

VALIDATION AND VERIFICATION REPORT

American Carbon Registry

ACR 653: Anew – Canada Creek Forestry Project

Reporting Period:

5 May 2021 to 4 May 2022

Prepared for:

Anew Climate, LLC

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AMERICAN CARBON REGISTRY

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Executive Summary

This report describes the verification services provided for the Anew – Canada Creek Forestry Project (“the project”), an Improved Forest Management (IFM) project located in northern lower Peninsula of Michigan, that was conducted by SCS Global Services. The project proponent is the Canada Creek Ranch Association. 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 5 May 2021 to 4 May 2022 against relevant ACR standards and the approved methodology. The verification engagement began on 25 July 2022, it was carried out through a combination of document review, interviews with relevant personnel and on-site inspections. As part of the verification engagement 6 findings were raised: 2 Non-Conformity Reports, 2 New Information Requests and 2 Observations. These findings are described in Appendix A of this report. The project complies with the verification criteria, and SCS holds no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

Table of Contents

1	Introduction	i
1.1	About SCS Global Services	i
1.2	Objectives.....	i
1.3	Scope.....	ii
1.4	Validation and Verification Criteria.....	iii
1.5	Level of Assurance	iv
1.6	Treatment of Materiality	iv
1.7	Summary Description of the Project.....	v
2	Assessment Process.....	v
2.1	Method and Criteria.....	v
2.2	Document Review	v
2.3	Interviews.....	v
2.4	Site Inspections	vii
2.5	Resolution of Findings.....	viii
2.6	Techniques and Processes Used to Test the GHG Information and GHG Assertion	viii
3	Validation Findings	viii
3.1	Project Boundary and Activities.....	ix
3.2	Description of and Justification for the Baseline Scenario	x
3.3	Project-Specific Conformance to ACR Eligibility Criteria	xi
3.4	Demonstration of Additionality	xvi
3.5	Processes for Emission Reductions/Removal Enhancements Quantification	xvii
4	Verification Findings.....	xix
4.1	Results of Quantitative Uncertainty Assessment	xix
4.2	Analysis of the Quantification Methodologies and Applicable Data Sets and Sources.....	xx
4.3	Basis of Data and Information Supporting the GHG Assertion.....	xx
4.4	Leakage Assessment	xxi
4.5	Risk Assessment	xxi
5	Conclusion.....	xxii
	Appendix A: List of Findings	xxiv

1 Introduction

1.1 About SCS Global Services

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

SCS' Greenhouse Gas (GHG) Verification Program has been verifying carbon offsets since 2008 and to date has verified over 296 million tonnes of CO₂e, providing GHG verification services to a wide array of industries including manufacturing, transportation, municipalities, and non-profit organizations. The GHG Verification Program draws upon SCS's established expertise to serve the global carbon market.

1.2 Objectives

1.2.1 Validation Objectives

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

The objectives of validation were to evaluate

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

SCS reviewed any relevant additional documentation provided by the project proponent 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).
- Common practice claims, silvicultural prescriptions used in the baseline/project scenarios, and local mill capacities and wood product market trends.
- Ownership documentation, regulatory compliance requirements, and project boundaries.

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 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 the following elements of the GHG project plan:

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

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

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

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

1.4 Validation and Verification Criteria

The validation and verification criteria were comprised of the following:

- ACR Standard, Version 7.0
- Improved Forest Management (IFM) on Non-Federal U.S. Forestlands, Version 1.3 ("the methodology")
- ACR Tool for Risk Analysis and Buffer Determination, Version 1.0
- ACR Validation and Verification Standard, Version 1.1

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 on 11,474 acres of mixed hardwood, oak, aspen, and conifer forests in the northern Lower Peninsula of Michigan, neighboring the Pigeon River County State Forest. The project area is owned by Canada Creek Ranch Association. The improved management practices of this project focus on sustainable, natural forest growth, and maintenance harvests for essential activities, recreation, wildlife habitat and forest health. Management considerations for the project area will promote uneven-aged silviculture practices.

