



Certification for a Sustainable World™

Forest Project Verification Report

Verification under the Climate Action Reserve (CAR)

Reporter/Member:
The Conservation Fund

Project:
Garcia River Forest Project (CAR102)

Emissions Year Verified:
2010

Scientific Certification Systems

Lead Verifier: Christie Pollet-Young

Technical Reviewer: Thomas Gaman

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1 Summary

This report presents the findings of the verification assessment of The Conservation Fund's Garcia River Forest Project greenhouse gas emissions reductions reported to the Climate Action Reserve (the Reserve) for Emission Year 2010 (January 1 through December 31 of 2010). The site evaluation was conducted from January 31 – February 2, 2011. The site evaluation, coupled with the desk review, was undertaken to assess the reported data and confirm whether the compiled data conforms to the Climate Action Reserve's Forest Project Protocol, Version 2.1 (September 2007).

The evaluation was undertaken using the Climate Action Reserve's Forest Verification Protocol Version 2.0 (May 2007). In the course of the verification assessment, the SCS verifiers developed findings which included New Information Requests (NIRs), Non-Conformity Reports (NCRs) and Opportunities for Improvement (OFIs). At this time, all New Information Requests and Non-Conformity Reports have been adequately responded to, resulting in their closure.

On the basis of the information provided and the analyses completed, SCS was able to reach a decision on the annual emission reductions reported by The Conservation Fund to the Climate Action Reserve, and SCS confirms the adequacy of the information to meet the requirements of the Climate Action Reserve standards. Further, SCS is able to reach a positive opinion on the claimed emission reductions presented in the forms, reports and supporting documents submitted by The Conservation Fund to the Reserve website. For Emission Year 2010, SCS has verified 504,413 metric tonnes of CO₂e reductions and removals from the Garcia River Forest Project.

2 Introduction

The scope of this evaluation is the Garcia River Forest Project, a project first established in 2004 and first reported to the Climate Action Reserve in 2007.

This report covers the verification of the CO₂e reductions and removals generated by the Garcia River Forest Project for Emission Year 2010. This report presents the findings of the assessment as well as provides a description of the steps involved in the verification process. This is the fourth annual verification of emission reduction and removal reporting for the Garcia River Forest Project.

The initial verification of the forest project took place in calendar year 2007 and covered Emission Years (EY) 2004-2006. Each subsequent calendar year covered the preceding year's emissions reductions and removals (emission year). As with all prior verifications, initial or annual, the 2010 reporting year emissions reductions and removals have been reviewed and evaluated according to the CAR Forest Verification Protocol.

3 Project Description

The Garcia River Forest Project (GRF) is a conservation-based forest management project on land owned by The Conservation Fund (TCF) in the state of California. The project area constitutes a portion of the TCF-owned forestlands in Northern California. TCF's Northern California timberlands not associated with the Garcia River Project are incorporated into the Big River and Salmon Creek CAR Forestry Project that is addressed in a separate verification report. The Garcia River Forest (GRF) project is a 23,780 acre forest located in Mendocino, CA and is dominated by redwood, Douglas-fir and tanoak and is generally considered to have Class III growing conditions. The property has been extensively high-graded in the past and what remains is on average 45-60 year old stands of pole and saw timber with unnaturally high concentrations of tanoak.

Under the project management, there are two harvest management regimes – one each for the reserve and non-reserve portions of the property. The reserve stands account for approximately 35% of the total forest acreage (8046 acres). The reserve area may be harvested but only for the explicit goal of speeding a given location's return to late seral (i.e. climax) conditions. In most cases, this will mean little or no harvest in reserve areas. If harvesting were to occur in the reserve areas, successive target residual basal area retentions will be 200, 240, and 280 ft² over time with no more than three entries with a minimum of at least 20 years between harvest entries.

