

VALIDATION AND VERIFICATION REPORT

American Carbon Registry

ACR518: Bluesource - Burnt Mountain Improved Forest Management Project

Reporting Period:

31 August 2018 to 30 August 2019

Prepared for:

Bluesource

27 August 2020



AMERICAN CARBON REGISTRY

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Executive Summary

This report describes the validation and initial verification services provided for the Burnt Mountain Improved Forest Management Project (“the project”), located in north-central Vermont, USA, that was conducted by SCS Global Services. The overall goal of the validation engagement was to review impartially and objectively the GHG project plan against the requirements laid out in the ACR Standard and relevant methodology. The overall goal of the verification engagement was to review impartially objectively the claimed GHG emission reductions/removal enhancements claimed by the project proponent, The Nature Conservancy, for the reporting period from 31 August 2018 to 30 August 2019 against relevant ACR standards and the approved methodology. The validation and verification engagements were carried out through a combination of document review, interviews with relevant personnel and on-site inspections. As part of the validation and verification engagements 19 findings were raised: 3 Non-Conformity Reports and 16 New Information Requests. These findings are described in Appendix A of this report. The project complies with the validation and verification criteria, and SCS holds no restrictions or uncertainties with respect to the compliance of the project with the validation and verification criteria.

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1 Introduction

1.1 About SCS Global Services

SCS Global Services (SCS) is a global leader in third-party certification, auditing, testing services, and standards. Established as an independent third-party certification firm in 1984, our goal is to recognize the highest levels of performance in environmental protection and social responsibility in the private and public sectors, and to stimulate continuous improvement in sustainable development. In 2012, Scientific Certification Systems, Inc. began doing business as SCS Global Services, communicating its global position with offices and representatives in over 20 countries.

SCS' Greenhouse Gas (GHG) Verification Program has been verifying carbon offsets since 2008 and to date has verified over 250 million tonnes of CO₂e, providing GHG verification services to a wide array of industries including manufacturing, transportation, municipalities, and non-profit organizations. The GHG Verification Program draws upon SCS's established expertise to serve the global carbon market.

1.2 Objectives

1.2.1 Validation Objectives

The overall goal of third-party validation was to review impartially and objectively the GHG project plan against the requirements laid out in the ACR Standard and relevant methodology. SCS independently evaluated the project design and planning information, based on supporting documentation and GHG validation best practices.

The objectives of validation were to evaluate

- Conformance to the ACR Standard.
- GHG emissions reduction project planning information and documentation in accordance with the applicable ACR-approved methodology, including the project description, baseline, eligibility criteria, monitoring and reporting procedures, and quality assurance/quality control (QA/QC) procedures.
- Reported GHG baseline, ex ante estimated project emissions and emission reductions/removal enhancements, leakage assessment, and impermanence risk assessment and mitigation (if applicable).

SCS reviewed any relevant additional documentation provided by the project proponent, The Nature Conservancy to confirm the project's eligibility for registration on ACR.

1.2.2 Verification Objectives

The overall goal of third-party verification was to review impartially and objectively the claimed GHG emission reductions/removal enhancements against relevant ACR standards and the approved

methodology. SCS independently evaluated the GHG assertion, based on supporting evidence and GHG verification best practice. The objectives of verification were to evaluate

- Reported GHG baseline, project emissions and emission reductions/removal enhancements, leakage assessment, and impermanence risk assessment and mitigation (if applicable).

SCS reviewed the GHG project plan, GHG assertion, and any additional relevant documentation provided by the client to determine

- That the reported emissions reductions and/or removal enhancements are real.
- Degree of confidence in and completeness of the GHG assertion.
- That project implementation was consistent with the GHG project plan.
- Eligibility for registration on ACR.
- Sources and magnitude of potential errors, omissions, and misrepresentations, including the
 - Inherent risk of material misstatement.
 - Risk that the existing controls of the GHG project would not have prevented or detected a material misstatement.

1.3 Scope

1.3.1 Scope of Validation

The validation included examination of all of the following elements of the GHG project plan:

- Project boundary and procedures for establishing the project boundary
- Physical infrastructure, activities, technologies, and processes of the project
- GHGs, sources, and sinks within the project boundary
- Temporal boundary
- Description of and justification for the baseline scenario
- Methodologies, algorithms, and calculations that will be used to generate estimates of emissions and emission reductions/removal enhancements
- Process information, source identification/counts, and operational details
- Data management systems
- QA/QC procedures
- Processes for uncertainty assessments
- Project-specific conformance to ACR eligibility criteria

1.3.2 Scope of Verification

Verification included examination of some or all of the following elements of the GHG project plan:

- Physical infrastructure, activities, technologies, and processes of the GHG project

- GHG SSRs within the project boundary
- Temporal boundary
- Baseline scenarios
- Methods and calculations used to generate estimates of emissions and emission reductions/removal enhancements
- Original underlying data and documentation as relevant and required to evaluate the GHG assertion
- Process information, source identification/counts, and operational details
- Data management systems
- Roles and responsibilities of project participants or client staff
- QA/QC procedures and results
- Processes for and results from uncertainty assessments
- Project-specific conformance to ACR eligibility criteria

SCS examined the reported data, quantification methodologies, calculation spreadsheets or databases, source data, project data management systems, data quality controls in place, measurement and monitoring systems, and records pertaining to emissions quantification. Calculation and error checks, site inspections, interviews with project participants, an iterative risk assessment, sampling plan, and audit checklist were performed to the extent necessary for SCS to develop an understanding of how data are collected, handled, and stored for a specific project.

Finally, as a full verification, the verification services included a field visit to the project site and

- Such carbon stock measurements as SCS required to provide a reasonable level of assurance that the GHG assertion is without material discrepancy (per ACR's materiality threshold of $\pm 5\%$).
- Updated assessment of the risk of reversal and an updated buffer contribution.

1.4 Validation and Verification Criteria

The validation and verification criteria were comprised of the following:

- ACR Standard, Version 6.0
- Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands, Version 1.3 ("the methodology")
- ACR Tool for Risk Analysis and Buffer Determination, Version 1.0

SCS will perform assessment services to meet the requirements of:

- ACR Validation and Verification Standard, Version 1.1 (May 2018)

- ISO 14064-3:2006, Greenhouse Gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

1.5 Level of Assurance

The level of assurance was reasonable.

1.6 Treatment of Materiality

For validation purposes, a material misstatement was declared if any of the following circumstances were detected:

- The physical or geographic boundary of the GHG project plan was not reasonably accurate.
- In respect of the project baseline,
 - The procedures for determining baseline emissions were not technically sound.
 - Data representative of the operations and activities had not been used, either from a single year or a multi-year average.
 - The baseline scenario chosen was not one for which verifiable data are available.
- In respect of the quantification methodology,
 - The quantification method for each data type was not clearly defined, and/or the degree of supporting documentation provided was inadequate to support a reasonable level of assurance.
 - Methods were not appropriate for accurately quantifying each data type:
 - Activity data had not been correctly applied from the original documentation.
 - The most accurate activity data readily available had not been used.
 - The quantification methodology did not account for all variations in activity data over the relevant crediting period.
 - Any emission factors used did not meet the requirements of the approved methodology and/or are not appropriate to the activity.
 - Any emission factors used had not been correctly applied from the original documentation to the relevant activity data.
 - The most appropriate factors readily available had not been selected.
 - Where there was a choice among equally defensible emission factors, the principle of conservativeness had not informed the choice of emission factors.
 - Methods were not applied consistently to develop estimates of emission reductions and removal enhancements.
 - The ISO principle of conservativeness was not applied; i.e., the choice of assumptions, calculation methods, parameters, data sources, and emission factors was not more likely to lead to an underestimation than overestimation of net GHG emission reductions and removal enhancements.

For verification purposes, it was required that discrepancies between the emission reductions/removal enhancements claimed by The Nature Conservancy, the project proponent, and estimated by SCS be immaterial, i.e. be less than ACR's materiality threshold of $\pm 5\%$, as calculated according to the equation in the ACR Standard.

1.7 Summary Description of the Project

The Burnt Mountain IFM project is located in north-central Vermont, USA and is aimed at long-term conservation and sustainable management of the forest. The project proponent, The Nature Conservancy, intends to promote healthy wildlife habitat, provide recreation opportunities, and prevent future compromise of the forest carbon stocks.

2 Assessment Process

2.1 Method and Criteria

The validation and verification services were provided through a combination of document review, interviews with relevant personnel and on-site inspections, as discussed in Sections 2.2 through 2.4 of this report. At all times, an assessment was made for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5 of this report, findings were issued to ensure conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan template developed by SCS. The audit team identified areas of "residual risk"—those areas where there existed risk of a material misstatement (see Section 1.6 above) that was not prevented or detected by the controls of the project. Sampling and data testing activities were planned to address areas of residual risk. The audit team then created a validation and verification plan that took the sampling plan into account.

