

# VALIDATION AND VERIFICATION REPORT

## *American Carbon Registry*

### *Anew – Woodbury Forestry Project*

**Reporting Period:**

**21 December 2021 to 20 December 2022**

**Prepared for:**

**Anew Climate, LLC**

**04 February 2025**



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## Executive Summary

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This report describes the validation and initial verification services provided for the Anew – Woodbury Forestry Project (“the project”), an Improved Forest Management project located in central/north central Vermont in Caledonia, Lamoille, and Washington Counties, 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 for the reporting period from 21 December 2021 to 20 December 2022 against relevant ACR standards and the approved methodology. The validation and verification engagements began with the opening meeting on 12 April 2023 and 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 22 findings were raised: 0 Non-Conformity Reports, 21 New Information Requests and 1 Observations. 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

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## 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 nearly 300 million tonnes of CO<sub>2</sub>e, 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 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).
- Any significant changes to the project procedures or criteria since the last verification.
- Any significant changes in the GHG project's baseline emissions and emission reductions/removal enhancements since the last verification.

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 spread-sheets 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 7.0
- 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")

- 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 Errata and Clarifications (January 2024)
- ACR Validation and Verification Standard, Version 1.1
- ACR Tool for Risk Analysis and Buffer Determination, Version 1.0
- Principles of ISO 14064-3:2019 Greenhouse Gas – 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 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 project is located in central/north central Vermont in Caledonia, Lamoille, and Washington Counties and is aimed at increasing the carbon storage and conservation value by shifting their management systems to focus on sustainable, natural forest growth and maintenance harvests for essential activities, recreation, wildlife habitat, water quality, and forest health.

## 2 Assessment Process

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### 2.1 Method and Criteria

The validation and verification services began with the opening meeting on 12 April 2023 and 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 an evidence gathering plan following a proprietary evidence gathering plan template developed by SCS which includes a strategic analysis and risk assessment. In accordance with the evidence gathering plan, the audit team identified the risk of a material misstatement or nonconformity with the criteria and considered the results of the materiality assessment (see Section 1.6 above). Sampling and data testing activities were planned to address areas of inherent, control, and detection risk. The audit team then created a verification plan that took the evidence gathering plan into account.

### 2.2 Document Review

The GHG project plan (version 1 dated 21 January 2025; "PP") and monitoring report (version 1 dated 22 January 2025; "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.
GHG Project Plan (PP)	Woodbury_GHGPlan_01_21_25.pdf	1
Monitoring Report (MR)	Woodbury_RP1_MonitoringReport_01_22_25_signed.pdf	2
CO2 Calculation workbook	Woodbury_Start_RP_CO2_07_18_2024.xlsx	3
ERT workbook	Woodbury_RP_ERT_HWP_08_02_2024.xlsx	4
100YR calculation workbook	Woodbury_100Yr_calcs_08_02_2024.xlsx	5
Regeneration calculation workbook	Woodbury_Regeneration_Calcs.xlsx	6
Site Index workbook	Woodbury_SiteIndex_Calcs_03_27_2023.xlsx	7
Site Visit calculation workbook	Woodbury_SiteVisit_CO2_03_27_2023.xlsx	8
Project Boundary shapefile	Woodbury_Boundary_2_23_2023.shp	9
Plots shapefile	Woodbury_Plots_2_23_2023.shp	10
SMZ shapefile	Woodbury_SMZ_4_27_2023.shp	11
Slope shapefile	Woodbury_SlopeGrtr30.shp	12
Road Rehab shapefile	Woodbury_Roads_Rehab.shp	13
Stream shapefile	Streams.shp	14
Road Rehab documentation	RoadRehabCosts.xlsx RoadPlanningAndCostingGuide.docx Accessroads.pdf	15
Inventory Methodology	Woodbury_Voluntary_CarbonPlot_Methodology_Anew_2_1_22.pdf	16
Inventory Data	Woodbury_InventoryData_01_30_2023.xlsx	17
Various FVS years for the following database files, out files, and key files	Folders 'FVS_Output' & 'IndTreeGrow' Woodbury_FVS_Plots_05_31_2024	18
Parcel and Ownership Information	Eagle Ledge Warranty Deed.pdf Woodbury Mountain Preserve- Elmore_.pdf Woodbury Mountain Preserve- Hardwick.pdf Woodbury Mountain Preserve- Worcester.pdf Woodbury Mountain Preserve-Woodbury.pdf	19
Addendum: Programmatic Development Approach (PDA)	Woodbury_ACR_PDA_PDD_9_27_23.pdf	20
Carbon Development and Marketing agreement (CDMA)	CDMA - woodbury eagle ledge blue mountain_Fully Executed_Redacted2.pdf	21
Activity-shifting Leakage documentation	Woodbury_RP1_Confirmation_No_Activity_Shifting_Harvesting.pdf Letter to SCS ACR regarding NEWT no harvest.docx	22
Harvest history	Unit 16 2019 FMP_v5.pdf Woodbury Mtn Stand Map 10.3.19.pdf NEWT_Woodbury_Harvest_Documentation.pdf NEWT_Woodbury_Mountain_Harvest_Reports.pdf Woodbury Mtn FMP Summary.xlsx	23

	Woodbury - Photo evidence of historic logging on Eastern slopes 7-24-24.pdf	
Regional Forestry documentation	Heavy Cut Law - Department of Forests - Parks and Recreation.html Silviculture Guide Northern Hardwoods.pdf	24
Timber pricing documentation	Woodbury_TimberPrices_08_17_23.xlsx Woodbury_TimberPriceCalc_submit.xlsx VT_stmpg_22Q3_RPT.pdf NH_avg-stump-val-10-22-03-23.pdf	25
State Date Confirmation	RE_Anew - Woodbury Forestry Project - Deviation Request.pdf	26
Monitoring Report Appendix: ERT	Woodbury_RP1_ERT_MR_SectionVI_Appendix.pdf	27
Monitoring Report Appendix: MSD	Appendix_A_Woodbury_Multi-Site-Design-Documents_01_22_25.docx	28

## 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 PD 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
Mingfei Xiong	Anew – Project Developer	Site Visit Lead	Throughout site visit
Ian Hash	Anew – Project Developer	Project Co-lead	Throughout the audit
Liam Fraser	Anew – Project Developer	Project Co-lead	Throughout the audit
Dana Hazen	Redstart	Inventory Contractor	Throughout site visit
Althea Dacey	Redstart	Inventory Contractor	Throughout site visit

### 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
Rick Dyer	State of Vermont	District IV and V AMP Forester	1/4/2024

Robert Nelson	Washington County	Forester	11/22/2023
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## 2.4 Site Inspections

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

- Ensure that data collection for sequential sampling purposes was carried out to the highest possible quality standards and that our client was comfortable with the work being performed
- Perform field reconnaissance to independently confirm
  - The project area has more than 10% canopy cover
  - Absence of any unreported disturbance or timber harvest
- Ground-truth stratification of project area
- Independently check the accuracy of spatial information on ownership, as used in delineation of the project area, by visiting a sample of corners or other ownership monument and comparing actual locations to mapped locations

In support of the above objectives, the audit team performed an on-site inspection of the project area on the dates 30 April 2023 through 5 May 2023. The main activities undertaken by the audit team were as follows:

- 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 and taking averaged GPS coordinates at survey markers and other boundary reference locations.
  - 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 CO<sub>2</sub>e/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, 0 NCRs, 21 NIRs and 1 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**

- Review of project documentation including the PP (Ref. 1), MR (Refs. 2, 27-28), spatial information (Refs. 9-14), and calculation workbooks (Refs. 3-8) to check for project-specific conformance to ACR standard and methodology, appropriateness of methodologies and tools applied, accuracy of GHG information and assertion.
- Assessment of any disturbances or forest management activities, including a discussion with project personnel on any harvest activities and review of harvest history (Refs. 23-25).
- Review of sources, sinks and reservoirs of GHG emissions within the project boundary.
- 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 performed to review the quantitative analyses undertaken by Anew to convert the raw inventory data into emission reduction estimates during the reporting period (Refs. 3-8). This included a re-calculation of project emissions, ERTs, and uncertainty using inventory data as described below in Sections 4.1 and 4.2.
- 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 (Section B8 & C1 of the PP).

## 3 Validation Findings

### 3.1 Project Boundary and Activities

#### 3.1.1 Project Boundary and Procedures for Establishment

The project is located on approximately 5,738 acres in central/north central Vermont in Caledonia, Lamoille, and Washington counties. The property can be categorized as a Northern Hardwood Forest and is owned by The Northeast Wilderness Trust (NEWT). The audit team confirmed that the boundaries were well documented throughout both document review and site visit activities. During the site visit, the audit team independently checked the accuracy of spatial information on ownership, 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. 9-14) 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, MR, and other project documentation which indicate potential infrastructure, activities, and technologies used within the project area. The project activity aims to increase the carbon storage and conservation value by shifting management systems to focus on sustainable, natural forest growth and maintenance harvests for essential activities, recreation, wildlife habitat, water quality, and forest health. The audit team concluded that project activities, infrastructure and technologies will be an improvement in the carbon storage and sustainable forest practices of the area.

#### 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.

Description	Included/Excluded	Gas	Justification
Above-ground biomass carbon	Included	CO <sub>2</sub>	Major carbon pool subjected to the project activity.
Below-ground biomass carbon	Included	CO <sub>2</sub>	Major carbon pool subjected to the project activity.

