

Pay for Outcomes Pilot Program – Comments on Draft RFA

September 23, 2024

Accepted and implemented

Accepted but not implemented in RFA text

Rejected/No Change

Comment Number	Section	Commenter	Comment	Response
1	I. PURPOSE AND BACKGROUND	Shenandoah Riverkeeper	Suggest rewriting to state that applicants are encouraged to submit TP projects, especially as they relate to freshwater rivers and streams suffering from large algal mats and potential HABs as a result of heavy nonpoint source phosphorus loading.	No change needed. Covered in other sections.
2	II. ELIGIBILITY REQUIREMENTS AND SCOPE	Conservation Innovation Fund	<p>Revise eligibility requirements as follows: C. The projects must meet each of the following criteria:</p> <ol style="list-style-type: none"> 1. Designed to reduce nonpoint source nutrient pollution entering the Chesapeake Bay watershed (see Appendix A for map); 2. Not funded by any other state, federal, or nongovernmental incentive program 1, 2 ; 3. Not otherwise required by law; 4. The proposed pollution reductions would not otherwise occur but for the funding provided through this RFA; and 	<p>Revised eligibility requirements as follows: C. The projects must meet each of the following criteria:</p> <ol style="list-style-type: none"> 1. Designed to reduce nonpoint source nutrient pollution entering the Chesapeake Bay watershed (see Appendix A for map); 2. Not funded by any other state, federal, or nongovernmental incentive program 1, 2 ; 3. Not otherwise required by law; 4. The proposed pollution reductions would not otherwise occur but for the funding provided through this RFA; and

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			<p><u>4</u> 5. Compliant with the more detailed criteria outlined in this RFA.</p> <p>1 Such programs include state and federal agricultural and conservation Best Management Practice (BMP) cost-share programs, and state, federal, and nongovernmental grant programs. This restriction applies to projects that receive implementation funding. Projects that receive technical assistance may be eligible for Item 365 funds awarded under this RFA.</p> <p>2 Projects may receive additional funding so long as if the Applicant can shows that the Item 365 funds awarded under this RFA will be used exclusively to realize or report for additional environmental benefits activities not supported by this additional funding. Specific circumstances include a) private funding used for cost-share programs (NOTE—in such cases, DEQ will only purchase nutrient reductions from the nongovernmental portion) and b) nutrient reductions achieved by BMPs funded through non-water quality programs. In addition, multiplicative BMPs are eligible if an initial BMP was funded by state, federal, and/or nongovernmental incentive funding. In such cases, DEQ will only purchase nutrient</p>	<p><u>4</u> 5. Compliant with the more detailed criteria outlined in this RFA.</p> <p>1 Such programs include state and federal agricultural and conservation Best Management Practice (BMP) cost-share programs, and state, federal, and nongovernmental grant programs. This restriction applies to projects that receive implementation funding. Projects that receive technical assistance may be eligible for Item 365 funds awarded under this RFA.</p> <p>2 Projects may receive additional Item 365 funding so long as if the Applicant can shows that the Item 365 funds awarded under this RFA will be used exclusively to create for additional reductions in TN or TP activities not supported by this additional funding.</p>

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			reductions from the BMPs receiving Item 365 funding.	
3		Environmental Policy Innovation Center	We appreciate your allowance for stacking of carbon benefits but would like to caution against stacking with any other habitat or biodiversity credits.	Clarified intent—carbon credits may be “stacked” but not habitat or biodiversity credits.
4		Conservation Innovation Fund	Remove requirement that “pollution reductions would not otherwise occur but for the funding provided through [the] RFA.” Many cost-effective projects could be implemented because of their stand-alone economic value (e.g., biochar for soil aeration or to generate carbon credits; cover crops with economic value for human or animal consumption; dry stacking for ultimate cover and methane off-gassing; alternative crops for sale-to-market).	Deleted restriction.
5		Environmental Policy Innovation Center	Explicitly include stream restoration. While the language makes clear that the list of examples is not exclusive, we encourage DEQ to add stream restoration to “wetlands restoration” as an example eligible activity. This is a practice well-established as providing cost-effective nutrient reductions and also one that could benefit from additional data that will be gathered in this pay for outcomes program. (Section II(D))	Revised as requested.

