



**CAR 422 - Hernando County Landfill
Electric Generation Project,
Greenhouse Gas Emissions Reduction
Verification Report**

**Credit Reporting Period
4/1/2011 to 3/31/2012**

Presented to:

Timberline Energy, LLC
14694 Orchard Parkway, Suite 200
Westminster, Colorado 80023

Presented by:

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August 2012
File No. 01207128.19, Task 7

Offices Nationwide
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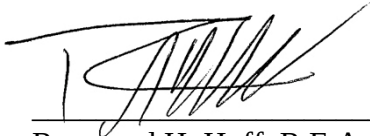
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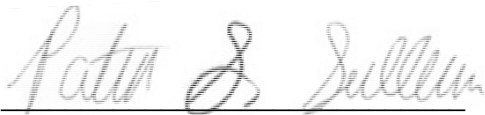
This Greenhouse Gas Emissions Reductions Verification Report for April 1, 2011 through March 31, 2012 was prepared in accordance with the Climate Action Reserve Landfill Project Verification Protocol, Version 2.0, November 18, 2008. This report, developed for Timberline Energy, LLC, Hernando County Landfill Electric Generation Project located in Florida in the United States, dated August 2012, was prepared and reviewed by the following:



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1.0 INTRODUCTION

Timberline Energy, LLC, LLC. (Timberline Energy, LLC) has retained SCS Engineers (SCS) to perform verification activities associated with the “Hernando County Landfill Electric Generation Project” (Project) being submitted to the Climate Action Reserve (Reserve or CAR). The verification period for the Project was from April 1, 2011 through March 31, 2012. The Project’s Reserve identification number is 422 (CAR 422). The Project is located at the Hernando Landfill, in Brooksville, Florida (Hernando Landfill). This verification report (Report) was produced in accordance with the Reserve’s Landfill Project Verification Protocol, Version 2.0, November 18, 2008 (LPVP). SCS is a Reserve-approved verifier and is fully qualified as of the date of this report to perform greenhouse gas (GHG) verification activities for the Timberline Energy, LLC.

Under the Reserve’s Landfill Project Reporting Protocol (LPRP), version 2.0, November 2008, the Project resulted in a carbon dioxide (CO₂) reduction equivalent of **32,648** metric tons during the partial 2011 reporting period April 1, 2011 to December 31, 2011. The project resulted in a CO₂ reduction equivalent of **10,839** metric tons during the partial 2012 reporting period from January 1, 2012 to March 31, 2012.

1.1 PROJECT OVERVIEW

The Hernando Landfill is an active landfill located northwest of Brooksville, Florida. The Hernando Landfill encompasses an area of 80 acres divided between municipal solid waste (MSW) disposal (27 acres) and construction and demolition (C&D) disposal (53 acres). The MSW portion of the landfill started accepting waste in 1990 and had approximately 1,895,000 tons of refuse in-place at the end of 2010.

In 2008, Timberline installed a gas collection and control system (GCCS) at the Hernando Landfill. The current GCCS consist of 16 landfill gas (LFG) extraction wells which are connected to a blower station via a common header line. Prior to the blower station, the gas passes through a condensate knock-out tank located outside the blower station. Collected LFG is routed through the blower station. From the blower station the LFG is either sent to an engine or a flare.

LFG is routed past a Rosemont 3095 transmitter and Mass Probar Flowmeter, to a Caterpillar internal combustion (IC) engine Model # 3520 (1,600 kW), which generates electricity that is utilized on-site and sold back to the grid. On December 8, 2009, an open flare was installed allowing additional gas in excess of what is sent to the lean-burn engine, to be destroyed. Prior to the flare, the LFG passes through a Thermal Instruments flow meter Model # 9500 and a thermocouple. Only when the flare temperature is recorded above 500 degrees Fahrenheit is flow used for methane project credits.

The Hernando Landfill is not bioreactor. SCS confirmed this as the landfill does not re-circulate leachate nor add anything liquid other than leachate in a controlled fashion to accelerate or enhance the anaerobic biodegradation of the waste. SCS also confirmed with the Timberline Energy, LLC that the landfill is not a bioreactor.

