

# Nutrient Management Project Protocol



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## Credit Stacking Subcommittee Meeting #1

July 12, 2011

1:00 – 2:30 pm PDT



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# Agenda

- Introductions
- Objectives
- Discuss memo and Nicholas Institute Working Paper
  - Terminology options
  - Proposed performance standard framework
- Timeline/Work Plan
- Next steps





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# Introductions

- Rachel Tornek, Climate Action Reserve\*
- Katie Goldman, Climate Action Reserve\*
- Teresa Lang, Climate Action Reserve\*
- Nicholas Bianco, WRI
- Simon Bird, AgRefresh\*
- Bobby Cochran, Willamette Partnership
- David Cooley, Nicholas Institute at Duke
- Jessica Fox, EPRI
- Mark Lambert, Terra Global Capital\*
- Belinda Morris, EDF\*
- Meredith Niles, UC Davis\*
- Lydia Olander, Nicholas Institute at Duke
- Michael Wara, Stanford Law\*

(\*Members of NMPP workgroup)

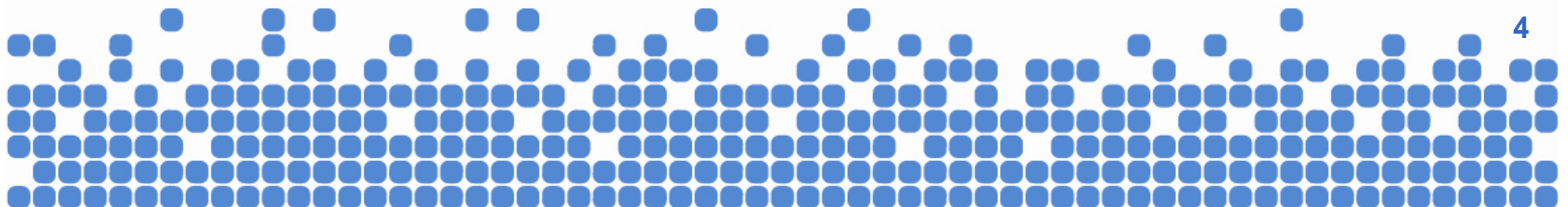




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# Objectives

- To provide options and make recommendations to the Reserve and the NMPP workgroup on policies to address:
  - credit stacking, focusing on the issuance of water quality credits and Reserve-issued carbon offset credits
  - payment stacking
- Help inform Reserve's overarching policies on stacking





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# Terminology

*Stacking Opportunities and Risks in Environmental Credit Markets, Fox et al:*

- **Credit stacking:** establishing more than one credit type *for a single management activity* on spatially overlapping areas (i.e., in the same acre)
- **Payment stacking:** establishing credits for a best management or conservation practice that was originally funded by the government *or another third party* (via grants, subsidies, payments, etc.)





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# Terminology

*Stacking Ecosystem Services Payments, Risks and Solutions, Cooley and Olander:*

- **Vertical stacking:** when a project receives multiple payments for a single management activity on spatially overlapping areas (i.e., in the same acre)
- **Temporal stacking:** when a project receives multiple payments for a single management activity on spatially overlapping areas, but the payments are separated in time
  - Offset and mitigation credits
  - Payments for ecosystem services (PES)

Timing vs. type of payment - is one distinction more important?

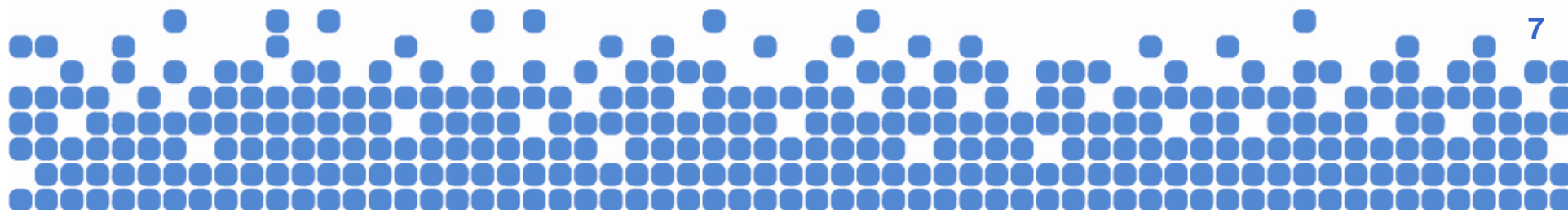


# Performance Standard Conceptual Framework



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1. Project nitrogen application rate must be below the determined threshold for a region/crop  
*and*
2. Projects must adopt at least [X] practice standards specified by region/crop
  - Standards to be developed by Reserve with workgroup input
  - Should represent better than common practice



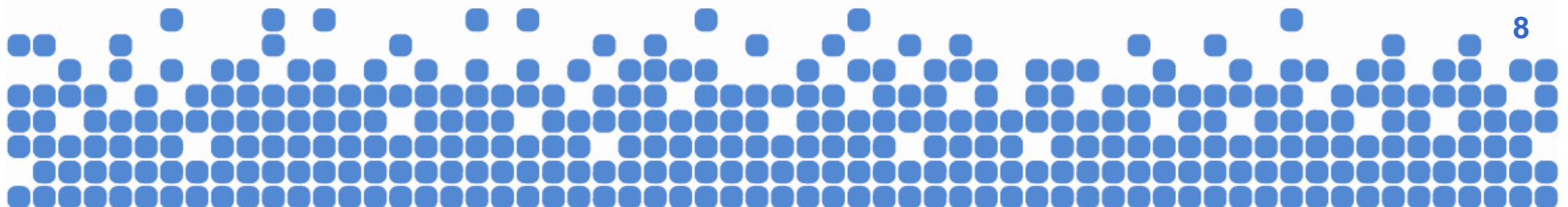


# Credit Stacking Timeline/Work Plan



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Subcommittee call	July 12
Subcommittee call	week of August 8
<b>Draft options for subcommittee comment</b>	<b>week of August 15</b>
<i>Options included in protocol draft to workgroup/SAC</i>	<i>week of August 29</i>
Subcommittee call	week of September 12
Subcommittee call	week of October 3
<b>Subcommittee to make recommendations to workgroup</b>	<b>week of October 10</b>
<i>Protocol draft for public comment</i>	<i>November 1</i>
Subcommittee call	week of December 5
Subcommittee call	week of January 16, 2012
<i>Final protocol for Board</i>	<i>February 2012</i>







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# Next Steps

- Start to develop options/approach
- Schedule August call to continue discussion
- Draft options for your comment by mid-August
- Options included in protocol draft to be distributed to workgroup August 29