Standing dead wood	Included	CO <sub>2</sub>	Major carbon pool in unmanaged stands subjected to the project activity.
Harvested wood product	Included	CO <sub>2</sub>	Major carbon pool subjected to the project activity.
Burning of biomass	Included	CH <sub>4</sub>	Non-CO <sub>2</sub> gas emitted from biomass burning. Note that no slash burning is anticipated in the project.

### 3.1.4 Temporal Boundary

The ACR Standard indicates that the project must have a validated/verified Start Date of 01 January 2000 or after. In accordance with Chapter 3 of the ACR Standard, the start date is defined as the date that the Project Proponent entered a contractual relationship to implement a carbon project. The start date for this project is 21 December 2021. SCS was able to review the PP, MR, and relevant contractual documents (Ref. 19, 21, 26) for authenticity and to confirm that each document consummated "a contractual relationship to implement a carbon project." SCS concluded that the documents provided indicate the project start date is eligible.

In ACR the minimum project term is 40 years and the eligible crediting period for this type of project is also listed as 40 years. SCS confirmed that the PP included a timeline with a first crediting period of 20 years (21 December 2021 – 20 December 2041) and a minimum project term of 40 years.

## 3.2 Description of and Justification for the Baseline Scenario

The PP states, "The baseline scenario represents a harvest regime that could have happened in the project area if it were not enrolled in a forest carbon project. The project is targeted to maximize net present value at a 5% discount rate, as prescribed by the methodology." The baseline scenario applies clearcut, shelterwood, single tree selection, and variable retention prescriptions across the forest, which was not stratified.

## 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 within 3 years of 21 December 2021, 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 or Wetland Projects	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.
Start Date Definition, IFM Projects	For IFM, the Start Date may be denoted by one of the following: 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. Other dates may be approved by ACR on a case by case basis.	The start date is 21 December 2021, the date by which the contractual signing agreement between the Project proponent (Northeast Wilderness Trust) and the Offset Developer (Anew Climate, LLC) was completed (Refs 19, 21, 26).
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	Review of the PP to confirm that the minimum term is 40 years, as required.



	(sequestration). AFOLU projects that have claimed only avoided emissions are not subject to this requirement.	
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 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>	Review of the PP to confirm that the crediting period is 20 years, as required given the project type.
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 supporting documentation as described in the PP. Performed an ownership check that confirmed the Project Proponent owns the lands enrolled in the project and has control over the GHG sources/sinks from which the emissions reductions or removals originate on their respective properties. Evidence of land title for each parcel in the project area was provided and confirmed (Ref. 19).
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 attestation that no offsets exist or were sold prior to registration of the project (Refs. 1, 19).  Reviewed land title documents (Ref. 19) along with an independent review of ownership using individual county Register of Deeds offices and county treasurer maps which included property data, county assessor data, and up to date maps. Additionally, on site, various property survey markers were confirmed the accuracy of the associated boundary claimed.
Land Title (AFOLU Projects Only)	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.  Land title may be held by a person or entity other than the Project Proponent, provided the Project Proponent can show clear, unique, and uncontested offsets title.  AFOLU projects that result only in the crediting of avoided emissions with no risk of reversal may not require demonstration of land title.	
Additional	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:  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	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.	After performing extensive regulatory compliance checks during this reporting period, the audit team found no violations on file with EPA, ECHO, or OSHA. In addition, a local forester was interviewed about any regulatory compliance issues on the project area, forestry practices, and a discussion of the regional forestry trends and activity. The audit team also reviewed the regulatory compliance section of the MR submitted (Ref. 2).

Permanence (All AFOLU Projects)	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.	Confirmed a total risk percentage of 22% using the ACR Tool for Risk Analysis and Buffer Determination as required by the ACR methodology.
Permanence (Terrestrial Sequestration, Avoided Conversion Projects)	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.	Confirmed a total risk percentage of 22% using the ACR Tool for Risk Analysis and Buffer Determination as required by the ACR methodology.
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 (Ref. 1) 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. Confirmed that all project proponent owned lands have a valid entity wide management certification that requires sustainable practices
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	Confirmed by reviewing the PP and MR (Refs. 1-2) which indicate that the project has no anticipated negative community or environmental impacts.

	<p>community impacts should be net positive, and projects must “do no harm” in terms of violating local, national, or international laws or regulations.</p> <p>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 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. 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. This review was performed by checking the EPA Enforcement Annual Results map for fiscal year 2021 and 2022, searching the OSHA Establishment Search for names and organizations relevant to the project, and interviews with state and county foresters.

#### 3.4.2 Performance Standard Test

Not applicable.

#### 3.4.3 Common Practice Test

The Project demonstrated that the predominant forest industry technologies and practices that exist within the project’s geographic region are similar in comparison to forest type, ecological condition, and species or forest product type.

Through interviews with local managers, observations on site, and a detailed review of published data for the region, the audit team verified the timber harvesting practices involving the silvicultural prescriptions claimed in the baseline scenario are common practice in the region. Additionally, the audit

team verified the feasibility of the local mill capacity to accept the different wood products created in the baseline scenario.

### **3.4.4 Implementation Barriers Test**

The “financial barrier” option was chosen by the project proponent as an implementation barrier. SCS Global Services received guidance from ACR personnel, in an email dated 6 June 2019, stating the following:

*The intent of the financial implementation barrier test encompasses the interpretation and wording in Table 2, in which “carbon funding is reasonably expected to incentivize the implementation of the project scenario”, yielding increased carbon stocks compared to the baseline. A quantitative assessment demonstrating forgone profit as a result of employing the project scenario suffices for passing this test.*

Given this guidance, a financial barrier was demonstrated through a quantitative assessment demonstrating foregone profit as a result of employing the project scenario (i.e., demonstrating that the net present value of the baseline scenario was higher than the project net present value of the project scenario). The audit team’s findings regarding this assessment are provided below.

## **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 GHG Plan and inventory methodology (Refs. 1, 16) describe the process including sample size, determination of plot numbers, plot layout, data collected, and measurement techniques. Through site visit, data, and document review, the audit team verified the forest inventory methodologies and application.

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 scenario. The audit team

confirmed that the baseline prescriptions were feasible and representative of common practice conditions in the region (see section 3.4.2).

### **3.5.3 Data Management Systems**

Through review of the PP, SCS verified that data management systems are in place as described. Additional QA/QC procedures within the quantification process are described in Section E6. ofn the PP (Ref. 1).

### **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 10% of the plots will be 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. A summary report of the cruise checks is to be provided to Anew at the end of the inventory.” These field QA/QC procedures were confirmed on-site and during interviews.

The PP identifies four stages of desk QA/QC procedures including an implementation forester review, a technical 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 calculated. The PP states that uncertainty in the combined carbon stocks in the baseline is quantified using equation 10 of the methodology (Refs. 3-5). The percentage uncertainty in the combined carbon stocks in the project during the reporting period is calculated using equation 18 of the methodology (Refs. 3-5). The total project uncertainty (percentage) during the reporting period is quantified using equation 19 of the methodology (Ref. 3-5). 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.

## 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 proponent 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 audit team also calculated the total materiality of the GHG reduction and removal assertion.

#### 4.1.1 Project Uncertainty

The reported total Project Uncertainty (UNC<sub>t</sub>) was independently verified using equation 19 in the methodology.

	SCS Values	Client Values	Difference
Reporting Period	UNC <sub>t</sub>	UNC <sub>t</sub>	
2022	3.61%	3.61%	0%

#### 4.1.2 Materiality

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

$$\% \text{ Error} = \frac{(30,529 - 30,537)}{30,537} * 100 = \frac{-8}{30,537} * 100 = -0.0265\%$$

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

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

- Calculate the end of reporting period diameter of individual trees.
- Recalculate the live aboveground, live belowground, and standing dead carbon pools using Jenkins equations and decay class information.
- Calculate the change in project carbon stock stored in above and below ground live trees using equation 11 in the methodology
- Calculate the change in project carbon stock stored in above ground dead trees using equation 12 in the methodology
- Calculate any greenhouse gas emission resulting from the implementation of the project in the reporting period using equation 13 in the methodology

- Calculate the change in the project carbon stock and GHG emissions during the reporting period using equation 14 in the methodology.
- Calculate the percentage uncertainty in the combined carbon stocks in the project during the reporting period using equation 18 in the methodology
- Calculate the total project uncertainty (percentage) during the reporting period using equation 19 in the methodology.
- 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.
- Multiple FVS models were ran to assess their silvicultural prescriptions in both the baseline and project scenarios. This included, among other things, a review of site index calculations, harvest parameters, NPV values, interpolation methods, defect calculations, and any assumptions used.
- The resulting differences from the FVS model runs were then aggregated into a correction factor for both live and dead stocks in both the project and baseline scenario.

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

SCS confirmed that the applicable market leakage factor of 0.4 was applied. The leakage deduction was calculated as follows:

$$Leakage Deduction = (\Delta C_{P,t} - \Delta C_{BSL,t}) * LK$$

$$Leakage Deduction = (15,960 - (-)49,274) * 0.4 = 26,094$$

*Note: final numbers are rounded for simplicity.*

4.5 Risk Assessment

The reported value of the total risk score, as determined based on the risk analysis documented in the PP and MR, was 22%. 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	4%	Confirmation, through site inspections, that project is not located on public or tribal lands.
B	4%	Confirmation, through site inspections, that project is not located on public or tribal lands.
C	2%	Confirmation, through site inspections, that the project is not located outside the United States
D	0%	There are no conservation easements on the land that prevent forest management.
E	2%	Through review of published reports, it was confirmed that the project is in a low fire risk area.
F	8%	Confirmation, through site inspection, interviews, and review of published reports that there is epidemic disease or pest infestation in the project area, including beech bark disease and imminent risk of emerald ash borer.
G	0%	Confirmation, through site inspections and independent analysis, that the project is not a wetland project or a forest project where more than 60% of the project area is not a forested wetland.
H	2%	Confirmation that default value has been applied in the risk assessment calculation.