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6		Chesapeake Bay Foundation	Clear guidance should be provided in the RFA related to any baseline or other requirements.	Clarified that baseline for land use conversions will be July 1, 2024. Added <u>9VAC25-900-100(B)(2)(c) riparian buffer baseline requirements are not applicable for the purposes of the RFA but all other 9VAC25-900-100(B)(2) baseline requirements shall be implemented for proposed land conversion and riparian buffer projects on agricultural lands.</u>
7		Kurt Stephenson	“A greater observed nutrient reduction than that contemplated by the conversion provided in 9VAC25-900-110D. Would this mean someone could estimate new runoff values (after baselines have been met) using a different model? Does this include changing the underlying baseline?”	See comment 6
8		Virginia Environmental Restoration Association	Page 4., Section II. D. Each of the five categories span a large gradient of nutrient reducing efficiencies. Are we correct that it is not the intent that a proportion (dollar amount or number of projects) of the \$20 million in grant funds will be applied to each category?	Clarified no set-asides for a particular category.
9		Virginia Environmental Restoration Association	Page 4., Section II. D. 5 Stream restoration should be included as an acceptable project type.	Included stream restoration.
10		Virginia Environmental	Page 4., Section II. D. It would be helpful to provide the references/sources that are to be	Website will include the following references/sources:

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		Restoration Association	used for approved BMPs and their respective approved efficiencies.	For new stormwater BMPs, the VRRM 4.0 spreadsheet has efficiencies listed for stormwater BMPs. For BMP retrofits, the Chesapeake Bay Program has a BMP Retrofit Expert Panel Report with retrofit curves for establishing efficiencies for retrofitted BMPs. For stream restorations we've established a schedule for increased efficiency verification for protocol 1 stream restoration practices.
11		Virginia Environmental Restoration Association	Page 5., Section II. F.: Will additional information be provided on the acceptable number and frequency of samples required? Will hydrologic data also be required so that mass-based loads can be calculated to show proof of outcomes? Will seasonal monitoring be required to show effectiveness across seasons, or will annual averages be accepted?	No change to RFA. Applicants will need to propose sampling/ measurement based on the particular methodology proposed.
12		Virginia Environmental Restoration Association	Page 5., Section II. F.: Please clarify what is meant by "statistically-significant sampling." Is this in reference to the number of samples collected per year?	See comment 11.
13		Virginia Environmental Restoration Association	Page 5, II, F, 1: Consider making the sentence following "c" more strongly worded by using the word "shall" instead of "may."	No change. Don't want to exclude other persuasive evidence.
14	III. COMPLIANCE	Environmental Policy Innovation Center	Require advance notice for inspections. We agree that the state should have access to the property; however, we've heard from farmers that they hate the idea of a government agency walking onto their land at	Limited scope of inspections authorized by the grant agreement to compliance with the terms of the grant. This does not, however, limit inspections authorized by other laws or regulations.

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			any time without warning, especially a department with regulatory functions. In addition to the advance notice, the requirements for access could be clearly limited to only the project site. (Section III(A))	
15		Virginia Environmental Restoration Association	Page 5, III, A: Applicants should be required to submit proof of intent to include access terms in the perpetual easement or DOR. This is often accomplished through a Letter of Intent or similar submission executed by the current or contracted future landowner.	Only require proof of access right at payment for long term reductions. If applicant requests early “seed money” to acquire rights then DEQ may require signed agreement.
16	IV. TECHNICAL EXPERTISE AND SUB-CONTRACTING AND SUB-AWARDS	Environmental Policy Innovation Center	Remove statement of sub-contractors and sub-awards. Recognizing this might be in state statute and thus unchangeable. However, if feasible, we recommend removing the requirement to disclose sub-contractors with the application. One benefit of outcomes-based projects is flexibility in who achieves the outcomes. In one example we are familiar with, an awardee realized there were not enough qualified technicians to complete the project and so they opened a program to train local residents for the jobs; they would not have been able to know all the sub-contractors for that ahead of time. (Section VI)	Revised to remove requirement to identify all sub-contractors and sub-awards; however, encourage applicant to disclose as necessary to demonstrate readiness to proceed.
17	V. PROJECT PERIOD	Conservation Innovation Fund (Evan)	DEQ should consider back-dating project start dates prior to award decisions. Some agricultural BMPs could require planning and design work in the fall of the year before	Clarified that award agreements will likely not be signed until after April 1, but applicants can begin work at any time.

