



CLIMATE
ACTION
RESERVE

Forest Project Protocol Version 3.1 ERRATA AND CLARIFICATIONS

The Climate Action Reserve (Reserve) published its Forest Project Protocol Version 3.1 (FPP V3.1) in October 2009. While the Reserve intends for the FPP V3.1 to be a complete, transparent document, it recognizes that correction of errors and clarifications will be necessary as the protocol is implemented and issues are identified. This document is an official record of all errata and clarifications applicable to the FPP V3.1.¹

Per the Reserve's Program Manual, both errata and clarifications are considered effective on the date they are first posted on the Reserve website. The effective date of each erratum or clarification is clearly designated below. All listed and registered forest projects must incorporate and adhere to these errata and clarifications when they undergo verification. The Reserve will incorporate both errata and clarifications into future versions of the protocol.

All project developers and verification bodies must refer to this document to ensure that the most current guidance is adhered to in project design and verification. Verification bodies shall refer to this document immediately prior to uploading any Verification Statement to assure all issues are properly addressed and incorporated into verification activities.

If you have any questions about the updates or clarifications in this document, please contact Policy at: policy@climateactionreserve.org or (213) 891-1444 x3.

¹ See Section 4.3.4 of the Climate Action Reserve Program Manual for an explanation of the Reserve's policies on protocol errata and clarifications. "Errata" are issued to correct typographical errors. "Clarifications" are issued to ensure consistent interpretation and application of the protocol. For document management and program implementation purposes, both errata and clarifications to the FPP are contained in this single document.

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Section 3

1. Slope of Project Area Land in Avoided Conversion Projects (CLARIFICATION – October 29, 2014)

Section: 3.1.2.3

Context: Section 3.1.2.3 of the FPP states that the appraisal for an Avoided Conversion Project must indicate that the slope of Project Area land does not exceed 40 percent. It is not clear whether the slope cannot exceed 40% on any portion of the Project Area or as an average.

Clarification: The 40% slope requirement should be calculated as an average slope across the entire Project Area.

2. Actions Denoting an Improved Forest Management Project Start Date (CLARIFICATION – June 8, 2010)

Section: 3.2

Context: In defining actions that identify the project start date for each project type, Section 3.2 (page 8) states: “*For an Improved Forest Management Project, the action is initiating forest management activities that increase sequestration and/or decrease emissions relative to the baseline.*” While the protocol does not explicitly identify what such an action might be, the intention of the protocol is to require a discrete, verifiable action that is an indicator of a change in practice.

Clarification: An Improved Forest Management project’s start date must be linked to a discrete, verifiable action that delineates a change in practice relative to the project’s baseline. Possible actions include:

- Recordation of a conservation easement on the Project Area. The project start date is the date the easement was recorded.
- Transferring of property ownership (to a public or private entity). The project start date is the date of property transfer.
- Submitting the project to the Reserve.² The project start date is the date of submittal, provided that the project completes verification within 30 months of being submitted. If the project does not meet this deadline, it must be resubmitted under the latest version of the protocol; it will not retain the initial submittal date and will be subject to any new project start date requirements.

For pre-existing projects submitted by the April 30, 2010 deadline, possible actions denoting the start date, in addition to those described above, include:

- Implementation of a verifiable forest management plan that leads to the increased carbon stocks.
- Engaging in consulting services for the purposes of implementing a carbon project.

² Submitting a project to the Reserve is considered an initiation of a commitment to employ practices that will maintain or grow net carbon stocks for the duration of the FPP’s commitment period, per the requirements of the FPP (Section 3.4) and signing the Project Implementation Agreement (PIA).

Forest Owners must affirm the action denoting the project start date by providing documentation. Adequate documentation could include deeds of trust, title reports, conservation easement documentation, dated forest management plans, and/or contracts or agreements.

3. Project Submission Deadline (ERRATUM – October 29, 2014)

Section: 3.2

Context: Section 3.2 of the Forest Project Protocol states that Projects must be listed on the Reserve within 6 months of their Project Start Date.

