

May 18, 2015

Climate Action Reserve
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Los Angeles, CA 90071

Submitted via web: <http://www.climateactionreserve.org/how/protocols/grassland/>

Re: Comments on the Grassland Project Protocol Version 1.0 for Public Comment (April 16, 2015)

The Nature Conservancy (TNC) is pleased to have the opportunity to comment on the Public Draft of the Grassland Project Protocol Version 1.0. With over fifteen years of experience developing offset projects, protocols, and policy internationally and domestically, TNC supports the inclusion of grassland offsets that incentivize the conservation of grasslands across the U.S. Beyond sequestering carbon, these lands provide critical habitat for species and grazing land for ranchers and are an iconic natural landscape. TNC generally supports the proposed protocol, but offers the following comments to help ensure projects are truly additional, accurately accounted emissions, clearly defined carbon rights, and environmental safeguards that avoid adverse impacts to grassland ecosystems.

1. Require projects employ best management practices to avoid adverse environmental impacts.

TNC commends the environmental safeguards provided for in CAR's Forest Protocol, including the requirement to "promote and maintain a diversity of native species and utilize management practices that promote and maintain native forests". We encourage CAR to include similar safeguards in the grassland protocol to avoid adverse impacts to grassland ecosystems. This can be achieved by requiring implementation of beneficial management practices, as outlined by the USDA in *Conservation Benefits of Rangeland Practices: Assessment, Recommendations, and Knowledge Gaps*¹, in the project easement/contract terms.

¹ Briske, D.D., editor. {2011}. Conservation Benefits of Rangeland Practices: Assessment, Recommendations, and Knowledge Gaps. United States Department of Agriculture, Natural Resources Conservation Service. Available at: <http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/nra/ceap/pub/?cid=stelprdb1045811>

2. Create an accurate BAU by screening out projects where BAU is actually development, not conversion to cropland.

Additionality is an essential requirement in protocols. Projects must yield surplus greenhouse gas emission reductions and removals that are additional to what would have occurred in the absence of a carbon offset market (i.e. under “Business As Usual” (BAU)). Grasslands are threatened by conversion to development as well as croplands and by not including the development scenario in the additionality analysis, there is a risk that the analysis is based on an incorrect BAU.

We acknowledge the challenges in including conversion to develop in this protocol and while we urge its inclusion in future versions, at a minimum, we encourage a filter be used to screen out projects where the BAU would actually result in conversion to development. This filter could screen out counties or zones where the risk of conversion to development is greater by identifying areas where developed property is significantly more valuable than the value of cropland and/or the project is immediately adjacent to already developed lands. This would help provide a more accurate BAU for cropland conversion projects, thus ensuring the emission reductions are truly additional.

3. Update stratification table every 10 years, corresponding with the timeline update of NRI data.

We appreciate CAR’s efforts to streamline the project development process by relying on the National Resource Inventory (NRI) and quantifying emissions by stratum. It is important the underlying data and stratification table are both revisited over time to ensure accuracy. The NRI data is updated every 10 years and the stratification table, including the emission coefficients, should be updated accordingly.

4. Distinguish between emission reduction rights and carbon rights and define these terms in the glossary/appendix.

While the protocol references “carbon rights” (pages 6-7), it does not distinguish them from emission reduction rights or credits. The protocol should provide for this distinction and define these terms in the glossary/appendix. Doing so will allow for more consistent use of terms and associated rights and help minimize transaction and enforcement disputes.

TNC commends the diligent work of CAR staff as they developed this offset protocol and appreciates this opportunity to offer our recommendations.

Please feel free to contact us with any questions or comments.

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