## 5 Conclusion

Anew Climate, LLC is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. The audit team asserts, with no qualifications or limitations, that


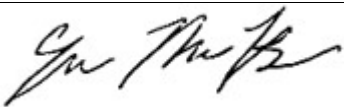
- The PP conforms, in full, to the validation criteria.
- The quantification of GHG emission reductions and/or removal enhancements, as reported in the MR, conforms to the verification criteria and is without material discrepancy.

Based upon the information made available to SCS and the analyses completed during the verification, SCS was able to reach a positive opinion, with a reasonable level of assurance, that the emission reductions represented by the Project Proponent during the monitoring period of 21 December 2021 to 20 December 2022 are free from material misstatement and in conformance with the assessment criteria.

The following provides a summary of the total emission reductions/removals for this Reporting Period including the buffer pool/reserve account contributions, and net emission reductions/removals:

Annual Emission Reductions and Removals in Metric Tons (tCO <sub>2</sub> e) during Reporting Period X							
Vintage	Start Date	End Date	Total Emission Reductions/ Removals (tCO <sub>2</sub> e)	Buffer Pool/ Reserve Account Contribution (tCO <sub>2</sub> e)	Net Emissions Reductions/ Removals (tCO <sub>2</sub> e)	Removals Subset (If Applicable) (tCO <sub>2</sub> e)	Emission Reductions Subset (If Applicable) (tCO <sub>2</sub> e)
2021	21 DEC 2021	31 DEC 2021	1,180	260	920	289	891
2022	01 JAN 2022	20 DEC 2022	37,960	8,351	29,609	9,286	28,674
Total for Reporting Period*			39,140	8,611	30,529	9,575	29,565

\*Note: Final numbers are rounded for simplicity and totals may not sum due to rounding.

Lead Auditor Approval	 Raleigh Ricart, 04 February 2025
Internal Reviewer Approval	 Erynn Maynard-Bean, 04 February 2025

## 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 10 Jan 2024****Standard Reference:** ACR Standard v7.0**Document Reference:** Woodbury\_Voluntary\_CarbonPlot\_Methodology\_Anew\_2\_1\_22.pdf**Finding:** Table 1: Core GHG Accounting Principles of the ACR Standard states:

“CONSISTENCY - Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time. Transparently document any changes to the data, boundary, methods, or any other relevant factors.”

"CONSERVATIVENESS - Use conservative assumptions, values, and procedures to ensure that GHG emission reductions or removal enhancements are not overestimated."

The client's inventory methodology states, "2.3.3.5 Diameter at Breast Height

- Measure DBH at 4.5 feet above the ground line on the uphill side of the sapling, unless the cruiser encounters one of the special situations found in section 2.6. Pull the DBH-tape tight and round each measurement down to the last 0.1 inch (For example, a reading of 3.68 inches is recorded as 3.6 inches. Trees 0.99 inches and below are NOT included in the microplot).

- If a diameter is taken somewhere that cannot be painted, write in the notes section where the diameter measurement is taken. Forking rules still apply to saplings (See section 2.6).

**2.3.3.6 DBH Height**

- Record the length measured along the stem from the ground line on the uphill side of the tree to the point that DBH was taken. (Only recorded when DBH is NOT taken at 4.5'")

Section 2.6.3: 'Tree with Irregularities at DBH' states, "On trees with swellings, bumps, depressions, and branches at DBH, diameter is measured immediately above the irregularity at the place it ceases to affect normal stem form (see examples below). An irregularity is defined as anything along the stem that disproportionally enlarges or shrinks the DBH measurement at 4.5' from its normal stem taper. The easiest way to determine if there is an irregularity at DBH that affects normal stem form is to measure directly below and above the irregularity in question. If the tree diameter below the irregularity is smaller than the measurement at 4.5' or if the diameter above the irregularity is larger than the measurement at 4.5', then there is an irregularity at 4.5'. If the point of diameter measurement is out of reach above the irregularity, the diameter is measured immediately below the irregularity. If normal stem form does not exist, or there is a consistent defect along the bole of a tree due to a regional disease or pest, and the irregularity cannot be avoided (i.e. you cannot measure above or below the irregularity), the diameter is taken where the most conservative (smallest) measurement can be achieved within reach of the cruiser. Make notes on the tree record describing where the diameter is measured and why."

While on site performing the re-inventory of the sample plots, the audit team was confronted with a large number of trees that were measured at heights not consistent with the methodology (i.e. not 4.5'). This was specific to American Beech (*Fagus grandifolia*) that were infected with Beech Bark Disease. This disease created lumps across the tree's bark, thus qualifying most with DBH measurements that were not at 4.5'. While on site inconsistencies were identified between how cruisers approached measuring DBH on American Beech infected with Beech Bark Disease. Several instances occurred where the auditors found a more conservative spot on the bole of the tree to take a diameter, compared to the height listed in the inventory notes. The audit team requests clarification of the methodology as it pertains to special cases of irregular DBH measurements in American Beech infected with Beech Bark Disease. The audit team also requests additional information for how the project ensured that the inventory measurements meet the requirements of conservativeness.

**Project Personnel Response:** Beech Bark disease poses many difficulties in measurement protocols, however, we do believe our protocol adequately addresses the defect through our procedures. Trees not measured at 4.5' are not automatically inconsistent with the methodology as this finding suggests. Trees measured at heights other than 4.5', given they follow the methodology procedures, are within the bounds of our registry approved inventory methodology.

In the case of Beech Bark Disease, the methodology is clear in that it states "If normal stem form does not exist, or there is a consistent defect along the bole of a tree due to a regional disease or pest, and the irregularity cannot be avoided (i.e. you cannot measure above or below the irregularity), the diameter is taken where the most conservative (smallest) measurement can be achieved within reach of the cruiser." The Redstart Inventory crew was first trained by Anew on the implementation of the Inventory Methodology in October 2021 in stands where Beech Bark disease was present. They are adequately trained on the implementation of our methodology and concepts of conservativeness across the different data attributes.

Beech Bark Disease creates a highly irregular stem form that is very difficult to measure. Diameter variability along the bole of the tree can change significantly for every inch the diameter tape is moved up or down along the bole. Furthermore, 4-6 months have passed between the measurement dates and the verification date in which many variables that influence diameter may have changed, including but not limited to growth, spring swell, ice and storm damage, disease life cycle, other organisms and pathogens, or progressive and partial girdling. We know very little about Beech bark disease and its interactions with stem diameter over time, as well as its interactions with the aforementioned variables and their associated impact on diameter and stem form. We agree it is entirely possible that verifiers could have found more conservative measurement locations during verification. However, we consider the measurement taken at the time of inventory to be the correct measurement at that time, and recognize that the highly variable nature of Beech Bark Disease could present more a conservative measurement at a different diameter location of the bole when measured at a different time in different conditions. In addition, the inventory passed ACR's onsite verification statistical test, suggesting there is no significant difference in carbon stocks between the inventory measured data and the verifier measured data. During the next inventory we will add additional measures to document each Diameter location, and why it was located at that particular location such that the original inventory measurement is more reproducible and decipherable during verification and future inventories.

**Auditor Response:** Thank you for this thorough response. This finding is now closed.

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

**NIR 2 Dated 10 Jan 2024****Standard Reference:** ACR Standard v7.0**Document Reference:** Woodbury\_Voluntary\_CarbonPlot\_Methodology\_Anew\_2\_1\_22.pdf;  
Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf**Finding:** Table 1: Core GHG Accounting Principles of the ACR Standard states:

“CONSISTENCY Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time. Transparently document any changes to the data, boundary, methods, or any other relevant factors.”

Section 2.8 of the client’s methodology states, “For trees that had a broken top but now have a recovered leader that is at least 1/3 the diameter of the break, no defect is given for the previously broken top as it is now considered recovered. The new leader is now considered as part of the tree structure, and no defect is applied. For trees where the new leader is <1/3 of the diameter at the break, the top is not considered recovered, and defect is applied.”

Section 2.10.1: Field Procedures of the client’s methodology states, “At the end of each field day, individual foresters email their plots from the data recorders to the senior forester. The senior forester then looks for irregularities in the data and asks the field crew to confirm the data or remeasure any plots that cannot be reconciled. The senior forester then adds all the data to a master spread sheet. At least 10% 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. A summary report of the cruise checks is to be provided to Anew at the end of the inventory. The purpose of the check cruise is to identify any consistent errors by either a specific cruiser, or the whole crew, and to verify that all plots are being measured with a high level of diligence. There are two ways to fail a plot during a check cruise.”

While performing the onsite inventory of the sample plots, it was noted by the verifiers that there were inconsistencies regarding the interpretation of this section of the inventory methodology. In fact, when two of the inventory crew were asked independently, they interpreted this section differently, which they applied to their inventory efforts. This resulted in variation in the assessment of defect across the inventory of this project.