Correction: Projects must be submitted within 6 months of their Project Start Date. This is a Program-wide policy established in Section 2.4.3 of the Reserve's Program Manual.

4. Conservation Easements (CLARIFICATION – June 8, 2010)

Section: 3.6

Context: Section 3.6 (page10) states that “*Qualified Conservation Easements and Qualified Deed Restrictions must be recorded no earlier than one year before a project's start date.*” The intent is to allow time for new projects to undergo the project submittal process after they record a conservation easement. It was not intended to allow pre-existing projects to (arbitrarily) choose a start date within one year of easement recordation.

Clarification: As indicated in Section 3.2 (page 8 and clarified above in item 2), project start dates must always be linked to a discrete, verifiable action. For pre-existing projects, the recordation of a conservation easement may be used to denote the start date of a project. A subsequent start date may only be used if a subsequent verifiable action can be identified denoting the start date. If a subsequent start date is identified, any previously recorded conservation easement may only be considered a Qualified Conservation Easement if it was recorded within one year prior to the identified project start date. New projects must be submitted to the Reserve within a year of recordation of a conservation easement or else the conservation easement will be considered a legal requirement for the purposes of baseline modeling (Section 6.2.1.1, page 48).

5. Definition of Qualified Conservation Easements and Qualified Deed Restrictions (CLARIFICATION – October 29, 2014)

Section: 3.6

Context: Section 3.6 of the FPP states the Projects which employ a Qualified Conservation Easement or Qualified Deed Restriction have reduced obligations to the Reserve's Buffer Pool. It is not clear what distinction allows a Conservation Easement or Deed Restriction to be considered “qualified”.

Clarification: A “Qualified Conservation Easement” is a conservation easement that explicitly (1) refers to, and incorporates by reference, the terms and conditions of the PIA agreed to by the Project Operator, thereby binding both the grantor and grantee – as well as their subsequent assignees – to the terms of the PIA for the full duration of the Forest Project's minimum time commitment, as defined in Section 3.4 of this protocol; (2) makes all future encumbrances and

deeds subject to the PIA; and (3) makes the Reserve a third party beneficiary of the conservation easement.

Section 11 of the FPP defines a “Qualified Deed Restriction” as follows:

A qualified deed restriction shall ensure that the Project Implementation Agreement runs with the land and applies to all current and subsequent Forest Owners for the full duration of the Forest Project's minimum time commitment, as defined in Section 3.4 of this protocol, to be determined in the Reserve's reasonable discretion. A deed restriction is not "qualified" if it merely consists of a recording of the Project Implementation Agreement or a notice of the Project Implementation Agreement, as such a recording is already required by the Project Implementation Agreement.

The intention behind the deed restriction / qualified deed restriction language in the FPP is that where a forest project property has on title a binding document relating to the timber/forest carbon other than a conservation easement, such as certain types of timber management easements that are on title *in lieu of a conservation easement*, and that have been (1) proven to run with the land, (2) relate to the forest carbon, and (3) are already being enforced by a third party (i.e. the easement grantee) – those documents (that we refer to in the FPP as “deed restrictions”) could be amended to become qualified deed restrictions. The Reserve will determine in its sole discretion whether such proposed amended documents constitute a “qualified deed restriction” on a case-by-case basis, after receiving evidence from the forest owner that they satisfy the provisions set forth herein and in the Forest Project Protocol.

Where there is a conservation easement on a property, the conservation easement itself must be qualified – another deed restriction cannot become a “qualified deed restriction” where a conservation easement is on title.

6. Requirement for Avoided Conversion Projects to Record a Qualified Conservation Easement (CLARIFICATION – October 29, 2014)

Section: 3.6

Context: Section 3.6 requires Avoided Conversion Projects to record a Qualified Conservation Easement in order to be eligible for registration. Because the clarification on defining a “Qualified Conservation Easement” was not available, it was not clear what this requirement entailed.

Clarification: Avoided Conversion Projects do not require a Qualified Conservation Easement in order to be eligible for registration.

