



ENVIRONMENTAL SERVICES, INC.

Climate Action Reserve Forest Project Protocol Version 3.2 Annual Desktop Project Verification Report 12 May 2015

Virginia Conservation Forestry Program – Rich Mountain (CAR696)

For the Reporting Periods:

01 January 2012 – 31 December 2012

01 January 2013 – 31 December 2013

01 January 2014 – 31 December 2014

Project Developer/Forest Owner:

The Nature Conservancy

Verification Conducted by:

Environmental Services, Inc.

Forestry, Carbon, and GHG Services Division

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GREENHOUSE GAS
VALIDATION AND VERIFICATION
0800



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1 EXECUTIVE SUMMARY

Environmental Services, Inc., (ESI) was contracted by The Nature Conservancy (Forest Owner) to perform the Climate Action Reserve (Reserve) 2012-2014 Annual Desktop project verification of *The Virginia Conservation Forestry Program – Rich Mountain (CAR696) Improved Forest Management (IFM) project*. The verification process closely followed the Reserve's Forest Project Protocol Version 3.2 (31 August 2010), ISO14064-3:2006, and ISO 14065:2007.

Specifically, the project verification included the review of the requirements outlined in the Climate Action Reserve, Forest Project Protocol Version 3.2 (August 31, 2010) for an annual verification. The verification included a comprehensive review of the following items: Attestation of Title, Voluntary Implementation and Regulatory Compliance; determination of reversals; review of reversal risk rating; estimates of annual carbon in harvested wood products; confirmation and/or changes to project boundary; project emissions; estimation of actual onsite carbon stocks; maintenance of standing live carbon pools; quantification of primary and secondary effects; monitoring efforts; and adherence to the project-level principals (relevance, completeness, consistency, accuracy, transparency, conservativeness).

After review of all project information, procedures, calculations, and supporting documentation, ESI confirms that the *Virginia Conservation Forestry Program – Rich Mountain (CAR696) Improved Forest Management (IFM) project* is accurate and consistent with all aforementioned Reserve criteria and requirements for the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014. ESI confirms all verification activities – including objectives, scope and criteria, level of assurance, and project documentation – to be complete and in adherence to the Reserve's Forest Project Protocol V3.2 as documented in this report. ESI concludes without any qualifications or limiting conditions that the *Virginia Conservation Forestry Program – Rich Mountain (CAR696) project* meets the requirements of the Reserve.

The GHG assertion provided by The Nature Conservancy and verified by ESI has resulted in the GHG emission reduction or removal of 30,246 tCO₂ equivalents (vintage 2012 = 9,748 MtCO₂e; vintage 2013 = 10,084 MtCO₂e; vintage 2014 = 10,414 MtCO₂e) by the project during the verification period (01 January 2012 – 31 December 2014).



2 INTRODUCTION

This annual verification report is prepared in accordance with the outlined requirements of the Climate Action Reserve (Reserve) Forest Project Protocol (FPP) Version 3.2 (31 August 2010). Environmental Services, Inc., (ESI) presents Annual Desktop project verification findings of *Virginia Conservation Forestry Program – Rich Mountain (CAR696)*. The Forest Owner and Project Developer is The Nature Conservancy (TNC).

The project verification was conducted as part of the Reserve's program requirements for Greenhouse Gas (GHG) offset projects. ESI is accredited by the American National Standards Institute (ANSI) under ISO14065:2007 for greenhouse gas validation and verification bodies, including ISO 14064-3:2006, ISO 14065:2007, and validation/verification of assertions at the project level for Land Use and Forestry (Group 3). ESI is approved to perform verifications for the Reserve.