2.2 Document Review

The GHG project plan (dated 18 August 2020; "PP") and monitoring report (dated 3 August 2020; "MR") were carefully reviewed for conformance to the validation and verification criteria. The following provides a list of additional documentation, provided by project personnel in support of the aforementioned documents, that was reviewed by the audit team.

Documentation Reviewed During the Course of Validation and Verification Activities		
Document	File Name	Ref.
Inventory Methodology	BurntMountain_Carbon_Plot_Methodology_11_21_19.pdf	1
Reversal Risk Mitigation Agreement	ACR AFOLU Carbon Project Reversal Risk Mitigation Agreement V5-0__August 2020-HF.pdf	2
Annual Attestation	Annual_Project_Attestation_Burnt Mountain_8_25_2020_HF.pdf	3

Regulatory compliance attestation	BurntMountain_Regulatory_Compliance_Attestation_08_25_2020_HF.pdf	4
Management plan	Burnt Mountain Management Plan 2018.docx	5
Ownership documentation	atlas_hazensnotch_Surveys.pdf	6
Ownership documentation	Recorded deeds - Burnt Mountain – VT.pdf	7
Project area boundary shapefile	BurntMt_Boundary_09_17_19.shp	8
Combined boundary	combined_boundary_pts_burnt_mtn.shp	9
Inventory plots	BurntMtn_Plots_09_16_19.shp	10
Riparian management zone	BurntMtn_RMZ_09_17_19.shp	11
Project area boundary kml	BurntMtn_Boundary.kml	12
Inventory data	BurntMountain_Inventory_Master_9_24_2019.xlsx	13
Calculations workbook	BurntMountain_100Yr_Calcs_7_30_20.xlsx	14
Calculations workbook	BurntMountain_RP_ERT_HWP_08_30_20.xlsx	15
Calculations workbook	BurntMountain_SiteIndex_Calcs_10_9_19.xlsx	16
Calculations workbook	BurntMountain_Start_RP_CO2_04_28_20.xlsx	17
Calculations workbook	BurntMountain_treelevelCO2calcs_01_24_20.xlsx	18
Listing form	BurntMtn_ListingForm_10_7_19.pdf	19
FVS output	BurntMountain_IndTreeGrow	20
FVS input - inventory	BurntMountain_INVENTORY	21
FVS output	BurntMountain_CC_2019.accdb	22
FVS output	BurntMountain_CC_2024.accdb	23
FVS output	BurntMountain_CC_2029.accdb	24
FVS output	BurntMountain_CC_2034.accdb	25
FVS output	BurntMountain_CC_2039.accdb	26
FVS output	BurntMountain_CC_2044.accdb	27
FVS output	BurntMountain_CC_2049.accdb	28
FVS output	BurntMountain_CC_2054.accdb	29
FVS output	BurntMountain_CC_2059.accdb	30
FVS output	BurntMountain_CC_2064.accdb	31
FVS output	BurntMountain_GROW.accdb	32
FVS input – start year	BurntMountain_START.accdb	33
FVS output	BurntMountain_VT_Bline_70BA.accdb	34
FVS output	BurntMountain_VT_Cline_45BA.accdb	35

R file	BurntMountain_Parameters.R	36
R file	computeStandingDead.R	37
R file	processFVSoutput.R	38
NPV calculation	description-of-npv-calculation-07-11-11_final.pdf	39
Consulting forester report	ConsultingForester_Report.pdf	40
Regional forestry document	USDA_SilvicultureGuide_NE_Hwds.pdf	41
Calculations workbook	Defect_Calculation_04_27_20.xlsx	42
Carbon Marketing & Development Agreement	TNC_BurntMtn_CDMA_Redacted.pdf	43
TNC Authorized Individual letter	Authorized Individual letter - Burnt Mtn - Heather Furman 8-25-2020.pdf	44
Offset Title Attestation	BurntMountain_OffsetsTitle_Attestation_08_25_20_HF	45
ACR Terms of Use	ACR Terms of Use August 2020 clean for signature-HF.pdf	46

2.3 Interviews

2.3.1 Interviews of Project Personnel

The process used in interviewing project personnel was a process wherein the audit team elicited information from project personnel regarding (1) the work products provided to the audit team in support of the PP and MR; (2) actions undertaken to ensure conformance with various requirements and (3) implementation status of the project activities. The following provides a list of personnel associated with the project proponent who were interviewed.

Interview Log: Individuals Associated with Project Proponent			
Individual	Affiliation	Role	Date(s) Interviewed
Cahey Worthington	Bluesource	Director of Implementation	Throughout audit
Ian Hash	Bluesource	Forest Carbon Analyst	Throughout audit
Ben Parkhurst	Bluesource	Director – Technical Services	Throughout audit
Josh Clark	Bluesource	Director – Forest Carbon Modeling	Throughout audit
Jim Shallow	The Nature Conservancy	Director of Strategic Conservation Initiatives	15 October 2019

2.3.2 Interviews of Other Individuals

The process used in interviewing individuals other than project personnel was a process wherein the audit team made inquiries to confirm the validity of the information provided to the audit team. The following personnel not associated with the project proponent. The following provides a list of individuals not associated with the project proponent who were interviewed.

Interview Log: Individuals Not Associated with Project Proponent			
Individual	Affiliation	Role	Date(s) Interviewed
Nancy Patch	VT Department of Forests, Parks and Recreation	Franklin-Grand Isle County Forester	23 January 2020

2.4 Site Inspections

The objectives of the on-site inspections were as follows:

- Confirm the validity of the statements made in the GHG Project Plan (PP) and associated project documentation;
- Confirm the baseline conditions and project conditions.
- Interview project personnel to determine if the PP correctly identifies the project activity and assess project personnel competencies;
- Select samples of data from on-the-ground measurements for verification in order to meet a reasonable level of assurance and to meet the materiality requirements of the Project; and
- Perform a risk-based review of the project area to ensure that the Project is in conformance with the eligibility requirements of the validation/verification criteria.

In support of the above objectives, the audit team performed an on-site inspection of the project area on the 14 October 2019 through 18 October 2019. The main activities undertaken by the audit team were as follows:

- Performed an in-depth assessment of the conformance of the Project to the assessment criteria
- Interviewed project personnel (see Section 2.3.1 of this report) to gather information regarding the monitoring procedures and project implementation
- Carried out on-site inspections of the project's measurement and/or monitoring methodologies through the following activities:
 - Toured the project area, visually observing posted boundary signs, old fence lines, and other objects for reference/boundary trees.
 - Selected samples of inventory data using simple random selection methods.
 - At each selected sample location, took on the ground measurements
 - Verified the sample by running a paired sample t-test on the independently calculated Mt CO₂e/acre on each plot

- Review of management's commitment to the carbon project.
- Assessment of project during the reporting period to confirm that the project scenario consists of maintaining above baseline carbon stocks through carbon sequestration.

2.5 Resolution of Findings

Any potential or actual discrepancies identified during the audit process were resolved through the issuance of findings. The types of findings typically issued by SCS during this type of validation and verification engagement are characterized as follows:

- **Non-Conformity Report (NCR):** An NCR signified a discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a validation and/or verification statement.
- **New Information Request (NIR):** An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a validation and/or verification statement.
- **Observation (OBS):** An OBS indicates an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan are not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary.

As part of the audit process, 3 NCRs, 16 NIRs and 0 OBS were issued. All findings issued by the audit team during the audit process have been closed. All findings issued during the audit process, and the impetus for the closure of each such finding, are described in Appendix A of this report.

2.6 Techniques and Processes Used to Test the GHG Information and GHG Assertion

The audit team applied various techniques and processes to test the GHG information and the GHG assertion over the course of the audit, listed below:

- Review of project documentation including the MR, ownership documentation (Refs. 6-7), attestations (Refs. 2-4), spatial information (Ref. 8-12), modeling files (Refs. 20-38), referenced research (Ref. 41), and calculation workbooks (Refs. 13-18) to check for project-specific conformance to the ACR standard and methodology, appropriateness of methodologies and tools applied, and accuracy of the GHG information and assertion.

- Assessment of baseline scenario including the forest management activities that are common practice in the region.
- Review of project scenario.
- Review of the sources, sinks and reservoirs of GHG emissions within the project boundary (Refs.14-15, 17).
- Assessment of eligibility, additionality, GHG emission reduction assertion and underlying monitoring data to determine if either contained material or immaterial misstatements.
- Assessment of the emission reduction calculation inputs and procedures was performed to review the quantitative analyses undertaken by Bluesource to convert the raw inventory data into emission reduction estimates through the project term. This included a re-calculation of project emissions, ERTs, and uncertainty using inventory data as described below in section 3.1 and 3.2 (Refs.13-18, 42).
- Communicate with project personnel and project proponent via interviews, emails, and meetings to gain a better understanding of the project team's methodologies.
- Examine the data management and quality control processes and its controls for sources of potential errors and omissions.
- Review of project documentation including risk assessment and regulatory compliance.