1.2 LEVEL OF ASSURANCE

SCS adheres to the ISO 14064-3:2006 concept of two levels of assurance that a GHG verification process can provide; “reasonable” and “limited.” A “reasonable” level of assurance provides a reasonable, but not absolute, level of assurance that the Project's GHG assertions are:

1. Materially¹ correct and a fair representation of the GHG data and information, and
2. Prepared in accordance with the Reserve’s LPRP.

A “limited” level of assurance provides a more limited/“qualified” level of assurance as compared to a reasonable level of assurance due to less emphasis on detailed GHG data testing and supporting information.

Timberline Energy, LLC is seeking a level of assurance in the verification process that is consistent with the requirements of the Reserve. In accordance with these requirements, in order for SCS to verify Timberline Energy, LLC’s GHG emission reductions assertions, a sample of the report data must be free of material misstatement. This constitutes a “reasonable level of assurance.”

1.3 OBJECTIVES

The objective of this verification report is to establish the Project's conformance with applicable verification criteria, including principles and requirements of relevant standards and the GHG program within the scope of the verification as outlined below.

1.4 SCOPE OF VERIFICATION PROCESS

The scope of this project encompasses the verification of Timberline Energy, LLC’s April 1, 2011 through March 31, 2011 Reserve-reported GHG emission reductions, which include the following components:

- Geographic boundary – U.S. emission reductions only
 - Brooksville, Florida
- Project Start Date – October 7, 2008
- Additionality
 - Performance Standard Test
 - Legal Requirement Test
- Materiality Threshold² – 3%
- Level of Assurance – Reasonable

¹ Under the Reserve, materiality is defined as a discrepancy of overall reported emissions (both direct and indirect) that differs from the verifier’s estimated emissions by more than 3%.

² Projects shall meet a minimum materiality threshold to ensure accuracy. The materiality threshold shall be defined as 5% of stated reductions or removals for smaller projects, 3% for medium projects and 1% for larger projects.

- Emissions Reductions
 - LFG combustion from the Hernando Landfill
 - Open Flare
 - LFG to energy (LFGTE) plant with an engine
- GHG Sources
 - Indirect emissions
 - Purchased/consumed electricity
 - Direct emissions
 - Mobile emissions from diesel vehicles
 - Stationary emissions from flare propane start up and propane miscellaneous uses
- Time period –
 - 2011 calendar year (April 1, 2011 - December 31, 2011)
 - 2012 calendar year (January 1, 2012 - March 31, 2012)

1.4.1 Project Start Date

SCS reviewed the following documents to confirm the reported project start-up date of October 7, 2008:

- Certificate of Final Completion
- May 29, 2008 Florida Department of Environmental Protection Permit to construct an active gas collection system at the landfill in Cells 1 and 2

Review of the aforementioned forms document and cross-reference the project startup date as October 7, 2008.

1.5 VERIFICATION CRITERIA

Criteria against which the verification assessments were undertaken are:

- International Standards Organization (ISO) 14064:2006.
- Reserve LPRP Version 2.0, November 18, 2008.³
- Reserve LPVP Version 2.0, November 18, 2008.³
- Reserve Program Manual, October 26, 2011.
- Reserve Verification Program Manual, December 20, 2010.
- SCS *Greenhouse Gas Validation and Verification Program Manual* (V/V Manual), version 1.8, dated October 2011.

³ The Reserve may issue Errata and Clarification to protocols after they are released, which become effective immediately for the version for the protocol to which they apply. At the time of this report, Errata and Clarifications had been issued by the Reserve on October 26, 2011 for LPRP Version 2.0, and have been applied to the current reporting period. No Errata and Clarifications have been issued by the Reserve for the LPVP version 2.0.

1.5.1 Materiality

In accordance with the required level of assurance, the needs of Timberline Energy, LLC, and the Reserve's LPVP, a materiality threshold of 3% will be applied to this verification. Any misstatement greater than 3% will be considered material.⁴

1.6 VERIFICATION CYCLE

Timberline Energy, LLC has requested verification of its partial 2011 and partial 2012 emission reductions. 2012 marks the fourth year of the Project. Verification of the partial 2011 and partial 2012 emissions reductions will put the Project into its fourth year of reporting with the Reserve, having completed its fourth year of reporting overall. The Reserve has a ten-year emission reductions reporting allowance for projects. The Reserve requires a full review of emission reductions, management systems, and verification of emission reductions annually.