2.1 Project Developer Contact Information

Project Developer/Forest Owner:	The Nature Conservancy c/o Greg Meade, Conservation Forestry Program Mgr. 146 East Main Street Abingdon, VA 24210 (276) 676-2209 gmeade@tnc.org
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2.2 Verification Team Contact Information, Including Roles and Responsibilities

Accredited Verification Entity: Environmental Services, Inc.	Jonathan Pomp – Lead Verifier (jpomp@esinc.cc / 304-642-1277) Caitlin Sellers – Verification Team Member (csellers@esinc.cc / 904-361-8227) Richard Scharf – Verification Team Member (rscharf@esinc.cc / 252-402-7354) Shawn McMahon – Verification Team Member (smcmahon@esinc.cc / 330-833-9941) Matthew Perkowski – Verification Team Member/Biometrician (mperkowski@esinc.cc / 301-332-0771) Eric Jaeschke – Verification Team Member/GIS Specialist (ejaeschke@esinc.cc / 703-314-9064) Guy Pinjuv - Senior Internal Reviewer (gpinjuv@esinc.cc / 503-459-1318) Janice McMahon – QA/QC (jmcmahon@esinc.cc / 330-833-9941)
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2.3 Project Description

ESI was contracted by TNC to perform the Reserve's project verification of *Virginia Conservation Forestry Program – Rich Mountain (CAR696)*, which falls under the Climate Action Reserve Forest Project Protocol Version 3.2 (31 August 2010).

The objective of the Rich Mountain project, developed by The Nature Conservancy's Virginia Conservation Forestry Program, is to generate carbon offset credits and “produce GHG reductions by managing the project forest for increased carbon sequestration and stocking when compared to baseline for the assessment area as defined within FPP v3.2 Appendix F.”¹ The strategy of TNC's Conservation Forestry Program is to maintain sustainable production of forestlands through sound conservation while protecting water quality values. The project was initiated on 20 June 2002 when TNC took ownership of the forest resources through a Forest Management Easement (FME). TNC's Conservation Forestry Program manages the timber resources sustainably and continues to provide a steady income to the fee landowners.

The project consists of 5,750 acres in the Ridge and Valley Physiographic Province in Russell and Washington counties of southwest Virginia. The forests are composed of stands of native, diverse, mixed Appalachian hardwoods. The project area is situated in the Allegheny and North Cumberland Mountains Supersection and falls within the following four assessment areas; Cove Forests, Mixed Hardwoods, Northern Hardwood, and Oak Hickory. Factors from the Allegheny and North Cumberland Mountains Supersection were used for project calculations (Common Practice values, cubic foot volume equations, Component Ratio Method (CRM), etc.).

3 VERIFICATION DETAILS

3.1 Verification Objective

The verification objective was to ensure the project is in compliance with Reserve criteria (Reserve *Forest Project Protocol, Version 3.2, August 31, 2010*) for the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014. ESI assessed the GHG emission removals for forestry projects, specifically this Improved Forest Management (IFM) project (including the harvested wood products pool).

3.2 Verification Scope

The scope of this annual verification generally included the; activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHG's; and time period covered. The geographic verification scope is defined by the project boundary, the carbon reservoir types, management activities, growth and yield models, inventory program, and contract periods. The scope also defined the primary and secondary effects of the GHG assessment boundary by indicating the forest carbon stock and emission categories as being required or optional. The scope of the *Virginia Conservation Forestry Program – Rich Mountain (CAR696)* project was defined as follows:

Baseline Scenario:	As written ESI's Reserve approved initial Verification Report dated 14 May 2013, “to determine the baseline, the logical management unit (LMU) of the project area was determined. The assertions of the project were as follows:
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¹ Project Design Document (PDD) Section 2 (22 September 2014).



	• The management of the forest resource is guided by a tract specific legal document, the Forest Management Easement, which is unique to this property alone. • Forest Inventories are carried out on this property independently of other properties. • Rich Mountain has a unique management plan that does not include other properties. • The allowable harvest is calculated independently for Rich Mountain. • Rich Mountain is assigned its own Cost Center within TNC's accounting system, with revenues and costs being tracked independently of any other property. • Annual payment calculations to the fee landowner of Rich Mountain are computed independently without influence of other properties. Although TNC owns timber rights on other properties in surrounding areas, the verifier confirmed that the project itself is a sustainable planning subunit, as its harvesting regime is dictated by the Forest Management Easement explicit to Rich Mountain. In addition, a separate Forest Management Plan implemented in February 2004 is unique and specific to Rich mountain. Therefore, the forest inventories and allowable harvest are carried out independently on the project area. Per confirmations of these assertions, the LMU was determined to be equivalent to the project area for baseline calculations. The baseline carbon stock model resulted in an average weighted (by strata acreage) baseline aboveground live carbon stock of 50.5 mt CO₂e/acre over the 100-year projection period. As required by the FPP V3.2, Section 6.2.1, this value is not below the Minimum Baseline Level (MBL) determined using Equation 6.6 of the FPP V3.2 (found to equal 50.5 mt CO₂e). ESI reviewed NRCS soils data using a Geographic Information System (GIS) and confirmed that site class stratification was determined following the procedures outlined in Appendix F of the FPP V3.2. ESI also verified that the weighted Common Practice (CP) value (used in Equation 6.6) was calculated accordingly.” The final baseline value (after including below-ground biomass for live trees and above- and below-ground biomass for dead standing trees) was found to equal 64.7 mt CO₂e/acre (371, 876 total MtCO₂e).
Activities/Technologies/Processes:	Improved Forest Management: • Protect and enhance water quality, rare species and representative natural communities, soil quality, and other forest resources;