3 Validation Findings

3.1 Project Boundary and Activities

3.1.1 Project Boundary and Procedures for Establishment

The PP contains a description of the physical boundary of the project, which is located on 5,317.4 acres of northern hardwoods and northern conifers forests in northern Vermont. The project area is situated just 15 miles south of the Canadian Border and the Burnt Mountain tract lies in the heart of Vermont's Northern Green Mountains. This is the physical and geographic site where project activities occur. The audit team confirmed that this boundary was well documented throughout both the document review and site visit activities. During the site visit the audit team independently checked the accuracy of spatial information on plot locations and project boundary, as used in delineation of the project area, by visiting a sample of corners or other ownership monuments and comparing actual locations to mapped locations. Likewise, during document review the audit team inspected project shapefiles (Refs. 8-12) to confirm project boundaries are accurately represented as compared to boundaries mapped during the site visit, maps provided in the PP, and available satellite imagery.

3.1.2 Physical Infrastructure, Activities, Technologies and Processes

The audit team reviewed the PP and project documentation (Ref. 5) for any potential infrastructure, activities, and technologies used within the project area. The project activity consists of natural forest management focusing on sustainable growth and non-commercial forest maintenance for essential

activities and forest health. The audit team concluded that project activities, infrastructure and

Description	Included / Excluded	Gas	Justification
Above-ground biomass carbon	Included		Major carbon pool subjected to the project activity.
Below-ground biomass carbon	Included		Major carbon pool subjected to the project activity.
Standing dead wood	Included		Major carbon pool in unmanaged stands subjected to the project activity.
Harvested wood product	Included		Non-CO2 gas emitted from biomass burning.
Burning of biomass	Included	CH ₄	Non-CO2 gas emitted from biomass burning.

technologies are and will be minimal within the project area due to the lack of commercial harvests.

3.1.3 GHGs, Sources, and Sinks within the Project Boundary

The GHG sources, sinks and/or reservoirs that are applicable to the Project were confirmed. The sources, sinks, and reservoirs of GHG emissions within the project boundary are listed in the table below. This is the case for both the baseline and project scenarios.

3.1.4 Temporal Boundary

In accordance with Chapter 3 of the ACR Standard, the start date is defined as the date at which the project began to reduce GHG emissions against its baseline. The ACR Standard indicate that the project must have a validated/verified Start Date of January 1, 2000 or after. SCS reviewed the PP to confirm that the project start date of August 31, 2018 coincides with the signing of the Carbon Marketing & Development Agreement between The Nature Conservancy (TNC) and Bluesource (Ref. 43). SCS concluded that the documents provided indicate that the project meets the start date eligibility criteria of the ACR Standard.

In ACR the minimum project term is 40 years and the eligible crediting period for this type of project is 20 years. SCS confirmed that section H of the PP includes a timeline listing the first crediting period of 20 years and a minimum project term of 40 years.

3.2 Description of and Justification for the Baseline Scenario

The methodology defines the baseline scenario as an estimation of the GHG emissions or removals that would have occurred if the Project Proponent did not implement the project. The PP indicates that “the baseline scenario represents an aggressive industrial harvest regime, targeted to maximize net present value [NPV] at a 4% discount rate (for non-governmental organizations). Baseline practices involve patch clear cuts as acceptable under the Vermont Heavy Cut Laws and selection cuts with targeted basal area retention down to the C-line.” Later the PP states “If the Bluesource – Burnt Mountain Improved Forest Management Project was not implemented, the forest management could feasibly resemble that of industrial forestland ownership in the region.”

During the site visit and through interviews with project personnel and local managers the audit team verified that aggressive industrial timber harvesting is common practice in the region. The audit team also conducted a financial feasibility assessment of the baseline scenario using regional stumpage rates and tax rates to independently verify the NPV. SCS determined that the harvesting rate indicated in the baseline scenario would be feasible.

This validation covers the project’s first crediting period.

3.3 Project-Specific Conformance to ACR Eligibility Criteria

The audit team reviewed the demonstration of conformance, as set out in the PP, to each of the relevant eligibility criteria listed in the ACR Standard. The audit team confirmed the full conformance of the project with the relevant eligibility criteria. A more detailed assessment of the audit team’s findings is provided below.

Actions Undertaken to Confirm Conformance to Eligibility Criteria		
Criterion	ACR Requirement	Validation Activities
Start Date, All Projects	Non-AFOLU Projects must be validated within 2 years of the project Start Date. AFOLU Projects must be validated within 3 years of the project Start Date.	Confirmation that this report was issued less than 3 years after 31 August 2018, the start date of the project according to the PP.
Start Date Definition, Non-AFOLU Projects	ACR defines the Start Date for all projects other than AFOLU as the date on which the project began to reduce GHG emissions against its baseline.	Not applicable; this project is an AFOLU project.
Start Date Definition, AR	For AR or Wetland restoration/revegetation projects, the Start Date is when the Project Proponent began planting or site preparation.	Not applicable; the project is not an AR or wetland project.

or Wetland Projects		
Start Date Definition, IFM Projects	<p>For IFM, the Start Date may be denoted by one of the following:</p> <ol style="list-style-type: none"> 1. The date that the Project Proponent began to apply the land management regime to increase carbon stocks and/or reduce emissions relative to the baseline. 2. The date that the Project Proponent initiated a forest carbon inventory. 3. The date that the Project Proponent entered into a contractual relationship to implement a carbon project. 4. The date the project was submitted to ACR for listing review. <p>Other dates may be approved by ACR on a case by case basis.</p>	SCS reviewed the PP, MR, and relevant documents to confirm that the project start date of August 31, 2018 coincides with the signing of the Carbon Marketing & Development Agreement between The Nature Conservancy (TNC) and Bluesource (Refs. 43, 44).
Start Date Definition, Avoided Conversion Projects	For Avoided Conversion of non-forest, the Start Date is when the Project Proponent implemented the project action physically and/or legally, such as securing a concession or placing a land conservation agreement on the project land.	Not applicable; the project is not an avoided conversion project.
Start Date Definition, Other Agricultural Land-based Projects	For other Agricultural Land-based projects, the Start Date is the date by which the Project Proponent began the Project Activity on project lands, or the start of the cultivation year during which the Project Activity began.	Not applicable; the project is not an other agriculture land-based project.
Minimum Project Term (AFOLU Projects Only)	Project Proponents of AFOLU projects with a risk of reversal shall commit to a Minimum Project Term of 40 years. The minimum term begins on the Start Date, not the first or last year of crediting. This requirement applies only to AFOLU projects that have had ERTs issued that are associated with GHG removals (sequestration). AFOLU projects that have claimed only avoided emissions are not subject to this requirement.	Review of the PP to confirm that the minimum term is 40 years, as required for AFOLU projects.
Crediting Period	<p>The Crediting Period for non-AFOLU projects shall be 10 years.</p> <p>All AR projects shall have a Crediting Period of 40 years.</p> <p>All IFM projects shall have a Crediting Period of 20 years.</p> <p>Avoided Conversion projects on both forest and non-forest land with land conservation</p>	Review of the PP to confirm that the crediting period is 20 years, as required for IFM projects.

	<p>agreements in place shall have a Crediting Period of 40 years, unless otherwise specified in chosen methodologies.</p> <p>Wetland Restoration/Revegetation projects shall have a Crediting Period of 40 years.</p> <p>The Crediting Periods for agriculture projects that avoid emissions by changing to lower GHG practices and those that include a soil sequestration component will be specified in the applicable methodology.</p>	
Real	<p>GHG reductions and/or removals shall result from an emission mitigation activity that has been conducted in accordance with an approved ACR Methodology and is verifiable.</p> <p>ACR will not credit a projected stream of offsets on an ex-ante basis.</p>	Review of the emission mitigation activity, as described in the PP, to confirm that it conforms to the requirements of the methodology and will be verifiable if implemented as described.
Emission or Removal Origin (Direct Emissions)	The Project Proponent shall own, have control over, or document effective control over the GHG sources/sinks from which the emissions reductions or removals originate. If the Project Proponent does not own or control the GHG sources or sinks, it shall document that effective control exists over the GHG sources and/or sinks from which the reductions/ removals originate.	Reviewed the supporting documentation, as described in the PP, to confirm that Project Proponent has control over the GHG sources/sinks from which the emissions reductions or removals originate. Evidence of land title for the project area was provided and confirmed (Refs.6-7).
Emission or Removal Origin (Indirect Emissions)	<p>For projects reducing or removing non-energy indirect emissions, the following requirement applies:</p> <p>The Project Proponent shall document that no other entity may claim GHG emission reductions or removals from the Project Activity (i.e., that no other entity may make an ownership claim to the emission reductions or removals for which credits are sought).</p>	Not applicable; the project is not reducing or removing non-energy indirect emissions.
Offset Title (All Projects)	The Project Proponent shall provide documentation and attestation of undisputed title to all offsets prior to registration. Title to offsets shall be clear, unique, and uncontested.	Confirmed by reviewing the attestation that no offsets exist or were sold prior to registration of the project (Refs. 3, 45)
Land Title (AFOLU Projects Only)	<p>For U.S. projects with GHG emissions reductions resulting from terrestrial sequestration, Project Proponents shall provide documentation of clear, unique, and uncontested land title. For international projects, Project Proponents shall provide documentation and/or attestation of land title; ACR may require a legal review by an expert in local law.</p> <p>Land title may be held by a person or entity other than the Project Proponent, provided the</p>	Reviewed land title documents (Refs. 6-7) along with an independent review of ownership using the U.S. Geologic Survey Public Areas Database to confirm clear, unique, and uncontested land title by the Project Proponent.