2.0 PRE-VERIFICATION ACTIVITIES

2.1 CONFLICT OF INTEREST DETERMINATION

The Program Manual requires that the Reserve make a determination of whether or not a conflict of interest (COI) exists between the verifier and the participant. This is done in order to ensure an objective review of a participant's emissions reductions by the verifier. On April 24, 2012, SCS submitted the *Project Form: Notification of Planned Verification Activities and Request for Evaluation of Potential for Conflict of Interest between Verifier and Project Developer* (COI form) to the Reserve.

On April 28, 2012, SCS received a COI determination from the Reserve. The Reserve concurred with SCS's determination that there was a limited pre-existing relationship between SCS and Timberline Energy, LLC, other than prior verification work for this facility, and therefore the potential for COI is low. A copy of the submitted COI form has been posted to the Reserve's web site as a private document.

2.2 NOTIFICATION OF PLANNED VERIFICATION ACTIVITIES

The project COI was submitted to the Reserve on April 24, 2012, which also provides the Reserve with a notification of planned verification activities at least ten business days prior to the beginning of verification activities. The notification includes scheduling and site selection information. The intent of this requirement is to allow the Reserve the opportunity to accompany the verifier on the site visit.

In accordance with the LPVP, SCS provided the Reserve with notification of planned verification activities which stated an intended start date of verification activities prior to starting services. The Reserve typically requires a 10-day notification period.

⁴ Projects shall meet a minimum materiality threshold to ensure accuracy. The materiality threshold shall be defined as 5% of stated reductions or removals for smaller projects, 3% for medium projects, and 1% for larger projects.

2.3 PROJECT DEFINITION

In accordance with the LPRP, only projects that meet the definition of a "GHG reduction project," as defined in the LPRP can be considered for GHG reduction credits with the Reserve. A proposed "GHG reduction project" consists of the "installation of an LFG control system for capturing and destroying methane gas that commences operation on or after January 1, 2001."

As detailed in Section 1.1, the Project consists of a network of LFG collection wells installed in the Landfill. These wells are interconnected by a header line, which is in turn connected to an on-site LFG flare and on-site engine. Therefore, the Project meets the definition of a "GHG reduction project," per Reserve guidelines.

2.4 GAS RIGHTS DETERMINATION

In order to register GHG reductions with the Reserve, the ownership of the reductions must be established by clear and explicit title. On June 1, 2012, Timberline Energy, LLC completed an "Attestation of Title" document clearly documenting Timberline Energy, LLC's ownership of the gas rights to the LFG recovered from the Landfill. Timberline Energy, LLC uploaded the "Attestation of Title" document on to the Reserve Reporting Tool.

On March 20, 2009, SCS reviewed the LFG purchase agreement between Timberline Energy, LLC (the Developer), and Hernando County (the County) and on April 22, 2010, June 10, 2011, and August 5, 2012, SCS reevaluated and confirmed that no changes had been made to the LFG purchase agreement. The contract specified that the "Developer shall have exclusive right to claim and utilize any emissions allowances and reduction credits that may be associated with LFG."

In addition to the "Attestation of Title" document, SCS also reviewed the solid waste facility permit, Title V Operating Permit, and various other compliance-related documents for the Landfill in order to verify ownership.

Via review of these documents, SCS substantiated that Timberline Energy, LLC has full ownership of the gas rights and carbon credits resulting from the Project.

3.0 CORE VERIFICATION ACTIVITIES

In accordance with the LPVP, core verification activities are comprised of a four-step process by which Project GHG reduction assertions are subjected to risk assessment and data sampling efforts designed to ensure that the risk of a reporting error is addressed through appropriate sampling and review.

3.1 DETERMINATION OF PROJECT ELIGIBILITY

In order to register reduction projects with the Reserve, a project must meet three eligibility rules established by the Reserve in the LPRP. The applicability of each of these rules to the Project is discussed below.

3.1.1 Eligibility Rule I - Location

Only GHG reductions associated with U.S.-based projects are eligible to register reductions with the Reserve. Since the Project is entirely based in Brooksville, Florida, the Project meets this eligibility requirement.