	• Produce valuable forest products including high-quality sawtimber; • Generate income for the fee landowner and contribute to the overall economic health of the local economy; • Maintain positive relations through ongoing communication with adjacent property owners and the residents of the local communities; • Relate the management of Rich Mountain to the management of the greater forest system in which it occurs
GHG Assessment Boundary (Sources/Sinks/Reservoirs):	Based on the Verified Project Design Document, the following is an outline of the GHG assessment boundary for the project Primary Effect: IFM-1 Standing live carbon IFM-3 Standing dead carbon IFM-7 Carbon in in-use forest products IFM-8 Forest product carbon in landfills Secondary Effect: IFM-14 Biological emissions/removals from changes in harvesting on forestland outside the project area IFM-17 Biological emissions from decomposition of forest products
GHG Type:	CO ₂
Time Period:	Project Start Date: 20 June 2002 Verification Period: 01 January 2012 to 31 December 2014
Project Boundary:	5,750 acres in Russell and Washington Counties, VA

3.3 Verification Criteria:

The criteria followed the program and verification guidance documents provided by the Reserve located at <http://www.climateactionreserve.org/>. These documents include:

- Climate Action Reserve Forest Project Protocol, Version 3.2, 31 August 2010*
- Protocol Resources, such as Biomass Equations, Assessment Area Data, Forest Project Forms, and Forest Project Baseline Determination, as updated on the Reserve website*
- Climate Action Reserve Verification Program Manual, Version 2.0, December 20, 2010*
- Climate Action Reserve Program Manual, October 26, 2011*
- Policy Memos, as updated on the Reserve website*
- Climate Action Reserve Software*
- Errata & Clarifications to the Forest Project Protocol V3.2 (released October 29, 2014)*

And, the following ISO documents provided by ANSI located at:

<https://www.ansica.org/wwwversion2/outside/GHGgeneral.asp?menuID=200:>

- ISO 14064-3:2006
- ISO 14065:2007

3.4 Verification Level of Assurance:

The level of assurance was used to determine the depth of detail that the verifier placed in the verification plan to determine if there were any errors, omissions, or misrepresentations (ISO 14064-3:2006). ESI selected samples of data and information to be verified to provide *reasonable assurance* (not *absolute assurance*) to meet the materiality requirements of the specific project



(*Climate Action Reserve Verification Program Manual, Version 2.0, 20 December 2010*). Sample size was determined based upon the guidance provided in the *Reserve Forest Project Protocol Version 3.2* (August 31, 2010), project parameters, and the *Supplemental Verification Methodology, 03 July 2012*.

3.5 Verification Materiality Threshold:

Materiality is a concept that errors, omissions and misrepresentations could affect the GHG emissions reduction assertion and influence the intended users (ISO 14064-3:2006). Based on the Reserve's Verification Program Manual, verification bodies must form a view on the materiality of all identified issues, errors, or uncertainties. ESI classified each issue as material (significant) or immaterial (insignificant). Throughout the verification process, TNC addressed all non-conformance reports and clarifications that were requested by ESI to the satisfaction of the verification team.

The Reserve's Verification Program Manual establishes a quantitative materiality threshold, which sets a numeric cap (as a percent of the verifier's recalculated emission reductions) on the magnitude of cumulative error in stated reductions permissible under the Reserve (5% for all projects where the carbon removals are $\leq 25,000$ Climate Reserve Tonnes (CRTs) annually). In determining whether a material misstatement has occurred, the verification body must compare the aggregate total of misstatements against the materiality threshold for the total CRTs reported to the Reserve.