	<p>Project Proponent can show clear, unique, and uncontested offsets title.</p> <p>AFOLU projects that result only in the crediting of avoided emissions with no risk of reversal may not require demonstration of land title.</p>	
Additional	<p>Every project shall use either an ACR-approved performance standard and pass a regulatory surplus test, or pass a three-pronged test of additionality in which the project must:</p> <ol style="list-style-type: none"> 1. Exceed regulatory/legal requirements; 2. Go beyond common practice; and 3. Overcome at least one of three implementation barriers: institutional, financial, or technical. 	Confirmation that the project meets all relevant additionality requirements (see Section 3.4 below for more details).
Regulatory Compliance	<p>Projects must maintain material regulatory compliance. To do this, a regulatory body/bodies must deem that a project is not out of compliance at any point during a reporting period. Projects deemed to be out of compliance with regulatory requirements are not eligible to earn ERTs during the period of non-compliance. Regulatory compliance violations related to administrative processes (e.g., missed application or reporting deadlines) or for issues unrelated to integrity of the GHG emissions reductions shall be treated on a case-by-case basis and may not disqualify a project from ERT issuance. Project Proponents are required to provide a regulatory compliance attestation to a verification body at each verification. This attestation must disclose all violations or other instances of non-compliance with laws, regulations, or other legally binding mandates directly related to Project Activities.</p>	<p>After performing extensive regulatory compliance checks for the Burnt Mountain project during the reporting periods, the audit team found no indication of any violations regarding regulatory compliance. EPA and ECHO were checked, no violations observed. OSHA records were also check during the reporting period and no violations observed. Finally, email correspondence with the VT Department of Forests, Parks and Recreation indicates that no violations were observed during the reporting period within the project area.</p>
Permanence (All AFOLU Projects)	<p>AFOLU Project Proponents shall assess reversal risk using ACR's Tool for Risk Analysis and Buffer Determination, and shall enter into a legally binding Reversal Risk Mitigation Agreement with ACR/Winrock that details the risk mitigation option selected and the requirements for reporting and compensating reversals.</p>	<p>Confirmed a total risk percentage of 18% using the ACR Tool for Risk Analysis and Buffer Determination as required by the ACR methodology.</p>
Permanence (Terrestrial Sequestration, Avoided Conversion Projects)	<p>Proponents of terrestrial sequestration or avoided conversion projects shall mitigate reversal risk by contributing ERTs to the ACR Buffer Pool or using another ACR-approved insurance or risk mitigation mechanism.</p>	<p>Confirmed contribution of ERTs to the ACR Buffer Pool by using the estimated risk percentage of 18%.</p>

Permanence (Geologic Sequestration Projects)	Proponents of geologic sequestration projects shall mitigate reversal risk during the project term by contributing ERTs to the ACR Reserve Account and post-project term by filing a Risk Mitigation Covenant, which prohibits any intentional reversal unless there is advance compensation to ACR, or by using another ACR-approved insurance or risk mitigation mechanism.	Not applicable; the project is not a geologic sequestration project.
Permanence (All Projects)	All projects must adhere to ongoing monitoring, reversal reporting, and compensation requirements as detailed in relevant methodologies and legally binding agreements (e.g., the ACR Reversal Risk Mitigation Agreement).	Confirmed that section D of the PP includes a detailed Monitoring Plan relevant to the methodology.
Net of Leakage	ACR requires Project Proponents to address, account for, and mitigate certain types of leakage, according to the relevant sector requirements and methodology conditions. Project Proponents must deduct leakage that reduces the GHG emissions reduction and/or removal benefit of a project in excess of any applicable threshold specified in the methodology.	Confirmed that a 40% leakage deduction, was applied which is consistent with market-leakage per the methodology. The PP indicates that “Quantification of leakage is limited to market leakage, as no activity-shifting leakage is allowed by the methodology beyond de minimis levels. The Nature Conservancy does not commercially harvest timber; therefore, there is no activity-shifting leakage.”
Independently Validated	ACR requires third-party validation of the GHG Project Plan by an accredited, ACR-approved VVB once during each Crediting Period and prior to issuance of ERTs.	The PP has been independently validated by SCS, an accredited, ACR-approved validation/verification body.
Independently Verified	Verification must be conducted by an accredited, ACR-approved VVB prior to any issuance of ERTs and at minimum specified intervals.	The PP has been independently verified by SCS, an accredited, ACR-approved validation/verification body.
Environmental And Community Assessments	ACR requires that all projects develop and disclose an impact assessment to ensure compliance with environmental and community safeguards best practices. Environmental and community impacts should be net positive, and projects must “do no harm” in terms of violating local, national, or international laws or regulations. Project Proponents must identify in the GHG Project Plan community and environmental impacts of their project(s). Projects shall also disclose and describe positive contributions as aligned with applicable sustainable development goals. Projects must describe the safeguard measures in place to avoid, mitigate, or compensate for potential negative impacts, and	Confirmed by reviewing the PP, the annual attestation (Ref. 3), and management plan (Ref. 5) that the project has no anticipated negative community or environmental impacts.

	<p>how such measures will be monitored, managed, and enforced.</p> <p>Project Proponents shall disclose in their Annual Attestations any negative environmental or community impacts or claims thereof and the appropriate mitigation measure.</p>	
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3.4 Demonstration of Additionality

The audit team reviewed the demonstration of additionality, as set out in the PP, and confirmed that the additionality requirements set out in the ACR Standard have been met. The project uses a three-pronged- approach to demonstrate additionality. A more detailed assessment of the audit team’s findings is provided below.

3.4.1 Regulatory Surplus Test

A regulatory review of the Project was conducted by the audit team. There are no laws, statutes, regulations, court orders, environmental mitigation agreements, permitting conditions, or other legally binding mandates requiring the project activities.

3.4.2 Common Practice Test

The Bluesource – Burnt Mountain Improved Forest Management Project showed that similarities exist with the project and nearby private industrial forestland in the region. During the site visit and through interviews with local managers the audit team verified that aggressive industrial timber harvesting using clear cut and selection cuts to a targeted basal area is common practice in the region.

3.4.3 Implementation Barriers Test

The PP indicates that “Carbon funding is reasonably expected to incentivize the project’s implementation. The implementation of the carbon project represents an opportunity cost to lost revenue associated with the potential timber harvesting that could legally and feasibly occur on the property in the lifetime of the carbon project.”

The audit team independently conducted a financial feasibility assessment by using local stumpage prices and tax rates and verified that the baseline scenario could feasibly occur on the property in the lifetime of the carbon project if the project was not implemented.

3.5 Processes for Emission Reductions/Removal Enhancements Quantification

3.5.1 Methods, Algorithms, and Calculations To Be Used to Generate Estimates of Emissions and Emission Reductions/Removal Enhancements

The audit team validated the methodologies applied to quantify GHG emissions and emission reductions in the baseline and project scenarios. The objective was to determine whether the methods are clearly

defined with supporting documentation, appropriate for accurately quantifying each data parameter, applied consistently, and result in a conservative estimate of GHG emissions reductions and removal enhancements.

Section 4.2 provides further detail on the methods, algorithms, and calculations used to generate and validate emissions reductions estimates.

3.5.2 Process Information, Source Identification/Counts, and Operational Details

The forest inventory serves as the primary source of data and information used to quantify emissions reductions. The PP and inventory methodology (Ref. 1) describes the process including sample size, determination of plot numbers, plot layout, data collected, and measurement techniques. The project area consists of a total of 198 plots containing 3,308 live and dead trees which are used to derive the carbon calculations. The inventory data was then run within the Forest Vegetation Simulator with baseline prescriptions to project the baseline condition and a grow-only scenario to estimate the project condition (Refs 20-38).

Through site visit which included a sequential sample of plots, and through a thorough document review (Refs. 1, 13, 17), the audit team verified the forest inventory methodologies, application, and calculations. SCS randomly selected sample plots and prescriptions in both the baseline and project scenario to independently verify in FVS. The audit team confirmed that the baseline prescriptions were feasible and representative of common practice conditions in the region by verifying stumpage rates, tax rates, and conducting a feasibility analysis of the NPV (see section 3.4.2). Other source information evaluated include deeds and ownership information (Refs. 6, 7), management plans (Ref. 5), legal agreements (Ref. 43), and attestations (Refs. 2-4).

3.5.3 Data Management Systems

SCS verified the data management systems put in place by the project personnel as described in the PP. It states that “backup copies of all electronically stored data are maintained in a separate data center with scheduled archiving to assure data protection. Future revisions to project documents after initial verification and registration will be clearly identified by saving them as separate files and including the date of revision in any modified documents.”

