



May 15, 2015

Climate Action Reserve  
601 West 5th Street, Suite 650  
Los Angeles, CA 90071

*Submitted online at <http://www.climateactionreserve.org/how/protocols/grassland/>*

**Re: Environmental Defense Fund Comments on the Climate Action Reserve Grassland Project Protocol**

Dear Climate Action Reserve:

Environmental Defense Fund (EDF) acknowledges the Reserve for its continual efforts to create and simplify agriculture-based protocols. Like the Reserve, EDF is committed to using the best available science to develop and expand greenhouse gas reducing protocols and projects. The Grassland Project Protocol fills an important need for farmers and ranchers throughout the conterminous United States. In combination with other protocols which reward land stewards for implementing practices that decrease nitrous oxide (Nitrogen Management) and methane (U.S. Livestock and Rice Cultivation), this protocol provides support to keep grasslands as grasslands.

This protocol serves as an important alternative to the USDA's Conservation Reserve Program (CRP). CRP has been the nation's largest and arguably most successful conservation program. Unfortunately the program is at a crossroads. Between 2012 and 2017 more than 15 million acres or nearly half of current enrollment will come up for renewal. As CRP contracts expire, there has been and will continue to be strong pressure for farmers to return their land to crop production. Historically, USDA would just offer these contract holders an opportunity to re-enroll and maintain the land in conservation cover. This time is different. The options currently available to producers that want to practice conservation have been dramatically reduced. This protocol provides landowners another alternative. It comes at a critical time to help preserve these valuable lands.

Please accept the following consolidated feedback from EDF in response to the public solicitation for comments on the Grassland Project Protocol v1.0. Several of our staff reviewed the protocol and their feedback is included in these comments. We have organized our comments according to the sections of the protocol to make them easier for staff to review and incorporate in the final version of the protocol.

## **2 The GHG Reduction Project**

- As requested in the Note to Commenters box on page 4, EDF believes that ten (10) years is a reasonable length of time to show management for profit for similarly situated lands. This is consistent with the evidence required to show that the project areas has been in continuous grassland (Section 2.2, pages 3- 4 and Section 5.1.3, page 33).

## **3 Eligibility Rules**

- In the Eligibility Rules table on page 10, Eligibility Rule V states that for permanence the project must “Employ a Qualified Conservation Easement **or** PIA to legally agree to permanence requirements.” Section 3.5 on page 23 states that “to ensure that the permanence obligations are guaranteed for the duration of the minimum time commitment, projects are required to employ a Qualified Conservation Easement (QCE) **and** a Project Implementation Agreement (PIA).” Finally, Table 8.1 on page 70 states that “If the project does not employ a Qualified Conservation Easement, the Grassland Owner must execute a PIA with the Reserve prior to the initial registration.” Based on our knowledge of the protocol through the Workgroup, we believe that the “and” should be an “or” in Section 3.5.
- What percentage of grasslands are continuous grasslands that don’t include wetlands? The Prairie Pothole region is a patchwork of wetlands and grasslands. Has the Reserve investigated how difficult stratification will be (Section 3.1, page 10).
- It would be helpful for Project Developers if the Project Submittal Form were an online submission form (Section 3.2, page 11).
- If an appraisal is already necessary for a conservation easement and a Qualified Conservation Easement, would there be an incentive for a project to demonstrate passing the financial threshold this way? (Section 3.3.1.1, page 14)
- A great deal of care must be taken when setting the appropriate value of the ‘Financial Threshold’ (Section 3.3.1.1) for eligibility in the protocol. The economic analysis conducted as part of EDF’s Rangeland CIG, as well as a forthcoming peer-reviewed publication from the authors has shown that this may well be the most sensitive parameter affecting the environmental and economic outcomes of such an offset protocol. Preliminary results show that this value should be carefully determined in order to maximize avoided emissions while reducing overall program costs. In general, there is a tendency for average cost of abatement (program costs per ton of avoided emissions) to decrease as the additionality threshold increases; a trend found up to levels of 100% or higher. There also appears to be evidence that setting regional thresholds (at the state level or other) could be of value, especially in the context of high carbon prices. For the reasons stated above, we believe the Reserve should review the manuscript in development and incorporate the research into updating the ‘Financial Threshold’ parameters within this protocol.
- The economics of grassland projects need to be evaluated. In particular, the expense of groundwater assessments and conservation easements? At what carbon price are grassland projects economical? (Section 3.3.1.2, page 16 and 3.3.2, page 17)
- EDF recommends the inclusion of language relative to temporary emergency laws or regulations that can be implemented in times of drought or other short-term impacts. Example language can be found in Section 5.2.2.1 (o) of the California Air Resources Board’s Compliance Offset Protocol for Rice Cultivation Projects. (Section 3.3.2, page 17)
- Prior to final approval, it would be helpful to include a draft Project Implementation Agreement (PIA) for Grassland Projects. While it is possible to review the PIA for the Forest Protocol, we

believe significant changes will be necessary for the Grassland Project Protocol. (Section 3.5.2, page 24).

#### **4 The GHG Assessment Boundary**

- We recommend making clear from the very beginning and reiterating throughout the Protocol that the baseline scenario is the projection of emissions from converting grasslands to cropland and comparing the baseline to the project scenario, which is avoiding conversion.