Additionally, there can also be qualitative issues identified by the verification body as non-conformances with the project protocols that relate to the requirements laid out in the protocols (e.g., the metering, monitoring, management systems, record-keeping, etc.). Any non-conformance related to a prescriptive requirement outlined in the protocol would be considered material and must be corrected in order for the project to receive a positive Verification Statement. A prescriptive requirement relates to any specific guidance or requirement mandated by the protocol itself that does not allow for deviation, or for verifier professional judgment.

The actions taken when errors, omissions, and misrepresentations were found included notifying the client of the issue(s) identified, and requesting clarifications, modifications, and/or corrections to the extent that satisfied the verification team's professional judgment.

All potential non-conformances identified were sufficiently addressed by the TNC. These are shown in the "List of Findings" – a separate confidential document supplementary to this Verification Report.

4 VERIFICATION PROCESS

The verification process closely followed the guidance provided by the Climate Action Reserve FPP V3.2, Verification Program Manual V2.0, and Program Manual (26 October 2011), as well as ISO14064-3 and ISO 14065, and the ESI Management System and Management System Manual, Section V.3.

As defined by ISO 14064-3:2006 (E), "verification is the systematic, independent and documented process for the evaluation of a greenhouse gas assertion in a GHG project plan against agreed verification criteria." Specifically, the project verification included the review of the requirements outlined in the Climate Action Reserve, Forest Project Protocol Version 3.2 (August 31, 2010). The assessment included the following items: eligibility criteria, baseline approach, additionality, project boundary, emissions, leakage, quantification of GHG reductions/removals, monitoring, data and



parameters, and adherence to the project-level principals (relevance, completeness, consistency, accuracy, transparency, conservativeness).

ESI's annual desktop project verification included components required to confirm the project's continued compliance and implementation with Reserve Criteria and the PDD². The verification process was generally broken down into the following verification items:

- Review of Attestation of Title, ownership and claims to GHG reductions/removals
- Review of the Attestation of Voluntary Implementation
- Review of Attestation of Regulatory Compliance and confirmation
- Confirm that no decrease has occurred in the Project Area's Standing Live Carbon Stocks over any ten-year consecutive periods not accounted for by allowable exceptions
- Review reported estimates of actual onsite carbon stocks and estimates of actual carbon in Harvested Wood Products;
- Review quantification of Primary and Secondary effects
- Determine if a reversal has occurred
- Confirm the Risk Rating applied is the same used since the previous site-visit verification
- Review of the signed Project Implementation Agreement (PIA) amendment and waivers of recording requirement

In the verification process, there is a risk that potential errors, omissions, and misrepresentations will be found. A risk-based approach was used to guide the collection of appropriate and sufficient evidence to support a reasonable level of assurance. A risk-based approach means that the verification team concentrated the review on items that had the highest probability of resulting in a material misstatement of the reported GHG assertion.

Based on the documentation ESI received from TNC, the verifiers completed a Strategic Analysis and Risk Assessment (SARA). SARA is a risk assessment that includes strategic analysis to make sure the verifiers have considered:

- Regulatory requirements
- GHG program requirements
- Industry factors
- And other non-technical risks

The results of the SARA (risk assessment) are attached in Appendix A of the Verification and Sampling Plan.

4.1 Attestation of Title

The verification team confirmed that the Attestation of Title³ was completed properly and submitted to the Reserve for the current verification period. This attestation was signed by Michael L. Lipford, Vice President and Virginia Executive Director of TNC on 30 January 2015.

The landowner in fee is the Stuart Land & Cattle Co. Inc. and the forest is owned and managed by TNC. As documented in Section I of the Monitoring Reports, TNC has indicated that no change in ownership has occurred in the project area and that no additional landholdings have been acquired by

² Rich Mountain PDD (dated 22 September 2014).

³ Rich Mtn Attestation of Title 2014.pdf.



TNC within the Allegheny and North Cumberland Mountain Supersection during the verification period.

