reduction techniques and methods.

29 (8) The existing Nutrient Credit Trading Program  
30 established by the Pennsylvania Department of Environmental

1 Protection is not sufficient to meet the needs of wastewater  
2 treatment facility operators and farmers, and it is not  
3 generating the credits needed to allow for future economic  
4 development.

5 (9) There is a need to ensure the implementation and  
6 availability of a viable nutrient credit trading program to  
7 serve as an alternative to wastewater treatment plant  
8 upgrades and to allow for continuing economic growth and  
9 development within the Commonwealth's portion of the bay  
10 watershed.

11 (10) Additional accountability and oversight is  
12 necessary to ensure the methods used to attain the standards  
13 and goals are implemented in a fair and cost-effective manner  
14 so that meeting the strategy standards and goals does not  
15 place an unrealistic financial burden on Commonwealth  
16 taxpayers and does not inhibit economic growth and  
17 development by limiting future wastewater capacity.

18 Section 3. Definitions.

19 The following words and phrases when used in this act shall  
20 have the meanings given to them in this section unless the  
21 context clearly indicates otherwise:

22 "Applicant." A municipality or municipal authority.

23 "Authority." The Pennsylvania Infrastructure Investment  
24 Authority.

25 "Best management practice." A practice or combination of  
26 practices recognized as effective and practical in the  
27 management or reduction of nutrients or sediment to protect  
28 surface water or groundwater, considering technological,  
29 economic and institutional factors.

30 "Board." The Nutrient Reduction Credit Trading Program Board

1 established in section 5.

2 "Chesapeake Bay tributary strategy." A state-specific plan  
3 outlining a combination of actions that can be utilized to  
4 address nutrient reductions entering the Chesapeake Bay and its  
5 tributaries from various sources.

6 "Department." The Department of Environmental Protection of  
7 the Commonwealth.

8 "Municipal authority." A public authority established under  
9 53 Pa.C.S. Ch. 56 (relating to municipal authorities) or the  
10 former act of May 2, 1945 (P.L.382, No.164), known as the  
11 Municipality Authorities Act of 1945, which supplies water or  
12 provides wastewater services to the public for a fee.

13 "NPDES." The National Pollutant Discharge Elimination  
14 System.

15 "Nutrient reduction credit." The unit of compliance that  
16 corresponds with a pound of reduction of discharge of nitrogen,  
17 phosphorus or sediment to the Chesapeake Bay watershed as  
18 recognized by the Nutrient Reduction Credit Trading Program  
19 Board.

20 "Nutrient Reduction Credit Trading Program." A program  
21 designed to improve water quality using public and private  
22 market mechanisms and which permits entities exceeding certain  
23 statutory and regulatory requirements to generate credits for  
24 nutrient reduction strategies that can be purchased and used by  
25 other entities to produce nutrient reductions and to meet  
26 regulatory requirements.

27 "Nutrient reduction project." A project undertaken by a  
28 publicly owned wastewater treatment plant to remove either  
29 nitrogen or phosphorous during the treatment process to meet  
30 nutrient reduction goals established to reduce the levels of

1 these nutrients that enter the Chesapeake Bay and its  
2 tributaries.

3 "Wastewater treatment facility." A facility designed and  
4 operated for the sole purpose of treating wastewater for  
5 discharge into the environment. The term includes a wastewater  
6 treatment plant and any part thereof, including an expansion,  
7 addition and modification to an existing wastewater treatment  
8 facility.

9 Section 4. Phase-in schedule.

10 (a) Establishment.--The department shall establish a  
11 multiphased nutrient reduction compliance schedule for  
12 wastewater treatment facilities required to reduce nutrient  
13 levels within the Chesapeake Bay watershed.

