

# Nutrient Management Project Protocol



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## Credit Stacking Subcommittee Meeting #2

August 10, 2011

1:00 – 3:00 pm PDT



# Agenda

- Non-financial barriers
- Concept for discussion: how setting performance standards can inform stacking policies
- Talk through examples
- Revised timeline
- Next steps



# Non-Financial Barriers

- Breetz et al good discussion of non-financial barriers facing water quality trading programs and some tools to overcome
- Barriers seem applicable to carbon and other PES
- For stacking to be effective (and additional), want consensus that multiple PES can help overcome non-financial barriers



# Concept for Discussion

- Common practice analyses could be a starting point for stacking analyses
- Examine level of participation for available PES and the implementation of the related BMP
- Establish if BMP “scarcity” was due to:
  - Demand constraint (more demand than PES supply) → no credit stacking for that PES
  - Supply constraint (more PES supply than demand) → credit stacking OK



# Data Needs

- Discussed “focus areas” for performance standard development
  - North Central, Midwest, California
- PES available by region
- PES participation by region
- Limiting factor for participation

*Q: Available info? At what geographic scale?*



# Relevant PES Sources

*From Nutrient Management Project Protocol: A Background Paper on Quantification of Emission Reductions (2011)*

- Coastal Zone Management Act
- Agricultural Management Assistance (organic farming)
- Conservation Stewardship Program
- Conservation Security Program
- Conservation Reserve Program
- Environmental Quality Incentive Program
- Regional and local-level initiatives for vulnerable watersheds
- Water quality trading programs
- Others?



# Disclosure and Credit Ownership

- Need to ensure project developer can claim GHG benefit of BMP implementation
  - Attestation from project developer?
  - Evidence of disclosure?
  - Acknowledgment from PES?
- Need to ensure transparent disclosure to future PES programs



# Examples

## *Scenario #1 (temporal stacking)*

- A conservation payment or offset/mitigation credit has been received by the project developer for a BMP
- BMP has already been implemented
- Project developer is now seeking carbon credit for same BMP

*Q: “Early actor”? “Double dipping”?*





# Examples

## *Scenario #2 (vertical stacking)*

- BMP has not been implemented
- Project developer is seeking multiple PES concurrently

*Q: Are results of scarcity analysis appropriate to ensure additionality of stacking?*



# Examples

## *Scenario #3 (temporal stacking)*

- BMP is implemented as a carbon project
- Project developer then seeks additional PES for same practice

*Q: Is disclosure enough? Is there a way to make presence of carbon project more transparent?*

# Revised Timeline



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Subcommittee call	July 12
Subcommittee call	August 10
<b>Options memo</b>	<b>early September</b>
Subcommittee call ( <i>combine with workgroup call?</i> )	week of September 12 or 19
Subcommittee call	week of October 3
<b>Subcommittee to make recommendations to workgroup</b>	<b>week of October 10</b>
Protocol draft for public comment	November 1
Subcommittee call	week of December 5
Subcommittee call	week of January 16, 2012
Final protocol for Board	February 2012



# Next Steps

- Compile PES resources and contacts for focus areas
- Confirm if September call will be joint with workgroup
- Draft memo for your comment in early September
- Share memo with workgroup in mid-September