Review of project title materials and internet research confirms with reasonable assurance that both the project area ownership, and TNC's ownership within the Allegheny and North Cumberland Mountain Supersection, has remained unchanged during the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014.

4.2 Regulatory Compliance

The verification team confirmed that the appropriate Attestation of Regulatory Compliance⁴ is on file with the Reserve for the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014. The attestation was signed by Michael L. Lipford, Vice President and Virginia Executive Director of TNC on 30 January 2015.

An email received by Chris Sullivan, Senior Area Forester with the Virginia Department of Forestry (VADOF) on 16 March 2015, as well as a verbal conversation on 24 March 2015, confirmed that TNC remains in legal compliance with all relevant laws and regulations that the VADOF enforces. As no new harvesting occurred during the verification period, the project is in compliance with Virginia state regulations on forest operations. No violations of the Virginia Silvicultural Water Quality Law, Code of Virginia § 10.1-1181.1, or water quality impairment by harvest sedimentation were reported.

In addition, current Forest Stewardship Council (FSC) certification of TNC Virginia lands was reviewed by the verification team; certification is valid until 2018 as seen from the latest audit results.⁵

Further, ESI's own risk-based internal review of any applicable federal laws (i.e. Endangered Species Act, Clean Water Act) did not yield additional results.

Thus, the verification team concludes with reasonable assurance that the Reserve's requirements for regulatory compliance during the verification period have been met.

4.3 Voluntary Implementation

The verification team confirmed that the appropriate Attestation of Voluntary Implementation⁶ is on file with the Reserve for the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014. The Attestation was signed by Michael L. Lipford, Vice President and Virginia Executive Director of TNC on 30 January 2015.

Voluntary implementation of the project was further assessed against the previous verification effort where this element was reviewed and confirmed. Previously and currently, the verification team could find no laws or mandates (local, state or federal) that would require the project to be implemented.

⁴ Rich Mtn Attestation of Regulatory Compliance 2014.pdf.

⁵ The Nature Conservancy FSC FM audit 14.pdf.

⁶ Rich Mtn Attestation of Voluntary Implementation 2014.pdf



4.4 Maintenance of Standing Live Carbon Pool

The verification team confirmed that there have been no decreases in the standing live carbon stocks estimates over any 10-year period since the project start date. This requirement was evidenced by the carbon stocking estimates in the Reserve's Monitoring Calculation worksheet and through the submitted Monitoring Reports⁷ covering the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014. The updated Monitoring Calculation worksheet, supporting calculations, and Monitoring Reports were reviewed and show an increase of 38,858 MtCO₂e in the standing live pool over the verification period (vintage 2012 increase = 12,505 MtCO₂e; vintage 2013 increase = 13,023 MtCO₂e; vintage 2014 increase = 13,330 MtCO₂e).

During interviews/discussions, TNC attested that no harvests or significant natural disturbances have occurred in the Project Area over the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014. This was substantiated through communication with Chris Sullivan, Senior Area Forester with the VADOF. Additionally, absence of disturbance was confirmed by ESI through review of Landsat OLI/ETM (SLC OFF) medium resolution leaf-on/leaf-off imagery dated 14 March 2012 to 20 September 2014.⁸ Fragmented forest stands adjacent to abandoned land near the center of the project area were viewed in Google Earth from Quickbird high resolution imagery dated 12 April 2014 and a project-wide ocular examination for disturbance patterns was performed. Extra attention was paid to possible land cover changes near roads and at exterior stand boundaries. Disturbance patterns are defined as harvest activities, vehicle tracks, bare ground, and linear patterns. No new disturbance patterns or apparent harvesting were identified in the imagery analyses. The results indicated that stand boundaries have maintained and stocking levels/canopy cover has increased in areas conserved by the project.

4.5 Estimates of Actual Onsite Carbon Stocks

According to Section III.2 of the Monitoring Reports and interviews/discussions with TNC, the project is using the same inventory data collected in 2011, and updated carbon stock estimates were generated using this base inventory data. As such, no inventory confidence deduction was applied for this verification period.