The remaining portion of the GRF is managed using an uneven-age selection silviculture regime. For the "project activity" as distinct from the "baseline activity," slightly larger riparian buffers are used to better reflect The Conservation Fund's management objectives. These objectives include restoring and conserving biodiversity and increasing the carbon storage in the forest. In some non-reserve areas of GRF, harvest prescriptions include a hardwood competition reduction treatment that is designed to reduce the prevalence of tanoak trees. This treatment is applied to stands that, at the time of the first scheduled harvest, had more than 50 ft² basal area of tanoak per acre. This harvest treatment occurs only in stands with more than 10 mbf per acre in 2006 and thins based on spacing to a target basal area of 170 ft². Re-entry into these stands will occur every 20 years. With each entry the target basal area retention will increase until the ultimate goal of 270 ft² per acre is achieved. All of these harvest treatments are incorporated into the GRF carbon calculations.

Pursuant to the CAR Forest Project Protocol, the Project Proponent has characterized the project baseline as the woody biomass carbon levels that would result from a timber harvesting regime that could be undertaken on the project area while maintaining full conformity with California Forest Practice Regulations, specifically:

- the Maximum Sustained Production "Option C" rules; and
- the Coast District rules.

At the time of baseline initiation, there were no mandatory land use statutes or regulation that would require the conservation-based forest management to be implemented as the project activity. The Garcia River project is a voluntary/discretionary commitment on the part of The Conservation Fund.

3.1 Annual Monitoring

During EY2010, the Upper North Fork THP was partially harvested and 110.3 MBF were removed from the Garcia River Forest Project. Since TCF did not conduct an inventory post-harvest, they provided a good faith estimate that 172.1 metric tonnes of carbon were removed from the project area. No other carbon removals were reported in the project area and there were no natural disturbances.

Since the EY09 verification, there has been one major change in the project. During EY2010, The Conservation Fund completed a full inventory of the project area based on a new stratification using LIDAR imaging. This effort resulted in the creation of 36 strata (35 forested and 1 non-forested). 810 new plots were installed using a simple random sampling design with post-stratification. The stratification was utilized to increase the sampling efficiency across the GRF, stating that the project area is "Heterogeneously Homogeneous."

The new stratification divides the property in to 1/10 square acres cells using high-color resolution LIDAR. Each cell was assigned to one of the strata based on the variability of forest characteristics

(height and basal area). An average of 20 plots was then inventoried in each stratum. The resulting plot total was a combination of an initial selection of 199 plots (also used to provide ground-truthing of LIDAR data) and a selection of 611 secondary plots. Any of the strata with a resulting area less than ten acres in size was combined with strata presenting the most similar forest characteristics. This methodology change was reviewed and accepted by the Climate Action Reserve via email on 6/3/2011.

4 Verification

Scientific Certification Systems (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.

SCS launched our forest management certification program in 1991. In 1995, SCS's Forest Conservation Program was accredited as one of the first Forest Stewardship Council (FSC) endorsed certification bodies. The SCS Greenhouse Gas Verification Program was established in 2006 and in 2007 conducted the first verifications of Forest Carbon Projects under the California Climate Action Registry (CCAR) Forest Sector Protocols. SCS is currently accredited to ISO 14065 for GHG Validation and Verification by the American National Standards Institute (ANSI) and offers verification under the Verified Carbon Standard (VCS), the Climate Action Reserve (CAR), the American Carbon Registry (ACR) and the Climate, Community and Biodiversity (CCB) Standards.

4.1 Verification Objectives

The purposes of this verification assessment were to:

- Evaluate conformance with the verification criteria as defined in the Climate Action Reserve protocols.
- Assess the likelihood that GHG project has resulted in the GHG emissions removals as stated in the project documents.
- Evaluate the project planning information and documentation, including the forest inventory, forest growth projections, quality assurance and control, risk management, monitoring and reporting procedures, and criteria.
- Evaluate reported project and baseline emissions, removals, emission reductions and removal enhancements.