3.1.2 Eligibility Rule II - Project Start Date

Only GHG reduction projects that commenced operation after January 1, 2001 and listed for registration within a period of 12 months from the effective date of the LPRP are eligible to register reductions with the Reserve. Projects listed under older versions of the LPRP may report and be verified under the newest protocol version. Since the Project commenced operation on October 7, 2008 (which is after the January 1, 2001 start date); and submitted for registration with the Reserve on January 6, 2009 under version 2.0 of the LPRP dated November 18, 2008 (which is within 12 months of the initial protocol effective date and prior to the development of version 2.0 the LPRP), the Project meets this eligibility requirement.

3.1.3 Eligibility Rule III - Additionality

The Reserve only registers reductions that are "additional" to what would have occurred without implementation of the Project. The Reserve implemented the additionality test to ensure that projects that yield surplus GHG reductions are above and beyond what is considered "business-as-usual," also designated as the baseline scenario. Projects are considered additional if they can pass the following two tests:

- Performance Standard Test
- Legal Requirement Test

Each of these tests are discussed below.

3.1.3.1 Performance Standard Test

According to the LPRP, a Project must meet the Performance Standard Test by meeting one of three practice –based performance thresholds. The Hernando Landfill meets the first scenario listed in the LPRP:

- If the landfill is not currently collecting and destroying any landfill gas, the project is considered additional.

Prior to the construction and implementation of the Project, the Hernando Landfill did not have a GCCS in place. Refer to Section 3.3.1 below for additional information regarding the landfills pre-project scenario. Through our evaluation process, SCS has concluded that the Hernando Landfill passes the Performance Standard Test

3.1.3.2 Legal Requirement Test

The Reserve subjects all projects to the Legal Requirement Test to ensure that reductions achieved are done so by projects that would not have occurred in the baseline case due to federal, state, or local government regulations. On June 1, 2012, Timberline Energy, LLC completed the

Project Developer's "Attestation of Voluntary Implementation" document which states that the project was implemented, established, operated, and conducted voluntarily.

The U.S. Environmental Protection Agency (EPA) threshold for installation of a LFG collection and destruction system is the 50 megagram per year (Mg/yr) non-methane organic compounds (NMOC) emissions under the landfill New Source Performance Standards (NSPS) and emission guidelines (EG) regulations. Once a landfill exceeds this NMOC threshold, a GCCS is required by federal regulations. A Tier 2 sampling and analysis was performed on August 25, 2009 by HDR Engineering, Inc. (HDR) for the Hernando Landfill. The 2009 NMOC emissions rate was 17.06 Mg/yr, and the 2012 calculated NMOC emission rate is 20.78 Mg/yr. As such, the Hernando Landfill is under the 50 Mg/yr threshold for the 2011 and 2012 verification years and was not collecting and destructing any LFG prior to the implementation of the Project.

In addition, the Hernando Landfill is not required to comply with the federal landfill National Emissions Standards for Hazardous Air Pollutants (NESHAP) regulation, which has the same triggering threshold as the NSPS, and there are no specific State of Florida or local regulations, which pertain to the Hernando Landfill that would require the installation of a gas collection and destruction system. Through our evaluation process, SCS has concluded that the Hernando Landfill passes the Legal Requirement Test.

3.2 REGULATORY COMPLIANCE

On June 1, 2012, Timberline Energy, LLC completed an "Attestation of Regulatory Compliance" document, which states that the project is in material compliance with all laws. During the site visit, SCS reviewed on-site permits and interviewed on-site personnel on all applicable federal, state, and local regulations and ordinances, which the Landfill is subject to, in order to confirm the attestation statement and to ensure that the Project adheres to the regulatory compliance requirement. Through our evaluation process, SCS has concluded that the Landfill adheres to the regulatory compliance requirement and that there were no instances of non-compliance during the verification period.

3.3 IDENTIFICATION OF PROJECT AND PRE-PROJECT EMISSION SOURCES

3.3.1 Pre-Project Destruction Devices

Prior to the construction and implementation of the Project, the Hernando Landfill did not have a GCCS, therefore the baseline scenario assumes that all uncontrolled methane (CH₄) emissions were released into the atmosphere, with the exception of the amount of CH₄ that would have been oxidized by the soil bacteria in the absence of the project. The LFG collection system was designed and installed in 2008, and no LFG was collected or destroyed prior to the installation of the project. SCS confirmed the baseline scenario through the evaluation of the GCCS installation documentation and interviews with on-site landfill staff.

