



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

Project Developer: Yurok Tribe
Project ID: CAR777
Project Name: Yurok Tribe Sustainable Forest Project
Reporting Periods: 1 January 2012 – 31 December 2012; 1 January 2013 – 31 December 2013

SCS Global Services

Lead Verifier: Zane Haxtema

Technical Reviewer: Francis Eaton

Site Visit Date: N/A

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Table of Contents

1	Summary	3
2	Project Description	3
3	Verification Process	3
3.1	Verification Objectives	3
3.2	Verification Criteria	3
3.3	Level of Assurance	4
3.4	Treatment of Materiality.....	4
3.5	Verification Scope	5
3.6	Verification Team	5
4	Verification Findings.....	5
4.1	Change in Forest Owner or Landholdings	6
4.2	Estimates of Actual Onsite Carbon Stocks	6
4.3	Check for Decrease in Standing Live Carbon Pool	7
4.4	Check for Reversals	7
4.5	Actual Carbon in Harvested Wood Products	7
4.6	Quantifying the Project's Secondary Effects	7
4.7	Calculating Total Net GHG Reductions and Removals	8
4.8	Reversal Risk Rating	8
4.9	Review of Required Attestations and Agreements.....	8
5	Verification Opinion	9

1 Summary

This report presents the findings of the verification assessment of the Yurok Tribe Sustainable Forest Project (“the project”) developed by the Yurok Tribe, the forest land owner, and describes the steps involved in the verification process. This assessment covers the project’s greenhouse gas emission reductions reported to the Climate Action Reserve (the Reserve) for the reporting periods from 1 January 2012 through 31 December 2012 and 1 January 2013 through 31 December 2013 (“the reporting periods”). The annual verification was undertaken to evaluate the submitted Forest Project Monitoring Reports for 2012 and 2013 (“the monitoring reports”) and assess whether the documentation conforms to the requirements of the Climate Action Reserve Forest Project Protocol, Version 3.1 (October 2009). The evaluation was conducted following the guidance in the Climate Action Reserve Forest Project Verification Protocol, Version 3.0 (September 2009).

On the basis of the information provided and the analyses completed, SCS was able to reach a decision on the emissions reduction reported by the Forest Owner on the Reserve website. SCS verified the adequacy of the information provided in the monitoring reports, confirming that this document meets the requirements of the Climate Action Reserve standards. Further, SCS was able to reach a positive opinion on the claimed emission reductions and removals presented in the monitoring reports and on the Reserve website by the project developer. Thus, SCS has verified 31,284 and 29,731 metric tonnes of CO₂e reductions and removals for the project over the reporting periods for 2012 and 2013, respectively. With a mandatory buffer pool contribution of 4,943 CRTs for the 2012 reporting period and 4,698 CRTs for the 2013 reporting period, a balance of 26,341 and 25,033 CRTs should be issued to the project developer for the 2012 and 2013 reporting periods, respectively.

2 Project Description

The project is of the improved forest management type, and is located in Humboldt County in the state of California. A comprehensive description of the project is provided within the project’s Project Design Description (PDD), which can be downloaded from the Climate Action Reserve website.

3 Verification Process

3.1 Verification Objectives

The purposes of this verification assessment were to:

- Review the data in the monitoring reports and accompanying Forest Project Calculation Worksheet (“the monitoring calculation worksheet”) to check reported information and calculations for reasonability, accuracy, and completeness; and
- Verify that all verification items pertaining to desk review verification have been adequately addressed.

3.2 Verification Criteria

The assessment was performed against the following criteria of the Climate Action Reserve:

- Forest Project Protocol Version 3.1 (October 2009)

- Forest Project Verification Protocol Version 3.0 (September 2009)
- Program Manual (October 2011)
- Verification Program Manual (December 2010)
- Announcement Regarding Optional Carbon Pools (March 2011)
- Errata and Clarifications for Forest Project Protocol Version 3.1 (October 2014)
- Guidance and policy updates posted on the Reserve website

3.3 Level of Assurance

SCS performed the core verification activities described by CAR in the Forest Project Verification Protocol to determine whether it had a reasonable level of assurance that the project's GHG removals and reductions are materially correct.

3.4 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; qualitative and quantitative.

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, parameters, or procedures that are prescribed by the protocols. A positive verification opinion cannot be issued if the project documents include qualitative material errors

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%. Because the average annual number of CRTs generated by the project during the reporting periods is between 25,000 and 100,000 the materiality threshold is 3%. A positive verification opinion cannot be issued if the aggregated numerical error in CRT calculation exceeds the materiality threshold.

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

3.5 Verification Scope

The scope of this Desk Review Verification includes the monitoring reports for the reporting periods, the monitoring calculation worksheet, and the required attestations posted on the Reserve website, the PDD and associated supporting documentation.

Verification items include:

- Review of required attestations;
- Review of reported sources, sinks, and reservoirs;
- Confirmation 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 calculations for quantification of Primary and Secondary effects;
- Assessment of the reporting of Reversals
- Verify that the Risk Rating applied is the same used since the previous site-visit verification.

The project is eligible for a Desk Review Verification, per Section 4 of the Forest Project Verification Protocol, because six years have not passed since the previous verification site visit, which occurred in January 2012.

3.6 Verification Team

Lead Verifier: Zane Haxtema, SCS Global Services, Senior Forester, Greenhouse Gas Verification

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.

Technical Reviewer: Francis Eaton, SCS Global Services, Director, Greenhouse Gas Verification

Mr. 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 Verification 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). Moreover, Mr.