3.5.4 QA/QC Procedures

Section D of the PP identifies field and desk QA/QC procedures. The field QA/QC procedures include senior forester review of field collected data and remeasurement of any plots that cannot be reconciled. Further the PP states that “At least 5% of the plots are checked by a different forester than cruised the plot, specifically by someone senior to the field crew. This involves full plot measurement to identify any problems with determining in/out trees, species calls, defect measurements, DBH measurements, and height measurements. Any errors noted during the check cruise are used to update the master spreadsheet file. Any consistent height, species, DBH, or defect errors are resolved by talking with the foresters

and removing crew members as needed.” These field QA/QC procedures were confirmed on-site and during interviews.

The PP identifies three stages of desk QA/QC procedures including an independent forester review, a technical review, and a senior management review. These include independent checks on the inventory data, model runs, carbon calculations, and document text and formatting.

The QA/QC procedures and the quantification approach employed by the project team conform to the parameters and quantification methods required by the Methodology. SCS determined that the Project Proponent sufficiently documented and quantified each parameter. Section D of the PP also provides in detail a monitoring and data management plan for each parameter throughout the reporting period.

3.5.5 Processes for Uncertainty Assessments

The PP describes how baseline and project uncertainty were assessed. The PP states that uncertainty in the combined carbon stocks in the baseline is quantified using equation 10 of the methodology (Refs. 14-15). The percentage uncertainty in the combined carbon stocks in the project during the reporting period is calculated using equation 18 of the methodology (Refs. 14-15). The total project uncertainty (percentage) during the reporting period is quantified using equation 19 of the methodology (Ref. 14-15). SCS confirmed that the approaches for assessing uncertainty that are identified in the PP are in conformance with the quantification methods required by the Methodology.

Further detail on uncertainty quantification is in sections 4.1.

4 Verification Findings

4.1 Results of Quantitative Uncertainty Assessment

SCS devoted a portion of the verification assessment to the review of the manner and propriety by which the project personnel quantified uncertainty associated with the individual GHGs in the project, in addition to the uncertainty of the calculation of GHG emission reductions and removals. The project uncertainty was verified within independent re-quantification. The audit team also calculated the total materiality of the GHG reduction and removal assertion. See below.

4.1.1 Project Uncertainty

The reported total Project Uncertainty (UNC_t) value was independently re-quantified by SCS using equation 19 in the methodology. No issues were found (see table below). The audit team found this difference reasonable and immaterial (Ref. 15).

$$UNC_t = \frac{\sqrt{(\Delta C_{BSL,t} * UNC_{BSL})^2 + (\Delta C_{P,t} * UNC_{P,t})^2}}{\Delta C_{BSL,t} + \Delta C_{P,t}} \quad (19)$$

	SCS Values	Client Values	Difference
Year	UNC_t	UNC_t	
2019	5.31%	5.37%	-0.06%

Materiality

$$\% \text{ Error} = \frac{(\text{Project Emission Reduction Assertion} - \text{Verifier Emission Reduction Recalculation})}{\text{Verifier Emission Reduction Recalculation}} * 100$$

$$\% \text{ Error} = \frac{(40,836 - 40,250)}{40,814} * 100 = \frac{22}{40,814} * 100 = 0.05\%$$

4.2 Analysis of the Quantification Methodologies and Applicable Data Sets and Sources

The audit team re-quantified baseline and project emissions, emissions reductions, and baseline and project uncertainty from the raw inventory data provided by the client. This process entailed verifying that the methods detailed in the PP and MR were applied as indicated. The team confirmed the emissions reduction by conducting the following analysis:

- Recalculate the live aboveground, live belowground, and standing dead carbon pools using Jenkins equations and decay class information using the inventory data provided by the client (Refs. 13, 17, 18).
- Recalculate tree and plot-level live aboveground and standing dead tree defect (Ref. 42).
- Recalculate site index for a random selection of plots using available soil survey data (Ref. 16)
- Use the Forest Vegetation Simulator (FVS) to degrow the raw inventory to the project start date (Ref. 20, 21).
- Randomly select a sample of plot(s) and prescription(s) from the baseline and project scenarios. Run the selected sample in FVS and follow methodologies specified in the PP to calculate carbon stocks. Compare to the client's calculations for the selected plot to derive correction factors to apply the population baseline and project scenarios for the reporting period and ex-ante (Refs. 14, 22-32, 34-35).

- Calculate the change in the baseline carbon stocks stored in live trees and standing dead trees using equations 1 and 2 of the methodology. Calculate the 20-year average value of carbon remaining stored in wood products 100 years after harvest using equation 3 (Ref. 14-15).
- With the outputs from equations 1, 2 and 3, calculate the long-term average baseline stocking level for the crediting period using equation 5 of the methodology. Use equation 6 to calculate the annual change in the baseline carbon stock (Refs. 14-15).
- Calculate the baseline uncertainty in the combined carbon stocks in the baseline using equation 10 (Refs. 14-15).
- Calculate the change in project carbon stock stored in live trees using equations 11 and 12 (Ref. 14-15).
- Calculate the change in the project carbon stock and GHG emissions during the reporting period using equation 14 (Refs. 14-15).
- Calculate the percentage uncertainty in the combined carbon stocks in the project during the reporting period using equation 18 (Refs. 14-15).
- Calculate the total project uncertainty (percentage) during the reporting period using equation 19 (Ref. 14-15).
- Calculate the net greenhouse gas emission reductions (in metric tons CO₂e) during the reporting period and during each annual vintage using equation 20 in the methodology (Ref. 15).

Emission Reductions

The audit team verified that the project personnel used the appropriate emissions factors and GWP's to calculate total emission reductions, which is adherent to the ACR Methodology. The team recalculated the final emission reductions and confirmed that they are without material discrepancy.

The ERT's associated with the first reporting period are reported in the MR and ERT workbook (Ref. 15) and are verified by the verification team are as follows:

- 49,800 tCO₂e (Emissions reductions at the end of the current reporting period without risk buffer deductions)
- 40,836 tCO₂e (Emissions reductions at the end of the current reporting period including risk buffer deductions)
- 8,964 t CO₂e Risk buffer contribution (18% buffer contribution)
- 27,224 t CO₂e Leakage deduction (40% leakage deduction)

Variances or Deviations

For this reporting period, there were no variances or deviations.

Uncertainty

See section 3.1.1 above.

4.3 Basis of Data and Information Supporting the GHG Assertion

The following table indicates whether the data and information supporting the GHG assertion were based on assumptions and industry defaults, future projections, and/or actual historical records.

Assumptions and Industry Defaults	<input checked="" type="checkbox"/>
Future Projections	<input checked="" type="checkbox"/>
Actual Historical Records	<input checked="" type="checkbox"/>

4.4 Leakage Assessment

Section E3 of the PP states: “Quantification of leakage is limited to market leakage, as no activity-shifting leakage is allowed by the methodology beyond *de minimis* levels. The Nature Conservancy does not commercially harvest timber; therefore, there is no activity-shifting leakage.”

SCS confirmed that the applicable market leakage factor of 0.4 was applied.

4.5 Risk Assessment

The reported value of the total risk score, as determined based on the risk analysis documented in the PP and Monitoring Report, was 18%. The audit team performed a complete review of the risk assessment against the requirements of the ACR Tool for Risk Analysis and Buffer Determination. The audit team concludes that the assignment of risk scores is appropriate and in conformance to the ACR Tool for Risk Analysis and Buffer Determination. A more detailed review of the audit team’s conclusions may be found below.

Actions Undertaken to Evaluate Whether the Risk Assessment Has Been Conducted Correctly		
Risk Category	Value Selected	Verification Activities
A - Financial	4%	Confirmation, through site inspections and independent review of documentation, that project is not located on public or tribal lands
B – Project Management	4%	Confirmation, through site inspections and independent review of documentation, that project is not located on public or tribal lands
C – Social/Policy	2%	Confirmation, through site inspections, that the project is not located outside the United States
D – Conservation Easement	0%	Confirmation, through independent review of documentation, that no conservation easement present
E - Fire	2%	Confirmation, through independent review of documentation, that project is located in a low risk fire region
F – Disease and Pests	4%	Confirmation, through independent review of documentation, that epidemic disease or infestation is not present within project area, or within 30 mile radius of project area

G – Levee Failure and Water Table Changes	0%	Confirmation, through site inspections, that project is not a wetland project or a forest project where more than 60% of the project area is not a forested wetland
H – Other Natural Disasters	2%	Confirmation that default value for all sequestration projects has been applied in the risk assessment calculation

5 Conclusion

The audit team asserts, with a reasonable level of assurance and with no qualifications or limitations, that

- The PP conforms, in full, to the validation criteria.
- The quantification of GHG emission reductions and/or removal enhancements, as reported in the MR, conforms to the verification criteria and is without material discrepancy.


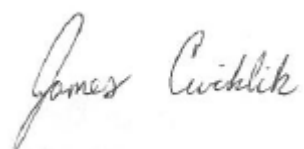
The tables below provide a summary of the verification results.