3.3.2 GHG Assessment Boundary

In accordance with Table 4.1 of the LPRP, the following GHG sources should be included in the calculation of net emissions reductions associated with a LFG collection and destruction system similar to the flare that constitutes the Project.

- Waste Breakdown
 - Emissions resulting from waste breakdown in landfill based on destruction in destruction devices (CH₄ only)
- LFG Collection System
 - Emissions resulting from fossil fuel derived energy used by blowers, gathering, and upgrade systems (CO₂ only)
- LFG Combustion in an Engine for Electricity Generation
 - Emissions resulting from the destruction of LFG in the engines (uncombusted CH₄ pass-through)
 - Emissions resulting from the destruction of fossil fuel in the engines (uncombusted CH₄ emissions and all CO₂ emissions from fossil fuel)
- LFG Combustion in a Flare
 - Emissions resulting from the destruction of LFG in the flare (uncombusted CH₄ pass-through)
 - Emissions resulting from the destruction of fossil fuel in the flare (uncombusted CH₄ emissions and all CO₂ emissions from fossil fuel)

Note that displacement of GHG emissions from fossil fuel destruction from electricity generated using LFG is not included in the GHG assessment boundary.

3.3.3 Project Emission Sources

Timberline Energy, LLC identified the following emissions sources associated with the Project (Table 1):

Table 1. 2011 and 2012 Emissions Sources

GHG Source Category	GHG Source
LFG Collection System	-CO ₂ emissions associated with indirect electricity usage from blowers and system (including flare). -CO ₂ emissions associated with the diesel usage from transportation around the site.
LFG Combusted in an Engine	-CH ₄ emissions associated with un-destructed LFG (based on lean-burn engine destruction efficiency).
LFG Combusted in a Flare	-CH ₄ emissions associated with un-destructed LFG (based on open flare destruction efficiency). -CO ₂ emissions associated with the propane usage from the flare start up.

During the site visits, SCS confirmed that there are no additional emissions sources that exist for the facility that were not included in Timberline Energy, LLC inventory. Note that no significant quantities of additional fuels (e.g. natural gas) are utilized on-site. The flare exclusively destroys

LFG with minimal amounts of propane used for pilot gas during startups and diesel for miscellaneous uses. The engine only utilizes LFG.

3.3.4 GHG Project Emissions

In accordance with the LPRP, Timberline Energy, LLC has to report all emissions that may occur or increase as a result of the Project activity, and therefore must be deducted from the overall project reductions. Currently, emitted GHGs resulting from the Project include CO₂, CH₄, and nitrous oxide (N₂O) from grid-supplied electricity usage, diesel for onsite transportation, propane flare start up, and propane miscellaneous uses, as well as CH₄ emissions associated with the portion of LFG that is sent through the flare but not combusted. Note that the Reserve has excluded N₂O emissions as a GHG source due to the limited amount and associated uncertainty in calculating these emissions. Thus, the Project emissions are limited to CO₂ and CH₄ from the flare, propane startup, propane miscellaneous uses, and grid supplied electricity.

3.4 REVIEW OF GHG MANAGEMENT SYSTEMS AND ESTIMATION METHODOLOGIES

In accordance with the LPVP, SCS evaluated Timberline Energy, LLC's methodologies and management systems for calculating the Project emission reductions. This evaluation consisted of interviews with key personnel associated with reporting and calculation of the Project's GHG reductions, as well as an initial review of the Project's Monitoring Plan to evaluate its conformance to the requirements outlined in Section 6 of the LPRP. Timberline Energy, LLC's management system meets the LPRP's requirements.

The Monitoring Plan provided by Timberline Energy, LLC provides a written account of the frequency of data acquisition, a record keeping plan, frequency of instrument calibration activities, as well as quality assurance and quality control (QA/QC) provisions to ensure that meter calibration and data acquisition are carried out consistently. SCS interviewed Timberline Energy, LLC, and onsite personnel in regards to the implantation of the monitoring plan. The flow of LFG and fraction of methane in the LFG to the engines is measured continuously and recorded every minute. The Project, LFG flow meters, methane analyzer, and engine, are inspected daily. The LFG flare skid required manual starting and stopping and is inspected daily when in use. **Table 2** outlines the frequency for instrument inspections, cleaning, field checks, and manufactures calibration.