14 (b) Procedures and requirements.--

15 (1) The department shall, at a minimum, develop a  
16 program for wastewater treatment facilities to reduce  
17 nutrient levels within the Chesapeake Bay watershed in the  
18 following manner:

19 (i) All plants identified by the department with  
20 flows over 400,000 gallons per day which are not  
21 presently under annual nutrient load limits as part of  
22 their operating permit shall be given annual nutrient  
23 load limits based upon an average of 6 mg/l of total  
24 nitrogen and 0.8mg/l of total phosphorous at the annual  
25 average design flow of each wastewater facility.

26 (ii) In an effort to achieve nutrient reduction  
27 compliance levels, a three-tiered compliance schedule  
28 shall be used. The department shall place each wastewater  
29 treatment plant in one of three tiers to ensure all  
30 facilities will be deemed in compliance over a seven-year

1 period beginning with permits issued on or after July 1,  
2 2008, and ending June 31, 2015.

3 (2) Nothing in this subsection shall be construed to  
4 prohibit the right of appeal to NPDES permit conditions by a  
5 permittee.

6 (c) New construction.--

7 (1) A new wastewater treatment facility at which  
8 construction commenced on or after January 1, 2008, shall  
9 meet nutrient load limits based upon an average of 4 mg/l  
10 total nitrogen and 0.3 mg/l total phosphorus at the annual  
11 average design flow. A new system constructed to the limits  
12 in this section shall make a one-time monetary assessment to  
13 the nutrient reduction credit bank identified under section  
14 8(d)(3). The assessment contribution shall be determined by  
15 the Nutrient Reduction Credit Trading Program Board  
16 established under section 8(b). The assessment shall, at a  
17 minimum, be based upon the difference in treatment level  
18 between 4 mg/l of nitrogen and 0.3 mg/l of phosphorus and the  
19 zero net discharge limit applied to new facilities through  
20 the department under the strategy.

21 (2) The purchase of nutrient credits shall be recognized  
22 as an alternative method to meet the zero net discharge limit  
23 applied to new facilities that do not meet the criteria in  
24 paragraph (1). The purchase of nutrient credits shall also be  
25 recognized as an alternative method to meet the zero net  
26 discharge limit applied to expansion of existing plants.

27 (3) In the event of an addition, expansion or  
28 modification to a wastewater facility, the mass discharge  
29 limits contained in this subsection shall apply only to the  
30 increase in the annual average design flow, resulting from

1 the addition, expansion or modification.

2 Section 5. Nutrient Reduction Credit Trading Program.

3 (a) Establishment.--The department shall establish the  
4 Nutrient Reduction Credit Trading Program for the Chesapeake Bay  
5 watershed and shall administer it in accordance with this  
6 section.

7 (b) Program board.--

8 (1) The Nutrient Reduction Credit Trading Program Board  
9 is established. The purpose of the board shall be to manage  
10 and provide oversight to the Nutrient Reduction Credit  
11 Trading Program.

12 (2) The board shall consist of:

13 (i) The Secretary of Environmental Protection, or a  
14 designee.

15 (ii) The Secretary of Agriculture, or a designee.

16 (iii) The Executive Director of the authority, or a  
17 designee.

18 (iv) One representative from county conservation  
19 districts appointed by the State Conservation Commission.

20 (v) One representative from municipal authorities  
21 representing wastewater treatment facilities chosen by  
22 the Pennsylvania Municipal Authorities Association.

23 (vi) One representative of the housing industry  
24 chosen by the Pennsylvania Builders Association.

25 (vii) One water quality engineer appointed by the  
26 chairman of the Joint Legislative Air and Water Pollution  
27 Control and Conservation Committee.

28 (viii) One representative from the agricultural  
29 sector appointed by the Secretary of Agriculture.

30 (ix) One representative from an environmental

1 organization representing an environmental organization  
2 related to the Chesapeake Bay appointed by the Secretary  
3 of Environmental Protection.

4 (x) Three representatives of local government, one  
5 representing boroughs, one representing townships and one  
6 representing cities. These representatives shall be  
7 chosen by their respective Statewide organizations.

