



June 11, 2009

Climate Action Reserve
523 W. Sixth Street, Suite 428
Los Angeles, CA 90014

VIA E-MAIL: policy@climateactionreserve.org

Re: Comments to draft Forest Protocol Project Implementation Agreement (PIA)

Dear Climate Action Reserve team:

The purpose of this letter is to provide comments to the Climate Action Reserve's draft Project Implementation Agreement for the Forest Project Protocol.

Our company, Environmental Synergy, Inc., has more than 10 years of experience in developing forest carbon projects in the U.S.A. We have worked with conservation partners, land management agencies, and corporate funding partners to develop forest carbon projects that now cover more than 80,000 acres of land. We hope that our experience and comments provide a valuable perspective regarding the provisions of the Project Implementation Agreement.

We appreciate the opportunity to provide the Reserve with these comments, and are available at your convenience to answer any questions.

Sincerely,

Carol W. Jordan
President

Comments from Environmental Synergy Inc. (ESI)
re: Draft Project Implementation Agreement for the Forest Project Protocol

1. Recital “D” defines the Landowner as the sole owner in fee simple of certain real property described in Exhibit C, including the trees located on the Property. Comment: The PIA should not disqualify projects in situations whereby an easement holder or lease holder (rather than the Landowner) retains interest in the trees, including carbon interest. The PIA should also consider instances where property is not owned solely, but jointly.
2. Sections 3, 7 and 8 address the consequences and remedy for avoidable and unavoidable reversals. Comment: i) With regard to retiring a quantity of CRTs equal to a verified estimate of the total quantified reversal denominated in equivalent metric tons, it would be helpful to clarify that the reversal will not exceed the previously issued CRTs. ii) There is some duplication of “Term” and “Termination” clauses – perhaps Section 3 could reference Sections 7 and 8.
3. The early termination consequence for IFM projects is for the forest owner to retire an amount equal to the previous CRTs issued multiplied by the compensation rate. Comment: It would be helpful to explain the underlying rationale for this compensation rate.
4. Section 4 requires the forest owner to comply in all respects with the PIA and Forest Protocols. Comment: Many private landowners may find it difficult to understand the Protocols, and we would thus recommend that a simple list of obligations be included in the PIA (could be different for each project type), including one that covers potential changes to the Protocols.
5. Section 8(b) on damages payable by Forest Owners is not clear.