4.2 Level of Assurance

SCS performed the core verification activities described by CAR in the Forest Verification Protocol to determine whether it had the reasonable level of assurance that the project's GHG removals or reductions are materially correct. SCS used CAR's criteria to determine if there exists reasonable assurance that the project documentation addressed each requirement in the Forest Project Protocol. Only projects in compliance with the CAR Forest Project Protocol are verified.

4.3 Treatment of Materiality

For the forest inventory, a material misstatement must be declared if the reported forest inventory does not appropriately describe the forest area and differs significantly from the verifier's assessment of the inventory, changes in stocks, and emission reduction estimates, as described in more detail in the CAR Forest Verification Protocol.

To meet the CAR minimum quality standard for project verified under the Forest Verification Protocol, version 2.0, the forest entity's calculations on a randomly chosen subset of plots must be within 15% of the verifier's calculation. In addition, actual C measurements must be within 10% of projected estimates, and the overall inventory and management systems must meet the Registry's criteria as well as the verifier's professional judgment to be verifiable. Errors beyond these thresholds will be considered material misstatements.

4.4 Verification Scope

The scope of this report encompasses desk and site verification activities for the project against the following requirements of the Climate Action Reserve:

- Forest Project Protocol Version 2.1 (September 6, 2007)
- Forest Sector Protocol Version 2.1 (September 6, 2007)
- Forest Verification Protocol Version 2.0 (May 2007)
- General Reporting Protocol Version 3.1 (January 2009)
- General Verification Protocol Version 3.0 (August 2008)
- Program Manual (March 2010)
- Verification Program Manual (December 2010)

The verification was performed using the client-supplied project design documents and other supporting documentation.

The verification process involved:

- Assessment of completeness of the inventory;
- Verification of emissions reductions and removals reported online to the Reserve;
- Assessment of baseline methodology and determination;
- Verification that a measurement and monitoring system is in place that is capable of delivering high quality carbon stock data;
- Assessment of data accuracy and any assumptions made in the manipulation of that data;
- Verification that the organization is operating according to the methodology approved by CAR;
- Verification that the reported carbon stocks reported are real; and
- Conclusions developed on the declared tonnage for registration on the Climate Action Reserve.

4.5 Verification Team

Lead Verifier: Christie Pollet-Young, SCS Senior Verification Forester

Christie Pollet-Young is the Senior Verification Forester for SCS's Greenhouse Gas Verification Program. Ms. Pollet-Young has over 15 years of experience in forestry, ranging from forest ecology research to conservation planning to carbon offset verification in both tropical and temperate climates. She has previously worked for the Smithsonian Tropical Research Institute's Center for Tropical Forest Science and the Peru Program of The Nature Conservancy. Ms. Pollet-Young completed a Master of Forest Science from the Yale School of Forestry and Environmental Studies, and graduated with high honors from the University of California, Berkeley with a Bachelor of Science in Environmental Science, Policy and Management. Ms. Pollet-Young is a lead auditor with

SCS who has validated and verified forest projects under the Climate Action Reserve, the Verified Carbon Standard, and the Climate, Community and Biodiversity Standards.

Verifier: Francis Eaton, GHG Forest Verification Contractor

Francis Eaton received his undergraduate degree from Northern Arizona University and his Masters of Forest Science from the Yale School of Forestry and Environmental Studies. The focus throughout his studies was forest management with emphases on sampling design and statistical analysis. He spent three years working collecting field data and completing data analysis on forest restoration projects with the Ecological Restoration Institute. His work experience also includes complete biophysical inventories and estimation of timber volume for two 3000 acre properties, as a forest consultant in northern New Mexico. Mr. Eaton is well versed in editing sampling designs and auditing field campaigns as a teaching fellow for masters level management plan courses. Aside from forest related experience, he has 14 years in the service industry in a management role. During this time he was responsible for writing and editing monthly and yearly budgets and all ordering and inventory analysis for his respective employers.