8 (xi) One representative from the Pennsylvania  
9 delegation to the Chesapeake Bay Commission appointed by  
10 members of the Pennsylvania delegation to the commission.

11 (xii) One representative from the United States  
12 Department of Agriculture Natural Resources Conservation  
13 Service appointed by the service's State conservationist  
14 for Pennsylvania.

15 (c) Chairperson.--The board shall elect a chairperson from  
16 among its members.

17 (d) Powers and duties.--The board will adopt policies and  
18 implement programs necessary to manage the Nutrient Reduction  
19 Credit Trading Program for the Chesapeake Bay watershed. The  
20 board shall have the following specific duties and  
21 responsibilities:

22 (1) To establish procedures and requirements relating to  
23 applications for credits and the process by which  
24 applications shall be reviewed consistent with the following:

25 (i) Applications shall be reviewed for completeness,  
26 technical acceptability and consistency with regulatory  
27 and legal requirements.

28 (ii) The board shall make a determination on an  
29 application to generate credits within 60 days after  
30 receipt of a complete application.

1 (iii) The board shall post credit application  
2 requirements and review procedures on the publicly  
3 accessible Internet website of the authority.

4 (iv) Prior to a determination on an application to  
5 generate credits, the board shall verify that the  
6 relevant regulatory and legal requirements have been met  
7 by the applicant. The board shall establish a process to  
8 verify nutrient and sediment reductions after approval of  
9 an application.

10 (2) To develop a method to calculate nutrient reduction  
11 credits consistent with the following:

12 (i) The credits shall be measured in terms that  
13 correspond to a unit of compliance and a time period.

14 (ii) The board shall, by regulation, establish  
15 procedures and methodologies by which credits will be  
16 calculated. The procedures and methodologies may have  
17 general applicability or they may be specific to a  
18 particular watershed, as determined by regulation.

19 (iii) The board shall ensure that credits shall not  
20 be generated from the purchase and idling of whole or  
21 substantial portions of farms to provide credits for use  
22 offsite. Credits may be generated when converting one  
23 land use to another, as provided by regulation.

24 (3) To create a registry of credits that have been  
25 approved and that are available for sale. The board shall  
26 track and verify the disposition of credits registered under  
27 this section.

28 (4) To permit credits approved and registered under this  
29 section to be used to meet the requirements of permits  
30 administered by the department, including National Pollutant

1 Discharge Elimination System (NPDES) permits required under  
2 the Federal Water Pollution Control Act (62 Stat. 1155, 33  
3 U.S.C. § 1251 et seq.).

4 (5) To purchase nutrient reduction credits from  
5 wastewater treatment facilities or agricultural or other  
6 sources. The board shall utilize \$50,000,000 in funds  
7 provided by the Environmental Protection Agency and  
8 previously approved by the authority board of directors for  
9 use in the establishment of a nutrient credit trading  
10 program. Credits shall be available for purchase only after  
11 department certification that nutrient and sediment  
12 reductions have occurred or will occur upon implementation of  
13 the proposed nutrient reduction project. The board shall  
14 cooperate with the department and the Department of  
15 Agriculture or their agents to verify credits from wastewater  
16 treatment facilities and agricultural and other sources. The  
17 board may allow approved third parties to perform credit  
18 verifications on its behalf or on behalf of entities that  
19 have submitted applications.

20 (6) To offer for sale nutrient reduction credits to  
21 wastewater treatment facilities, developers, municipalities,  
22 nonpoint source entities and others required to meet nutrient  
23 reductions.

24 (7) (i) To establish a nutrient reduction credit bank  
25 to provide for the purchase and sale of credits within  
26 the Nutrient Reduction Credit Trading Program. The board  
27 will establish procedures and set monetary assessments to  
28 generate a system of nutrient credits that can be used by  
29 wastewater treatment facilities and others to reach  
30 compliance with nutrient reduction requirements

1 identified by the department and to allow for new growth.