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			planting, and also pre-planting activities prior to April.	
18		Environmental Policy Innovation Center	Extend 5-year payment period.	Not possible given one-year appropriation.
19		Virginia Environmental Restoration Association	Page 6, V, Project Period: DEQ should clarify what it means by “start.” The start date should also not be interpreted to mean that the costs associated with project design or construction underway and paid for through other funding sources, such as governmental funding, are not included in the cost/benefit analysis.	See comment 17.
20		Virginia Environmental Restoration Association	Page 6, Section V: Please clarify that greater points will be awarded to projects that can achieve an expedited schedule.	No change. Early reductions will be scored higher based on NPV, but no additional points awarded.
21	VI. FUNDING	Environmental Policy Innovation Center	Consider purchasing monitoring equipment. We encourage you to consider reserving some program funds for the department to purchase water quality monitoring sensors that it could loan out to projects, similar to EPA’s air sensor loan program. By sharing sensors across projects, this could decrease monitoring costs overall. (Section VI(E))	No change. Too many variables in measurement and overlapping needs to sample multiple projects.
22		Shenandoah Riverkeeper	I am concerned that truly novel and innovative BMPs that reduce nutrient loads will not be found if they need to be certain their idea will remove \$500K worth of nutrients in a pilot program that has never been done at that scale before in order to	Set aside \$500,000 for up to five \$100,000 grants.

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			cross that monetary threshold and be paid for the outcome. We suggest lowering the threshold to somewhere in the \$150-300K range for a third of the grants to at least broaden the idea pool in the applications. These smaller grants may be right- sized to truly succeed at developing a small watershed TMDL and removing it from the 303d Impaired Waters List.	
23		Virginia Environmental Restoration Association	Section VI C should include among the targeted projects those that include the provision of long-term maintenance as specifically mentioned in the budget language. There does not appear to be any financial assurance requirement in the RFA. This should be added as a requirement. At a minimum, providing financial assurance, a deed of restrictions, or easement should provide extra “points” in the scoring process.	No change. The ranking criteria includes “provision of long-term maintenance” by using the NPV of future reductions in the scoring. These future reductions beyond the 5-year project life will require assurances of long-term maintenance.
24		Virginia Environmental Restoration Association	Page 6, VI, D - The RFP application would need to include lists of subcontractors “and amount of the sub-contract.” Changes in the subcontract amount by more than 50% would require DEQ approval. These are not appropriate for a pay-for-outcomes program. While having insight into sub-contractors may provide some benefit in considering project success, the requirement, if included, should be limited to “key” subcontractors.	See comment 16.
25		Virginia Environmental	Page 6, VI, Funding: Please clarify that the award ranges are per project, not per applicant.	Clarify that \$7.5 million maximum award is per applicant. A single applicant may be

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		Restoration Association		awarded for multiple projects provided they do not cumulatively exceed \$7.5 million.
26		Virginia Environmental Restoration Association	Page 6, Section VI. C. Does DEQ have an expectation for the range of dollar per pound effectiveness?	No change. DEQ cannot anticipate what the range will be.
27	VII. PAYMENTS	Environmental Policy Innovation Center	Limit up-front payments. We commend your willingness to provide an up-front payment to entities that need it, recognizing the need for capital. We agree with this approach and recommend stipulating a percentage of the total project cost as a cap for that payment. Our research shows that no more than 40-60% of the project should be paid by the time construction concludes. We also encourage you to include in the RFA limits on what kinds of entities are eligible, such as only nonprofits with an annual budget under one million dollars or small businesses that are, minority or women-owned. (Section VII)	Limited up-front payments to 50% with evidence in the application that financing is not available.
28		Environmental Policy Innovation Center	Compensate awardees for achieving greater reductions. While we strongly support not paying awardees who do not achieve reductions in their proposal, those who overperform should also be compensated for this. Recognizing budget realities, it is possible to cap that overperformance, such as at 10 or 20%. To do this may require the department to hold some funds in reserve. We are happy to provide sample language if that would be helpful.	Due to one year appropriation, all funds must be committed before fiscal year end. DEQ will include in grant awards ability to redirect funds from awardees that do not meet outcomes to awardees that overperform.