The audit team requests more information about how this subjective interpretation of the methodology is in accordance with the principle of consistency, outlined in the ACR Standard.

**Project Personnel Response:** The Redstart Inventory crew was first trained by Anew on the implementation of the Inventory Methodology in October 2021 in which we covered defect procedures. The inventory crew is adequately trained in the implementation of our methodology and concepts of defect in the most common situations. Defect measurements are inherently subjective, and highly variable. We cannot reasonably train the inventory crew on all possible defect situations, and as such, train them on the procedure to assess defect in the most objective and accepted defect methodology available. The inventory crew conducted check cruising as prescribed in the inventory methodology and did not note any inconsistencies in the implementation of defect assessments. We recognize that it is entirely possible that verifiers may have found inconsistencies in defect calls across the limited sample that was collected while onsite during the verification. However, we do not believe this indicates a significant variation (unreasonable) in the assessment of defect across the entire inventory of this project beyond what is reasonably expected due to the inherently subjective nature of defect measurements themselves. The inventory methodology, training procedures, and QA/QC procedures were all implemented consistently to ensure that no consistent significant variation in defect calls is present across the inventory of the project. We do expect some variation across defect calls across the inventory due to their subjective nature, however, no consistent significant variation of defect calls was discovered during the required check cruise QA/QC process, and any variation that existed is considered reasonable and within the error limits of such subjective measurements. In addition, the inventory passed ACR's onsite verification statistical test, suggesting there is no significant difference in carbon stocks between the inventory measured data and the verifier measured data.

**Auditor Response:** Thank you for this thorough response. This finding is now closed.

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

**NIR 3 Dated 10 Jan 2024****Standard Reference:** ACR Risk Tool v1.0**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf**Finding:** Section 2 of the ACR Risk Tool v1.0 states, regarding Disease and Pests:

- 8% if epidemic disease or infestation is present within project area, or within 30-mile radius of project area
- 4% Default Value

While on site, the audit team noted that Beech Bark disease was observed on every plot that contained American Beech. The disease was in its mid to late stages of infection, based on the condition of the bark. Nearly every American Beech tree that was observed had some level of Beech Bark Disease present.

American Beech (*Fagus grandifolia*) constitutes 12.69% of the total carbon of the project.

The audit team requires further justification for the use of the 4% Default value for Pest and Disease risk, when evidence shows that pest and disease pose a significant risk to the carbon stocks of this project.

**Project Personnel Response:** Beech bark disease is not listed as an epidemic disease or infestation by public agencies. Beech bark disease is affecting the form of the trees but is not resulting in mortality. There is insufficient data to say whether or not beech bark disease is affecting tree growth or carbon storage potential of the trees.

Anew and the landowner will continue to monitor the effect of Beech Bark Disease on carbon stocks during future monitoring periods.

**Auditor Response:** Thank you for this description. This will be considered an area of risk for future verifications. This finding is now closed.

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

**NIR 4 Dated 10 Jan 2024****Standard Reference:** ACR Risk Tool v1.0**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf**Finding:** Section 2 of the ACR Risk Tool v1.0 states, regarding Disease and Pests:

- 8% if epidemic disease or infestation is present within project area, or within 30 mile radius of project area
- 4% Default Value

In the client's GHG Plan, the default value of 4% was used to calculate the risk of pest and disease, suggesting that no epidemic disease or infestations is present within the project area or within 30 mile radius of the project area"

While on site, the audit team confirmed no EAB activity in the areas surveyed.

However, according to a heat map showing the presence of Emerald Ash Borer (EAB) in Vermont, (<https://vtanr.maps.arcgis.com/apps/PublicInformation/index.html?appid=cfda013ad1464b7b9103a3d7806f0cc5>) it is apparent that EAB is present within 30 miles of the project boundary.

As part of our due diligence, the audit team confirmed that EAB will be present in the project area within a short period of time.

Ash (*Fraxinus* spp.) constitutes 6.15% of the total carbon of the project. EAB has absolute mortality, which means that all ash trees will die when EAB infests the project area.

The audit team requires further justification for the use of the 4% Default value for Pest and Disease risk, when evidence shows that pest and disease pose a significant risk to the carbon stocks of this project.

**Project Personnel Response:** The Risk Rating for Pest and Disease has been updated to 8%. Anew and the landowner will continue to monitor for the presence of EAB onsite during future monitoring periods.

**Auditor Response:** The audit team confirms that the risk score for pest and disease has been updated to 8%. This finding is now closed.

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



**OBS 5 Dated 10 Jan 2024****Standard Reference:** ACR Risk Tool v1.0**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf**Finding:** Section 2 of the ACR Risk Tool v1.0 states, regarding Disease and Pests:

- 8% if epidemic disease or infestation is present within project area, or within 30 mile radius of project area
- 4% Default Value

Our due diligence concluded that Beech Leaf Disease is of great concern to the forests of Vermont. Unlike Beech Bark Disease, which has a relatively high survivor rate, Beech Leaf Disease has been shown to have absolute mortality. Currently, there are no documented cases of Beech Leaf Disease in Vermont, however cases have been identified in the bordering counties of their neighboring states, namely New York and Massachusetts.

American Beech (*Fagus grandifolia*) constitutes 12.69% of the total carbon of the project.

Therefore, the audit team is issuing an observation to the client and the registry to be aware of potential future threats to the carbon stocks of this project.

**Project Personnel Response:** Thank you for this observation, it has been noted. Anew and the landowner will continue to monitor for the presence of Beech Leaf Disease onsite during future monitoring periods.

**Auditor Response:**

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

**NIR 6 Dated 10 Jan 2024****Standard Reference:** ACR Standard v7.0**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf**Finding:** Section 2.B.2 of the ACR Standard v7.0 states:

“Consistent with ISO 14064 Part 2, Project Proponents shall consider all relevant information that may affect the accounting and quantification of GHG reductions and removals, including estimating and accounting for any decreases in carbon pools and/or increases in GHG emission sources.”

While speaking to one of the inventory cruisers on site, he mentioned a wind event that resulted in the windthrow of trees. While the verifiers didn't see evidence of this on the ground, only a small portion of the property was visited during the site visit. The audit team is requesting more information about this wind event.

**Project Personnel Response:** The landowner, the inventory crew, and Anew are not aware of any significant windthrow event occurring on the property during Reporting period 1. It is possible the event the inventory crew member was referring to occurred after the end of Reporting period 1, during reporting period 2. Anew and the landowner will review Reporting period 2's timeframe for windthrow events and report disturbances accordingly as well as make appropriate adjustments to carbon stocking when updates are processed for Reporting Period 2 (after the issuance of Reporting Period 1).

**Auditor Response:** Thank you for this description. This will be considered an area of risk for future verifications. This finding is now closed.

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

**NIR 7 Dated 10 Jan 2024****Standard Reference:** ACR Standard v7.0**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf,  
Woodbury\_Start\_RP\_CO2\_03\_27\_2023.xlsx, Woodbury\_InventoryData\_01\_30\_2023.xlsx**Finding:** Table 1: Core GHG Accounting Principles of the ACR Standard states:

“CONSISTENCY Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time. Transparently document any changes to the data, boundary, methods, or any other relevant factors.”

The audit team has identified several inconsistencies within the GHG plan. These inconsistencies are listed below:

**Section D2**

- This section states that 168 plots were established for this project. The inventory data only contains 164 plots.

**Section E1**

- Table E1-4 contains a different value for Total Live tCO<sub>2</sub>e than the Stats\_StartDate tab of the clients start RP CO<sub>2</sub> workbook.
- Table E1-6 contains a different value for total CO<sub>2</sub>e than the Stats\_StartDate tab of the clients start RP CO<sub>2</sub> workbook.

Please update the GHG Plan, accordingly.

**Project Personnel Response:** The GHG plan has been updated accordingly.

**Auditor Response:** Confirmed updates to the GHGPP. Finding closed.

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

**NIR 8 Dated 10 Jan 2024****Standard Reference:** ACR Standard v7.0**Document Reference:** Draft\_Woodbury\_MonitoringReport\_9\_27\_23.pdf,  
Draft\_Woodbury\_GHGPlan\_9\_21\_2023.pdf**Finding:** Table 1: Core GHG Accounting Principles of the ACR Standard states:

“CONSISTENCY Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time. Transparently document any changes to the data, boundary, methods, or any other relevant factors.”

The audit team has identified several inconsistencies within the monitoring report. The section and issues are listed below:

Section III, table of Sustainable Development Goals

- 6. Clean Water and Sanitation – The target column has a target date of 2020, which is before the start of the project.
- 15. Life on Land – The target column has a target date of 2020, which is before the start of the project.

Section VI

- 2. This paragraph states the client used the southern variant of FVS (FVS-SN). Further down in the paragraph it states using the northeast variant (FVS-NE)
- 2. The monitoring period dates in this section encompass 2 years, from December 21, 2021 – December 20, 2023.
- 2. End of reporting period date listed in the table is inconsistent with end of reporting period date used in calculations.
- 6. Vintage dates are inconsistent with the timing of the projects first reporting period.

Please update the Monitoring Report, accordingly.

**Project Personnel Response:** The Sustainable development goals language comes directly from the ACR template provided in the shared folder, "ACR-SDG-Cont-Report-AFOLU-Project-v1.0-1", and as the goals were written. Our understanding is the target date is just that, a target date, but not necessarily the date that the intervention must be implemented by in order to claim the project is meeting that specific SDG. It is our preference not to make changes to language that is locked in ACR's templates.