Table 2. Monitoring Equipment QA/QC

	LFG Flow Meter		Methane Analyzer	
	Engine (Rosemont Probar Flow Meter)	Flare (Thermal Instruments Flow Meter)	Continuous (Siemens Ultramat 23 Continuous Analyzer)	Portable (LANDTEC 2000 Portable IR Gas Analyzer GEM-2000)
Inspection	Daily	Daily ¹	Daily	Prior to taking readings
Cleaning	Quarterly	Quarterly	Quarterly	
Field Checks	Quarterly	Quarterly	Weekly	
Manufacturer Calibration	Annual	Annual	Weekly ²	6 months

¹Flare flow meter is inspected daily when operational.

²Siemens recommends an annual field calibration and the unit does not need to be sent in for a factory calibration.

The Project's monitoring instrumentation, including flow meters, methane meters, flare combustion temperature monitoring equipment, and all associated equipment specification documents and calibration records showed that all instruments are operating within the thresholds set forth in the LPRP. The flow meter to the engine was calibrated by Emerson Process Management and the flare was calibrated by Thermal Instruments on an annual basis. The Siemens Ultramat 23 gas analyzer was calibrated on site by facility operators on a weekly basis and in addition third party calibrations have been performed during installation. SCS can confirm based on the documentation provided, that the calibration flow check events were carried out in a manner consistent with the LPRP. All LFG flows for the reporting period were reported at 60°F and one atmosphere.

SCS reviewed hourly output data from the engine to the grid as reported by Seminole Electric for the reporting period. The hour output data was reviewed to confirm destruction by the engines.

A Timberline supervisor/technician is responsible for the day-to-day operation of the GCCS, flare, and engine collection and recording of monitoring data associated with the Project. The Timberline corporate staff oversees the collection and reporting of the monitoring data associated with the Project and conducts QA/QC checks, as well as performing the calculations, QA/QC of the data provided by the site, and the registration of GHG reductions from the Project as well other aspects of Project management. Timberline Energy, LLC, is responsible for overall management of the Project, including final review and approval of Project data, calculations and QA/QC.

During interviews and discussions with the above-mentioned staff, all appeared to be knowledgeable with regard to their respective roles in the data acquisition and reporting processes.

Documentation of electricity usage, fuel consumption, and other related activities are retained in a manner appropriate for accurate GHG reduction reporting and are outlined in the Monitoring Plan. Documentation is retained through spreadsheets, internal databases, invoicing databases, purchase records, and other similar methods. Timberline Energy, LLC's current GHG management system is appropriate for the emissions reductions identified in each emission source category as well as for the GHGs reported.

Timberline Energy, LLC used the default emission factors and standardized estimation methods in the LPRP when available. The Project Monitoring Plan and QA/QC procedures are consistent with the requirements in version 2.0 of the LPRP.

3.5 VARIANCE REVIEW

The Project did not apply for, nor was granted, any variances during this reporting period.

3.6 VERIFICATION OF EMISSIONS ESTIMATES

3.6.1 Initial Verification Review

On May 29, 2012, SCS performed a site visit to the Landfill facility as part of this verification. The purpose of the onsite inspection and desktop verification were to ensure that the collection and destruction devices were installed and operated correctly, the Monitoring Plan was being properly implemented and that all emission sources (e.g., facility, source, and fuel) were identified by Timberline Energy, LLC and correctly deducted. Discussions of the emission reductions and sources identified by Timberline Energy, LLC are presented below.

In addition, based on Timberline Energy, LLC's identified emission sources, management systems, and corresponding risk profile of GHG emissions, SCS selected the following emissions estimates for verification review:

- Review of electricity usage data using third-party utility bills
- GHG reduction recalculation

A discussion of the verification process for each of these emissions sources is presented below.

3.6.1.1 Review of Electricity Records

SCS reviewed Timberline Energy, LLC's electricity data from third-party utility bills and spreadsheets. The spreadsheets are used to track monthly and annual utility expenses for each facility operated by the Landfill and were reviewed by SCS for April 2011 through March 2012. In addition, original copies of the individual electricity bills were reviewed for the Project. From this information, SCS was able to verify that the utility records are consistent with Timberline Energy, LLC's emissions calculations.