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29		Kurt Stephenson	For long term projects with significant capital investments (manure treatment facilities, N capture, algal flow ways, bioreactors, land conversion, etc) more clarity on how the state intends to compensate the provider for N removal services for N reductions generated after year 5 would be useful. Will the provider be paid for all "out year" N reductions in year 5? Upon demonstration of outcomes in year 2 or 3? The uncertainty surrounding long-term reductions has the potential to focus bidders attention on short term agronomic practices and permanent conversion projects (buffers, land conversion) based on model results (which is what we have now).	Clarified requirements for payment in year 5 for future outcomes.
30		Kurt Stephenson	Consider the use of financial assurances for projects that face high upfront costs.	No change.
31		Virginia Environmental Restoration Association	Page 6-7, DEQ should limit compensation for partial payments for project costs prior to a demonstration of nutrient reductions.	See comment 27.
32		Virginia Environmental Restoration Association	Page 7, Section VII. A.d.: Does "evidence" require construction to be complete and monitoring data to prove effectiveness of the outcome?	Yes.
33	VIII. APPLICATION PROCESS, REQUIREMENTS AND SUBMISSION INSTRUCTIONS	Virginia Environmental Restoration Association	The RFP is open to anyone, including local governments and other government funded entities. This can put the private sector at a disadvantage since governmental agencies do not typically account for all their costs. DEQ has placed an emphasis on price per pound of nutrient (nitrogen primary). If	Scoring will be based on the offered price regardless of government or non-profit support. Solely for purposes of program evaluation, RFA will request that selected awardees provide a voluntary estimate of all imputed costs that exceed the award amount.

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			governmental funded applicants do not include their full costs associated with the project, the private sector will be at a disadvantage	Will be reflected in Tab 4, not body of RFA.
34		Virginia Environmental Restoration Association	Page 8, Table B: A reference to the 3-page limitation for Letters of Support is included. Is this limit applicable to each letter (i.e. letters should not exceed 3 pages each) or can applicants only submit 3 pages of support letters total?	No change. RFA says three pages total, not three pages per letter.
35		Virginia Environmental Restoration Association	Page 8, C, 2. Cost efficiency scores should not exclude monitoring expenses, rather cost assumptions should include monitoring costs to enable an apples-to-apples cost efficiency score analysis.	No change.
36	IX. REVIEW, EVALUATION, RANKING, AND SELECTION PROCESS	Conservation Innovation Fund	Pollutant removal efficiencies of traditional BMPs are the results of decades of research and development, and such BMPs should not be disadvantaged in the scoring process.	See above. Allowing traditional BMP removal efficiencies to be used.
37		Chesapeake Bay Foundation	The Technical Review Panel (TRP) must include members with a strong understanding of the Chesapeake Bay Model, CAST, and other models that might be utilized. Explicitly, TRP members should understand the uncertainty associated with models and how supplemental project-level evidence (e.g., understanding of local water quality, soil and air concentrations, mass imbalances of nutrients/manure, and human behavior) could reduce this uncertainty and	Noted.

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			help enhance the surety that promised outcomes will be achieved.	
38		Kurt Stephenson	Sections IX and XI can be strengthened by providing clearer examples of how “proof of outcomes” will be evaluated. This is a list, but the importance of the measurement, the quality of the measurement, and what the state prefers is not stated. Where these examples fall along the continuum of “proof of outcomes” (see graph above) matters. Specificity would help motivate investments in assurance.	No change. Specific questions will be addressed in pre-application conference and/or a supplement prior to final applications based on TRP input.
39		Virginia Environmental Restoration Association	More emphasis should be placed on those elements that provided true “pay-for-outcomes” projects and that include living resource improvements. A “key element is ... assurance for projects and outcomes.”	No change.
40		Virginia Environmental Restoration Association	The current value of public lands should be included in the total cost if an NGO or public entity is proposing to use government-funded public land as part of the total cost of the project. This is needed to determine a comparative cost-effectiveness value and provide a fair comparison to a project brought forth by a private entity that would likely need to acquire land or secure an easement. Presumably the cost per pound includes land acquisition or easements costs. If public lands are included, the land cost should be required to be included so that private entities are not disadvantaged in the evaluation compared to entities that may use	No change. See comment 33.

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			public lands. All other governmental costs, including staffing, associated with a project should be accounted for as well.	
41		Virginia Environmental Restoration Association	Phosphorus reductions will be considered in certain areas (the RFP includes a map). The co-benefits of phosphorus reductions in other areas should not be ignored and should be included in the scoring.	Clarified TN will be used for all \$/ pound scoring, however in TP impaired waters TP reduction will be measured and converted to TN using a conversion factor/ratio.
42		Virginia Environmental Restoration Association	Parties involved in the Technical Review Panel for projects should be precluded from submitting applications since their review will be used in the consideration of competing projects.	Agreed.
43	X. DELIVERY FACTORS AND LOCALLY IMPAIRED WATERS	Shenandoah Riverkeeper	In Section X.C. suggest calling out "Shenandoah River" in addition to "Lake Anna" as examples. Exempting HABs projects from application of the delivery factor could make a project in the Shenandoah watershed quite competitive Section X.C. reads that TP projects may be approved though it uses "freshwater lakes with harmful algal blooms" as the example. Need to include a river such as the Shenandoah as an example.	Revised X.C. and D. to include rivers/streams with harmful algal blooms.
44	XI. EVALUATION CRITERIA	Environmental Policy Innovation Center	Scoring rubric for creating a "success confidence" score needs to be more clearly laid out in this RFA. Right now, it is ambiguous on what will specifically go into this score. Given its weight in the final proposal scoring, this is an important element that needs to be included. Similarly, ensure that applicants are clear on how their	A scoring rubric will be developed by the TRP.