All other inconsistencies have been corrected in the Monitoring Report and GHG Plan.

**Auditor Response:** Thank you for this response. Additionally, section IV 1) Project Area of the MR lists the Total area as '5,373'. However, in the GHG Plan, the total area is listed as '5,737.99'. Please provide more information about this apparent discrepancy in values. This finding remains open.

**Project Personnel Response 2:** Project acreage has been updated to 5,737.99 in section IV 1) of the MR.

**Auditor Response 2:** Confirmed update to MR. Finding closed.

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

**NIR 9 Dated 10 Jan 2024****Standard Reference:** ACR Standard v7.0**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf,  
Draft\_Woodbury\_MonitoringReport\_9\_27\_23.pdf**Finding:** Table 4 in Section A.3.3 of the Standard states, "Start Date - or IFM, the Start Date may be denoted by one of the following:

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. Other dates may be approved by ACR on a case by case basis."

Table A3 of the client's GHG Plan states, "Project Start Date - The project start date of November 24, 2021 coincides with the signing of the Carbon Development and Marketing Agreement between Northeast Wilderness Trust Corporation and Anew Carbon Development LLC. The project Start Date complies with requirements of the ACR Standard, that the project must have a validated/verified Start Date of January 1, 2000 or after."

In the client's monitoring report, Section II: Project Information part 6, lists the Project Start Date as "12/21/2021"

The audit team requests further information about this apparent discrepancy in start dates.

**Project Personnel Response:** The project start date originally coincided with the CDMA execution date, the date NEWT entered into a contractual relationship to implement the carbon project. However, additional lands were incorporated into the project area that were acquired shortly after the CDMA execution date. A redacted CDMA has been provided in the shared folder for clarification.

The project start date is December 21, 2021. Consistent with the most recent project acreage acquisition Date. Please see the "Eagle Ledge Warranty Deed.pdf. This date has been made consistent across our documentation.

**Auditor Response:** Thank you for providing this additional documentation. The project start date is still listed on the ACR website as having a Start Date/Offset Project Commencement of 11/24/2021, with a crediting period of 11/24/2021 to 11/23/2021. Please follow up with ACR as necessary to update this listing information and provide the audit team with ACR-confirmation that the most recent project acreage acquisition date may be used to denote the project start date. This shouldn't be much of an issue as the land acquisition date is permitted in Standard v8.0/Methodology v2.0, unfortunately, this project is being validated under Standard v7.0/Methodology v1.3 Finding remains open.

**Project Personnel Response 2:** The project start date, crediting period, and project acreage have been updated on the ACR project page. A confirmation from ACR has been provided in the shared folder confirming the most recent project acreage acquisition date can be used as the project start date for this project.

**Auditor Response 2:** Confirmed these updates. Finding is closed.

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

**NIR 10 Dated 10 Jan 2024****Standard Reference:** ACR Standard v7.0**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf**Finding:** Table 4 in Section A.3.3 of the Standard states, "Start Date - or IFM, the Start Date may be denoted by one of the following:

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. Other dates may be approved by ACR on a case by case basis."

Table A3 of the client's GHG Plan states, "Project Start Date - The project start date of November 24, 2021 coincides with the signing of the Carbon Development and Marketing Agreement between Northeast Wilderness Trust Corporation and Anew Carbon Development LLC. The project Start Date complies with requirements of the ACR Standard, that the project must have a validated/verified Start Date of January 1, 2000 or after."

The audit team requests a copy of the Carbon Development and Marketing Agreement cited in the client's GHG Plan to confirm the project's listed Start Date.

**Project Personnel Response:** The project start date originally coincided with the CDMA execution date, the date NEWT entered into a contractual relationship to implement the carbon project. However, additional lands were incorporated into the project area that were acquired shortly after the CDMA execution date. A redacted CDMA has been provided in the shared folder for clarification.

The project start date is December 21, 2021. Consistent with the most recent project acreage acquisition Date. Please see the "Eagle Ledge Warranty Deed.pdf. This date has been made consistent across our documentation.

**Auditor Response:** CDMA affirms November 24, 2021 date of contract execution. Please refer to NIR9. Finding remains open.

**Project Personnel Response 2:** Project start date coincides with the most recent project acreage acquisition. A confirmation from ACR has been provided in the shared folder confirming the most recent project acreage acquisition date can be used as the project start date for this project.

**Auditor Response 2:** Confirmed these updates. Finding is closed.

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

**NIR 11 Dated 10 Jan 2024**

**Standard Reference:** ACR Standard v7.0, ACR Risk Tool v1.0

**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf, Woodbury\_RP\_ERT\_HWP\_08\_17\_2023.xlsx, Draft\_Woodbury\_MonitoringReport\_9\_27\_23.pdf

**Finding:** Section 5.A of the ACR Standard states:

“Concurrent with each issuance of offsets to the project, the Project Proponent shall contribute offsets to the Buffer Account equal to the sum of the Minimum Buffer Percentage multiplied by each of the annual volumes of offsets being issued.”

Section B8 of the clients GHG plan calculates the buffer percentage as 18%. Additionally, the client's Monitoring Report states the buffer percentage as 18%. In the workbook

“Woodbury\_RP\_ERT\_HWP\_08\_17\_2023.xlsx”, sheet “ACR\_IFM\_ERT\_Calcs” a 16% buffer percentage is used to calculate buffer credits. Additionally, buffer credit and net ERTs reported in the client's Monitoring Report are consistent with a 16% buffer percentage.

The audit team requests clarification on this apparent discrepancy in buffer percentage.

**Project Personnel Response:** The buffer % has been updated to be consistent in all documents and workbooks.

**Auditor Response:** Thank you for these updates, however the GHG Plan and MR both report a buffer % of 22, while the ERT workbook (tab 'ACR\_IFM\_ERT\_Calcs', cell D5) reports 20%. Please provide more information about this apparent discrepancy. This finding remains open.

**Project Personnel Response 2:** The ERT workbook has been updated to incorporate the 22% buffer allocation.

**Auditor Response 2:** Confirmed 22% updated to ERT workbook. Finding is closed.

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

**NIR 12 Dated 10 Jan 2024**

**Standard Reference:** ACR Standard v7.0

**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf;  
Draft\_Woodbury\_MonitoringReport\_9\_27\_23.pdf; Woddbury\_RP\_ERT\_HWP\_08\_17\_2023.xlsx

**Finding:** Chapter 3, table 2 of the Standard states, “Start Date - 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.

ACR defines the eligible Start Date(s) for AFOLU project types in Annex A, ‘ACR Requirements for AFOLU-Based Carbon Projects.’”

Chapter 3, table 2 of the Standard states, “Crediting Period - Crediting Period is the finite length of time for which a GHG Project Plan is valid, and during which a project can generate offsets against its baseline scenario.”

Table A3.1 of the client’s GHG Plan lists a project start date of November 24, 2021. In the client’s GHG Plan, section H2: Project Timeline lists the project start date as November 24, 2021 and the first crediting period end date of November 23, 2041. Section II: Project Information, parts 5-7 of the client’s monitoring report state the project start date of December 21, 2021 with a crediting period end date of December 20, 2021. In the client’s ERT workbook, tab “ACR\_IFM\_ERT\_Calcs”, the reporting period start and end dates are listed as December 21, 2021 to December 20, 2022.

The audit team requests more information about this apparent discrepancy in dates.

**Project Personnel Response:** The project start date is December 21, 2021. Consistent with the most recent project acreage acquisition Date. Please see the "Eagle Ledge Warranty Deed.pdf. This date has been made consistent across our documentation.

**Auditor Response:** The audit team confirms that the start date of 21 December 2021 is consistent across all documentation. This finding is now closed.

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



**NIR 13 Dated 10 Jan 2024**

**Standard Reference:** ACR IFM Methodology v1.3, Errata and Clarifications

**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf

**Finding:** The Errata and Clarifications for ACR IFM Methodology v1.3 specifies on pages 6-7 that there has been an update to section D.6 of the IFM Methodology. Section D.6 has been updated to state: “There may be no leakage beyond de minimis levels through activity shifting to other lands owned, or under management control, by the timber rights owner.

If the project decreases wood product production by >5% relative to the baseline then the Project Proponent and all associated land owners must demonstrate that there is no leakage within their operations – i.e., on other lands they manage/operate outside the bounds of the ACR carbon project. This demonstration is not applicable if Project Proponent and associated landowners enroll all of their forested landholdings, owned and under management control, within the ACR carbon project.

Such a demonstration must include one or more of the following:

- Entity-wide management certification that requires sustainable practices (programs can include FSC, SFI, or ATFS). Management certification must cover all entity owned lands with active timber management programs;
- Adherence to an ACR approved long-term forest management plan or program as specified in section A.2;
- Forest management plans prepared ≥24 months prior to the start of the project showing harvest plans on all owned/managed lands paired with records from the with-project time period showing no deviation from management plans; or
- Historical records covering all Project Proponent ownership trends in harvest volumes paired with records from the with-project time period showing no deviation from historical trends over most recent 10-year average.”

Section E3 of the GHG plan states “Quantification of leakage is limited to market leakage, as no activity-shifting leakage is allowed by the methodology beyond de minimis levels.”

During the review of the baseline prescriptions relative to the project, it became apparent that wood product production will decrease by >5% due to the project. However, demonstration in accordance with the options indicated in the Errata and Clarification has not been provided to show that there is no leakage within the project proponents operations.