2 Assessment Process

2.1 Method and Criteria

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

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

2.2 Document Review

The GHG project plan (dated 04 April 2023; "PP") and monitoring report (dated 29 March 2023; "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 Plan	CanadaCreek_ACR_GHGPlan_4_4_23.pdf	1
Monitoring Report	DRAFT_CanadaCreek_RP1_MonitoringReport_03_29_23.pdf	2
CO2 Calcs	CanadaCreek_Start_RP_CO2_02_17_2023.xlsx	3

ERT Workbook	CanadaCreek_RP_ERT_HWP_02_17_2023.xlsx	4
100 year Calc Workbook	CanadaCreek_100Yr_calcs_02_17_2023.xlsx	5
Regeneration Calculations	CanadaCreek_Regeneration_Calcs.xlsx	6
Site Index Calculations	CanadaCreek_SiteIndex_Calcs_09_28_2022.xlsx	7
Project Boundary Shapefile	CanadaCreek_Boundary_05_20_22.shp	8
Plots Shapefile	CanadaCreek_Plots_5_24_22.shp	9
RMZ Shapefile	CanadaCreek_SMZ_05_23_22.shp	10
Strata Shapefile	CanadaCreek_Strata_05_20_22.shp	11
Inventory Methodology	CanadaCreek_CarbonPlot_Methodology_09_21_21.pdf	12
Certification	Grossman Forestry - 9664992 - Final Certificate - Revised.pdf Grossman_WelcomeLetter.pdf	13
Various FVS years for the following database files, out files, and key files.	CanadaCreek_START.db CanadaCreek_GROW.db CanadaCreek_CCA_2036.key CanadaCreek_SHW50_2021.key CanadaCreek_STS75BA15_2021.key CanadaCreek_CCJP_2056.key CanadaCreek_CCO_2036.key	14
Ownership Information	All deeds contained in “\ClientSubmissions\Deeds\...”	15
Baseline assumptions supporting documents	TimberMartNorth_Vol 28 No 1.pdf Michigan_Final_2018_Mill_Report.pdf WI DNR Wisconsin Silviculture Guide (WSG) https://dnr.wisconsin.gov/topic/forestmanagement/wsg	16
ACR Correspondence regarding t=T calculations	ClarificationonYearTandCumulativeHWPs.pdf	17
Start Date Documentation	2021-05-04 Bluesource_CandaCreek_CDMA - Final_executed_Redacted	18
PDA Documentation	CanadaCreek_PDA_PDD_4_17_23.pdf	19

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
Tim Hipp	Anew Climate	Senior Manager	Throughout Audit
Aaron Wykhuis	Anew Climate	Manager	Throughout Audit

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
Cody Stevens	Michigan Department of Natural Resources	Unit Manager – Atlanta Forest Management Unit	01/25/23

2.4 Site Inspections

The objectives of the on-site inspections 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 from the project start date
- Any significant changes in the GHG project's baseline emissions and emission reductions/removal enhancements since the project start date.

In support of the above objectives, the audit team performed an on-site inspection of the project area on 27 July 2022. 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 the canopy cover, forest health issues, and assessed accuracy of provided maps
 - Selected samples of inventory data using simple random selection methods.
 - At each selected sample location, took on the ground measurements.

- Verified the sample by running a paired sample t-test on the independently calculated Mt CO₂e/acre on each plot.
- Review of management's commitment to the carbon project.
- Discussed operating methods and restrictions relating to baseline harvesting.
- 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, 2 NCRs, 2 NIRs and 2 OBS were issued. All findings issued by the audit team during the audit process have been closed. All findings issued during the audit process, and the impetus for the closure of each such finding, are described in Appendix A of this report.

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

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

- Review of project documentation including the GHG Plan (Ref. 1), MR (Ref. 2), spatial information (Refs. 8-11), and calculation workbooks (Refs. 3-7) 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.
- 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 was performed to review the quantitative analyses undertaken by Anew to convert the raw inventory data into emission reduction estimates during the reporting period (Refs. 3-7). This included a re-calculation of project emissions, ERTs, and uncertainty using inventory data as described below in section 3.1 and 3.2.
- Baseline scenario modeling and ex ante estimates were also reviewed, recalculated, and remodeled. This included a look at the feasibility financially and physically to accomplish the claims made in the baseline scenario.
- 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 III.4 of the monitoring report).
- Attention was paid to the common practice assessment including local silvicultural trends, market wood demands, and regional mill capacities.

3 Validation Findings

3.1 Project Boundary and Activities

3.1.1 Project Boundary and Procedures for Establishment

A description of the physical boundary of the project was provided, which is located on 11,474 acres of oak, aspen, conifer, and mixed hardwood forest adjacent to Michigan's Pigeon River Country State Forest on the Lower Peninsula. The project land is owned and managed by the project proponent, The Canada Creek Ranch Association. The audit team confirmed that the boundaries were well documented throughout both the document review and site visit activities. During the site visit the audit team independently checked the accuracy of spatial information on ownership, as used in delineation of the project area, by reviewing ownership deeds, shapefiles, and ground truthing project boundaries when possible. Likewise, during document review the audit team inspected project shapefiles (Refs. 8-11) to confirm project boundaries are accurately represented as compared to boundaries mapped during the site visit, maps provided in the PP, and available satellite imagery.

