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Forest Project Protocol v5.0 Public Webinar

November 14, 2018

Review rationale for revision

A large blue downward-pointing arrow indicating the flow from the first step to the second.

Overview of major changes

A large blue downward-pointing arrow indicating the flow from the second step to the third.

Public comment timeline

A large blue downward-pointing arrow indicating the flow from the third step to the fourth.

Q&A

Rationale for Revision



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Promoting voluntary projects

Reducing the cost of project implementation

Making the protocol more accessible to smaller landowners

Providing an example of potential policy revisions for ARB to consider in future COP updates

Addressing errata from FPP v4.0 and updating for new research and feedback

Overview of Changes



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Major revisions

- New IFM Baseline Methodology
- Updated IFM Secondary Effects
- Reduced verification frequency for small projects, and projects not seeking CRTs
- Provisional project boundary option for public Avoided Conversion projects
- Separation of reforestation project type

Minor updates and corrections

Major Revisions – New IFM Baseline Methodology



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- Created a methodology that would eliminate the cost of modeling for eligible IFM projects
 - Instead of the traditional methodology, where projects have to model a 100-year baseline with legal and financial constraints, we would provide a straightforward option using conservative assumptions
- Assumptions were developed based on an analysis of current projects in the Reserve's voluntary program, and ARB's compliance program

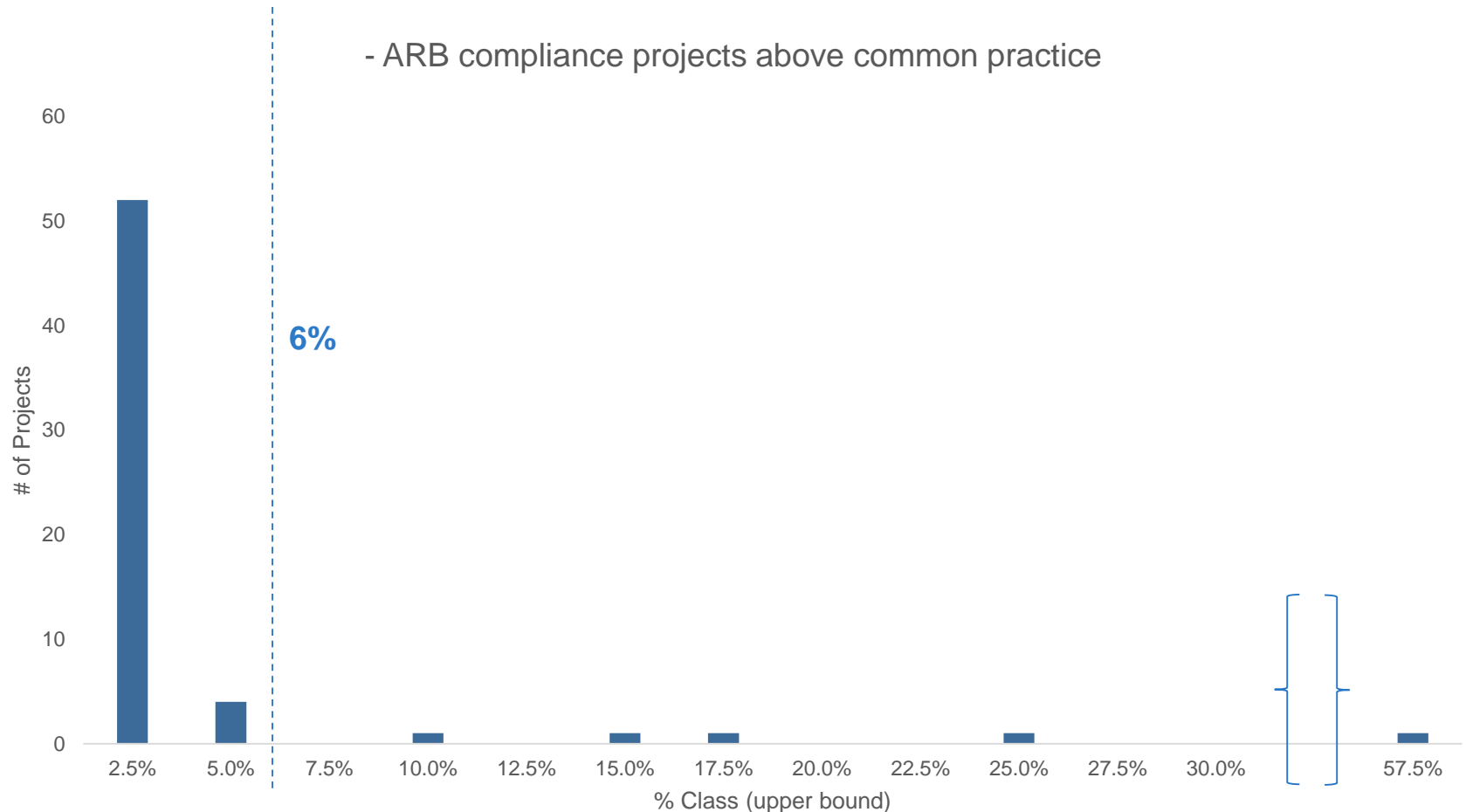
Major Revisions – New IFM Baseline Methodology