Based on previous interactions with the landowner, the audit team is aware that the Northeast Wilderness Trust owns a substantial amount of forestland outside of the project area. The audit team requests that the project demonstrate that there will be no activity shifting leakage to the other lands owned, or under management control of the Northeast Wilderness Trust.

**Project Personnel Response:** Please see the confirmation from the landowner that NEWT does not commercially harvest on any of its ownership (“Woodbury\_RP1\_Confirmation\_No\_Activity\_Shifting\_Harvesting.pdf”).

**Auditor Response:** A follow up email was issued on September 19<sup>th</sup> to ACR, requesting guidance on this matter, as an attestation is not included in the options provided by IFM v1.3. ACR confirmed that an attestation was sufficient evidence to meet the requirements of no activity-shifting leakage. The project provided an additional attestation, using the project proponent’s letterhead and including a signature. This finding is now closed.

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



**NIR 14 Dated 10 Jan 2024****Standard Reference:** ACR IFM Methodology v1.3**Document Reference:** Woodbury\_100Yr\_calcs\_08\_17\_2023.xlsx

**Finding:** Section C. Baseline C1. Identification of Baseline, in the IFM methodology states, “Required inputs for the project NPV calculation include the results of a recent timber inventory of the project lands, prices for wood products of grades that the project would produce, costs of logging, reforestation and related costs, silvicultural treatment costs, and carrying costs.”

In the client’s 100Yr workbook, tab “Stumpage\_Prices” lists the sawtimber and pulp values for the tree species in the project area. The audit team was able to verify these values based on the Vermont Stumpage Report Q3 2022 (linked in the GHG Plan). The audit team also noted that the client used modified stumpage prices that were weighted by region (North vs. Central Vermont), as the project area is spread across these two regions.

While the audit team was able to confirm many of the stumpage prices, we did find some discrepancies.

For paper birch (“white birch” in the stumpage report) sawlog stumpage price, it appears that the client only used the value for the Central region, and not a weighted value. While this is conservative, it does not align with the protocol to calculate other stumpage prices.

For aspen pulpwood, the stumpage report displays the value of \$11/cord, however the client uses \$8.07/cord. While this is conservative, it is unclear from where it is derived.

For Spruce/Fir pulpwood, the stumpage report displays the value as \$100/cord, however the client uses \$3/cord. While this is conservative, it is unclear from where it is derived.

The audit team requests a justification for these values, including a citation from where these values were derived.

**Project Personnel Response:** Document Woobury\_TimberPriceCalc\_sumbit has been updated to add clarification and on how stumpage price was calculated. Please see Column E and F for equations and Cell N3, N15, N19, and N20 for clarification of the 'Sheet1' tab. New Hampshire stumpage report (NH\_avg-stump-val-10-22-03-23.pdf) was uploaded for review.

The sawlog price for paper birch (white birch) listed in the Vermont Stumpage Report Q3 2022 is \$570 and \$92 in the North and South regions, respectively. The \$570 North price is marked as 'Grey shaded cells have very low response rates and are of very limited value' in the report. For conservativeness, we opted to use the \$92 South region price for the project.

For aspen pulpwood, the stumpage report only provides \$11 for the central region, marked as 'low response rates and are of very limited value.' For conservatism, we chose to use the \$4 mixed hardwood pulp price for the North region for aspen pulpwood in North. The \$8.07/cord was calculated as the average of the \$11 and \$4, weighted by project area in each region.

For spruce/fir pulpwood, the stumpage report provides \$100 for the North region, marked as 'low response rates and are of very limited value.' For conservatism, we chose to use the spruce/fir pulp price for the New Hampshire obtained from <https://www.revenue.nh.gov/mun-prop/property/timber.htm> (NH\_avg-stump-val-10-22-03-23.pdf attached separately). In the NH report, price of spruce/fir pulpwood ranges from \$1-3/ton. We used the price of \$1/ton, converted and rounded to \$3/cord (\$1\*2.68).

**Auditor Response:** Thank you for this thorough response. The audit team concludes that the justification for stumpage prices is reasonable. This finding is now closed.

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

**NIR 15 Dated 10 Jan 2024****Standard Reference:** ACR IFM Methodology v1.3**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf

**Finding:** Section C1 of the IFM methodology states, “The IFM baseline is the legally permissible harvest scenario that would maximize NPV of perpetual wood products harvests. 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... Consideration shall be given to a reasonable range of feasible baseline assumptions and the selected assumptions should be plausible for the duration of the baseline application... The ISO 14064-2 principle of conservativeness must be applied for the determination of the baseline scenario. In particular, the conservativeness of the baseline is established with reference to the choice of assumptions, parameters, data sources and key factors so that project emission reductions and removals are more likely to be under-estimated rather than over-estimated, and that reliable results are maintained over a range of probable assumptions. However, using the conservativeness principle does not always imply the use of the “most” conservative choice of assumptions or methodologies.”

Section E1 of the client’s GHG Plan states, “The Baseline Scenario represents a harvesting regime designed to maximize the annual cashflows from a 100-year Net Present Value (NPV) at a 5% discount rate, subject to operational considerations in the region. The area selection for each prescription by plot was determined using a linear programming model (IpSolve package), which found the combination of prescriptions that maximizes the NPV over 100 years. There are 6 silvicultural prescriptions in the linear programming model, shown in Table E1-7.”

Confirmed on site, a large portion of project area, located on its eastern frontier, is defined by very steep slopes. Through our own internal due diligence, the audit team could not find evidence that this steep sloping region of the project area was ever actively managed in its history, even though the previous landowners actively managed the site through harvesting for decades. Furthermore, due to the geographic nature of this area, it would be physically and fiscally improbable to harvest this area to the level outlined in the GHG Plan. As the project area is not delineated into any strata, it appears that all areas of the project area are treated uniformly via baseline prescriptions.

The audit team requests a justification for the application of a uniform baseline scenario across the entire project area, specifically for the application of harvesting to the aforementioned portion of the project area. Furthermore, the audit team requests justification for how the baseline scenario meets the requirements of conservativeness.

**Project Personnel Response:**

Much of Vermont's prime timberland is synonymous with steep slopes. Woodbury's Eastern slopes, and other areas within the project area, are no exception to this. Although the steeper eastern slopes of the Woodbury project have not been heavily cut during the time period in which we have easily accessible aerial imagery to look back on (previous 20-30 years) it has been harvested over the last 20 years, and managed intensively for the 50 years previous to that. Previous management history of the area is described in the "Unit 16 2019 FMP\_v5" management plan from the previous landowner, which has been added to the shared verification folder for reference. This management plan describes harvesting in nearly all of the areas on the Eastern slopes of the project, with the exception of stand 4 which is to be reevaluated for harvests in future years as the trees mature. Stand 4 is mostly restricted from harvesting in the management plan due to impact on the Stream Management zones in the area, which have already been constrained in our model. Onsite, evidence of old skid trails, stumps, and other alterations to the landscape across Woodbury's Eastern front provide additional evidence that it can, and has been harvested. Since the most recent harvests in these areas (last 50 years) the previous landowner has had no need to pursue aggressive harvesting in these areas due to the long rotation periods of NE hardwood forests and easier ground nearby on other parts of the property. However, it is entirely operationally possible to harvest these areas of the property, and in an NPV maximizing scenario, it is highly likely a landowner would harvest these areas as they hold some of the most valuable timber on the property.

In order to better display the operational feasibility of harvesting in these steep sloped areas, a slope layer has been produced outlining all areas greater than 30% slope across the project area. This layer, "Woodbury\_SlopeGrtr30.shp", has been added to the shared verification folder. The "Voluntary Harvesting Guidelines for Landowners in Vermont" has also been provided in the shared folder for review, which states as a guideline for landowners "According the Natural Resources Conservation Service (NRCS), operators may begin to experience equipment limitations on slopes between 25% and 35% grade. They may be unable to operate equipment safely on slopes greater than 35%."

The vast majority of the area within the project is on slopes that are less than 30% grade. Areas that are on slopes greater than 30% grade are limited to more isolated bands of steep sloped areas and potentially small cliffs that can be operated around using cable skidders. Furthermore, cable skidders in this region usually have 150-200 feet of cable length in which they can use to reach into these areas, place chokers on logs, and pull them out. Through the local forester interview process, it was noted that it is common practice for operators to utilize this function of their cable skidders in hard to reach steep sloped areas in order to pull logs out. It was also noted that the local forester knows operators who have and will operate on these steeper sloped areas, and has seen units harvested that are entirely in the 30-40% sloped range. Although the landscape is peppered with areas of steep slopes, those areas are separated by strips of land that are less than 30% sloped, where cable skidders can safely and feasibly navigate to position themselves to remove timber. There is evidence of this across the property where trees have been harvested on the tops of ledges, bottoms, and just about anywhere that is wide enough for a skidder to pass through.

The stumpage values utilized in the model take into account all costs associated with harvesting trees, including working around the complex topography that is ubiquitous throughout Vermont. Conservative measures have been incorporated throughout the model in various places including but not limited to constraining by Best Management Practices, conservative harvest entry thresholds, conservative residual basal areas, and utilizing conservative stumpage pricing as noted in NIR 14.

**Auditor Response:** Thank you for this detailed response. The audit team requests evidence of past harvesting in the steeply sloping areas of the project area. This finding remains open.