3.1.2 Physical Infrastructure, Activities, Technologies and Processes

The audit team reviewed the PP and project documentation (Refs. 1-2) which indicate potential infrastructure, activities, and technologies used within the project area. The project activity consists of natural forest management focusing on sustainable forest growth and maintenance harvest for essential activities 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 ₂	Major carbon pool subjected to the project activity.
Below-ground biomass carbon	Included	CO ₂	Major carbon pool subjected to the project activity.
Standing dead wood	Included	CO ₂	Major carbon pool in unmanaged stands subjected to the project activity.
Harvested wood product	Included	CO ₂	Major carbon pool subjected to the project activity.
Burning of biomass	Included	CO ₂	Non-CO ₂ gas emitted from biomass burning. Note that no burning is planned 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. Also, in accordance with Chapter 3 of the ACR Standard, the start date is defined as 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. SCS was able to review the PP, and MR for authenticity and to confirm that the management regime has been put in place since the start of the project. SCS concluded that 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 listed as 20 years. SCS confirmed that the PP included a timeline with a first crediting period of 20 years and a minimum project term of 40 years.

3.2 Description of and Justification for the Baseline Scenario

The methodology defines the baseline scenario as an estimation of the GHG emissions or removals that would have occurred if the Project Proponent did not implement the project. The PP indicates that “The Baseline Scenario represents an intensive harvest 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. Only volume from merchantable species count toward costs and revenue for regeneration harvest i.e., hardwood species are not included). 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 9 silvicultural prescriptions in the linear programming model, shown in Table E1-7.” The audit team confirmed that the claims related to annual acreage restrictions, silvicultural prescriptions, and general mill capacity are common in the area as well as recommended under published sources (Ref. 16).

During the site visit and through interviews with local managers the audit team verified the harvesting practices of owners managing similar forest types with comparable species and wood product types. The audit team reviewed the justification of the baseline scenario with great attention to detail to confirm the claims made regarding harvest types, volume of sawlogs, as well as the capacity of local mills to accept the wood. The audit team also conducted a financial feasibility assessment of the baseline scenario by obtaining regional stumpage rates and tax rates to independently verify NPV. SCS determined that the harvesting rate indicated in the baseline scenario would be feasible and is comparable to the common practice in the region.

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
Date, All Projects	Non-AFOLU Projects must be validated within 2 years of the project Start Date. AFOLU Projects must be validated within 3 years of the project Start Date.	Confirmation that this report was issued less than 3 years after 05 May 2021, the start date of the project according to the PP.
Start Date Definition,	ACR defines the Start Date for all projects other than AFOLU as the date on which the project	Not applicable; this project is an AFOLU project.

Non-AFOLU Projects	began to reduce GHG emissions against its baseline.	
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	<p>For IFM, the Start Date may be denoted by one of the following:</p> <ol style="list-style-type: none"> 1. The date that the Project Proponent began to apply the land management regime to increase carbon stocks and/or reduce emissions relative to the baseline. 2. The date that the Project Proponent initiated a forest carbon inventory. 3. The date that the Project Proponent entered into a contractual relationship to implement a carbon project. 4. The date the project was submitted to ACR for listing review. <p>Other dates may be approved by ACR on a case by case basis.</p>	The start date is after 05 May 2021, the date by which “The project start date of May 5, 2021 coincides with the signing of the Carbon Development & Marketing Agreement (CDMA) between Canada Creek Ranch Association and Anew Carbon Development LLC (formerly Blue Source LLC).” This was verified by reviewing the CDMA Contract (Ref. 18).
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 another agriculture land-based project.
Minimum Project Term (AFOLU Projects Only)	Project Proponents of AFOLU projects with a risk of reversal shall commit to a Minimum Project Term of 40 years. The minimum term begins on the Start Date, not the first or last year of crediting. This requirement applies only to AFOLU projects that have had ERTs issued that are associated with GHG removals (sequestration). AFOLU projects that have claimed only avoided emissions are not subject to this requirement.	Review of the PP to confirm that the minimum term is 40 years, as required.
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>	Review of the PP to confirm that the crediting period is 20 years, as required given the project type.