The first table in Section III of the Monitoring Reports details the updated estimates of the project's carbon stocks. All annual updating of carbon stocks was performed using Forest Vegetation Simulator (FVS) outputs. The inventory data was appropriately modeled using the Southern Variant of the FVS,⁹ an approved growth and yield model as per Appendix B of the Forest Project Protocol v3.2. The use of this tool is described in the PDD and was confirmed during the verification process via review of FVS inputs, key files, and outputs, and through previous personal meetings with TNC.

⁷ Rich Mountain 2012 Monitoring Report.pdf, Rich Mountain 2013 Monitoring Report.pdf, and Rich Mountain 2014 Monitoring Report.pdf

⁸ Land cover was partially obscured by clouds and scan line corrector failure for Landsat year 2012, therefore images were viewed mosaiced within the Landsat Viewer.

⁹ Keyser, C.E. 2010. Southern (SN) Variant Overview – Forest Vegetation Simulator. Internal Rep. U. S. Department of Agriculture, Forest Service, Forest Management Service Center. 69.



Harvest schedule worksheets¹⁰ containing carbon stock data for the verification period were reviewed and the end of the year 2012, 2013, and 2014 on-site values were found to be adequately interpolated from the 10-year grow-only FVS outputs. The summarized FVS outputs appropriately match those from the previous verification and contain carbon stocking values properly quantified using the CRM. The results of the verification plot confirmed appropriate application of the CRM. In addition, 2012 – 2014 annual growth rates were compared to the previously verified years, as well as growth data extracted from the FIA database for Russell and Washington Counties, Virginia.

The confirmation of the validity of grown inventory data provides reasonable assurance that the currently reported on-site carbon stock values are within expected bounds given reported growth since the prior reporting period. All information including conversions and expansions were found to be true and accurate.

4.6 Estimates of Actual Carbon in Harvested Wood Products

As indicated in Section 4.4 above, TNC attested that no harvests have occurred in the Project Area over the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014. This was confirmed through communication with the VADOE, and by reviewing aerial imagery as described above in Section 4.4.

Actual carbon in trees harvested wood products and in harvested wood products delivered to mills are appropriately counted as zero in the quantification of the primary effect. Thus, the Reserve's requirements for the accounting of actual carbon in harvested wood products have been met.

4.7 Quantification of Primary Effect

The verification team performed an independent calculation of the primary effect, and found the results to match those reported in the Monitoring Calculation Worksheet submitted by TNC. The quantification of primary effect was calculated correctly and is in compliance with the Forest Project Protocol v3.2.

4.8 Quantification of Secondary Effect

The verification team performed an independent calculation of the secondary effect, and found the results to match those reported in the Monitoring Calculation Worksheet submitted by TNC. The quantification of the secondary effect was calculated correctly and is in compliance with the Forest Project Protocol v3.2. A standard 20% deduction to the difference in actual and baseline carbon stocking for the verification period was applied.

4.9 Reversal Determination

No reversals or disturbance occurred during the current verification period as written in the Monitoring Reports. This was confirmed as indicated in Section 4.4 above.

A reversal did not occur during the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014.

4.10 Reversal Risk Rating

During the initial verification, a risk rating of 20.22% was applied to the project. This was verified to be correct during the initial verification, and was a result of including the 2% PIA risk as part of the risk of financial failure. Guidance received from the Reserve on 04 September 2013 indicated that the PIA risk should be its own separate risk category (see RiskRating_Guidance.pdf and

¹⁰ Final: Annual Report 2012-2014 HarvestScheduleRichMtnV15.xlsx



RiskRating_Equation.jpg). As such, the Forest Owner has updated the risk rating accordingly (previously conservative) to 20.10%.

4.11 Review of PIA Amendment

A current PIA is appropriately on file with the Reserve website for Russell and Washington counties. These agreements were signed by Michael L. Lipford, Virginia Executive Director of The Nature Conservancy on 27 April 2015 and were subsequently recorded on 06 May 2015.