**Project Personnel Response 2:** The following evidence of harvesting on the steep sloped portions of the property can be found in the "Woodbury Mtn Stand Map 10.3.19.pdf" and "Unit 16 2019 FMP\_v5.pdf" documents in the shared verification folder.

As noted by the evidence provided in the "Unit 16 2019 FMP\_v5.pdf" all stands that occupy the steep sloped areas of the property have been harvested in the past, with the exception of Stand 4. Stand 4's major constraint is "due to its value as a riparian and headwaters area". Our baseline model takes into account these steep sloped riparian and headwater areas by constraining harvesting in those areas through our RMZ layer, which covers the majority of Stand 4. The remaining stands in steep sloped areas of the project have a history of harvesting, show intent to harvest in the future, and do not reference steep slopes as preventative to harvesting.

#### Stand 1.1

-“This stand has been managed extensively throughout the past 50 years, with a regenerative harvest and/or thinning harvest occurring within this stand approximately every 20 years. The most recent harvest was a selective harvest in the year of 2012 upon the western slopes of the stand, with much of the eastern facing slopes being harvested the decade prior “

--“Stands 1.1, 1.2 and 3 will be subject to uneven-aged forest management with re-entry approximately every 20-30 years. The primary timber species and minimum target dbh for harvesting are shown in the table below. “

#### Stand 1.2

-“A light selection harvest thinning occurred in 1991 and a selection harvest occurred in 2012. “

-“Stands 1.1, 1.2 and 3 will be subject to uneven-aged forest management with re-entry approximately every 20-30 years. The primary timber species and minimum target dbh for harvesting are shown in the table below. “

#### Stand 2

-“This stand has been managed extensively throughout the past 50 years, with a regenerative harvest and/or thinning harvest occurring within this stand approximately every 20 years. The most recent harvest was a selective harvest in the year of 2012. “

-“Stand 2 will be subject to even-aged management with rotation age of approximately 80 years. “

#### Stand 3.1

-“In the late 20th Century this stand underwent a series of timber stand improvement harvests and in 2012 this stand was selectively harvested. “-

-“Stands 1.1, 1.2 and 3 will be subject to uneven-aged forest management :”

#### Stand 3.2

-“Selection harvests have occurred in this stand in 1992 and in 2012. “

-“Stands 1.1, 1.2 and 3 will be subject to uneven-aged forest management “

#### Stand 4

-“This uneven aged stage is located on very steep slopes on the east side of the property. “

-“This stand will be protected from management due to its value as a riparian and headwaters area. The excessively steep slopes in this stand would come at a significant risk to the riparian areas, thus this area is justifiably classified as an ESTA. Trees in this stand should be left to grow over the next decade and reevaluated in an updated plan in 2029. “

**Auditor Response 2:** Thank you for this additional detail demonstrating the past management of these project areas. The PP has provided justification for the application of a uniform baseline scenario across the entire project area, whereby harvesting in these steep sloped areas is constrained by the exclusion of SMZ areas from harvest treatments. Evidence has been provided in the form of the previous landowner's forest management plan demonstrating previous harvest in the questionable areas of the project. This finding is now closed.

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



**NIR 16 Dated 10 Jan 2024**

**Standard Reference:** ACR IFM Methodology v1.3

**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf;  
Woodbury\_100Yr\_calcs\_08\_17\_2023.xlsx; Woodbury\_RP\_ERT\_HWP\_08\_17\_2023.xlsx

**Finding:** Section C1. Identification of Baseline in the methodology states, “This methodology establishes an average baseline determination technique for all major non-federal forest ownership classes in the United States. Project Proponents shall use the baseline discount rate values in Table 1 for the appropriate ownership class to identify a project-specific NPV-maximizing baseline scenario...” See table 1. Discount rates for Net Present Value determinations by U.S. Forestland Ownership Class.

Section B5 of the client’s GHG Plan states, “The baseline scenario represents a harvest regime that could have happened in the project area if it were not enrolled in a forest carbon project. The project is targeted to maximize net present value at a 4% discount rate, as prescribed by the methodology. Baseline harvest prescriptions and acreage allocations are described technical detail in Section E.”

Section E1 of the client’s GHG Plan states, “The Baseline Scenario represents a harvesting regime designed to maximize the annual cashflows from a 100-year Net Present Value (NPV) at a 5% discount rate, subject to operational considerations in the region. The area selection for each prescription by plot was determined using a linear programming model (lpSolve package), which found the combination of prescriptions that maximizes the NPV over 100 years. There are 6 silvicultural prescriptions in the linear programming model, shown in Table E1-7.”

Tab “Financial\_Barriers\_Test” in the client’s ERT workbook, cell B6 lists the discount rate at “5%.”

Tab “Financials” in the client’s 100Yr workbook, cell B23 lists the discount rate at “5%.”

The audit team requests more clarity on this apparent discrepancy between the client’s submitted documentation. Additionally, the audit team requests a justification for the selection of this discount rate, and to provide any necessary documentation to support their justification.

**Project Personnel Response:** The discount rate has been updated to 4% for non-governmental organizations.

**Auditor Response:** The audit team confirmed that the discount rate has been updated to 4%. However, the project has not provided a justification for why the PP qualifies for this discount rate. The finding remains open.

**Project Personnel Response 2:** The discount rate has been updated to 5%. We have determined this is the most appropriate discount rate for the baseline scenario for this project due to the previous landowner being classified as 'private non-industrial', and that the baseline models the scenario in which the land changes hands to another 'private non-industrial' landowner rather than NEWT as an NGO. Carbon financing was an integral part of NEWTs ability to acquire this property, and without carbon financing it would have likely changed hands to another 'private non-industrial' landowner due to its highly stocked merchantable stands, and readiness to be harvested for returns on the acquisition investment.

The GHG plan and other docs have been updated to reflect this change. Justification has been added to the GHG plan.

**Auditor Response 2:** This justification seems reasonable. This finding is now closed.

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

**NIR 17 Dated 10 Jan 2024****Standard Reference:** ACR IFM Methodology v1.3**Document Reference:** Woodbury\_100Yr\_calcs\_08\_17\_2023.xlsx

**Finding:** Required inputs for the project NPV calculation include the results of a recent timber inventory of the project lands, prices for wood products of grades that the project would produce, costs of logging, reforestation and related costs, silvicultural treatment costs, and carrying costs. Project proponents shall include roading and harvesting costs as appropriate to the terrain and unit size.

Consideration shall be given to a reasonable range of feasible baseline assumptions and the selected assumptions should be plausible for the duration of the baseline application.

While onsite, the audit team noted that the project area has limited access via roads and trails. Furthermore, the existing roads and trails are in poor condition. Finally, there exist only a few bridges in the project area, which are also in poor condition and would not currently be able to support heavy logging equipment.

Therefore, the audit team requests a clear demonstration of the inputs that inform the client's NPV analysis. This would include a granular breakdown of all costs of logging, including infrastructure, such as roads and bridges. We also request documentation to justify the choice in these input values.

**Project Personnel Response:** A cost for rehabilitating the road and drainage system has been added to the NPV calculation. Roads requiring rehabilitation have been identified, and can be found in shared verification folder titled "Woodbury\_Roads\_Rehab.shp". The road rehab shapefile informs the calculation of rehabilitation costs by providing distance of roads requiring rehabilitation, average slope of road requiring rehabilitation, and number of intersections of rehabilitation roads and the "Streams.shp" shapefile. Other roads on and off the property for access are in sufficient condition to support logging activity. Active logging has occurred on those roads in the last 5 years, and can be observed using historical satellite imagery. Please see "RoadRehabCosts.xlsx" for the calculation of the total road rehab costs, as well as "accessroads.pdf" and "RoadPlanningAndCostingGuide.doc" for a detailed description to the approach in identifying reasonable road rehabilitation costs for the project. Given that the full extent of the property has been accessed for logging in the past utilizing the pre-existing road network, the current network once rehabilitated, is sufficient for reaching all parts of the property utilizing standard ground based logging equipment common in Vermont.

**Auditor Response:** Thank you for providing this breakdown of the costs related to the infrastructure upgrades necessary to implement the baseline scenario. This finding is closed.

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

**NIR 18 Dated 10 Jan 2024****Standard Reference:** ACR IFM Methodology v1.3**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf

**Finding:** Required inputs for the project NPV calculation include the results of a recent timber inventory of the project lands, prices for wood products of grades that the project would produce, costs of logging, reforestation and related costs, silvicultural treatment costs, and carrying costs. Project proponents shall include roading and harvesting costs as appropriate to the terrain and unit size.

Consideration shall be given to a reasonable range of feasible baseline assumptions and the selected assumptions should be plausible for the duration of the baseline application

Our due diligence demonstrated that the market for pulpwood in the project area is economically constrictive, as all pulpwood mills are located outside the state. Due to the distance to mill and the price of the softwood pulpwood commodity, there is evidence to suggest that this activity would not commonly occur, as it would have undesirable economic consequences to the harvesting body. The audit team has identified instances where only pulp was harvested in the baseline scenario. A sample of these instances are listed below:

- Plot 71 – CC\_2026 – Pulp only harvest in 2106
- Plot 150 – CC\_2026 – Pulp only harvest in 2106
- Plot 61 – CC\_2031 – Pulp only harvest in 2111

The audit team requests evidence and documentation to support a baseline scenario where softwood pulpwood is selected as a viable outcome for baseline activity. Additionally, the audit team requests evidence and documentation to support a pulp only harvest under any regime given the pulp market in the region.