	<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>	
Real	<p>GHG reductions and/or removals shall result from an emission mitigation activity that has been conducted in accordance with an approved ACR Methodology and is verifiable.</p> <p>ACR will not credit a projected stream of offsets on an ex-ante basis.</p>	Review of the emission mitigation activity, as described in the PP, to confirm that it conforms to the requirements of the methodology and will be verifiable if implemented as described.
Emission or Removal Origin (Direct Emissions)	The Project Proponent shall own, have control over, or document effective control over the GHG sources/sinks from which the emissions reductions or removals originate. If the Project Proponent does not own or control the GHG sources or sinks, it shall document that effective control exists over the GHG sources and/or sinks from which the reductions/ removals originate.	Reviewed the supporting documentation, as described in the PP, and a sample of the ownership documentation provided (Ref. 15) to confirm that Project Proponent have 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 (Refs.8, 15).
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 that no offsets exist or were sold prior to registration of the project (Refs. 2, 15). Reviewed land title documents (Refs. 15) along with an independent review of ownership using the ArcGIS web developer database which included property data, county assessor data, and up to date maps.
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	After performing extensive regulatory compliance checks during this reporting period, the audit team found no violations on file with EPA, ECHO, OSHA or with the Michigan Department of Natural Resources (Forestry Division). 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

	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.	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 18% 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 18% 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 GHG Plan 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	The PP has been independently validated by SCS, an accredited, ACR-approved validation/verification body.

	once during each Crediting Period and prior to issuance of ERTs.	
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	<p>ACR requires that all projects develop and disclose an impact assessment to ensure compliance with environmental and community safeguards best practices. Environmental and community impacts should be net positive, and projects must “do no harm” in terms of violating local, national, or international laws or regulations.</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>	Confirmed by reviewing the GHG plan and monitoring report (Refs. 1-2) which indicate that the project has no anticipated negative community or environmental impacts.

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.

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 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 06 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.

The audit team independently conducted a financial feasibility assessment by using local stumpage prices to verify that the baseline scenario could feasibly occur in the project area in the lifetime of the carbon project if the project was not implemented. The audit team also verified the physical feasibility of the harvests proposed as well as verified that the silvicultural in the baseline scenario is from published state and federal sources.

3.5 Processes for Emission Reductions/Removal Enhancements Quantification

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

The audit team validated the methodologies applied to quantify GHG emissions and emission reductions in the baseline and project scenarios. The objective was to determine whether the methods are clearly defined with supporting documentation, appropriate for accurately quantifying each data parameter, applied consistently, and result in a conservative estimate of GHG emissions reductions and removal enhancements.

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

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

The forest inventory serves as the primary source of data and information used to quantify emissions reductions. The PP and inventory methodology (Ref. 12) describe the process including sample size, determination of plot numbers, plot layout, data collected, and measurement techniques. Through site visit and document review (Refs. 1, 12), 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

SCS verified through review of the PP and the datasets submitted that the data management systems are in place as described.

3.5.4 QA/QC Procedures

Section D of the PP identifies field and desk QA/QC procedures. The field QA/QC procedures include senior forester review of field collected data and remeasurement of any plots that cannot be reconciled. Further the PP states that “At least 5% of the plots will be checked by a different forester than cruised the plot, preferably by someone senior to the field crew. This will involve full plot measurement to identify any problems with determining in/out trees, species calls, defect measurements, DBH measurements, and height measurements. Any errors noted during the check cruise will be used to update the master spread sheet file. Any consistent height, species, DBH, or defect errors will be resolved by talking with the foresters and removing crew members if need be.” These field QA/QC procedures were confirmed on-site and during interviews.

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

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

3.5.5 Processes for Uncertainty Assessments

The PP describes how baseline and project uncertainty were 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.

Further detail on uncertainty quantification is in sections 4.1.

4 Verification Findings

4.1 Results of Quantitative Uncertainty Assessment

SCS devoted a portion of the verification assessment to the review of the manner and propriety by which the project 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_t) value of 6.18% value reported by the client for 2021 was independently re-quantified by SCS using equation 19 in the methodology. The audit team found this difference reasonable and immaterial.

Year	UNC _t Client Values	UNC _t SCS Values	Difference
2021	6.18%	6.20%	0.02%

Note: final numbers are rounded for simplicity.

4.1.2 Materiality

The total materiality of the GHG reduction and removal assertion was also calculated for the reporting period.