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			cost-effectiveness points will be awarded. In other programs, breaking applications into quintiles has worked, but there may be even better designs. (Section IX)	
45		Environmental Policy Innovation Center	Too much focus on measuring outcomes can drive up costs and preclude some practices all together. Be sure to clearly explain when modeled results are acceptable, when “model plus” results are acceptable (ie using a model along with another output, like turbidity), and when direct measurement is required. Our recommendation is to allow all of these and use the “success confidence” score to decrease the chance of projects with low certainty being selected. (Section II(F))	See comment 44.
46		Environmental Policy Innovation Center	Consider a multiplicative success score rather than additive. It may be more beneficial for the success score to be calculated as a percentage confidence of reductions occurring and then for that to be incorporated into the overall score by multiplying the expected pounds reduced by this confidence factor, similar to a delivery factor, before the projects are scored for their cost effectiveness. This has not been tried before but could be a way to account for the program’s focus on certainty without diluting the importance of cost-effectiveness. (Section IX)	No change. This approach is worth considering for future programs, but is too complex for inclusion in this pilot program.
47		Environmental Policy Innovation Center	Strongly support the majority of proposal scoring points go towards cost effectiveness.	Noted.

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			Support discretion to exclude monitoring expenses for novel solutions.	
48		Chesapeake Bay Foundation	Assurance needs to be clearly defined, more heavily weighted, and financially rewarded. Recommend a distinct score for assurance, where assurance represents the probability that delivered outcomes correspond to measurable nutrient reductions. Success Confidence criteria and other explicit considerations of outcome assurance be substantially increased within the scoring criteria of the RFA. Enhance payments where assurance levels are high.	No change. See comment 44. No adjustment to points. Payments will be based on offered price.
49		Shenandoah Riverkeeper	Allow flexibility for adding some incremental amount to the delivery factor when the monitoring required will be extensive and/or expensive, exceeds a certain % of the award, or something along those lines.	No change. See comment 35. Monitoring expenses may be excluded for applications proposing novel solutions, effectively subsidizing those projects.
50		Kurt Stephenson	<ul style="list-style-type: none"> Consider distinguishing different measures of “proof of outcomes” from other factors being included in “success confidence” (ex. technical plans, expertise, readiness to construct). Give assurance of outcomes a clear and distinct category. Create a multiplier for projects that substantially improve assurances over existing practices (CAST/TMDL accountability framework). Projects could be ranked 10% or 20% higher (over low-cost bid) with the development of a quality assurance plan (significant movement from left to right in the figure above). This would be a clear signal 	See comment 44.

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			that state is willing to pay for assurance (a \$35/lb/yr project with high assurances of outcomes may be a better investment of state funds than a \$25/lb/yr project with minimum assurances).	
51		Kurt Stephenson	The “Cost-Efficiency of Pollution Removal” criteria in Section XI should be clarified. Does \$/lb removed include monitoring/measurement costs? In another section (Section IX), the RFA states that the selection committee shall “Have the discretion to revise the cost efficiency score to exclude monitoring expenses for applications that propose novel solutions but require high monitoring costs to prove the reductions”. While a step in the right direction, this is an equivocating statement on how the state values assurance. This should be made more explicit in the RFA.	No change. See comment 44.
52		Kurt Stephenson	Need to address baselines. Does a service provider who proposes N reductions on lands with historically high loading rates or nutrient mass imbalances calculate N reduction from a baseline assuming some management practices are in place (like nutrient credit regs) or based on existing land management or historical conditions?	See comment 6.
53		Kurt Stephenson	For an equal playing field, consider stating that project proposals should provide estimates of the full costs of providing the N removal service. Full costs would include land opportunity costs and as well as	See comment 33.