Technical Reviewer: Thomas Gaman, SCS Forest Verification Contractor

Thomas Gaman is a California Registered Forester (#1776) and a Society of American Foresters Certified Forester. Mr. Gaman has been a CCAR/CAR certified verifier for Forest Protocols since 2006. Gaman is a consultant member of the audit team for the 2010 SCS verification of the van Eck Forest Project and has been active in a variety of forest GHG reductions projects. Gaman is president of East-West Forestry Associates, Inc. of Inverness, California. He has 35 years of consulting forestry experience, including 33 years as a Registered Professional Forester in California. Gaman holds forestry degrees from University of California and Yale University. He has been involved in forest resource management and biometrics throughout his career, and has completed many forest management plans and forest inventories on millions of acres of California forest lands.

5 Verification Process

The verification process for the Garcia River Forest Project can be divided into four stages:

5.1 Desk Audit

In the first step, SCS received and reviewed the project submittals to the Reserve website, including the Annual Monitoring Report to assess conformance with the requirements of the CAR Forest Project Protocol. Key factors that impact the reported emissions reductions were identified and a Verification Plan was created to focus on the critical elements presenting potential risk for errors in reported data. These elements included new inventory data collection, management activities for EY 2010, and carbon reduction calculations.

Prior to the field visit, the verification team conducted a desk review of the documentation which included the Annual Monitoring Report, CAR submittals, and supporting reports. SCS found the documentation submitted by The Conservation Fund for the Garcia River Forest Project to be adequate to proceed with the site visit.

5.2 Site Visit

Following the desk review, the auditors conducted an on-site audit of the project area from January 31 to February 2, 2011. The site visit was used to review project records with The Conservation Fund, discuss the calculation of carbon pools for EY 2010, visit random portions of the ownership for reconnaissance and ground-truthing, and to conduct a field review of The Conservation Fund

sampling methodology. The site reconnaissance included a general surveillance of the property to ensure conformance with the Forest Practice Rules, the Timber Harvest Plans in progress, and the restrictions of the Garcia River Conservation Easement. In addition, SCS verified the forest typing of the new LIDAR-based stratification and surveyed the project lands to evaluate general stand dynamics, including forest structure and composition.

During the site visit, four inventory plots were re-measured by the audit team. The collected data was used to confirm if the installation of new inventory plots was in conformance with CAR requirements and the approved TCF sampling protocol.

5.3 Quantitative Review

The third step of the verification process focused on the quantitative analyses undertaken by the Project Proponent to convert the raw inventory data into estimates of both standing and lying volume of woody biomass and then to translate volumetric measures into estimated tons of carbon, for both the baseline and the project activity. Discussed in detail in Section 7, this entailed the following activities:

- Generating per acre estimates of both standing and lying woody volume from the re-measured plots in order to assess the accuracy of the base year inventory and carbon stocks for the project area;
- Compare carbon stock estimates between EY 2010 and the previous year; and
- Reviewing the confidence deduction of the forest project based on the estimation of standard error of the mean of the field inventory.

5.4 Findings

During the closing meeting, SCS disclosed to The Conservation Fund findings based on the site visit. This step in the verification process entails iterative exchanges between the auditors and the Project Proponent to receive additional information for review and examination. This exchange may include the following types of Findings—New Information Requests (NIR), Non-Conformity Reports (NCR) and Opportunities for Improvement (OFI)—from SCS to the Project Proponent. The Project Proponent must respond to NIRs and NCRs in order for SCS to render a verification statement.

The Findings are compiled in a “List of Findings” and are available under separate cover. The List of Findings is only shared between Project Proponent and verifier and is not publicly available. At this time, all findings have been closed for the verification of the Garcia River Forest Project for Emission Year 2010.

5.5 Documentation and Statement

The last step in the verification process is the final review of the submitted data, completion Verification Statement and supporting Verification Report.