2 (ii) Nothing in this subsection shall be construed  
3 to prohibit the private purchase and sale of credits  
4 within the trading market.

5 (8) For wastewater treatment facilities, to establish  
6 phased payment schedules, provided the payment amounts will  
7 fund all annual reductions that are necessary to meet  
8 nutrient reduction requirements identified by the department  
9 as follows:

10 (i) The payment amounts for new facilities shall be  
11 sufficient to fund all necessary annual reductions given  
12 the facilities' anticipated design flow and connections  
13 schedule so that zero net discharge requirements are met.

14 (ii) The bank shall use these funds to provide  
15 grants to the agricultural sector to support projects  
16 that will implement the highest value nutrient reduction  
17 best management practices.

18 (iii) Preference shall be given to those nutrient  
19 reduction best management practices that provide the  
20 greatest nutrient reductions for the least amount of cost  
21 and that, once implemented, generate credits on a  
22 continuing annual basis.

23 (iv) Excess credits generated from the transactions  
24 shall be made available for purchase by wastewater  
25 treatment facilities, upon request, if needed to meet  
26 nutrient effluent limits.

27 (9) To offer for sale excess credits held by the bank  
28 identified under paragraph (7), but shall hold a minimum  
29 percentage of credits as a reserve balance to offset any  
30 failures or loss of nutrient reduction credits within the

1 bank. In addition to this reserve, the board shall hold a  
2 minimum percentage of credits in reserve for new growth. The  
3 board shall set these reserves at percentages it deems  
4 necessary, but in no instance shall the reserve for new  
5 growth be lower than 5% of all credits held by the bank.

6 (10) To process credits on a continual basis. The board  
7 shall establish and update as necessary the selling price of  
8 nutrient reduction credits and post the information regarding  
9 cost and methods of purchasing and selling credits on the  
10 Internet website of the authority. The board shall post on  
11 the Internet website of the authority a list of those  
12 projects that have been certified to generate credits by the  
13 department.

14 (11) To establish overall time frames for the use of  
15 nutrient reduction credits purchased through the bank  
16 necessary to meet the compliance requirements established by  
17 the department. The board shall develop and implement a  
18 process that allows credits to be purchased in advance of  
19 when they may be needed to ensure compliance with the  
20 requirements established by the department.

21 (12) To establish a subcommittee to provide technical  
22 assistance to entities proposing credit-generating projects.  
23 Members of the subcommittee shall be appointed by the board  
24 and shall have appropriate technical training and experience.  
25 The subcommittee shall conduct a technical review of credit  
26 proposals consistent with the department's existing guidance  
27 on credit proposal reviews and make a recommendation  
28 regarding credit certification. Proposals that have undergone  
29 technical review by the subcommittee and are recommended by  
30 the subcommittee for certification shall be submitted by the

1 board to the department for review. The department shall  
2 render a decision on the proposal within 60 days of receipt  
3 of the submission from the board. A proposal on which the  
4 department fails to act within this time period shall be  
5 deemed approved.

6 (13) To establish procedures to allow the nutrient  
7 reduction credit bank to act as a clearinghouse and make  
8 available information on the availability of nutrient  
9 reduction credits from public and private sector  
10 organizations other than the nutrient reduction credit bank.

11 (e) Regulations.--The authority, the department and the  
12 Department of Agriculture may jointly develop regulations as  
13 necessary to implement the provisions of this act. The  
14 regulations shall be promulgated in accordance with the act of  
15 June 25, 1982 (P.L.633, No.181), known as the Regulatory Review  
16 Act.

17 (f) Administration.--The authority shall provide all  
18 necessary administrative and technical support for the operation  
19 of the Nutrient Reduction Credit Trading Program and the  
20 Nutrient Reduction Credit Trading Board. The authority may enter  
21 into contracts to assist in administration of the bank, provide  
22 technical assistance to entities proposing credit-generating  
23 projects and provide all other necessary technical and  
24 administrative support to the board.