**Project Personnel Response:** Based on the current state of the wood markets we agree a pulp only harvest is unlikely. We have eliminated pulp only harvests from the baseline scenario by requiring minimum merchantable sawtimber constraint to all harvests.

**Auditor Response:** After reviewing the newly supplied FVS files, the audit team identified several instances where pulp only harvests are occurring. A couple of examples are below:

SHW40\_2021 - Plots: 17, 48, 156  
 STS\_40BA\_2021 - Plot: 149

The audit team would also like the project team to justify the use of the 100 bdf/ac harvest constraint. Where was this value derived from? This finding remains open.

**Project Personnel Response 2:** The baseline model has been updated to eliminate pulp-only harvests. To achieve this within the Baseline model, we have increased the minimum merchantable board feet threshold to 2,500 board feet per acre of sawtimber for entry into a stand for all RXs. We selected 2500 board feet per acre threshold based on Table 17 and Table 18 of the USFS Northern Research Station's Silvicultural Guide for Northern Hardwoods in the Northeast, provided in the shared folder. Table 17 shows a cumulative board feet volume of 2680 board feet per acre at age 83 for managed stands. Although MAImax occurs at age 95 in Table 18, we used 2680 bdft (rounded down to 2500 for practicality) at age 83, the nearest data point before age of MAImax, as financial maturity normally occurs earlier than biological maturity. We'd like to clarify that the 600 total cubic feet per acre threshold (obtained from interviewing regional foresters) is still in effect to ensure economic viability. The 2500 board feet per acre threshold is additional to the 600 total cubic feet per acre threshold to ensure the presence of sawlogs.

The GHG plan Rx descriptions have been updated to reflect this change.

**Auditor Response 2:** Thank you for providing this explanation. Confirmed GHG plan Rx descriptions have been updated and FVS keyfiles reflect said changes. This finding is closed.

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

#### **NIR 19 Dated 10 Jan 2024**

**Standard Reference:** ACR IFM Methodology v1.3

**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf

**Finding:** Section C1. of the ACR IFM Methodology states "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."

The client has not provided documentation that supports the baseline scenario using published state or federal agency documents.

Please provide the required documentation supporting the baseline scenario.

**Project Personnel Response:** The documentation that informed and supports our baseline silviculture has been added to the shared verification folder. Please see the following documents:

"Heavy Cut Law - Department of Forests - Parks and Recreation"

"Silviculture Guide Northern Hardwoods"

**Auditor Response:** Thank you for providing this information. This finding is closed.

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

**NIR 20 Dated 10 Jan 2024****Standard Reference:** ACR IFM Methodology v1.3**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf

**Finding:** Section C1 of the methodology states, “The IFM baseline is the legally permissible harvest scenario that would maximize NPV of perpetual wood products harvests. 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... Consideration shall be given to a reasonable range of feasible baseline assumptions and the selected assumptions should be plausible for the duration of the baseline application... The ISO 14064-2 principle of conservativeness must be applied for the determination of the baseline scenario. In particular, the conservativeness of the baseline is established with reference to the choice of assumptions, parameters, data sources, and key factors so that project emission reductions and removals are more likely to be under-estimated rather than over-estimated, and that reliable results are maintained over a range of probable assumptions. However, using the conservativeness principle does not always imply the use of the ‘most’ conservative choice of assumptions or methodologies.”

Based on our due diligence, the 15-yr rotation outlined in prescription STS\_40BA is low, as more common practice in the region is 20-25 years. The audit team requests evidence and a justification for how the rotation age was selected for this prescription. Additionally, the audit team requests a justification for how this selection meets the requirements of conservativeness.

**Project Personnel Response:**

The rotation length for both STS\_40BA and STS\_75BA is set at a minimum of 15 years. The minimum rotation length was gathered from interviewing professional foresters in the region. Additional conservatism is built into our prescription by choosing a higher residual basal area of 40 BA. We did receive anecdotal notes from regional forester interviews that they have observed single tree selections harvests going below 40 basal area residual, and there is no regulation stating that we cannot go below 40 BA. The prescription is further limited by only harvesting trees that are less than 40 inches DBH. We acknowledge it is difficult to find literature stating that 15 year rotations are common practice, and as such, have increased our minimum rotation age for prescriptions STS\_40BA and STS\_75BA to be 20 years.

**Auditor Response:** Thank you for this explanation and update. This finding is closed.

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

**NIR 21 Dated 10 Jan 2024**

**Standard Reference:** ACR Validation and Verification Standard v1.1

**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf; Woodbury\_SHW40\_2021.out

**Finding:** Section 9.B of the ACR Validation and Verification Standard states "The VVB should assess the effectiveness of methods for data collection and processing, identify likely areas for data corruption or potential errors, and characterize GHG data collection and management system integration weaknesses."

In reviewing the summary statistics for several stands under the shelterwood prescription, it has become apparent that this prescription is not working as described in the GHG plan. A good example would be from the out file Woodbury\_SHW40\_2021.out, stand Woodbury\_13. This example shows a harvest in 2021, then the next harvest 30 years later in 2051, then a final harvest 55 years later in 2106. This deviates from the description of the shelterwood prescription in the GHG plan. Please provide an explanation as to why the modelled outputs are not aligning with the description in the GHG plan for the shelterwood regime.

**Project Personnel Response:**

We apologize for any confusion caused. The harvest schedules were executed as planned. The misunderstanding arose from applying the same residual BA (40) for both the 1st entry and the 2nd entry (overstory removal) for the SHW harvests.

To illustrate, consider the example of Woodbury\_SHW40\_2021.out - Woodbury\_13. The first entry occurred in 2021, and overstory removal took place in 2051. The 2106 entry marked the first entry of the subsequent rotation (with a minimum rotational cycle of 80 years).

The prescription required that the 2nd entry occur at least 8 yrs after the 1st entry, AND reach BA=60 and merchantable volume=600. In practice, as suggested by the consulted regional forester, heavy-cut permits are commonly requested, allowing stands to be cut to a lower residual at the 2nd entry. For conservativeness, we opted to set the residual BA=40 for the 2nd entry, eliminating the need for a heavy-cut permit.

**Auditor Response:** Please clarify how you define an "overstory removal". Page 27 of the "Silviculture Guide Northern Hardwoods.pdf" indicates an overstory removal leaves a residual basal area of 0 to 10 sqft/acre.

Additionally, how would you classify your shelterwood approach in terms of the aforementioned document? Would it be a standard shelterwood, low-density shelterwood, or deferred shelterwood?

This finding remains open.

**Project Personnel Response 2:** We agree that the overstory removal should have less residual basal area and have updated our Shelterwood overstory removal Rx to have a residual basal area of 10 sqft/acre. We would classify our shelterwood approach as low-density shelterwood or deferred shelterwood, depending on the individual site conditions at operational level. Our RX requires a residual BA of 40 after first entry, a residual BA of 10 and a minimum of 8 years of delay before overstory removal at strategic level - actual years of delay should be judged by foresters in operation based on stand conditions.

**Auditor Response 2:** Thank you for this explanation. This finding is closed.

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

**NIR 22 Dated 10 Jan 2024****Standard Reference:** ACR Validation and Verification Standard v1.1**Document Reference:** Draft\_Woodbury\_GHGPlan\_9\_21\_23.pdf;  
Woodbury\_100Yr\_calcs\_08\_17\_2023.xlsx**Finding:** Section 8.C of the ACR Validation and Verification Standard v1.1 states:

"The VVB shall examine the reported data, quantification methodologies, calculation spread sheets or databases, source data, project data management systems, data quality controls in place, measurement and monitoring systems, and records pertaining to emissions quantification."

Section B6 of the clients GHG plan states:

"The project scenario consists of managing the forestland under a limited-action management strategy to promote natural growth as described in Section A6. Project Action. No commercial harvesting is planned on the property, and the intent is to only conduct light touch management interventions when necessary for recreational safety, and forest health."

While reviewing the client's 100-year calculations workbook, the audit team noticed revenue values under the "Project\_Revenue" tab for 3 plots and 2 regimes. Plots 73, 104, and 126 contain revenue values under the regimes STS\_75BA...(2021, 2026, 2031) and VT\_40BA...(2021, 2026, 2036, 2041, 2046, 2051, 2076, 2081, 2086, 2091, 0296). There are 4 plot/regime combinations that contain revenue values with acres allocated in the "Project\_Summary" tab, all plot 73 (STS\_75BA\_2021, STS\_75BA\_2026, STS\_75BA2031, VT\_40BA\_2036).

The audit team requests a demonstration that the above harvests that produce revenue in the project scenario are non-commercial.

**Project Personnel Response:**

Our project scenario model requires a nominal amount of harvests as a "place-holder" in order to run properly. We can confirm that no commercial harvesting is planned to occur in the actual project scenario. Any harvesting that occurs in our modelled project scenario is related to this technical issue. We have further limited the percent of growth harvested to be significantly smaller than the previous model run to better reflect reality during the project scenario. After the adjustment, the model generated all zero summative revenue values under 'Project\_Revenue' tab (top rows). There are a few plot/regime combination that show negligible revenue values (< \$1), however, we consider this de minimis. In addition, during each subsequent reporting period we will update the project harvest levels with actual harvest levels occurring on the property, which we expect to be 0 or near 0.

**Auditor Response:** Thank you for this explanation. This finding is closed.

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