4.12 Meetings/Interviews

Given ESI's familiarity with the project, only two meetings (opening and closing) were held during the course of the project verification. All other correspondence occurred via email. The details of the meetings are briefly described in the table below:

Date	Attendees	Topics Discussed
04 February 2015	Jonathan Pomp (ESI) Greg Meade (TNC)	Overall Verification Opening Meeting -preliminary review of verification and sampling plan -review of project timeframes and deadlines
12 May 2015	Caitlin Sellers (ESI) Greg Meade (TNC)	Overall Closing Meeting -Review of draft verification report and findings lists -Next steps and project upload -Request feedback on process

4.13 Verification Milestones

The following table documents the main verification activities that occurred during the project verification process:

Project/Verification Activity	Date
ESI Internal Conflict of Interest (COI) process completed and approved (no issues). The Nature Conservancy Notification.	15 January 2015 (originally approved 06 September 2013)
Reserve approval of NOVA/COI	20 January 2015 (originally approved 14 February 2014)
Opening meeting with The Nature Conservancy	04 February 2015
Submission of Draft Verification and Sampling Plan to The Nature Conservancy for approval	04 February 2015
Receipt of Signed Verification and Sampling Plan from The Nature Conservancy	04 February 2015
Submission of Round 1 NCRs to The Nature Conservancy	02 March 2015
ESI completes Review	18 March 2015
Draft report and project information sent to Senior Independent Reviewer	18 March 2015
Draft verification report submitted to The Nature Conservancy for review	24 March 2015
Draft verification report submitted to the Reserve for review	25 March 2015
Review of the signed PIA amendment	12 May 2015
Closing Meeting with The Nature Conservancy	12 May 2015



5 VERIFICATION FINDINGS

Only four findings were issued through the course of this desktop review; all items were satisfactorily addressed by TNC. The List of Findings has been compiled and is available under separate cover. The List of Findings is a confidential document between ESI (verifiers) and TNC (Project Developer/Forest Owner) and is not publicly available.

After review of all project information, procedures, calculations, and supporting documentation, ESI confirms that *Virginia Conservation Forestry Program – Rich Mountain (CAR696)* IFM project dated 22 September 2014, and the Monitoring Reports [dated 20 March 2015] for the verification period 01 January 2012 – 31 December 2014 are accurate and consistent with all aforementioned Reserve criteria and requirements. ESI confirms all verification activities, including objectives, scope and criteria, level of assurance, and project documentation to be complete and in adherence to the Reserve's Forest Project Protocol V3.2, as documented in this report. ESI concludes without any qualifications or limiting conditions that the *Virginia Conservation Forestry Program – Rich Mountain (CAR696)* project meets the requirements of the Reserve for the reporting periods of 01 January 2012 – 31 December 2012, 01 January 2013 – 31 December 2013, and 01 January 2014 – 31 December 2014.

The GHG assertion provided by TNC and verified by ESI has resulted in the GHG emission reduction or removal of 30,246 tCO₂ equivalents (vintage 2012 = 9,748 MtCO₂e; vintage 2013 = 10,084 MtCO₂e; vintage 2014 = 10,414 MtCO₂e) by the project during the verification period (01 January 2012 – 31 December 2014).

6 VERIFICATION STATEMENT

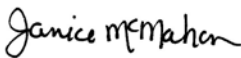
This verification statement confirms that Environmental Services, Inc., has evaluated *The Virginia Conservation Forestry Program – Rich Mountain (CAR696)* project, its Project Design Document (dated 22 September 2014), and the Monitoring Reports (dated 20 March 2015) for the verification period 01 January 2012 – 31 December 2014 developed by The Nature Conservancy (Forest Owner), according to the criteria outlined by the Climate Action Reserve, and that this verification statement is consistent with ISO 14064-3:2006 and ISO 14065:2007. The dates of the period evaluated for this verification are 01 January 2012 – 31 December 2014.

Environmental Services, Inc., confirms all verification activities including: objectives, scope and criteria, level of assurance, project design documentation, and project implementation to be complete and in adherence to the Reserve's Forest Project Protocol, Version 3.2 (31 August 2010) as documented in this verification report for the project entitled *Virginia Conservation Forestry Program – Rich Mountain (CAR696)*, its Project Design Document dated 22 September 2014 and the Monitoring Reports (dated 20 March 2015) for the verification period. ESI concludes without any qualifications or limiting conditions that the *Virginia Conservation Forestry Program – Rich Mountain (CAR696)* project is without material discrepancy, the verification activities provided a reasonable level of assurance, and that the project meets the requirements of the Reserve. The project produces 30,246 total gross CRTs before the 20.10% buffer withholding. Total cumulative net CRTs for the verification period 01 January 2012 to 31 December 2014 are 24,165 (2012 Vintage = 7,788, 2013 Vintage = 8,057, and 2014 Vintage = 8,320), as 6,081 CRTs (2012 Vintage = 1,960, 2013 Vintage = 2,027, and 2014 Vintage = 2,094) will be contributed to the buffer pool.