The following provides a summary of the ERT issuance for the current Reporting Period with the Buffer deductions excluded:

Annual Emission Reduction in Metric Tons (tCO ₂ e)				
Reporting Period	Vintage	Start Date	End Date	Net GHG Emission Reductions (tCO ₂ e)
1	2018	31 August 2018	31 December 2018	16,782
1	2019	1 January 2019	30 August 2019	33,018

The following provides a summary of the ERT issuance for the current Reporting Period with the Buffer deduction included (Buffer credits shown separately):

Annual Emission Reduction in Metric Tons (tCO ₂ e)					
Reporting Period	Vintage	Start Date	End Date	Net GHG Emission Reductions (tCO ₂ e)	Quantity of Buffer Credits (tCO ₂ e)
1	2018	31 August 2018	31 December 2018	13,761	3,021
1	2019	1 January 2019	30 August 2019	27,075	5,943

Lead Auditor Approval	 Francis Eaton, 27 August 2020
Internal Reviewer Approval	 James Cwiklik, 27 August 2020

Appendix A: List of Findings

Please see Section 2.5 above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Project Personnel Response” is a verbatim transcription of responses provided to the findings by project personnel.

NIR 1 Dated 18 Nov 2019

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands V1.3

Document Reference: BurntMountain_Carbon_Plot_Methodology_2_27_19

Finding: Section D3 of the methodology states "Information shall be provided, and recorded in the GHG Plan, to establish that professionally accepted principles of forest inventory and management are implemented. Standard operating procedures (SOPs) and quality control / quality assurance (QA/QC) procedures for forest inventory including field data collection and data management shall be applied."

The verification team understands this to include SOP's for how and where data is collected for each tree in the inventory. During the field portion of the site visit, the verification team noted that when trees presented a deformity at DBH that continued up the tree, that the forester should measure just below the deformity in cases where it did not make logical sense to measure above the deformity. Whereas, the verification team agrees with this method, this is not explained in the project field SOP's. Please update the SOP's to include any and all special measurement methods for trees in the field.

Project Personnel Response: Updated inventory methodology states on page 13: "Impossible DBH measurement: In cases where it is unsafe or impossible to take a DBH measurement at the proper location, first attempt to take DBH above the swell or deformity. If it is impossible or unsafe to measure above the deformity, measure DBH just below the deformity, and explain the situation in tree notes."

Auditor Response: The verification team reviewed the updated inventory and confirmed that it now contains the information necessary for measuring trees in the project inventory. This finding has been closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 2 Dated 18 Nov 2019

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands V1.3

Document Reference: BurntMountain_Carbon_Plot_Methodology_2_27_19

Finding: Section D3 of the methodology states "Information shall be provided, and recorded in the GHG Plan, to establish that professionally accepted principles of forest inventory and management are implemented. Standard operating procedures (SOPs) and quality control / quality assurance (QA/QC) procedures for forest inventory including field data collection and data management shall be applied."

The verification team understands this to include SOP's for how and where data is collected for each tree in the inventory. During the field portion of the site visit, the verification team noted that when trees present as pistol butt or lie on the ground, the forester should measure the first place the tree is covered with soil and not where the tree first rises above the ground. Whereas, the verification team agrees with this method, as this is more than likely to result in a conservative estimate of tree biomass, this is not explained in the project field SOP's. Please update the SOP's to include any and all special measurement methods for trees in the field.

Project Personnel Response: Updated inventory methodology states on page 19: "Tree with Curved Bole (Pistol Butt): Measure from where the tree is first covered with soil, not where the tree first rises above the ground, along the bole on the uphill side (upper surface) of the tree."

Auditor Response: The verification team reviewed the updated inventory and confirmed that it now contains the information necessary for measuring trees in the project inventory. This finding has been closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 3 Dated 18 Nov 2019

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands V1.3

Document Reference: N/A

Finding: Section D3 of the methodology states "Information shall be provided, and recorded in the GHG Plan, to establish that professionally accepted principles of forest inventory and management are implemented. Standard operating procedures (SOPs) and quality control / quality assurance (QA/QC) procedures for forest inventory including field data collection and data management shall be applied."

During the field portion of the site visit, the verification noted that two plots were not located at the georeferenced point provided to the verification team. In one instance it was explained that the plot had fallen in the creek and thus was moved. This seems logical when the creeks have been removed from the sampling frame, but was not the case for this sampling frame. In the other instance there was no explanation to why the plot was removed. Please provide justification for why plots are relocated and how this does not result in introducing bias to the overall estimate of on site carbon stocks.

Project Personnel Response: The inventory methodology on page 4 states, "Locate all sample points as close as possible to the corresponding map point using a GPS unit (Glonass-capable receivers are preferred)." Cruisers navigate to the plots until the GPS unit indicates they have reached the plot center and they monument the plot according the methodology. This is a systematic process that is designed to eliminate cruiser bias in where the plots fall. GPS error, which can be exacerbated by cloud cover and bad weather, can result in some variability of exact location identification between GPSes in subsequent visits.

Only 1 plot in the inventory was intentionally moved. This plot (plot 13) was moved for safety because the plot center originally fell at the intersection of two streams with several feet of rapidly flowing water.

Our methodology instructs "If a plot falls within an ephemeral watercourse, sample the plot as is. Plots that are located in areas devoid of forest cover will be recorded as such and will not be relocated. If a plot falls in an area with no trees, take a note to describe why it is non-stocked (i.e. in a field or rock outcropping)." Our inventory crews make every reasonable effort to measure plots at their original locations and our methodology is designed to be free of location or stocking bias. If it is determined later that a plot fell into non-forested acres above our 2.5 acre minimum mapping unit, then post-inventory the plot would be dropped and the spatial area removed from the project.

However, our methodology also states "If a plot falls in an area that is unsafe or impossible to measure where it falls, it should be moved one chain in a cardinal direction (starting with north and moving clockwise) towards an area that is safe, and within the project boundaries, and the new plot location should be recorded in the GPS unit." The goal of this methodology is to ensure cruiser safety while attempting to sample the operable forested area near the plot.

Auditor Response: The verification team agrees that the information provided is sufficient for producing the results observed during the site visit and is sufficient for resolving this issue. This finding has been closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA**NIR 4 Dated 18 Nov 2019****Standard Reference:** acr-standard-v6_final_july-01-2019**Document Reference:** N/A

Finding: The ACR Standard requires that "For U.S. projects with GHG emissions reductions resulting from terrestrial sequestration, Project Proponents shall provide documentation of clear, unique, and uncontested land title."

During the field portion of the site visit, the verification team noted that the boundary as marked on the ground was inconsistent with the WSW border of the property as provided in the project shapefiles. Please provide evidence that the WSW border is accurately depicted in the shapefiles.

Project Personnel Response: After a conversation with the verifier, we confirmed the point of interest for this NCR is actually the ESE border not a WSW border. The boundary is actively maintained by The Nature Conservancy, and is now (and will be) regularly monitored by the Northeast Wilderness Trust for its forever wild conservation easement put into place in tandem with this project. The property boundary has been confirmed to be more accurate than publicly available state ownership layers, as demonstrated by a survey taken in parts of the northwestern portion of the property (atlas_hazensnotch_Surveys) and boundary & corner points taken in the field during the inventory, both of which have been provided for verification purposes (combined_boundary_pts_burnt_mtn.shp). As the verifier noticed in the field, many further points were able to be confirmed beyond the GPS points layer already provided.

Along the eastern portion of the property, the boundary is not well monumented. The entirety of the eastern boundary is along state owned conservation land: the Long Trail State Forest and Hazens Notch State Park. The boundary is not in dispute with the State and the carbon project boundary has conservatively buffered out several small areas that conflict with the state ownership layer (NRCS downloaded), despite it likely being within the TNC ownership (e.g. -72.534981 44.840867 Decimal Degrees, -72.569219 44.787875 Decimal Degrees).

Auditor Response: The verification team reviewed the survey data provided and agree that the boundaries provided in the project shapefiles are consistent with the survey provided. In addition, as all other points taken in the field are consistent with the shapefiles, the verification team has a reasonable level of assurance that all project lands are under the ownership of the project owner. This finding has been closed

Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 5 Dated 18 Nov 2019**Standard Reference:** ACR Tool for Risk Analysis and Buffer Determination V1.0**Document Reference:** BurntMtn_GHG_Plan_10_10_19

Finding: The risk tool states "Natural Disaster risks: These risks are applicable depending on the specific project type. These risks are associated with natural events that lead to unintentional reversals. Some risk categories allow projects to claim a lower risk score (as noted) by providing evidence in support of the claim. Evidence may include written communication from State, Federal or Local independent experts in the applicable field, peer reviewed literature, or other scientific documentation or reports. This evidence must be current at the time of verification. Evidence must be verifiable and presented to a verification body at the time of GHG Project Plan validation, and during subsequent full verifications (every 5 years). Risk mitigation due to fire hazard reduction is not permissible under this risk tool.

