

### **Consequences for Unintentional Reversals (e.g. losses due to fire or disease):**

1. The Forest Owner must notify the Reserve of an Unintentional Reversal within 6 months of its occurrence.
2. The Forest Owner must explain the nature of the Unintentional Reversal and provide a verified estimate of the project carbon stocks within one year of the reversal so that the reversal can be quantified in units of CO<sub>2</sub>-equivalent metric tons.
3. The Reserve will Retire a quantity of CRTs from the Reserve-administered Buffer Pool equal to the total quantified reversal denominated in CO<sub>2</sub>-equivalent metric tons.

### **Consequences for Intentional Reversals (e.g. harvesting):**

1. The Forest Owner must notify the Reserve that an Intentional Reversal has occurred within thirty (30) days.
2. The Forest Owner must explain the nature of the Intentional Reversal and:
  - (a) Provide a verified estimate of the project carbon stocks within one year of the reversal so that the reversal can be quantified in units of CO<sub>2</sub>-equivalent metric tons.
  - (b) Retire a quantity of CRTs equal to the total quantified reversal denominated in CO<sub>2</sub>-equivalent metric tons.
    - (i) Such CRTs must be Retired exclusively for the purpose of meeting this requirement, and must be CRTs that were:
      - i) issued by the Reserve to the project; or
      - ii) issued by the Reserve to other Forest Projects registered with the Reserve.
    - (ii) If CRTs issued to Forest Projects are unobtainable, as determined by the Reserve, then the Forest Owner may Retire CRTs issued to any other type of project registered with the Reserve.

### **Consequences for Early Termination:**

1. The Forest Owner must notify the Reserve of an Early Termination within thirty (30) days.
2. The Forest Owner must:
  - (i) Retire a certain number of CRTs, whose quantity depends on the type of terminated project:

- i) For Reforestation and Avoided Conversion projects, a quantity of CRTs must be Retired equal to the total number of CRTs issued by the Reserve to the terminated project since the project's initiation.
- ii) For Improved Forest Management projects, a quantity of CRTs must be Retired equal to the total number of CRTs issued by the Reserve to the terminated project since the project's initiation, multiplied by the "compensation rate" contained in the following table corresponding to the number of years since the project's initiation.

| Years Since Project Initiation | Compensation Rate |
|--------------------------------|-------------------|
| 0-5                            | 1.40              |
| 6-10                           | 1.20              |
| 11-15                          | 1.15              |
| 16-20                          | 1.15              |
| 21-25                          | 1.10              |
| 26-30                          | 1.10              |
| 31-35                          | 1.05              |
| 36-40                          | 1.05              |
| 41-45                          | 1.05              |
| 46-50                          | 1.05              |
| >50                            | 1.00              |

- (ii) Such CRTs must be Retired exclusively for the purpose of meeting this requirement, and must be CRTs that were:
  - i) issued by the Reserve to the project; or
  - ii) issued by the Reserve to other Forest Projects registered with the Reserve.
- (iii) If CRTs issued to Forest Projects are unobtainable, as determined by the Reserve, then the Forest Owner may Retire CRTs issued to any other type of project registered with the Reserve.