7 VERIFICATION RESULTS / CONCLUSION

ESI confirms all verification activities including objectives, scope and criteria, level of assurance and the PDD to be complete and in adherence to the Reserve's Forest Project Protocol, Version 3.2 as documented in this report. ESI concludes without any qualifications or limiting conditions *Virginia Conservation Forestry Program – Rich Mountain (CAR696)* meets the requirements of the Reserve's Forest Project Protocol, Version 3.2.

Report Submitted to:	The Nature Conservancy Climate Action Reserve
Report Submitted by:	Environmental Services, Inc. Corporate Office 7220 Financial Way, Suite 100 Jacksonville, Florida 32256
ESI Lead Verifier Name and Signature:	 Jonathan Pomp Lead Verifier
Senior Internal Reviewer Name and Signature:	 Guy Pinjuv Senior Internal Reviewer
ESI Regional Technical Manager Name and Signature:	 Janice McMahon Vice President and Forestry, Carbon and GHG Division Regional Technical Manager
Date:	12 May2015

JP/rb/VO13056_CAR696_ReserveAnnualVerif Report_final_20150512.doc
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APPENDIX A – Documents Received/Reviewed

During the project verification, ESI received and reviewed the following documents provided by The Nature Conservancy and the Reserve.

Documents received 05 January 2015

- Forest-Monitoring-Report-2014 Rich Mtn.docx
- Annual Report 2012-2014 HarvestScheduleRichMtnV15.xlsx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2012 - Rich Mtn.docx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2013 - Rich Mtn.docx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2014 - Rich Mtn.docx
- Forest-Monitoring-Report-2012 Rich Mtn.docx
- Forest-Monitoring-Report-2013 Rich Mtn.docx

Documents downloaded from Reserve's website 03 February 2015

- Rich Mtn PDD September 22 2014_Clean.docx
- 056-ESI-TNC Rich Mtn-CAR696-NOVA-COI-14Jan2015.pdf

Documents downloaded from Reserve's website 04 February 2015

- Rich Mtn Attestation of Voluntary Implementation 2014.pdf
- Rich Mtn Attestation of Regulatory Compliance 2014.pdf
- Rich Mtn Attestation of Title 2014.pdf

Documents received 05 March 2015

- RichMtn_Reserve_Ann_2012-14_Round1_NCRs_2015-03-02_TNC_Response.xlsx
- Annual Report 2012-2014 HarvestScheduleRichMtnV15.xlsx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2012 - Rich Mtn.docx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2013 - Rich Mtn.docx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2014 - Rich Mtn.docx
- Forest-Monitoring-Report-2012 Rich Mtn.docx
- Forest-Monitoring-Report-2013 Rich Mtn.docx
- Forest-Monitoring-Report-2014 Rich Mtn.docx

Documents received 06 March 2015

- Forest-Monitoring-Report-2014 Rich Mtn.docx
- RichMtn_Reserve_Ann_2012-14_Round1_NCRs_2015-03-02_TNC_Response.xlsx
- Annual Report 2012-2014 HarvestScheduleRichMtnV15.xlsx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2012 - Rich Mtn.docx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2013 - Rich Mtn.docx
- Climate Action Reserve Forest Project Monitoring Form Appendix 2014 - Rich Mtn.docx
- Forest-Monitoring-Report-2012 Rich Mtn.docx
- Forest-Monitoring-Report-2013 Rich Mtn.docx
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Documents downloaded from Reserve's website 20 March 2015

- Rich Mountain 2012 Monitoring Report.pdf
- Rich Mountain 2013 Monitoring Report.pdf
- Rich Mountain 2014 Monitoring Report.pdf

Documents received 06 May 2015

- Washington County - Rich Mountain Recorded PIA Amendment May 2015.pdf
- Russell County - Rich Mountain Recorded PIA Amendment May 2015.pdf