Projects that experience an epidemic disease or pest outbreak on the project area must increase the risk value for this category at the next verification event.

During the field portion of the site visit, the verification team observed and was informed that there had been a large outbreak of tent caterpillars on the property. In addition, the verification team observed many dead and dying beech trees across the property, however the greater risk score of "8" was not used for the calculation. Please provide justification for not using the increased risk score of "8" for the pest and disease risk category.

Project Personnel Response: Per the risk tool, 8% is only to be used in for Diseases and Pests if there is an "epidemic level" of disease or infestation. This would likely result in major die off of species or large swaths of project area. Even a large presence or outbreak of a particular pest or disease might not necessarily qualify as epidemic level if the impact did not result in massive forest or species loss and/or requiring concerted public and private efforts to manage. Jeff Landmaid, Vermont RPF and manager of the forest carbon inventory for Burnt Mountain, in an email correspondence on Dec 4 said,

"I would not say there are epidemic levels of forest tent caterpillar near Burnt Mtn. The tent caterpillar is on the decline in Vermont in 2019. Last year there was significant damage in Eden which is the next town over. There is a small infestation which impacted a property in Belvidere but this is only 80 or so acres. The map the state puts out each year has part of Burnt Mtn. mapped as "light" infestation and the area is less than the previous year. In short, forest tent is on the decline and I would not consider it to significantly impact the property over the long term."

Further, anecdotal observation of dead and dying beech trees does not necessitate an epidemic level of disease. There is no evidence of an epidemic level of disease or pest on the property during this reporting period.

Auditor Response: The verification team agrees with the rationale provided in the project response. That being said this is an issue that should be monitored at each subsequent verification to ensure the risk score remains appropriate. This finding has been closed.

Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 6 Dated 19 Feb 2020**Standard Reference:** acr-standard-v6_final_july-01-2019**Document Reference:** BurntMtn_GHG_Plan_10_10_19

Finding: Section 6B of the standard states that the "Project Proponents shall use the GHG Project Plan template available at www.americancarbonregistry.org." The ACR GHG Project Plan template section E1 then state a that the section will "Detail the GHG quantification methodology for the baseline scenario including all relevant emissions or removals. Provide sample calculations wherever possible." The GHG Plan section E1 states that "Carbon in standing dead wood was estimated in the same way as live trees, with deductions for decay class recorded in the field." However, during review of the calculations workbook, the verification team noted additional steps in the calculation of standing dead carbon that are not described in the GHG Project Plan. More specifically, the calculation of aboveground dead carbon includes the use of stem wood coefficients, where as the calculation for live tree carbon does not. Please provide additional information detailing how standing dead carbon was calculated from the inventory data.

Project Personnel Response: The paragraph referenced here was updated to reflect that defect decay classes apply to aboveground dead carbon. The following paragraph references the reader to see the description that was updated in row 19 of the findings spreadsheet (page 43 of the GHG plan):
Updated language -

"Carbon in standing dead wood included deductions for decay class that were recorded in the field. Decay classes were recorded according to the ACR standard using the methodology-defined class (see table E-1b). See the Section "ERT Calculation Overview" for further details on how carbon estimates are calculated for aboveground dead carbon."

Auditor Response: The audit team confirmed that updated paragraph is sufficient. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 7 Dated 19 Feb 2020

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands V1.3

Document Reference: BurntMtn_GHG_Plan_10_10_19

Finding: Section 3.1 of the methodology states that "Modeling must be completed with a peer reviewed forestry model that has been calibrated for use in the project region. The GHG Plan must detail what model is being used and what variants have been selected." Section E1 of the GHG Plan states that "Pulp/saw breakdowns referenced merchantability standards in the FVS-AK variant (Dixon et al 2008)." Please provide additional information regarding why the Alaska variant is appropriate for this project or how it was calibrated for use in this project region.

Project Personnel Response: "FVS-AK variant" is a typo, and should read "FVS-NE variant". The GHG document has been updated to reflect which FVS variant was used for this project.

Auditor Response: The audit team confirmed that the GHG plan was updated accordingly. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 8 Dated 19 Feb 2020

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands V1.3

Document Reference: BurntMtn_GHG_Plan_10_10_19.pdf, BurntMtn_RP_ERT_HWP_10_10_19.xlsx

Finding: Section 3.2 of the methodology states that "To determine the carbon storage in in-use wood products after 100 years, the first step is to determine what percentage of a Project Area's harvest will end up in each wood product class for each species (where applicable), separated into hardwoods and softwoods." It goes on to state that "If a verified report cannot be obtained, looking up default wood product classes for the project's Assessment Area, as given in the most current Assessment Area Data File found on the Reference Documents section of this methodology's website" and "If breakdowns for wood product classes are not available from either of these sources, classify all wood products as "miscellaneous."" Please update the GHG plan to provide greater detail how hardwood and softwood products (sawtimber and pulp) were separated into different end-use products. For example, why was softwood sawtimber distributed among softwood lumber, plywood, and non-structural panels, but hardwood sawtimber was only divided into hardwood lumber and non-structural panels.

Project Personnel Response: The end-use product assignment for different log types (e.g., softwood sawtimber distributed among lumber, plywood, and non-structural panels) was based on professional judgement.

Auditor Response: The audit team confirms that the professional judgement is acceptable as no other references are available for this classification. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NCR 9 Dated 19 Feb 2020

Standard Reference: acr-standard-v6_final_july-01-2019

Document Reference: BurntMtn_RP_ERT_HWP_10_10_19.xlsx, BurntMtn_RP1_MonitoringReport_10_10_19.xlsx

Finding: The Standard states that "The Project Proponent shall reduce, as far as is practical, uncertainties related to the quantification of GHG emission reductions or removal enhancements." Section B8 of the project GHG Plan and the monitoring report both indicate a buffer pool contribution of 18% which was determined using the ACR Tool for Risk Analysis and Buffer Determination. However the buffer pool contribution applied to the quantification of ERTs was 16% (in both the workbook and the monitoring report), which is not in compliance with the standard.

Project Personnel Response: The buffer pool contribution applied to the quantification of ERTs in both the "BurntMountain_RP_ERT_HWP_02_26_20.xlsx" and "BurntMtn_RP1_MonitoringReport_02_26_20.doc" has been updated to reflect the 18% buffer pool contribution as calculated in the GHG plan. Please see the updated documents in the shared folder

Auditor Response: The audit team confirmed that the correct buffer pool value has been used. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 10 Dated 19 Feb 2020

Standard Reference: acr-standard-v6_final_july-01-2019

Document Reference: BurntMtn_GHG_Plan_10_10_19.pdf, BurntMtn_RP_ERT_HWP_10_10_19.xlsx

Finding: The core GHG accounting principle of transparency states that "Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used." The GHG Plan states that "Standing dead wood was modeled using the Fire and Fuels Extension of FVS (FVS FFE) to produce detailed snag lists for each model cycle. Biomass carbon of each snag was estimated using model output cubic foot volumes of hard and soft components of dead wood, multiplied by dead wood density. Dead wood densities were referenced from the US Forest Service Wood Handbook or from Miles and Smith 2009, and incorporated deductions for decay classes corresponding to the hard and soft dead wood components output from the FVS FFE model and summarized in the table below. Belowground biomass was estimated for hard classes of standing dead wood applying component ratios from Jenkins et al 2003. Standing dead biomass was converted to carbon applying a carbon fraction of 0.5, and carbon converted to carbon dioxide equivalent (CO₂e) applying a conversion factor of 3.664." However, it was confirmed during email correspondence with the client the calculation of standing dead carbon includes additional deductions based on average plot defect from both live and dead trees, which is not stated in the GHG Plan or demonstrated in the calculations workbooks. The audit team requests that client provide additional information detailing exactly how standing dead wood carbon is calculated from the FVS snag list.

Project Personnel Response: See page 43 of the GHG plan for an updated description of how defect is calculated and used. The following is a summary:. The paragraph with standing deadwood also references that plot-level dead defect is deducted.

Defect deductions were applied to both live and dead trees using the following methodology:

- Calculate total basal area (BA) for each tree record: (tree/acre)*(BA/tree) = BA/ac
- Calculate live defect for each plot from a BA-weighted average of live trees
- Calculate dead defect for each plot from a BA-weighted average of dead trees
 - * For any plots missing any dead tree records, use the average dead defect from all plots with dead tree records

To see where this is calculated see the following in the processFVSoutput.R script that was originally attached:

- * live defect calculated: lines 48-49
- * dead defect calculated: lines 50-52
- * plots with no dead defect assigned average dead defect from other plots: line 53
- * ldead defect joined with carbon calculations: line 184
- * dead defect deducted from standing dead wood: line 192

Auditor Response: The audit team reviewed the additional description about how defect is calculated in the updated GHG plan. The team implemented the methodology described for a sample of plots, but could not reproduce the client's standing dead biomass values.