7. Sustainable Harvesting Practices Requirement (CLARIFICATION – October 29, 2014)

Section: 3.9.1

Context: Section 3.9.1 requires Forest Projects to employ and demonstrate sustainable long-term harvesting practices “at the time commercial harvesting is either planned or initiated.” It is not clear what constitutes commercial harvest having been “planned”.

Clarification: The requirement for meeting one of the Sustainable Harvesting Practices options is to be assessed at the time that a harvest plan is submitted to a state or federal agency or when commercial harvesting is initiated. The requirement is not applied when commercial harvesting is merely “planned”.

8. Scope of Applicability for Sustainable Harvesting Practices Requirement (ERRATUM – October 29, 2014)

Section: 3.9.1

Context: Section 3.9.1 states that the Sustainable Harvesting Practices requirement must be met “at the time commercial harvesting is either planned or initiated within the Project Area, the Forest Owner must employ and demonstrate sustainable long-term harvesting practices on all of its forest landholdings, including the Project Area.”

Correction: The assessment of sustainable harvesting should be limited to the forest landholdings controlled by the Forest Owner within the project’s Assessment Area, including the Project Area.

Section 4

9. Identifying Project Area for Reforestation Projects (CLARIFICATION – October 29, 2014)

Section: 4

Context: Section 4 of the FPP describes the requirements for identifying the Project Area. It is not clear when the Project Area must be finalized for a Reforestation Project.

Clarification: The final identification of the Project Area boundaries for a Reforestation Project may be deferred until the second site visit verification. The boundary that is set at the second site visit verification shall be the Project Area boundary for the duration of the project.

Section 6

10. Baseline Modeling for Improved Forest Management Projects (CLARIFICATION – June 8, 2010)

Section: 6.2.1

Context: Determining the baseline of onsite carbon stocks for Improved Forest Management projects requires comparing the project’s initial standing live carbon stocks to the Common Practice statistic. The Common Practice statistic value displayed in Appendix F (located at <http://www.climateactionreserve.org/how/protocols/adopted/forest/resources/#appendix-f-documents>) is metric tonnes of carbon per acre in the above ground portion (bole, bark, top and branches) of the standing live trees. FPP V3.1 defines standing live trees to include “*the stem, branches, roots, and leaves or needles of all above ground live biomass.*” This has led to confusion as to what portion of the project’s standing live carbon stocks should be compared to

Common Practice. The intent of the protocol is to include only the Above-Ground (AG) standing live stocks to allow for an accurate comparison.

Clarification: To determine if a project's initial standing live carbon stocks are above or below Common Practice, the metric tonnes of carbon associated with the Above-Ground (AG) standing live carbon stocks should be compared to the Common Practice statistic found in Appendix F. Additionally, all reference to "standing live carbon stocks" in Step 3 of Section 6.2.1 (page 44) should be changed to "Above-Ground standing live carbon stocks". Below-ground standing live carbon stocks must be added to baseline carbon stock estimates in Step 4 of Section 6.2.1 (page 47).

11. Estimating Baseline Onsite Carbon Stocks for Public Lands (CLARIFICATION – October 29, 2014)

Section: 6.2.2

Context: This section of the protocol currently states "For Project Areas that demonstrate an increasing inventory of carbon stocks over the past ten years, the growth trajectory of the baseline shall continue until the forest (under the baseline stocks) achieves a stand composition consistent with comparable forested areas that have been relatively free of harvest over the past 60 years."

It is unclear from this wording what "comparable forested areas" and "relatively free of harvest" mean. Finding a truly comparable landscape would be difficult for many public entities, whose lands span multiple ecosystems and employ a variety of different management practices. Determining what constitutes "relatively free of harvest" on a case-by-case basis could introduce subjectivity and result in variable applications across projects.

Clarification: In order to produce a consistent and standardized approach to baseline for public lands that demonstrate an increasing inventory of carbon stocks over the past ten years, a comparable forest shall be modeled from initiation out to 60 years using an approved growth model as described in Appendix B. The modeled forest shall be comparable to the project area in terms of acreage, site class and species composition. Throughout the 60-year modeling period, only commercial and noncommercial thinning for the purposes of controlling stocking levels will be allowed. The carbon stocks of the modeled forest at 60 years shall be the project baseline, and shall be considered static throughout the project life.

