



**TO: California Climate Action Registry**  
**FROM: Equator, LLC**  
**RE: Stakeholder Comments Regarding Proposed Draft California Climate Action Registry's Forest Project Protocol: Harvested Wood**  
**Date: January 18<sup>h</sup>, 2009**

Equator would like to take this opportunity to commend the California Climate Action Registry (CCAR) for recognizing the atmospheric benefits of carbon stored in wood products and appropriately including a method to quantify and credit these avoided emissions within the proposed forest project protocol. As an active stakeholder in the forest carbon offset market, we understand and applaud the enormous efforts undertaken by the harvested wood products working group to develop these guidelines. In addition to our earlier submission on the draft forest project protocol, we appreciate the chance to offer comments on the proposed methods for estimating wood products carbon. Equator believes that including the carbon stored in wood products is crucial to both the atmospheric and financial integrity of any future carbon offsets market, however we feel that addressing the following issues would improve the application of the wood products protocol:

- Expansion of the guidelines for accounting for mill inefficiencies
- Addition of a plan to acknowledge the reported landfill stores of wood
- Elimination of the financial analysis requirement

#### **Estimate Carbon in Wood Products**

- **A.3. Process 2. Accounting for mill inefficiencies - The calculation for mill efficiency included in the draft protocol require the use of the Pacific Southwest mill efficiency multiplier regardless of actual geographic location of the mill.**

As it is written, the value that is entered into the wood products worksheet is obtained by, “multiplying the carbon tons from Process 1 by 0.675.” This multiplier is derived from the 67.5% Pacific Southwest mill efficiency and should only be used for making estimations from these mills. Although the CCAR has stated it will provide mill efficiencies for each assessment area, it is not indicated these regionally specific values will then instead be used as the new multiplier. To address this issue, the value of “0.675” in the sentence above could be replaced with “a multiplier derived for the appropriate regionally specific mill efficiency.”

- **A.3. Process 4. Landfill Storage – The draft forest protocol requires project proponents to report the volumes of wood stored in landfills, but stipulates that these emission reductions will not be included in verification reports and thus are not eligible to earn offset credits.**



Excluding the wood products stored in landfills from the calculation of project emissions reductions is appropriate at the current time due to difficulty in assessing the volume and duration of stores of wood products in landfills over 100 years. Nevertheless, the cost and administrative burden that the requirement to report these values places on project proponents should be acknowledged; especially considering the information obtained from these efforts is likely to benefit future project proponents by enhancing the accuracy and verifiability of the volumes of wood products stored in landfills. In addition, despite the difficulty in calculating these types of emissions reductions, the atmospheric benefits are real and additional and should be credited when verification becomes possible. To address this issue, CCAR should stipulate the intention to preserve the reports submitted by project proponents for the purposes of developing a mechanism to acknowledge these reductions in the future.

#### **Improved Forest Management Projects (Revised Forest Project Protocol)**

- **Section 6.2.1.1 Private Forest Lands – The draft forest project protocol requires that CCAR perform a financial analysis of the relevant costs and returns in their evaluation and justification of the baseline scenario.**

This requirement provides an inappropriate level of influence over the financial decisions of private forested land owners. The ability to dispute the financial feasibility of baseline scenarios would allow CCAR to determine what would be acceptable profit margins, whereas this decision rightly belongs to the land owner. The guidelines provided for meeting the permanence requirements are sufficiently designed to ensure that project proponents can meet their obligations. This issue can be addressed by removing this financial analysis requirement from the baseline estimation section.

Thank you again for your consideration of these and past Equator recommendations. We are pleased for the opportunity to participate in the development of the new CCAR forest project protocols. We look forward to working together to ensure the integrity of forest-based GHG projects. Please feel free to contact us if you have any further questions.

Sincerely,

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