May 18, 2020

Attn: Sami Osman
Climate Action Reserve
818 W. 7th St, Suite 710
Los Angeles, CA 90017

Dear Mr. Osman,

Indigo Ag, Inc. is pleased to submit, for your consideration, our comments on the Soil Enrichment Protocol Version 1.0 that was released for public comment on April 17, 2020. We have been extremely pleased with our collaboration with the Climate Action Reserve and its staff during the development process for this protocol.

## General support

The Reserve staff and the working group have done a tremendous job pulling together this ground-breaking offset project protocol. As a project developer, Indigo Ag would not be able to generate and verify high-quality offsets for agricultural projects without the presence of rigorous protocols. The Reserve's protocol development process provides incredible transparency and stakeholder interaction, ultimately raising the quality of the credits we are able to generate and bringing confidence to our farmers, partners, and buyers. We have appreciated the opportunity to support the Reserve and to participate on the SEP working group. The staff should be commended for assembling an excellent group of experts to help craft this final document. We believe there is opportunity for GHG emission reductions and increased soil carbon sequestration on millions of acres across the US, and worldwide, and that this opportunity is now being unlocked through the adoption of this protocol. Indigo Ag fully supports the Reserve Board in approving this protocol for use.

## Section 3.4.1 The Performance Standard Test

Portions of this section introduce the concepts necessary for selecting the historical baseline on which the modeling will be conducted. Development of the baseline is absolutely crucial for any carbon project, and is particularly complex in the case of the SEP, due to the wide range of crops and practices allowed by the Project Definition. In the public comment draft of the SEP, we feel that this section is not quite complete in its guidance around how the historical baseline is to be modeled during each year of the project. As written, it's not clear whether the averaging of model outputs for one year is meant to drive the inputs of the model for the next year, or whether the averaging is only used for the quantification of the baseline in a given year. It is our opinion that the former is not workable with existing biogeochemical models, but that the latter is a very sensible approach. We recommend making it clear that when modeling multiple historic years separately to determine the baseline for a given year, the outputs from each model run should form the inputs of the model runs for the next year without being averaged together. So if a project has three years in its historical baseline period, it would maintain three separate instances, or threads, of modeling throughout the crediting period. The results of each of these instances would be averaged together in a given year, according to the protocol guidance, to determine the baseline for that year.

## Section 8.4.1 Verification Site Visit Requirements

The first item of the numbered list of this section requires that the verifier visit "a minimum of one-half the square root of the total number of fields in the project." While this is far more practical than a fixed percentage of fields when verifying an aggregated project with many fields, it still represents an undue burden. For example, a project with 5,000 fields would require 36 individual site visits, or 50 site visits for a project with 10,000 fields. While this sampling intensity would be entirely reasonable for an industrial project, where the conditions at the site (e.g., meters, piping, control equipment, etc.) are likely to remain unchanged throughout the year, and an individual site may represent a significant quantity of GHG reductions, it is overkill for a highly-dispersed agricultural project. Farming conditions and activities vary greatly throughout the year, such that the verifier is unlikely to witness much of the actual project activities through a visit on a single day. In fact, it is likely that actual site activities may be more easily determined through review of periodic remotely-sensed data. In addition, the GHG reductions for any given field are not likely to be material (hence the need for significant aggregation). Moreover, it could be argued that the main source of risk is the project aggregator's practices and procedures around data collection, quantification, and reporting, none of which occur on-farm.

Thank you again for the opportunity to participate in this protocol development process, and to submit these comments. We hold the Reserve in very high regard and look forward to continuing to work with you to advance the goals of sustainable agriculture.

Sincerely,

Ed Smith