A draft Verification Statement and Verification Report were completed based on the findings of the verification assessment. The draft report was presented to an internal SCS Technical Reviewer who determined the opinion to be justified given the evidence presented. The Verification Report and Verification Statement were then presented to the Project Proponent for review and comment. Once the Project Proponent approved these documents, SCS uploaded them to the Reserve for their review. In the event of a positive review by CAR staff, CAR will register the emissions reductions for the forest carbon project and issue CRTs (in metric tonnes of CO₂e) for Emission Year 2010.

6 CAR Forest Project Requirements

SCS verified the Garcia River Forest Project against the requirements of the Climate Action Reserve Forest Project Protocol Version 2.1. The following sections detail the most essential aspects of the verification of the Garcia River Forest Project.

6.1 Project Type

The Garcia River Forest Project continues to be in compliance with the CAR project eligibility requirements set forth in the CAR Forest Project Protocol. The Garcia River Forest Project has been defined as a conservation-based forest management project that is intended to create additional carbon stocks in the project area modifications of harvest and regeneration practices, relative to baseline practices, as defined in the CAR Forest Project Protocol.

6.2 Project Start Date and Crediting Period

The Garcia River Forest Project commenced in February 2004 and is currently submitting the GHG reductions and removals for January 1 – December 31, 2010.

6.3 Additionality

CAR forest projects must be additional to qualify for registration. SCS has found that the Garcia River Forest Project is additional because exceeds the baseline qualitative characterization defined by the mandatory forest management laws that are applicable to the project. During the initial verification, SCS determined that the project was additional because it exceeded legal requirements through increasing harvest rotations, widening riparian buffers to improve water quality, and decreasing harvesting quantities. During this annual assessment, SCS verified that the project continues to maintain and implement project activities which are considered “additional.”

6.4 Permanence

The Climate Action Reserve requires forest owners to record a conservation easement for forest projects under the FPP, version 2.1 to ensure the permanence of forest carbon reductions and removals through the forest owner’s long-term commitment to comply with the Forest Project Protocol. SCS has reviewed the Grant Deed of conservation easement recorded February 4, 2004 in Mendocino County, CA Recording No:2004-02664 (conservation easement) for the Garcia River Forest Project and found the document to be in conformance with CAR requirements and that the project continues to uphold the requirements of this agreement.

6.5 Included Carbon Pools

The Garcia River Forest Project includes above and below ground standing live biomass, standing dead biomass, and lying dead biomass carbon pools. There are no optional carbon pools being reported for this project.

6.6 Leakage Assessment

A leakage assessment for the Garcia River Forest Project was conducted and SCS verified that no activity-shifting leakage occurred during Emission Year 2010. In addition, the SCS reviewed and verified the entity-level biological emissions and carbon stock annual report submitted by The Conservation Fund for the Garcia River Forest Project.

As it not required, the entity which is composed of the Big River/Salmon Creek and Garcia River Forest Projects has opted to discontinue the use of an entity baseline commencing in EY2010. As such, this component of the analysis of activity-shifting leakage is no longer available.

6.7 CAR Attestation Forms

The Conservation Fund signed the Climate Action Reserve's revised Attestation of Title form thereby affirming that the Fund has an exclusive ownership claim to the GHG reductions and removals achieved by the Garcia River Forest Project. In addition, SCS is aware of no evidence indicating such a transaction between the Fund and other parties in which the carbon rights have been severed from fee simple ownership of the project area, SCS concludes that there is no basis to question the Fund's attestation of ownership of the GHG reductions for Garcia River Forest Project.

The Conservation Fund also signed the Attestation of Regulatory Compliance, thereby affirming the project's compliance status throughout the project reporting period. During the site reconnaissance and desk review verification activities, SCS sought to confirm that the Garcia River Forest Project is in compliance with the California Forest Practice Rules as it relates to the scope of improved forest management projects under the CAR Forest Project Protocols. Additionally, SCS contacted Cal Fire, who confirmed that there were no forest practice violations in the project area during EY2010. An inquiry into possible county and federal violations was also conducted and the Garcia River Forest Project was found to be in compliance. On the basis of this inquiry that found no county, state, and federal violations, SCS concludes that there is no basis to question The Conservation Fund's attestation of regulatory compliance for the Garcia River Forest Project area.

Finally, by signing the Attestation of Voluntary Implementation, The Conservation Fund has affirmed that the Garcia River Forest Project was established and implemented voluntarily and continues to operate as such. The project activities such as reduced timber harvesting and wider riparian buffers are not legally required or mandated.

The Conservation Fund has included this project as well as the Big River/Salmon Creek Forest Project under the umbrella of the North Coast Forest Conservation Initiative which aspires to operationally demonstrate sustainable forest management through exemplary environmental strategies and sound economics, utilizing "a light-touch harvest regimen, sales of carbon offsets and a supply of local jobs."

7 Quantitative Review of Carbon Reductions and Removals

SCS devoted a portion of the verification assessment to the a review of the manner and propriety by which The Conservation Fund collected raw inventory data for the carbon pools of the Garcia River Forest Project as well as how these data were converted into carbon reduction and removal estimates.

7.1 Verification Cruise

On February 2, 2011, SCS visited the Garcia River Forest Project to conduct a cruise of a selected number of plots for verification. These plots were selected by using the sampling design employed by The Conservation Fund and cruised using the inventory methodology provided by The Conservation Fund. SCS verified the inventory estimates of onsite carbon stocks by cruising plots that were installed in Emission Year 2010. The tools used by the SCS auditors to complete the re-measurements were:

- Compasses, adjusted for the declination of the project area
- GPS (Garmin Map 76CSx)
- 40 BAF prisms (for the variable radius live tree plots)
- TruPulse 200 Laser Rangefinder/Hypsometer for measuring distances and tree heights

- Logger tape for measuring diameter at breast height (DBH) and measuring distances
- Fiberglass long tapes for measuring distances

During this annual verification audit, SCS selected and re-measured all of the carbon pools included by the project in four randomly selected plots. SCS compared data from the verification cruise to the data collected and calculated, using the new stratified design, by The Conservation Fund for these same plots in the Garcia River Forest Project.

Per the verification protocol, SCS compared the Project Proponent's calculations from these plots to their own. The Forest Verification Protocol requires The Conservation Fund's calculations of biomass for the subsample of plots to be within 15% of SCS's calculation. SCS compared the biomass estimates for the four sample plots with those of the Garcia River Forest Project and the difference was less than 1%. Thus, The Conservation Fund's estimate is in conformance with the requirement of the CAR Forest Verification Protocol.

In addition, SCS compared the carbon stock estimates from EY 2010 with those from the previous emission year. There was a 6.5% increase in the standing live pool; this percentage was deemed reasonable based on the fact that the incomplete 2010 Lower North Fork THP had not been included in the carbon stocks for EY 2010 and that there had been an increase in accuracy from the new EY 2010 inventory. The Lower North Fork THP will be completed in EY 2011 and the carbon stock estimates from this harvest will be incorporated in the project stocks estimates during this reporting year.

The level of recruitment in the standing dead and lying dead pools between 2010 and 2009 also appear to be in line with expected levels for this forest type. SCS reviewed a sample of the plot data for the dead pools (both standing dead and lying dead) and determined that the carbon stock estimate was computed correctly. It should be noted that there was a large increase in the lying dead carbon pool from 2009 to 2010. This increase can be attributed to the fact that the lying dead values were not updated or "grown forward" from initial inventory measurements recorded in prior years (about two-thirds of the plots were sampled in 2004 and the other one-third of plots were sampled in 1999 and 2000). Thus, the 2010 project-wide inventory update captured the natural range of recruitment of this carbon pool for the almost 24,000 acre Garcia River Forest Project during the reporting for EY 2010.

7.2 Computations

The inventory estimate, growth estimates and sampling error were computed using a combination of Visual Basic modules and Excel spreadsheets. SCS thoroughly reviewed all lines of computer code and SQL statements used to compute these estimates. SCS also verified the actual computations for the estimate of sampling error using the estimators for a stratified random sampling design based on the methodology change for EY 2010. No material misstatements were discovered during this review.

7.3 Confidence Deduction

The CAR Forest Project Protocols require all forest projects to account for the statistical uncertainty of its forest carbon inventory estimates. The Conservation Fund calculated the sampling error for the forest project which is defined as a percentage of the mean inventory estimate from field sampling at a 90% confidence interval.

Estimates of sampling error changed during EY 2010 due to the new stratification. The new sampling used a simple random design with post-stratification. SCS verified that this was the correct design for the proponent's methodology and carefully reviewed the references for the estimators as well as the computation of the standard error. All calculations were determined to be performed correctly. This stratification effort ultimately resulted in a higher statistical confidence while utilizing about 50 percent of the previous number of plots. The sampling error was verified to be 3.42% which yielded a confidence deduction of 0%.

7.4 Minimum Quality Standard

The first requirement of the minimum quality standard is that the forest entity's calculations on a randomly chosen subset of plots must be within 15% of the verifier's calculation. SCS calculated the difference between the Project Proponent's and SCS's estimate of biomass on four randomly selected plots and found the difference to be less than 1%.

The second requirement of the minimum quality standard is that actual carbon measurements are within 10% of projected estimates. The projected value for the Garcia River Forest Carbon Project was previously 1,389,352 metric tonnes of carbon while the actual carbon stocks for EY10 were 1,590,643 metric tonnes of carbon. This was a 14.72% difference in the actual carbon estimate and the projected estimate. Since the projected estimate of carbon stocks was determined to be lower than the actual project activity for EY 2010, TCF adjusted the estimate of the projected carbon stocks to match the EY10 actual carbon stocks plus the good faith estimate of 172.1 metric tonnes of harvest removals for this emission year. The adjusted projected carbon stocks are now 1,590,816 metric tonnes of carbon resulting in a difference of 0.01%. Thus, the Garcia River Forest Carbon Project meets the minimum quality standard set forth by the Forest Verification Protocol.

7.5 Non-Biological Emissions

The Forest Project Protocol, version 2.1 requires Project Proponents to report the non-biological emissions associated with the forest carbon projects that comprise the forest entity. In the case of The Conservation Fund, the forest entity is comprised of two projects: the Garcia River Forest Project and the Big River/Salmon Creek Forest Carbon Project. This forest entity generates non-biological emissions primarily through mobile combustion (e.g. vehicles) and electricity usage. SCS has reviewed the non-biological emissions reporting workbook submitted by the Fund as well as a sample of the invoices related to the non-biological emissions of the project and found the project to be in conformance with both the California Climate Action Registry General Reporting and Verification Protocols.

For non-biological emissions, SCS shall judge any discrepancy as a material misstatement if the collective magnitude of compliance and calculation errors in the client's emissions report alters the direct or indirect emissions by plus or minus 5%. SCS determined the error of the non-biological inventory of The Conservation Fund's entity to be less than 1%.

8 Verification Statement

The Conservation Fund has supplied all the evidence requested in order to enable SCS to arrive at an opinion on the accuracy of the calculated and claimed emission reductions and removals. SCS confirms the data regarding project eligibility, inventory procedures, baseline and project characterization, and methods of calculating carbon stock change and emission reductions and removals for the Garcia River Forest Project are in conformance with the CAR Forest Project Protocols. Furthermore, all issues identified during the verification were resolved in conformance

with CAR standards. The data are considered accurate, complete, transparent, and free of material misstatements.

The Lead Verifier recommends that SCS issue a verification opinion for 504,413 CRTs or metric tonnes of CO₂e emission reductions and removals for Emission Year 2010. The stated tonnes of CO₂e emission reductions and removals are consistent with The Conservation Fund's reporting on the Reserve website.