#### **5 Quantifying GHG Emissions Reductions**

- Section 5.1.3 states that “For pre-project years when the CDL data are available... this resource is sufficient, and the project area shall be assessed against this resource for each year that data are available to confirm that the land use identified in all prior years is the same as that of the year prior to the project state date.” Who does this assessment? Is this verification and project developers? Or is it the Reserve? (Section 5.1.3, page 33)
- Section 5.1.3 also states that “1. Contract(s) covering the relevant year(s) whose terms would require that the project area be grassland, but that would not cause the project to fail the Legal Requirement Test (e.g. grazing leases or haying contracts).” Could the Reserve provide examples of the types of contracts that might cause projects to fail the Legal Requirement Test? (Section 5.1.3, page 34)
- EDF recommends that since the buffer restrictions haven’t been explained yet, the Reserve should include a reference to the section where they will be discussed (Section 5.1.4, page 35).
- Please include a note on whether Table 5.1 (Section 5, page 30) will be periodically updated and whether or not those updates will impact the Equations (pages 38, 43, 45, 46). Also, will the emissions factors in these equations be updated as well?
- If a project area has livestock grazing in the baseline, why are those emission not included? In other words, why are emissions from livestock only included in the project scenario? (Sections 5.2 and 5.3.4)
- Make note of the source of the data in Box 5.3 (page 47).
- Please explain the source of the .02 value for the default risk of unavoidable reversals (Equation 5.15, Section 5.4.3, page 51).
- Since two of the Risk<sub>rev</sub> values are repeated, there are four distinct values of the Risk<sub>rev</sub>, not six (Table 5.4, Section 5.4.3 page 51). We believe the text should be updated to clarify those values.

#### **6 Project Monitoring**

- We recommend that the sentence “The plan should be developed following the principles of NRCS Conservation Practice Standard 528 for Prescribed Grazing” be amended to include the phrase “to NRCS recommended moderate stocking rates or lower.” There are situations where the NRCS allows ranchers to exceed the moderate stocking rate which could result in increased grazing and depletion of soil carbon stocks.
- “For projects that employ additions of fertilizer (beyond the manure from grazing livestock), it is strongly encouraged that the project develop a nutrient management plan,” however, in Section 2.2 on page 4 it states, “Projects may not employ synthetic fertilizer additions.” What fertilizer beyond manure can be applied and how does that fit with the requirements in Section 2.2? It should be made clear on page 55 that projects may not employ additions of synthetic fertilizer, if that is the case (Section 6.4, page 55).

### **General Comments and Edits**

- While this protocol is very straightforward and easy to use, additional outreach to the ranching community will be necessary for its success and adoption. Feedback we received from a prominent cattleman was that it seems “seems pretty complicated” and that ranchers are still skeptical about climate change.
- We suggest checking all of the Section references and update them as necessary. For instance, Section 2.2 references grazing activities criteria listed in 6.3, when they are actually listed in 6.2 and Section 2.3.2 states that the project implementation agreement is explained in Section 3.5.1, when it is actually in 3.5.2.
- We suggest including a table that outlines all of the time periods of the protocol, which can vary depending on specific project characteristics.
  - Project period
  - CRT calculation period
  - Crediting period
  - Reporting period
  - Verification period
    - Clarify the difference between the requirement that “Project developers must submit verified emission reduction reports to the Reserve annually at a minimum” (Section 7 p.64) and “project verification occur at least every six years during a project’s crediting period” (Section 7.3, page 65).
  - Baseline value validity period
    - Clarify the different between “baseline for any grassland project registered under this protocol is valid for 50 years” (Section 3.4, page 21) and the baseline emission factors validity (Appendix B).
  - Monitoring periods
    - Distinguish the circumstances for no monitoring report requirements, yearly reporting and verification, reporting and verification every six years, and reporting every 3 years, but verification every fifteen years (Section 7, pages 66-67)
  - Easement period
  - Permanence period
- Clarify how often credits can be created and issued.
- On page 5 (Section 2.2.2) and page 10 (Section 3.1), there is an extra period at the end of the sentence.
  - “A “project cooperative” or “cooperative” is a collection of two or more individual grassland projects managed by a common entity (referred to as the “Cooperative Developer,” Section 2.3), which engage in joint monitoring, reporting, and verification (Sections 6.5, 0, and 8.1)..”
  - “Under this protocol, reductions from international projects are not eligible to register with the Reserve..”
- On page 34, 1. “Contract(s) covering the relevant year(s) whose terms would require that the project area be grassland, but that would not cause the project to fail the Legal Requirement Test (e.g. grazing leases or haying contracts)).” Missing a parenthesis.
- On page 49 Equation 5.9, s = stratum is missing.

- On page 46 Equation 5.12,  $GWP_{CH_4}$  = Global Warming Potential of Methane is missing.

We appreciate the effort the Reserve is making to strengthen opportunities for agriculture's involvement in carbon markets. Adoption of the Grassland Project Protocol is an important step to develop and expand a robust offset market which delivers both economic and environmental benefits. We look forward to continuing to work with the Reserve to create the most accessible carbon market possible. Thank you for your consideration of these comments on the revised Grassland Project Protocol.

If you have any questions regarding the comments made in this letter, please contact me.

Sincerely,



Robert Parkhurst  
Director, Agriculture Greenhouse Gas Markets  
Environmental Defense Fund