Appendices

12. Allometric Equations and Biomass/Carbon Mass Estimates (CLARIFICATION – October 29, 2014)

Section: Appendix A, Section A.3

Context: Appendix A, Section A.3 states that the equations in this appendix should be used for biomass and carbon mass estimations. It also states that the references in Section 12 contain a comprehensive list of biomass equations. It is not clear from the current language which biomass equations should be used.

Clarification: The Reserve has published guidance on how to perform biomass calculations, including which biomass equations to use, on the Forest Project Protocol webpage under Protocol Companion Documents and Tools. Separate guidance is provided for projects located in California, Oregon, Washington, Alaska and Hawaii versus projects located outside of these states. The Reserve will continue to make improvements to the guidance documents over time.

13. Calculation of Belowground Biomass (CLARIFICATION – October 29, 2014)

Section: Appendix A, Section A.3

Context: Appendix A, Section A.3 states that the Reserve allows the belowground component of trees to be estimated using a regression equation (Cairns, Brown, Helmer, and Baumgardner, 1997).

Clarification: The use of this regression equation is only allowed for projects located in California, Oregon, Washington, Alaska and Hawaii. Projects located outside of these states must calculate the belowground component of trees according to the guidance provided on the Forest Project Protocol webpage.

14. Definition of Standing Live Biomass (ERRATUM – October 29, 2014)

Section: Appendix A, Section A.3

Context: Appendix A, Section A.3 states that the standing live tree estimate includes carbon in all portions of the tree, including the bole, stump, bark, branches, leaves and roots.

Correction: Standing live tree estimates should be based upon the tree components provided in the biomass equations and calculation methodologies provided for the appropriate region, which may or may not include foliage.

15. Applying a Confidence Deduction (ERRATUM – October 29, 2014)

Section: Appendix A, Section A.4

Context: Appendix A, Section A.4 states that step 3 in applying a confidence deduction is to, “Divide the total inventory estimate by the result in (2) and multiply by 100. This establishes the sampling error (expressed as a percentage of the mean inventory estimate from field sampling) for a 90 percent confidence interval.”

Correction: This statement incorrectly inverts the order of operations required to calculate sampling error. Instead, step 3 should read, “Divide the result in (2) by the total inventory estimate and multiply by 100. This establishes the sampling error (expressed as a percentage of the mean inventory estimate from field sampling) for a 90 percent confidence interval.”

16. Reduced Reversal Risk Rating for Wildfire (CLARIFICATION – October 29, 2014)

Section: Appendix D

Context: Appendix D states that project proponents may use property-specific fire data of at least 30 years in duration in lieu of regional Assessment Area values. It is not clear what types of data the Reserve will accept.

Clarification: The Reserve will accept numerical data dating back 30 years. Additionally, a report stating that the reduced wildfire risk rating being claimed is appropriate and signed by a state forest commission official will be accepted. With all reduced wildfire risk ratings, a methodology for how the project-specific risk assessment was performed must be submitted.

17. Calculating a Project's Reversal Risk Rating (CLARIFICATION – October 29, 2014)

Section: Appendix D

Context: The formula for completing the Risk Rating Analysis does not include the additional contribution to the buffer pool from the Project Implementation Agreement (PIA) Subordination Type. This additional contribution is assessed once the project chooses which Subordination Clause to use in the PIA.

Clarification: The formula which appears in Section D.5 of Appendix D for calculating the project's reversal risk rating should read as follows:

$$\begin{aligned} 100\% - & \left((1 - \text{FinancialFailure}\%) \times (1 - \text{IllegalForestBiomassRemoval}\%) \right. \\ & \times (1 - \text{Conversion}\%) \times (1 - \text{OverHarvesting}\%) \times (1 - \text{SocialRisk}\%) \\ & \times (1 - \text{Wildfire}\%) \times (1 - \text{Disease/InsectOutbreak}\%) \\ & \left. \times (1 - \text{OtherCatastrophicEvents}\%) \times (1 - \text{PIASubordination}\%) \right) \end{aligned}$$