The audit team further discussed this issue with the client over email on 04272020 and 04282020 and an error in client's code for applying defect to both live trees and standing dead trees was discovered. The client corrected the error and provided updated calculation workbooks. This finding has been closed outside the cover of this findings workbook.

Bearing on Material Misstatement or Conformance (M/C/NA): C**NCR 11 Dated 19 Feb 2020**

Standard Reference: acr-standard-v6_final_july-01-2019

Document Reference: BurntMountain_100Yr_Calcs_10_10_19.xlsx,
BurntMountain_RP_ERT_HWP_10_10_19

Finding: The ACR Standard states that "The Project Proponent shall reduce, as far as is practical, uncertainties related to the quantification of GHG emission reductions or removal enhancements." In cell B36, worksheet "Baseline_Project_40Yr_CO2" the audit team found that the cell references the total live CO2e for 2062, rather than 2057. The origin of this error can be found in the "Project" tab in the "BurntMountain_100Yr_Calcs_10_10_19.xlsx." For example, in workbook BurntMountain_100Yr_Calcs_10_10_19.xlsx, sheet Project, the 2057 live tree CO2 per acre (cell SH15) is calculated by multiplying the area allocated (cell A15) by the 2062 live tree carbon (cell BX15). This results in an inaccurate assertion for year 2057. Likewise, the live tree CO2e per acre for 2062 (column SI) and 2067 (Column SJ) were not calculated using the correct cells. As a result, the calculation of project GHG emission reductions in BurntMountain_RP_ERT_HWP_10_10_19 is inaccurate for those years and is not in conformance with the standard.

Project Personnel Response: In Workbook "BurntMountain_100Yr_Calcs_02_26_20.xlsx" sheet "Project" Cells SH13:SH697, SI13:SI697, and SJ13:SH697 have been updated to use the Above Ground Live CO2 value for the correct year in corresponding cells in Columns BT13:BT:697, BX13:BX697, and CB13:CB697 respectively.

Cell B36 in Sheet "Baseline_Project_40Yr_CO2" has in effect updated to the correct value.

Auditor Response: The audit team confirmed that the worksheet has been updated correctly. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): M/C

NIR 12 Dated 19 Feb 2020

Standard Reference: acr-standard-v6_final_july-01-2019

Document Reference: BurntMtn_RP1_MonitoringReport_10_10_19.pdf

Finding: The ACR Standard states that "Project Proponents are required to provide a regulatory compliance attestation to a verification body at each verification. This attestation must disclose all violations or other instances of non-compliance with laws, regulations, or other legally binding mandates directly related to Project Activities." Likewise the Standard states "Project Proponents shall disclose in their Annual Attestations any negative environmental or community impacts or claims thereof and the appropriate mitigation measure." Please provide a copy of the annual attestation.

Project Personnel Response: The regulatory compliance and annual attestations have been added to the shared folder. Please see "Regulatory_Compliance_Attestation_2020.pdf" and "ACR_Annual_Attestation_2020.pdf".

Auditor Response: The verification team confirmed that this finding has been addressed. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 13 Dated 19 Feb 2020

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands V1.3

Document Reference: BurntMtn_GHG_Plan_10_10_19.pdf,
BurntMountain_100Yr_Calcs_10_10_19.xlsx.

Finding: Section A4 of the Methodology state that "The baseline management scenario shall be based on silvicultural prescriptions recommended by published state or federal agencies to perpetuate existing onsite timber-producing species while fully utilizing available growing space." Section E1 of the GHG Plan states that "Only volume from merchantable species count toward costs and revenue for regeneration harvest i.e., hardwood species are not included)." However, later in the GHG plan as well as in the calculation's workbook, it indicates that hardwood species and their stumpage revenues are included in the baseline harvest schedule. Please provide additional information regarding if and why hardwood species would not be considered merchantable species and not included in the revenue for regeneration harvests.

Project Personnel Response: The phrase "i.e., hardwood species are not included)" is inaccurate and has been removed from the GHG plan. All species with stumpage revenues are included in the baseline harvest schedule.

As referenced in Section A1 of the GHG plan, "Stumpage prices were sourced from the most 8 recent quarterly stumpage reports for northern Vermont produced by the Vermont Department of Forests, Parks, and Recreation."

Auditor Response: The verification team confirmed that the inaccurate language was removed from the GHG plan. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 14 Dated 19 Feb 2020

Standard Reference: acr-standard-v6_final_july-01-2019

Document Reference: BurntMtn_GHG_Plan_10_10_19.pdf

Finding: Appendix B of the standard states that "The Project Proponent must have entered into the American Carbon Registry® AFOLU Carbon Project Reversal Risk Mitigation Agreement for the project (as amended from time to time, the "Reversal Risk Mitigation Agreement")." Please provide a copy of the Risk Mitigation Agreement.

Project Personnel Response: The AFOLU Carbon Project Reversal Risk Mitigation Agreement has been added to the shared folder. Please see "ACR AFOLU Carbon Project Reversal Risk Mitigation Agreement 2020_TNC VT_signed.pdf"

Auditor Response: The verification team confirmed that this finding has been addressed. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 15 Dated 28 Apr 2020**Standard Reference:** acr-standard-v6_final_july-01-2019**Document Reference:** BurntMountain_Start_RP_CO2_10_9_19.xlsx

BurntMountain_Carbon_Plot_Methodology_11_21_19.pdf

Finding: The core GHG accounting principle of transparency states that "Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used." The Inventory Methodology states that missing wood defect is calculated by "Dividing the tree into thirds (considering the height of the tree as it originally stood, based on the height of similar nearby trees), estimate the percentage of biomass (carbon) volume that is missing or rotten in each third."

In the "TreeData" tab of the BurntMountain_Start_RP_CO2_10_9_19.xlsx workbook, the audit team observed that the vast majority of trees the defect was shown as a whole number between 1 and 100. However, for a few trees, the Top, Middle, or Bottom defect was shown as a decimal less than 1.0. For example, TreeID 142 showed a Top defect of 0.288461538. The audit team requested additional information from the client to confirm whether these very small fractional defects were correct.

Project Personnel Response:

Auditor Response: This finding was addressed outside the cover of this workbook. The client confirmed that these fractional defects were erroneous and provided an updated calculations workbook. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA**NCR 16 Dated 29 Apr 2020****Standard Reference:** acr-standard-v6_final_july-01-2019**Document Reference:**

BurntMtn_RP1_MonitoringReport_02_26_20.pdf; BurntMtn_GHG_Plan_04_06_20

Finding: The core GHG accounting principle of consistency states "Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time."

The carbon and ERT values reported in the GHG Plan and Monitoring Report are not consistent with the updated calculations the client provided in the most recent calculations workbooks.

Project Personnel Response:

Auditor Response: This finding was addressed outside the cover of this workbook. Updated GHG Plan and Monitoring Report have been received and are consistent with the calculations workbooks. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 17 Dated 30 Apr 2020**Standard Reference:** acr-standard-v6_final_july-01-2019**Document Reference:**

BurntMtn_RP1_MonitoringReport_02_26_20.pdf; BurntMtn_GHG_Plan_04_06_20;
 BurntMtn_ListingForm_10_7_19.pdf

Finding: The core GHG accounting principle of consistency states "Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time."

The GHG plan indicates a start date of 31 August 2018. However the Monitoring Report and the Listing Form indicate a start date of 30 August 2018. The audit team requests information regarding the correct start date of the project.

Project Personnel Response:

Auditor Response: This finding was addressed outside the cover of this workbook. The client indicated that the correct start date is August 31, 2018. The client corrected the start date in the monitoring report. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 18 Dated 30 Apr 2020**Standard Reference:** acr-standard-v6_final_july-01-2019**Document Reference:** BurntMtn_GHG_Plan_04_06_20

Finding: The core GHG accounting principle of transparency states that "Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used."

The GHG plan indicates that "The project start date of August 31, 2018 coincides with the signing of the Carbon Marketing & Development Agreement between The Nature Conservancy (TNC) and Bluesource, provided separately for verification purposes."

The audit team requests a copy of the Carbon Marketing & Development Agreement.

Project Personnel Response:

Auditor Response: This finding was addressed outside the cover of this workbook. The client provided a copy of the Carbon Marketing and Development Agreement between TNC and Bluesource. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 19 Dated 30 Apr 2020**Standard Reference:** acr-standard-v6_final_july-01-2019**Document Reference:** BurntMtn_RP1_MonitoringReport_0430_20.pdf**Finding:** The core GHG accounting principle of consistency states "Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time."

Section VI.4 of the Monitoring Report indicates that the 18% buffer value is 9,462 tons CO₂e. However, it also indicates that 2018 vintage is 3,193 and the 2019 vintage is 6,462 which adds to 9,655 tons CO₂e. Furthermore, section VI.5 of the Monitoring Report contains a note calculating ERTs as $42,753 + 9,385 = 52,138$. The audit team requests more information regarding the whether these values are intended to be there and if so, what is their origin.

Project Personnel Response:

Auditor Response: This finding was addressed outside the cover of this workbook. The client updated the monitoring report. The values are now consistent with values reported in the calculations workbooks. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA