



Forest Project Verification Report: Verification under the Climate Action Reserve (CAR)

Reporter/Member: The Conservation Fund
Project: Big River/Salmon Creek Project
Emissions Year Verified: 2012

Scientific Certification Systems

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Technical Reviewer: Zane Haxtema
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1 About SCS

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 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) and the Climate Action Reserve (CAR). SCS also offers verification services for the American Climate Registry (ACR) and the Climate, Community and Biodiversity (CCB) standards. SCS conducted the first verifications of Forest Carbon Projects under the California Climate Action Registry (CCAR) Forest Sector Protocols. The Greenhouse Gas Verification Program draws upon SCS's established expertise in field forestry, biometrics, and verification activities to serve the global forest carbon market.

SCS launched its 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. Since that time, SCS has become a global leader in forest management and wood products certification. Our diverse set of certification services provides forestry operators and manufacturers with a full range of quality services.

2 Summary

This report presents the findings of the verification assessment of The Conservation Fund's (TCF) Big River/Salmon Creek Project greenhouse gas emission reductions reported to the Climate Action Reserve (the Reserve) for Emission Year 2012 (January 1 through December 31 of 2012). The field component of the evaluation was conducted from 29 January, 2013. The evaluation was undertaken to assess and review 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) as well as the verification methodology developed by SCS for forest carbon offset projects submitted to the Reserve. 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). 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 in meeting the requirements of the Climate Action Reserve standards. Further, SCS is able to reach a positive statement on the claimed emission reductions presented in the forms, reports and supporting documents submitted by The Conservation Fund to the Reserve. For Emission Year 2012, SCS has verified 782,824 tonnes of CO₂e reductions and removals from the Big River/Salmon Creek Project.

3 Introduction

The scope of this evaluation is the Big River/Salmon Creek Project, a project first established and reported to the Climate Action Reserve in 2007. This report covers the verification of the CO₂e reductions and removals generated by the Big River/Salmon Creek Project for Emission Year 2012. 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 fifth annual verification of emission reduction and removal reporting for the Big River/Salmon Creek Project.

The initial verification of the forest project took place in calendar year 2008 and covered Emission Year (EY) 2007. As with both prior verifications, initial or annual, the 2012 reporting year emission reductions and removals have been reviewed and evaluated according to the CAR Forest Verification Protocol.

4 Project Description

The Big River/Salmon Creek Forest Project (BRSC) is a conservation-based forest management project on land owned by The Conservation Fund in the state of California. The project area constitutes a portion of the TCF-owned forestlands in Northern California. The Big River/Salmon Creek Forest Project is composed of two forest tracts that are high priority refugia watersheds for California Coho Salmon. The project area encompasses 15,911 total acres of important forestland and anadromous fish habitat, which has been placed under an Offer to Dedicate that places permanent conservation restrictions on the forest. The size of the two coastal forest tracts provides a significant contribution to the integrity and ecological viability to each of their respective watersheds: the Big River portion expands on the largest block of connected public land entirely within Mendocino County, and the Salmon Creek property alone encompasses over 50 percent of the county's watershed and the majority of its forestland.

The entire BRSC project area is being managed using an uneven-age selection regime. In line with The Conservation Fund's management philosophy and objectives, larger than required watercourse buffers have been employed. Additionally, TCF aims to restore and conserve biodiversity as well as increase carbon storage in these tracts. The first selection harvest under TCF's management occurred in 2007. Only stands with more than 10 thousand board feet (MBF) per acre in 2007 are scheduled for harvest in the first ten years of the project. The first entry into each stand has and will be a thin (selective harvest) based on spacing to a target basal area of 150 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 210 ft² per acre is achieved.

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
- 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 Big

River/Salmon Creek project is a voluntary/discretionary commitment on the part of The Conservation Fund.

4.1 Annual Monitoring

Since the last verification, the Big River/Salmon Creek underwent a full re-inventory (as is required by the CAR Forest Project Protocol), given that many of the old inventory plots would soon be too old to be included in the biomass calculations. The new inventory consists of a new stand and strata layer that was derived using LiDAR and color-infrared remote sensing data flown in 2011. The effort resulted in the creation of 49 new strata compared with the 32 strata under the previous stratification. The new stratification criteria consist of “percent canopy cover”, “mean tree height”, and “tree height variability.” Changes in the sampling methodology were restricted solely to the new stratification and plots were sampled using the design established and verified in previous reporting years.

The BRSC completed three harvests in 2012. The Elephant Seal, Laguna Pass, and Piccolottis THP’s were cruised post-harvest in 2012, creating three new stands and strata of 189, 121, and 372 acres respectively and resulting in a total removal of 18,740 board feet from the project area.

During the emission year (EY) 2012, the TCF purchased a new property in order to fill a gap in the Salmon Creek property. The Hardell tract is similarly forested to the Salmon Creek property, but not currently under active management.

5 Verification

5.1 Verification Objectives

The purposes of this verification assessment were to:

- Evaluate conformance with the forest project criteria pertinent to an annual verification
- Review the data in the annual Monitoring Reports to check calculations and information for accuracy and completeness;
- Assess the likelihood that the GHG project has resulted in the GHG emissions reductions and removals stated in the project documents.

5.2 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.

5.3 Treatment of Materiality

Materiality is a measure of the significance of errors and omissions with regard to statements and numerical claims made in the documents associated with a GHG project. Information is considered

material if its omission or misstatement could be seen to influence any decisions or actions resulting from it. While some amount of error is tolerable, a materiality threshold exists which if exceeded, will require that the verification body issue a negative verification opinion. The Climate Action Reserve recognizes two aspects of materiality; quantitative and qualitative.

Quantitative materiality refers to errors in measurement and calculation procedures. The cumulative errors in the total quantity of CRTs claimed in the monitoring report cannot exceed the materiality threshold, which is dependent on the project size. For projects registering 25,000 CRTs or less annually, the materiality threshold is 5%. For projects registering more than 25,000 CRTs but less than or equal to 100,000 CRTs, the materiality threshold is 3%. For projects registering more than 100,000 CRTs annually, the materiality threshold is 1%. A positive verification opinion cannot be issued if the aggregated numerical error in CRT calculation exceeds the materiality threshold. The Materiality threshold for the Big River/Salmon Creek Project shall be 1% as it generates 782,824 tonnes of CO₂e reductions and removals

Qualitative materiality refers to non-conformance with the project protocols. Any non-conformance related to a prescriptive requirement of the protocol is considered material. This includes content of required documents and factors or parameters that are prescribed by the protocols. A positive verification opinion cannot be issued if the project documents include qualitative material errors.

Additional details regarding materiality are provided in Sections 1.6.3 through 1.6.5 of the Climate Action Reserve Verification Program Manual.

To meet the CAR minimum quality standard, 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.

5.4 Verification Scope

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

- The Forest Project Protocol Version 2.1 (September 2007)
- The Forest Verification Protocol Version 2.0 (May 2007)
- The General Verification Protocol Version 3.0 (August 2008)
- The General Reporting Protocol Version 3.1 (January 2009)
- The Forest Sector Protocol Version 2.1 (September 2007)
- The Program Manual (October 26, 2011)
- The Verification Program Manual (December 20, 2010)

The verification was performed using the client-supplied monitoring report and supporting documentation.

The verification items include:

- Assessment of completeness of the inventory;
- Verification of emissions reductions and removals reported online to the Reserve;
- Assessment of inventory projections;
- Assessment of and issuance of an opinion on issues of leakage and additionality as required by CAR.
- 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 the CAR; and
- Conclusions developed on the declared tonnage for registration in the CAR.

5.5 Risk Assessment

In accordance with ISO 14064-3:2006, the verification team assessed the sources and the magnitude of potential errors, omissions and misrepresentations for further validation or verification activities. The categories of potential errors, omissions and misrepresentations assessed were the following:

- The inherent risk of a material discrepancy occurring;
- The risk that the controls of the organization or GHG project will not prevent or detect a material discrepancy;
- The risk that the validator or verifier will not detect any material discrepancy that has not been corrected by;
- The controls of the organization or GHG project.

The risk assessment described above was used as an input to the verification plan. The verification plan was amended, as needed, to incorporate new risks that were identified as part of the audit process.

5.6 Verification Team

Lead Verifier: Francis Eaton, SCS Forester

Francis Eaton holds a Masters of Forest Science from the Yale School of Forestry and Environmental Studies and received his B.S. in Forestry from Northern Arizona University. 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. Mr Eaton currently works as a Forester for SCS and has completed forest carbon projects under the Verified Carbon Standard (VCS), the Climate Action Reserve (CAR), and the Climate, Community, and Biodiversity Alliance (CCBA).

Auditor: Christie Pollet-Young, SCS Manager, Greenhouse Gas Verification Program

Ms. Pollet-Young is the Manager of SCS's Greenhouse Gas Verification Program who has over 15 years of experience in forestry, ranging from forest ecology research, conservation planning, and carbon offset verification in both tropical and temperate climates. Prior to her tenure at SCS, Ms. Pollet-Young worked for the Smithsonian Institution's Center for Tropical Forest Science where she oversaw a network of forest dynamics plots throughout the tropics and The Nature Conservancy of Peru where she developed an ecoregional plan for the conservation of the Peruvian montane forests. Ms. Pollet-Young completed a Master of Forest Science from Yale University and graduated with high honors from the University of California, Berkeley with a Bachelor of Science in Environmental Science, Policy and Management and a minor in forestry. Ms. Pollet-Young is a lead auditor with SCS who has participated in the validation or verification of over 40 forest carbon offset projects around the globe under the Climate Action Reserve, the Verified Carbon Standard, the American Carbon Registry, and the Climate, Community and Biodiversity Standards. In addition, Ms. Pollet-Young is a VCS AFOLU expert in Improved Forest Management, and a 2010 winner of a CARROT award from the Climate Action Reserve.

Auditor: Larry Wilson, SCS GHG Verification Forester

Mr. Wilson holds a Bachelor's degree in Ecology and a Master's degree in Forestry, and is a Registered Professional Forester in California, RPF # 2563. He has 18 years experience as a forest biometrician and growth and yield modeling specialist. Mr. Wilson has worked for the USDA Forest Service as vegetation modeling specialist on several regional scale ecosystem management analysis projects dating back to 1993 and has 5 years experience with a major forestry consulting firm working primarily with private industry. He is also an accomplished database analyst and computer programmer. Mr. Wilson's areas of expertise include forest inventory data processing, stand based forest inventory management, growth and yield simulation modeling, development of computerized calculation and classification algorithms, and systems analysis. Mr. Wilson is accredited by the California Air Resources Board as Lead Offset Verifier of Offset Project Data Reports and is also certified by the Board in the US Forest Project and Urban Forest Protocols. He is also certified as Lead Verifier under the Climate Action Reserve and has successfully completed Lead Auditor Training under ISO 9001:2008.

Technical Reviewer: Zane Haxtema, SCS Verification Forester

Mr. Haxtema holds a M.S. in Forest Resources from Oregon State University (Corvallis, Oregon, USA) and a B.S. from The Evergreen State College (Olympia, Washington, USA). A well-rounded forestry professional, Mr. Haxtema held a wide variety of positions in forest research and management before coming to SCS, ranging from work on logging and tree planting crews to experience as a wildland firefighter and research assistant. A specialist in natural resource inventory, Mr. Haxtema holds significant expertise in sampling design, inventory management and growth modeling. Mr. Haxtema is well versed in a wide variety of methodological approaches for carbon accounting, having served as a lead auditor on a wide variety of projects under the Climate Action Reserve, the Verified Carbon Standard and the Climate, Community and Biodiversity Standards.

6 Verification Process

The verification process for the Big River/Salmon Creek Project can be divided into four stages:

6.1 Desk Audit

In the first step, SCS received and reviewed the project submittals to the Reserve, 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 2012, and carbon reduction calculations.

Prior to the field visit, the verification team conducted a desk review of the documentation which included the monitoring report, CAR submittals, and supporting workbooks. SCS found the documentation submitted by The Conservation Fund for the Big River/Salmon Creek Project to be adequate to proceed with the site visit.

6.2 Site Visit

Following the desk review, the auditors conducted an on-site audit of the project area on 29 January, 2013. The site visit was used to review project records with The Conservation Fund, discuss the calculation of carbon pools for EY 2012, visit random portions of the ownership for reconnaissance and ground-truthing, to conduct a field review of The Conservation Fund sampling methodology, and to assess the accuracy of the new stratification. The reconnaissance and ground truthing activities consisted of visiting areas of the property where two or more adjacent strata intersected to ensure that the observed differences were consistent with what was being reported in the carbon calculations. During the site visit, two inventory plots were re-measured by the audit team. The decision to re-measure two inventory plots was based on SCS's extensive experience with inventory procedures of TCF and the audit team's knowledge of the soundness of TCF's inventory over previous reporting periods. Based on this experience, SCS can say with a high level of confidence that the audit team was able to achieve a reasonable level of assurance with the data collected from these plots. The collected data was used to confirm if the installation of new inventory plots were in conformance with CAR requirements and the approved TCF sampling protocol. EY 2012 also included an addition to TCF of a new field forester. In order to increase SCS's level of confidence in the BRSC 2012 inventory quality, SCS observed TCF's field forester locate and collect data on a newly installed plot. The audit team was able to confirm that the individual was well versed in the sampling methodology, as well as confirm the accuracy of the data collected.

6.3 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 standing volume of woody biomass and then to translate volumetric measures into estimated tons of carbon, for both the project activity and the projected inventory. Discussed in detail in Section 7, this entailed the following activities:

- Generating per acre estimates of standing 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.
- Reviewing the confidence deduction of the forest project based on the estimation of the standard error of the mean of the field inventory.

In addition, given the sizable increase in biomass for EY 2012, the Reserve requested that TCF perform a trend analysis to ensure the reported numbers were representative of young-growth redwood stands in the region. The requirements of this analysis included a comparison of the average reported growth over the life of the project with a projection of forest growth over the next five years. Additionally, TCF was to provide justification as to why the historical growth rate is comparable to the projected growth rate and may be considered reasonable based on this comparison.

The response from TCF included the requested analysis of historical growth for the project life, projected growth for 2012 through 2017, a performance analysis of the FPS growth model, and a narrative providing justification of the historical growth for the project area. TCF also provided an analysis of young-growth redwoods based on the data provided in Lindquist and Palley (1963).

SCS was able to confirm that the calculations provided in the trend analysis were performed according to the requirements of the guidance provided by the Reserve, as well as free from calculation error. SCS was also able to recreate the analysis based on the Lindquist and Palley data and produced the same results. The audit team then reviewed the justification narrative provided by TCF, including reviewing the performance analysis of the FPS growth model and determined that the model is indeed underestimating diameter growth for the dominant species (Douglas fir and Redwood) across the project area. Also, given SCS's experience working in the region where the project area is located, SCS was able to compare the average stocking to that of other properties in the area and found the 2012 TCF stocking levels to be similar.

Finally, prior to the 2012 complete re-inventory of the project, the majority of the BRSC plot data used to model forest growth was over 10 years old. Given the age of these data, any underreporting of the model would be compounded over this time period. Based on the information provided by TCF and the activities performed by the audit team; SCS agrees with TCF that the average historical growth rate for the Big River/Salmon Creek Project is reasonable.

6.4 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 opinion.

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.

6.5 Documentation and Statement

The last step in the verification process is the final review of the submitted data, completion of the verification activity log, and drafting of the verification statement and supporting verification report. A draft verification statement and 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 statement 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 tonnes of CO₂e) for Emission Year 2012.

7 CAR Forest Project Requirements

SCS verified the Big River/Salmon Creek 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 Big River/Salmon Creek Project.

7.1 Project Type

The Big River/Salmon Creek Project is in compliance with the CAR project eligibility requirements set forth in the CAR Forest Project Protocol. The Big River/Salmon Creek 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.

7.2 Project Start Date and Crediting Period

The Big River/Salmon Creek Project commenced on the 1st of January, 2007 and is currently submitting the GHG reductions and removals for the 1st of January – the 31st of December, 2012

7.3 Additionality

CAR forest projects must be “additional” to qualify for registration. SCS has found that the Big River/Salmon Creek Project is additional because it meets both legal requirements and a performance test. In regard to legal requirements, the planned activities of the Big River/Salmon Creek Project are not required by law. In regard to the performance test, the carbon emission reductions and removals from the Big River/Salmon Creek Project are in excess of “business as usual” practices.

7.4 Permanence

The Climate Action Reserve requires forest owners to record a conservation easement for the Big River/Salmon Creek Forest Project 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. However, the Big River/Salmon Creek Forest Project does not have a conservation easement, rather an Offer to Dedicate, an agreement that was determined by the Reserve to be a “functional equivalent” to a conservation easement in August 2008.

7.5 Included Carbon Pools

The Big River/Salmon Creek Project includes above and below ground living biomass, standing dead biomass, and lying dead biomass carbon pools. There are no optional carbon pools being reported for this project.

7.6 Leakage Assessment

SCS was able to verify that The Conservation Fund conducted a leakage assessment in accordance with the requirements of the CAR Forest Project Protocol version 2.1.

7.7 CAR Attestation Forms

The Conservation Fund signed the Climate Action Reserve's revised Attestation of Title form thereby affirming that the Project Proponent has an exclusive ownership claim to the GHG reductions and removals achieved by the Big River/Salmon Creek Project. The audit team was provided with official documentation that Elizabeth Engle is an authorized signature of The Conservation Fund. SCS verified The Conservation Fund's ownership of the Big River/Salmon Creek Project by reviewing maps associated with the project and extracting the project's Assessor's Parcel Numbers (APNs). The Conservation Fund's ownership of the various parcels which comprise the Big River/Salmon Creek Project was confirmed by contacting the Assessor's Office of Mendocino County on the 22nd of February, 2013 and confirming a sample of APNs; SCS was able to confirm that the project boundaries have not changed since the last verification. In addition, The Conservation Fund's ownership of the project area was substantiated during the site visit, as the audit team observed that The Conservation Fund personnel possessed keys to locked forest gates and an intimate level of familiarity with respect to the project area. As SCS is aware of no evidence indicating such a transaction between the Fund and other parties in which the control of forest resources have been severed from fee simple ownership of the project area, we conclude that there is no basis to question the Fund's attestation of ownership of the GHG reductions for Big River/Salmon Creek.

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 Big River/Salmon Creek 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, (Charlie Martin – 28 February, 2013) who confirmed that there were no forest practice violations in the project area during EY 2012. In addition, during a phone call on the 20th March 2013 with Karyn Gear of the State Coastal Conservancy (holder of the Offer-To-Dedicate for the project area), SCS received verbal assurance that, to the best her knowledge, The Conservation Fund was in compliance with all requirements of the Offer-To-Dedicate during EY 2012. Based on these inquiries, SCS concludes that there is no basis to question The Conservation Fund's Attestation of Regulatory compliance for the Big River/Salmon Creek Project area.

Finally, by signing the Attestation of Voluntary Implementation, The Conservation Fund has affirmed that the Big River/Salmon Creek Forest Project was established and implemented voluntarily and continues to operate as such. Interviews with staff and a review of The Conservation Fund website support the voluntary impetus of the Big River/Salmon Creek Forest Project to engage in the improved

forest management activities that characterize the project. Upon review of the California Forest Practice Rules, management 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 Garcia River 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.”

8 Quantitative Review of Carbon Reductions and Removals

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

8.1 Verification Cruise

On 29 January, 2013, SCS visited the Big River/Salmon Creek Forest 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 2012. The tools used by the SCS auditors to complete the re-measurements were:

- Compasses, adjusted for the declination of the project area
- GPS (Garmin Map76CSx)
- 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

SCS selected two plots to re-measure during this annual verification audit. With the data from the verification cruise, SCS compared its data to those collected by The Conservation Fund for these same plots in the Big River/Salmon Creek Forest. Per the verification protocol, SCS compared the Project Proponent’s calculations from these plots to their own. The Conservation Fund’s calculations must be within 15% of the SCS’s calculation. SCS compared the standing live biomass estimates for the 2 sample plots with those of the Big River/Salmon Creek Forest and the difference between the two sets of carbon stock calculations was less than 1%. Thus, The Conservation Fund’s estimate is in conformance with the requirement of the CAR Forest Verification Protocol

8.2 Computations

The inventory estimate, growth estimates and sampling error were computed using a combination of Visual Basic modules, SQL queries and Excel spreadsheets. SCS thoroughly reviewed a risk based sample of the computer code and SQL statements used to compute these estimates. SCS reviewed the process by which the inventory estimate for EY 2012 was updated to account for growth, harvest-induced carbon stock changes as measured (through the installation of inventory plots) in those stands for which

harvesting had been completed. SCS also verified the actual computations for the estimate of sampling error. No material misstatements were discovered during this review.

8.3 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 were based on a two-stage sample where stands were selected in the first stage with probability proportional to size and plots were selected in the second stage with equal probability. The sampling error was verified to be 4.20% which yielded a confidence deduction of 0%.

8.4 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 standing live biomass on 2 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. Given a greater than 10% difference between projected and actual project carbon stocks for EY 2012, TCF adjusted their projections to more adequately account for current growth trends. The appropriateness of this method was approved by the Reserve and SCS was provided with written confirmation of this approval (5 February, 2013). The projected value for the Big River/Salmon Creek Forest Carbon Project, as well as the actual carbon stocks for EY12 is 1,251,109 metric tonnes of carbon. Thus, the Big River/Salmon Creek Forest Carbon Project meets the minimum quality standard set forth by the Forest Verification Protocol.

8.5 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 the Garcia River Forest Project, the Big River/Salmon Creek Forest Carbon Project, the 10 Mile Ranch, Gualala River Forest Project, in addition to the property purchased during EY2012 (see Section 4.1 of this report). 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.

9 Verification Statement

The Conservation Fund has supplied all the evidence requested in order to enable SCS to arrive at a conclusion 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 Big River/Salmon Creek 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 both quantitative (1% threshold) and qualitative material misstatements.

The Lead Verifier recommends that SCS issue a verification Statement for 782,824 tonnes CO₂e emission reductions and removals for Emission Year 2012. The stated tonnes of CO₂e emission reductions and removals are consistent with The Conservation Fund's reporting on the Reserve website.