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Baseline Aboveground Live Carbon in excess of Common Practice as % of Common Practice

- ARB compliance projects above common practice



Major Revisions – New IFM Baseline Methodology



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- Non-modeling approach referred to in FPP v5.0 as the “standardized approach” as opposed to the “modeled approach”
- New steps are:
 - Determine eligibility to use the standardized approach
 - Establish initial baseline (either Common Practice or initial carbon stocks)
 - Initial baseline is increased by 6% to conservatively account for legal and financial constraints
 - Harvest volume is estimated based on trends we’ve observed in existing carbon projects
 - Below ground carbon is estimated in the baseline in proportion to the initial inventory

Major Revisions – Eligibility for Using the Standardized Approach



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- Project cannot have deeded encumbrances that prevent timber management
- Project must pass a screening test via a tool we have published (detailed on the next slide)
- All projects have the option to model the baseline per the existing methodology
 - Projects that do not meet the criteria for the standardized option must model

Improved Forest Management Baseline Screening Tool BETA

PUBLIC COMMENT DRAFT- Forest Project Protocol v5.0 (November 2018)

PROJECT INFORMATION

Reserve Project ID	
Project Name	
Project Operator	
Project Location	
Project Acres	
Assessment Area Basal Area Reference Value (sqft/acre)	
Project Initial Basal Area (sqft/acre)	

FINANCIAL CONSTRAINTS

Project Stumpage Value	
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LEGAL CONSTRAINTS

Harvest Constraint	Description	Basal Area Retention Required to Meet Constraint (sqft/acre)	Impacted Project Acres	Percent of Project	Basal Area (sqft/acre)			Effective Minimum Retention Enter
					Comm. Species	Non-Comm. Species	Total	
				Enter Acres			0.0	Stumpage and Basal Area Enter
				Enter Acres			0.0	Stumpage and Basal Area Enter
				Enter Acres			0.0	Stumpage and Basal Area Enter
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				Enter Acres			0.0	Stumpage and Basal Area Enter
				Enter Acres			0.0	Stumpage and Basal Area Enter
			Total Acres	Enter Acres	0%			

Adjusted Assessment Area Basal Area Reference Value	Enter Reference Value	Weighted Average Minimum Retention After Legal Constraints	Enter Constraints	Effective Weighted Average Minimum Retention After Legal and Financial Constraints	Enter Constraints and Basal Area
-----------------------------------------------------	------------------------------	------------------------------------------------------------	--------------------------	------------------------------------------------------------------------------------	-----------------------------------------

Final Baseline Result	Enter Data
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Major Revisions – Standardized Baseline Screening Tool



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Assessment Area Basal Area Reference Value (sqft/acre)		131.50						
FINANCIAL CONSTRAINTS								
Project Stumpage Value		High						
LEGAL CONSTRAINTS								
Harvest Constraint	Description	Basal Area Retention Required to Meet Constraint (sqft/acre)	Impacted Project Acres	Percent of Project	Basal Area (sqft/acre)			Effective Minimum Retention
Comm. Species	Non-Comm. Species	Total						
Unconstrained	Project areas unaffected by legal constraints	34.0	4075.0	40%	160.0	50.0	210.0	34.0
Endangered Species Act	Northern Spotted Owl activity center - nest	225.0	75.0	1%	180.0	90.0	270.0	225.0
Endangered Species Act	Northern Spotted Owl activity center - habitat	100.0	425.0	4%	220.0	80.0	300.0	100.0
CA Forest Practice Rules	Minimum retention - Site II	50.0	5000.0	50%	130.0	70.0	200.0	50.0
CA Forest Practice Rules	WLPZ (Class II)	75.0	500.0	5%	120.0	100.0	220.0	75.0
				Enter Acres			0.0	0.0
				Enter Acres			0.0	0.0
				Enter Acres			0.0	0.0
Total Acres			10,075	100%				
Adjusted Assessment Area Basal Area Reference Value	78.9	Weighted Average Minimum Retention After Legal Constraints	48.2	Effective Weighted Average Minimum Retention After Legal and Financial Constraints			48.2	
Final Baseline Result	Proceed with the Standardized Baseline Approach							

