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## Forest Project Protocol Summary of Proposed Revisions

November 2018

In addition to minor editorial changes, the U.S. Forest Project Protocol (FPP) Version 5.0 incorporates the following significant changes from Version 4.0.

- **Separation of Reforestation projects** Reforestation projects have been moved out of the FPP. A standalone Reforestation Project Protocol may be made available at a later date, as the Reserve considers how to make this project type more financially viable.
- **Clarified the legal agreements necessary when multiple interested parties exist on a single project (Section 2.2)** The FPP was updated to clarify that a clear legal agreement is required in situations where multiple Forest Owners exist on a single project. It was further clarified that a fee owner that does not qualify as a Forest Owner may act as Project Operator if there is a legal agreement from the Forest Owner(s) granting them the right to do so.
- **Updated start date parameters (Section 3.2)** This section has been revised to reflect the option for a provisional project boundary for Avoided Conversion projects (see Section 4). Additionally, this section expands the allowable window for submitting a new project from within 6 months of the project start date to 12 months, in recognition of the time commitment necessary to develop a Forest Project.
- **Clarified enhancement payments (Section 3.3.3)** This section has been added into the protocol, to reflect the Reserve's thinking on offset projects pursuing outside funding. This language is consistent with the policy set forth in the Grassland Project Protocol.
- **Clarified timing for Natural Forest Management requirements (Table 3.3)** This table has been revised to clarify the time frame in which Natural Forest Management requirements must be met.
- **New option for provisional project boundaries for Avoided Conversion projects (Section 4)** This section has a new option for Avoided Conversion projects to defer finalizing the project boundary until the second site visit verification, if the provisions identified in the protocol are met. This option is available to public entities, based on stakeholder feedback that identified some inherent financial and bureaucratic limitations facing public entities in acquiring sufficient land to undertake a Forest Project, and is consistent with the option provided to Reforestation Projects to defer certain aspects of project development.
- **Clarified watershed definition (Section 4.1)** This section has been revised to change the phrase "3<sup>rd</sup> order watershed" to "HUC 14-digit hydrological units" based on stakeholder feedback and a desire for greater specificity.

- **Added a standardized baseline methodology for private land IFM projects (Section 6.1.1)** This section has been added to provide an option for private land IFM projects to implement a conservative standardized baseline, rather than a modeled baseline as detailed in Section 6.1.2. Conservative measures applied to the baseline were informed by an extensive analysis of existing IFM projects. Projects must meet certain criteria to be eligible to use the standardized baseline, as described in the protocol.
- **Corrected steps for estimating baseline onsite carbon stocks for private land IFM projects (Section 6.1.2)** FPP v4.0 incorporated updated Common Practice values which included standing dead carbon stocks for the first time. As a result, the steps for estimating baseline onsite carbon stocks were revised to include an “apples-to-apples” comparison of carbon pools. However, there were several steps detailed in this section that were not appropriately revised. This section has been modified to correct these steps.
- **Updated IFM leakage deduction (Section 6.1.6)** The Reserve has revised the leakage factor for IFM projects. In previous versions of the FPP, through FPP v3.3, this value was 20%. In FPP v4.0, it was revised to be represented as a sliding scale up to 80%. In FPP v5.0, a variable sliding scale is proposed. The exact deduction will depend on project harvesting conditions, as detailed in the Protocol.
- **Clarified the appropriate fair market value for Avoided Conversion Projects with multiple appraisals (Section 6.3, Step 2)** In line with the added flexibility around Avoided Conversion Projects described in Section 4, it may be possible for a single project to have multiple appraisals. This section was revised to clarify that projects may either implement a weighted average fair market value, or the more conservative (lower) fair market value.
- **Updated Site Visit and Desk Review Verification Schedule (Section 8.3.2.1)** Guidance regarding the required timing of verifications has been consolidated into Table 8.1, for ease of reference. A new option has been added to reduce the required verification frequency for projects reporting under 4,000 CRTs/year. An additional reduced verification frequency is also proposed for projects seeking zero CRTs at the time of a normally required verification (i.e., projects entering a “monitoring” phase).
- **Updated the Natural Disturbance Risk (Appendix A.4)** The wildfire risk has been combined with the disease and insect outbreak risk categories. This is to capture the fact that fuel treatments can serve to improve resiliency of forests against disease or insect outbreaks. Further explanation around the application of fuel treatment strategies has also been included.