3.6.1.2 Review and Recalculation of GHG Emissions

As a part of the verification process, SCS reviewed the data, deductions, and calculations that were used in the determination of requested emissions reductions for the Project. In accordance with the LPRP, the emissions reduction calculations included the following factors:

- **93.6% destruction efficiency** for CH₄ destruction due to CH₄ destruction by lean burn engines.
- **96% destruction efficiency** for CH₄ destruction due to CH₄ destruction by an open flare.
- **10% methane oxidation factor** due to the lack of a synthetic cap on landfill.

Additional to the requirements of the LPVP, SCS re-calculated all of the GHG reductions and emissions associated with the Project. SCS performed independent calculations of the Project's sources and reductions and compared the calculations to the emission levels reported by Timberline Energy, LLC for the partial 2011 and partial 2012 reporting period.

A comparison of the direct and indirect emissions and the total emission reductions performed by SCS, with the original emissions totals as reported by Timberline Energy, LLC, was conducted.

This comparison of emissions calculations is used to determine if there is a large difference (defined as greater than 3% difference of the total emissions) in calculations performed by SCS and Timberline Energy, LLC.

3.6.2 Initial Verification Findings

Based on the results of our verification activities, the findings of our initial review were presented in an Initial Verification Findings Log and discussed with Timberline Energy, LLC through email and telephone conversation on June 27, 2012. The initial findings log identified material misstatements and immaterial misstatements. The initial verification findings log has been posted on the Reserve website as a private document.

3.6.3 Final Verification

On July 31, 2012, Timberline Energy, LLC submitted an updated version of its Monitoring Plan and associated GHG reduction calculations, in response to SCS's initial findings. As such, this section addresses the final emissions report for Timberline Energy, LLC.

SCS performed a complete emissions data review, combined with weighted GHG emissions risk assessment, in order to ensure that no material emissions sources were excluded and that the risk of error is assessed and addressed through the appropriate sampling and review. During this assessment, SCS determined that the partial 2011 and partial 2012 emission reductions of GHG as well as all of the emissions factors used were consistent with the LPRP.

3.7 IDENTIFICATION OF MATERIAL/IMMATERIAL MISSTATEMENTS

In accordance with the LPVP, for SCS to verify a GHG emission reduction report, a sample of data must be free of material misstatement. As defined by the Reserve, material misstatements may be comprised of:

- 1) Any non-conformance with the LPRP or other pertinent Reserve requirements;
- 2) Emissions sources that are not reported, i.e., missed in the participant's inventory;
- 3) Use of inappropriate emissions factors;
- 4) An identified discrepancy which results in a difference between the verifier and the participant's calculated total emission of more than 3%. Note that a difference is considered immaterial if this difference is less than 3%;
- 5) Inconsistent records (e.g. fuel use does not match fuel purchased);
- 6) Exclusion of material GHG emissions;
- 7) Other issues/items identified by the verifier during the verification process.

SCS's total combined (indirect and direct) emissions were within 3% of Timberline Energy, LLC's combined calculated emissions. From this information as well as other components of our review, it can be concluded that no material misstatements exist.

4.0 FINDINGS

4.1 2011 EMISSION REDUCTIONS

Based on the verification activities conducted by SCS, it has been determined that Timberline Energy, LLC's Landfill Project's GHG emission reductions for the April 1, 2011 through December 31, 2011 reporting period are consistent with the Project methodology, free of material misstatement, and can be considered to a reasonable level of assurance.

Table 3. 2011 Verified GHG Emission Reductions

Reporting Period: April 1 to December 31, 2011	
Baseline Emissions Reductions	32,651 metric tons CO ₂ e
Pre-Project/Project Emissions	3 metric tons CO ₂ e
TOTAL	32,648 metric tons CO₂e

4.2 2012 EMISSION REDUCTIONS

Based on the verification activities conducted by SCS, it has been determined that Timberline's Hernando Landfill Project's GHG emission reductions for the January 1, through March 31, 2012 reporting period are consistent with the project methodology, free of material misstatement, and can be considered verified to a reasonable level of assurance.

Table 4. 2012 Verified GHG Emission Reductions

Reporting Period: January 1 to March 31, 2012	
Baseline Emissions	10,841 tons CO ₂ e
Project Emissions	2 tons CO ₂ e
TOTAL	10,839 tons CO₂e