#### 25 Section 6. Accountability.

26 (a) Evaluation.--The department shall annually evaluate  
27 progress toward meeting the needed reductions in nutrients and  
28 sediments entering the Chesapeake Bay watershed. This evaluation  
29 shall consist of a quantitative and qualitative analysis on the  
30 progress made in reaching the nutrient reduction goals for all

1 point and nonpoint sources delineated in the Chesapeake Bay  
2 tributary strategy. In conducting the evaluation, the department  
3 shall annually review and estimate the costs and benefits  
4 related to compliance with the Chesapeake Bay tributary strategy  
5 by all affected economic sectors.

6 (b) Contents of evaluation.--The evaluation shall include,  
7 but may not be limited to:

8 (1) The number and type of nutrient reduction credit  
9 transactions.

10 (2) A description of the methods that have been  
11 implemented by the various sectors toward achieving  
12 compliance with the established nutrient reduction goals.

13 (3) A review of any changes to the financial resources  
14 and regulatory requirements that other states in the  
15 Chesapeake Bay watershed have implemented in regard to the  
16 nutrient reduction goals.

17 (c) Submittal of evaluation.--The evaluation shall be  
18 submitted with the annual report required under section 8.

19 (d) Program changes.--The department shall identify any and  
20 all substantive changes that may be necessary to ensure  
21 compliance with the nutrient reduction requirements needed. The  
22 department shall present recommendations to the General Assembly  
23 for any substantive changes needed to the nutrient and sediment  
24 reduction requirements, storm water management reduction  
25 requirements, stream loading or other requirements as deemed  
26 necessary.

27 Section 7. Chesapeake Bay Advisory Council.

28 (a) Establishment.--The Chesapeake Bay Advisory Council is  
29 established as an advisory body to the department.

30 (b) Composition.--The advisory council shall be composed of

1 individuals representing the State Conservation Commission,  
2 local governments, environmental organizations, county  
3 conservation districts, Federal and State agencies, educational  
4 institutions, agricultural organizations, businesses, watershed  
5 organizations and other groups as deemed appropriate by the  
6 Secretary of Environmental Protection. Advisory council  
7 membership shall not be limited to a specific number, but shall  
8 be determined by the department.

9 (c) Duties.--The advisory council shall:

10 (1) Advise the department in all matters relating to the  
11 Chesapeake Bay and its tributaries and in the implementation  
12 of methods designed to provide for nutrient reductions  
13 entering the bay and its tributaries.

14 (2) Provide citizen input to the department on the  
15 Commonwealth's efforts to meet its commitments in the  
16 Chesapeake 2000 Agreement, as well as future agreements.

17 (3) Advise the department and provide input on the  
18 Commonwealth's tributary strategies.

19 (4) Advise the department on agricultural and other  
20 appropriate nonpoint source issues within the Chesapeake Bay  
21 watershed.

22 (5) Advise the department on the implementation of  
23 programs under the Chesapeake Bay Nonpoint Source Pollution  
24 Abatement Program.

25 (6) Provide recommendations to the department for  
26 communicating with watershed groups, Federal and State  
27 agencies, local governments and others in an effort to build  
28 further support for the Chesapeake Bay Program.

29 (7) Provide input, comments and recommendations to the  
30 department on educational strategies targeted to the needs of

1 local citizens, businesses, schools, communities, local  
2 governments and watershed groups.

3 (8) Report to and advise the department on emerging  
4 issues and trends pertinent to the Chesapeake 2000 Agreement  
5 and other issues relating to the Chesapeake Bay and its  
6 tributaries and offer recommendations to the department to  
7 enhance or modify program activities.

8 (9) Provide general comment to the department and remain  
9 apprised of water quality and resource management issues that  
10 are addressed by the Chesapeake Bay Program task forces and  
11 committees.