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

$$\% \text{ Error} = \frac{(37,930 - 37,568)}{37,568} * 100 = \frac{362}{37,568} * 100 = 0.96\%$$

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 data and information supporting the GHG assertion were based on industry defaults, future projections, and actual historical records. The future projections are a result of a combination of tree inventory data, site index data, and other data modelled over time. Industry defaults are used in the harvested wood products as well as growth rates for the region. Actual historical records are used to assess stumpage prices, common practice, and boundary assessment.

4.4 Leakage Assessment

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. This is demonstrated by the project proponent having entity wide forest certification that requires sustainable practices on all of their landholdings.

The audit team verified the claims made above by quantifying the merchantable carbon removed in both scenarios. The audit team also confirmed the project demonstrated that there is no leakage within their operations through an entity wide management certification that requires sustainable practices that covers all entity owned lands.

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

4.5 Risk Assessment

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

Actions Undertaken to Evaluate Whether the Risk Assessment Has Been Conducted Correctly		
Risk Category	Value Selected	Verification Activities
A	4%	Confirmation, through site inspections and verifying ownership documents, that project is not located on public or tribal lands
B	4%	Confirmation, through site inspections and verifying ownership documents, 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%	The project has not entered a conservation easement
E	2%	Confirmation, through interviews with local personnel and/or foresters and review of fire maps, that the project has a low fire risk
F	4%	Confirmation, through research of local forest health publications, that the project is not within a 30-mile radius of an epidemic disease or pest infestation
G	0%	Confirmation, through site inspections, that project is not a wetland project or a forest project where more than 60% of the project area is not a forested wetland
H	2%	Confirmation that default value has been applied in the risk assessment calculation

5 Conclusion

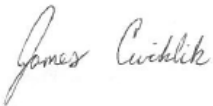

The audit team asserts, with no qualifications or limitations, that the quantification of GHG emission reductions and/or removal enhancements, as reported in the MR, conforms to the verification criteria and is without material discrepancy.

The following provides a summary of the annual emission reductions and removals issuance for the current Reporting Period with the Leakage deduction included and the Buffer deductions excluded (Gross ERTs):

Annual Emission Reductions and Removals in Metric Tons (tCO _{2e}) during Reporting Period 1				
Vintage	Start Date	End Date	Net GHG Emission Removals (tCO _{2e})	Net GHG Emission Reductions (tCO _{2e})
2021	5 May 2021	31 December 2021	12,943	17,599
2022	1 January 2022	4 May 2022	6,659	9,056
Total			19,602	26,655

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

Annual Emission Reduction in Metric Tons (tCO _{2e}) during Report Period 1				
Vintage	Start Date	End Date	Net GHG Emission Reductions/Removals (tCO _{2e})	Quantity of Buffer Credits (tCO _{2e})
2021	5 May 2021	31 December 2021	30,542	5,498
2022	1 January 2022	4 May 2022	15,715	2,829
Total			46,257	8,327

Lead Auditor Approval	 James Cwiklik, 17 May 2023
Internal Reviewer Approval	 Erynn Maynard-Bean, 17 May 2023

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 30 Jan 2023

Standard Reference: ACR Standard v7.0 Section A.3.3 Table 4

Document Reference: CanadaCreek_ACR_GHGPlan_10_14_22.pdf

Finding: ACR Standard v7.0, Section A.3.3, Table 4 describes eligibility criteria for AFOLU based offset projects. The Start Date criterion is defined: “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.”

Table A3.1 in Section A of the GHG Plan states “The project start date of May 5, 2021 coincides with the signing of the Carbon Development & Marketing Agreement (CDMA) between Canada Creek Ranch Association and Anew Carbon Development LLC (formerly Blue Source LLC). This has been provided separately for verification purposes.”

The Audit team is unable to locate the CDMA document described above. Please submit the CDMA to the audit team so they may verify that the start date is denoted in compliance with the criteria defined in Section A.3.3 of the ACR Standard v7.0.

Project Personnel Response: Apologies, the CDMA has been added to the 'Supporting Docs' folder.

Auditor Response: Received, thank you. Finding closed.

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

NIR 2 Dated 30 Jan 2023

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v.1.3 - Section A4

Document Reference: CanadaCreek_ACR_GHGPlan_10_14_22.pdf

Finding: Section A4 in the 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.”

Please provide the Audit Team state or federal published recommendations supporting the silvicultural prescriptions put forth in the baseline scenario.