Major Revisions – Standardized Baseline Screening Tool



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FINANCIAL CONSTRAINTS								
Project Stumpage Value		Medium						
LEGAL CONSTRAINTS								
Harvest Constraint	Description	Basal Area Retention Required to Meet Constraint (sqft/acre)	Impacted Project Acres	Percent of Project	Basal Area (sqft/acre)			Effective Minimum Retention
Comm. Species	Non-Comm. Species	Total						
Unconstrained	Project areas unaffected by legal constraints	34.0	3075.00	31%	120.0	60.0	180.0	34.0
Endangered Species Act	Northern Spotted Owl activity center - nest	225.0	75.00	1%	120.0	150.0	270.0	225.0
Endangered Species Act	Northern Spotted Owl activity center - habitat	100.0	425.00	4%	130.0	100.0	230.0	100.0
CA Forest Practice Rules	Minimum retention - Site II	50.0	5000.00	50%	60.0	150.0	210.0	135.0
CA Forest Practice Rules	WLPZ (Class II)	75.0	1500.00	15%	100.0	120.0	220.0	95.0
				Enter Acres			0.0	0.0
				Enter Acres			0.0	0.0
				Enter Acres			0.0	0.0
Total Acres			10,075	100%				
Adjusted Assessment Area Basal Area Reference Value	78.9	Weighted Average Minimum Retention After Legal Constraints	52.3	Effective Weighted Average Minimum Retention After Legal and Financial Constraints			97.4	
Final Baseline Result	Project Must Proceed with the Modeled Baseline Approach							

Major Revisions – IFM Secondary Effects



- Equations have been revised to clarify that credits set aside for leakage in a given year can be recouped in later years if harvesting increases relative to the baseline
- The percentage of credits set aside to leakage is now variable:
 - Leakage percentage is the **lesser** of the following:

$$\frac{\text{Actual harvest} - \text{baseline harvest}}{\text{baseline harvest}} \text{ - Or - } \text{Harvesting condition variable, detailed below}$$

Table 6.3. Estimated Secondary Effects Based on Project Harvesting Conditions

Project Harvesting Condition	Project Harvesting Condition Variable (x)
Project includes a legal instrument, such as a conservation easement that disallows harvesting throughout the Project Life, or property has not harvested wood products for more than 20 years.	0.8 (80%)
Project has no legal encumbrance that disallows harvest activity and has harvested at least once in the previous 20 years.	0.4 (40%) ²²

Major Revisions – Verification Schedule



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- New verification options:

Smaller project verifications

- All Forest Projects receiving under 4,000 CRTs/year
- Changes the site visit frequency from every 6 years to every 12 years
- 4,000 CRTs are on average; site visit is triggered if 48,000 unverified CRTs have accumulated

Project entering a monitoring phase

- Any Forest Project not seeking CRTs by the time a site visit is required
- In such cases, they will need to have previously submitted monitoring reports verified as a desk review
- Decline in canopy cover of more than 5% triggers a site visit
- Canopy cover now required to be submitted in project documents

Major Revisions – Avoided Conversion Provisional Project Boundary



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- Avoided Conversion projects being undertaken by a public entity may list the project with a provisional project boundary
- The following conditions apply:
 - At least one portion of the project area must already be owned at the time of listing
 - The final project area must be covered by appraisals identifying a single type of anticipated conversion
 - The Project Operator submits a signed memorandum describing their intent to acquire the remaining portions of the provisional project boundary
 - No credits will be given for portions of the provisional project boundary until a final Project Area has been determined and all other requirements in the protocol have been met.



Major Revision - Reforestation

- Reforestation has been removed from the protocol, pending future policy updates
 - Existing projects can continue to use the v4.0 methodology
- Considering reintroducing as a standalone protocol in the future

Minor Revisions



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- Clarification around requirements for project ownership
- Enhancement payment guidance
- Clarified timing for natural forest management requirements
- Updated quantification guidance to align with ARB's conversion factors
- Updated quantification guidance to include an example of how secondary effects are recouped in IFM projects
- Corrected errata throughout the IFM quantification section in v4.0

Public Comment Process



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Documents available for public comment

- Draft Forest Project Protocol v5.0 (clean and redline)
- Quantification guidance
- New Assessment Area data file
- Standardized Baseline Screening Tool
- Calculation worksheet available by request

Timeline

- 30 day public comment period will end on 11/30/18
- Reserve will be responding to comments and drafting revisions through the month of December

Climate Action Reserve Inventory Tool (CARIT)



Developed with funding support from a Conservation Innovation Grant provided by the USDA NRCS



United States Department of Agriculture

Natural Resources Conservation Service

Project: North Coast Example
Description: CARIT Project

Strata	Plot Years	Plot #s
High C - Redwood	2018	4
Medium C - Oak		5
Medium C - Redwood		8
		9
		10
		15
		17
		18

Selecting a different stratum resets plot year selection
Delete key deletes the selected stratum

Click plot # to select/deselect

Project Management

- New Project
- Import from Tables
- Delete Project
- Exp->xls
- Exp->tbl

View and Edit Data

- Strata
- Plots
- Trees

Year and Plot Management

- Delete Year
- New Year
- Copy Plot(s)
- Reassign Plot(s)

Calculate CO2

Grow Trees

Reports

- Project CO2
- Strata CO2
- Plot CO2
- Tree CO2
- Omitted Plots
- Confidence Statistics
- Species Diversity

Settings

- Growth
- Data Checks

To be released for public use at the same time as FPP v5.0

Questions?



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