12 (10) Provide input to the department on the overall  
13 implementation of the Chesapeake Bay tributary strategy,  
14 including assistance in annually evaluating the costs,  
15 benefits and specific implementation methods used to meet the  
16 nutrient reduction goals.

17 (d) Evaluation.--

18 (1) The advisory council, in conjunction with the  
19 citizens advisory council to the department, shall review the  
20 results of the department's evaluation of the progress toward  
21 meeting the needed reductions of nutrients and sediments  
22 entering the Chesapeake Bay and its tributaries.

23 (2) The department shall forward all information for  
24 review to the advisory council and the citizens advisory  
25 council within 30 days of the department's finalization of  
26 the results.

27 (3) The advisory council and the citizens advisory  
28 council shall issue the results of their findings in an  
29 annual report to the chairman and minority chairman of the  
30 Environmental Resources and Energy Committee of the Senate

1 and the chairman and minority chairman of the Environmental  
2 Resources and Energy Committee of the House of  
3 Representatives no later than March 15 of each year.

4 Section 8. Report to standing committees.

5 (a) Content.--

6 (1) The authority and the department shall submit a  
7 joint annual report to the chairman and the minority chairman  
8 of the Environmental Resources and Energy Committee of the  
9 Senate, the chairman and minority chairman of the  
10 Environmental Resources and Energy Committee of the House of  
11 Representatives and the Pennsylvania delegation of the  
12 Chesapeake Bay Commission no later than July 1 following the  
13 first fiscal year or any portion thereof in which the program  
14 is in effect and no later than July 1 for all succeeding  
15 fiscal years in which the program is in effect.

16 (2) The report shall include:

17 (i) A list of all of the recipients of loans or  
18 grants awarded by the authority in the previous fiscal  
19 year.

20 (ii) The amount of the loans or grants awarded.

21 (iii) A description of the nutrient reduction  
22 project and the public purposes that it advances.

23 (iv) The documentation submitted by the applicant  
24 demonstrating that the nutrient reduction project met at  
25 least one of the criteria under section 6(b). The report  
26 shall include the results of the evaluation and  
27 recommendations required under section 6.

28 (v) A description of all activities conducted by the  
29 Nutrient Reduction Credit Trading Program Board for that  
30 reporting period.

1 (b) Publication.--The authority shall post a copy of the  
2 report to the standing committees on the Internet websites of  
3 the authority and the department. The reports shall remain on  
4 the sites until the reports for the next year are posted.

5 Section 9. Improving energy efficiency in agricultural  
6 operations.

7 (a) General authority.--The conservation districts shall  
8 work in close cooperation with the agricultural community to  
9 deliver a system of technical assistance designed to assist with  
10 conservation planning requirements, in the production of  
11 biofuels, feedstocks and appropriate energy efficiency  
12 applications and best management practices as they relate to  
13 reducing the discharge of nutrients and other pollutants into  
14 the Chesapeake Bay watershed.

15 (b) Energy efficiency and energy resources program.--The  
16 conservation districts shall engage in the development of energy  
17 efficiency and energy resources which shall include, but may not  
18 be limited to, delivering technical assistance to producers to  
19 improve the energy efficiency of farming operations and to  
20 provide technical assistance in the development and  
21 implementation of best management practices related to cropping  
22 systems to be used as feedstock for the production of biofuels.

23 (c) Conservation planning.--The conservation districts shall  
24 develop and implement an electronic-based system of providing  
25 technical assistance to the agricultural sector in meeting  
26 Federal and State natural resources planning requirements,  
27 including the development of appropriate training programs and  
28 materials.

29 (d) Annual interfund transfer.--The Governor shall transfer  
30 \$10,000,000 annually from the State Stores Fund to the

1 Conservation District Fund. The amount shall be distributed to  
2 the conservation districts to carry out the activities  
3 identified in subsections (b) and (c).

4 Section 10. Effective date.

5 This act shall take effect immediately.