Project Personnel Response: We utilized the Wisconsin DNR's Silvicultural Guide to form the baseline prescriptions. The guide is comprehensive and utilizes data from the Great Lakes region, and is therefore appropriate for use in this project. The guide is available online here:

<https://dnr.wisconsin.gov/topic/forestmanagement/wsg>

Auditor Response: Thank you, finding closed.

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

OBS 3 Dated 30 Jan 2023

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v.1.3 - Section C2 3.1

Document Reference: CanadaCreek_ACR_GHGPlan_10_14_22.pdf

Finding: Section C2 3.1 of the Methodology states: "The GHG Plan must detail what model is being used and what variants have been selected."

In the GHG Plan - Footnote #7 on page 32 references the FVS-SN variant, where the text which references footnote #7 refers to the FVS-LS variant. The Audit Team recognizes this as a clear typo and issues an observation as a memorialization.

Page 6 of the GHG plan states "intensive harvest practices.." The audit team assumes the second period is not intentional and recommends editing.

The GHG plan has multiple errors references, specifically "Error! Bookmark not defined." Please update to remove these errors.

The GHG plan states "In the year prior to validation/initial verification, a representative sample of 150 fixed radius permanent inventory plots were established across the project area." While later stating "The inventory employed a sample of 199 nested, fixed-radius circular plots installed in a grid distribution across the project area." Please update the first reference.

In the MR - Section VI, part 2, step 3 states " For each live tree, diameter data from the September - October 2020 inventory...", it is the Audit Team's understanding that the inventory took place in December 2021 and January 2022. Please correct or clarify.

Project Personnel Response: Thank you, these corrections have been made to the GHG Plan and Monitoring Report.

Auditor Response: Thank you, finding closed.

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

OBS 4 Dated 30 Jan 2023

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v.1.3 - Section C3 Equations 5 & 6

Document Reference: CanadaCreek_RP_ERT_HWP_10_12_2022.xlsx, ClarificationonYearTandCumulativeHWPs.pdf

Finding: The Audit Team notes that the identification of year $t=T$ (the intersection of stocking in the baseline scenario with the long-term average baseline stocking), is not consistent with the ACR ERT Calculator v1.3. Values of “0” have been hard-coded for RP7-9, effectively “trailing off” baseline crediting through RP10 rather than crediting a “lump-sum” at RP7. Additionally, the cumulative sum of HWP is used, rather than the average HWP, and seen in the ERT Calculator v1.3.

This approach is approved by ACR via guidance communicated in “ClarificationonYearTandCumulativeHWPs.pdf”, however is not found in the methodology or any published ACR Guidance/Clarification.

This observational finding is meant to memorialize that this approach has been approved by ACR and provide future verifications with clarification.

Project Personnel Response: Thank you!

Auditor Response: Finding closed.

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

NCR 5 Dated 17 Feb 2023

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v.1.3 - Section C3.1

Document Reference: CanadaCreek_CCO_2066.out, CanadaCreek_ACR_GHGPlan_01_31_23.pdf

Finding: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v.1.3 - Section C3.1 states “Models must be ... parameterized for the specific conditions of the project”.

It appears there exists plots with very low to no stocking which have unexpectedly high ages assigned for example Plot 2 has an age of 92 while it is a non-stocked plot (see line 6473 in CanadaCreek_CCO_2066.out). Please adjust the FVS model parameterization to be in compliance with Section C3.1 of the Methodology.

Project Personnel Response: Thank you for identifying this issue, we've addressed this by allowing natural regeneration to come in and resetting the age of non-stocked plots after the first FVS cycle.

Auditor Response: Thank you, finding closed.

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

NCR 6 Dated 17 Feb 2023

Standard Reference: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v.1.3 - Section C3.1

Document Reference: CanadaCreek_CC65_2021.out, CanadaCreek_CCJP_2021.out, CanadaCreek_ACR_GHGPlan_01_31_23.pdf

Finding: Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v.1.3 - Section C3.1 states “Models must be ... parameterized for the specific conditions of the project”.

Some stands are not always regenerating after harvest, yet they are being harvested again. For example, see line 13826 in CanadaCreek_CC65_2021.out. The second harvest occurs after 65 years (as that is the only criteria used to implement a stand entry, which itself is unrealistic), when the stand BA is 5 and 9 TPA. Similar results are seen in the CCJP regime. Please adjust the FVS model parameterization to be in compliance with Section C3.1 of the Methodology.

Project Personnel Response: Thank you for identifying this issue, it appears the regen survival rate was being set at 1% instead of 100%. This has been fixed and the calculations have been updated.

Auditor Response: Thank you, finding closed.

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