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			<p>personnel costs. Some proposals may include public lands where no costs are assigned (but an opportunity cost still incurred) or labor may be paid for by other sources (ex. a public works department). Public and NGOs that subsidize costs would place private service providers at a disadvantage because they have to recover costs.</p>	
54		Virginia Environmental Restoration Association	<p>DEQ's current proposal assigns a possible 5 points but also states in Section VI C that DEQ will target funding for projects that, in addition to cost effectiveness and positive habitat and ecosystem resilience, "include community/locality partnerships." Use of "community/locality partnerships" should be deleted since it is not included in the budget language establishing the program.</p>	<p>Deleted VI. C. 3. to remove reference to community/ locality partnerships.</p>
55		Virginia Environmental Restoration Association	<p>If a local government is a "competitor" for the RFP, the private sector is at an immediate disadvantage. If coordination with a locality is included, the language should be clarified that the project does not need to be performed jointly with the locality. If the locality does not provide a letter of support, or is nonresponsive, and is also an applicant, the non-locality applicant should automatically be awarded the 5 points.</p>	<p>Clarified local government coordination does not require local government participation.</p>
56		Virginia Environmental Restoration Association	<p>"Habitat and Resilience Benefits" weight appears low as one of the reasons for the budget amendment was to try and address</p>	<p>No change. No priority for habitat and resilience benefits is given in the budget language over 6 other criteria.</p>

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			areas where the Commonwealth is falling behind.	
57		Virginia Environmental Restoration Association	Page 10, Table C: Please clarify what is meant by “Readiness to Proceed,” and perhaps what narrative would score maximum points for readiness to proceed. Clarify that “Readiness to Proceed” does not mean that design or other phases have been completed that were funded by other sources.	Added clarifying language that readiness to proceed includes demonstration of the applicant’s capability and capacity to implement the project. This may include having design or other phases funded by others. See comment 33 regarding estimate of imputed costs.
58		Virginia Environmental Restoration Association	Page 10, Table C: “Local Government Coordination” needs some definition. Will a letter of support from the locality be required? How should applicants demonstrate Local Government Coordination?	See comment 55. Clarified that some communication with locality is necessary for any points and a letter of support will increase score.
59		Virginia Environmental Restoration Association	Page 10, Table C. Add scoring criteria for demonstration of ability to secure financial assurances and/or bonding. Add scoring criteria for demonstration of land control over project area. These could be added as bullets underneath the “Success Confidence,” however, “Success Confidence” should receive more points.	See comment 57. Clarified that these factors will be considered under both readiness to proceed and success confidence.
60		Virginia Environmental Restoration Association	Page 10, Table C. Are points awarded/discounted for applicant capacity or volume of work?	See comment 57.
61		Virginia Environmental Restoration Association	Page 10., Are milestone payments evaluated under “Success Confidence”? If so, suggest clarifying on Table C.	Clarified that milestone payments will be evaluated under Success Confidence.

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62		DCR Director Matt Wells	Need a more robust process for determining cost-efficiency of mixed-fund projects.	Added language requiring separate accounting for projects with mixed funds that separately demonstrates pay for outcomes.
63		Luke Kritzek	Would like to see projects with assurances beyond the payout period get cost-efficiency bonuses.	See comment 23.
64	APPENDIX A Chesapeake Bay Delivery Factors	Environmental Policy Innovation Center	We really like how you're using a higher delivery factor for locally impaired waterways and potentially paying for P in waterways locally impaired by P. This flexible, and creative way to provide bonus points to these proposals is clear and innovative. We suggest considering making the projects in locally impaired waterways subject to the maximum delivery factor of .86 (rather than essentially using a delivery factor of 1) to not unduly prioritize locally impaired waterways over the Chesapeake Bay. (Section X)	No change.
65	APPENDIX B Priority and Locally Impaired Waters	Oyster Company of Virginia	Do not exempt priority and locally impaired waters from delivery factors.	Remove eutrophication unit priority as an exemption from delivery factors.
66		James River Association	The middle and upper James River watershed are at a significant disadvantage compared to other "priority" areas. JRA encourages DEQ to revisit this map and the scoring criteria based on it in order to provide a level opportunity for all applicants.	See comment 65.
67		Shenandoah Riverkeeper	Shenandoah River does not appear to show up on the included Appendix B map as a HAS watershed which is odd given that we had a Virginia Department of Health issued 52.5-	Shenandoah River will be exempt from delivery factors based on HABS.

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			mile Harmful Algal Bloom Alert in 2021 and several other Algal Mat Alerts in 2022 and 2023.	