Eaton is accredited by the California Air Resources Board as Lead Offset Verifier 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.

4 Verification Findings

The monitoring report that was submitted conforms to all requirements of Section 9 of the Forest Project Protocol Version 3.1. The audit team confirmed that, as required, the report was submitted with the oversight of a California registered professional forester (James Erler, #2323, confirmed to hold valid credentials as of 9 September 2014 via information downloaded from the California Board of Forestry website on 19 November 2014). The audit team reviewed the monitoring report and associated monitoring calculation worksheet and confirmed that these documents contain the information required by Section 9.2 of the Forest Project Protocol Version 3.1.

Per the guidance of Section 10.2 of the Forest Project Protocol Version 3.1, verifier site visits are required only once every six years. Between site visits, as discussed in Section 10.2.2, “an ISO-accredited and Reserve-approved verification body may optionally conduct a desk review of annual monitoring reports for the purpose of determining creditable GHG reductions and removals”. The verification activities described below were based on guidance provided in Section 5.3 of the Forest Project Verification Protocol and Section 3.4.1 of the Verification Program Manual.

4.1 Change in Forest Owner or Landholdings

Section I.1 of both monitoring reports notes no changes in ownership since the initial reporting period. In order to confirm this, the audit team carried out the following checks:

- Interviews with James Erler and Nathan Voegeli, Forestry & Wildland Fire Director and Legal Counsel, respectively, for the project developer, to confirm absence of ownership change with respect to project area
- Interview with a representative of Humboldt County Assessor’s Office, on 23 December 2014, to confirm continued ownership, by the project developer, of a sample of parcels involved in the project area

4.2 Estimates of Actual Onsite Carbon Stocks

Both monitoring reports indicate, in Section IV, that no reversals occurred during the reporting periods. The audit team confirmed the absence of any harvesting or disturbance through the following checks:

- Interviews with personnel identified in Section 4.1 above to confirm absence of harvesting (aside from non-commercial removal of trees as part of fuel-break clearing activities) or recorded disturbance involving project area
- Review of a spatial dataset downloaded from Cal Fire website (accessed 17 November 2014), showing timber harvest plans, non-industrial timber management plans and notices of timber operations, against boundaries of project area (as shown in Map 2 of PDD) to confirm that no such plans or notices include project area
- Email correspondence, in November 2014, with representatives of both Cal Fire and the Bureau of Indian Affairs who each affirmed no knowledge of timber harvest aside from non-commercial

removal of trees as part of fuel-break clearing activities) or other disturbance (or any type of regulatory violations) having taken place on the project area during the reporting periods

- Review of a spatial dataset downloaded from Cal Fire website (accessed 29 September 2014), showing fire perimeters as of end of 2013, against boundaries of project area (as shown in Map 2 of PDD) to confirm that no fires were recorded inside project area
- Detailed review of shapefile showing project area boundary (as confirmed through cross-check against Map 2 of PDD) against 2014 NAIP imagery to confirm absence of any evident disturbance larger than two acres (the threshold set for monitoring in Section 3(f) of the PDD)

It should be noted that the growth model FVS was used for purposes of growing carbon stocks forward for purposes of reporting at the end of the monitoring period. While this constitutes a change in growth model (as the growth model FPS was used for baseline emission removals, project emission removals and net GHG emission removals for the initial reporting period), the audit team agrees that it is acceptable. The inventory update plan in Section 3(f) of the PDD states that “Individual trees on measurement plots will be grown using FPS or any other growth model approved by CAR between re-measurements, provided that it has been calibrated to accurately reflect data in earlier modeling exercises,” thus explicitly allowing for a change in model. The model FVS is approved for use in California within Appendix B of the Forest Project Protocol, and it is a widely used, actively-maintained and well-supported model. As the primary objective of modeling during the reporting periods has been to grow carbon stocks forward until “true-up” can occur following re-measurement, the audit team agrees that FVS is well-suited for this task. The current annual increment in actual carbon stocks over the reporting periods was less than 1% per year. The audit team agrees, on the basis of professional judgment, that this growth estimate is within expected bounds, considering the forest type in which the project area is located.

4.3 Check for Decrease in Standing Live Carbon Pool

The monitoring calculation worksheet shows no decline in carbon stocks. No disturbance or other circumstances leading to reduced carbon stocks are reported (see Section 4.2 above for a description of actions to confirm absence of such circumstances). Since estimates of Standing Live Carbon stocks are derived from growth model projections and no harvest or disturbance was reported, decrease in the Standing Live Carbon Pool is not expected to occur.

4.4 Check for Reversals

No reversals were reported, which is corroborated by the activities described in Sections 4.2 and 4.3 above; therefore, no compensation is required.

4.5 Actual Carbon in Harvested Wood Products

No actual timber harvest was reported during the reporting periods, which is corroborated by the activities described in Section 4.3 above; therefore, this section is not applicable.

4.6 Quantifying the Project’s Secondary Effects

Secondary effects were calculated by the audit team following the procedure for Improved Forest Management projects described in Section 6.2.6 of the Protocol and implemented formulaically in the

monitoring calculation worksheet. The value calculated by the audit team is identical to the value provided in the monitoring calculation worksheet for the reporting year.

4.7 Calculating Total Net GHG Reductions and Removals

The auditor reviewed the calculation worksheet posted on the Reserve website. The annual total net GHG reductions and removals shown in the monitoring calculation worksheet are identical to the data check calculations performed by the auditor. No material discrepancy was identified in the reported buffer pool contribution and number of CRTs to be issued to the project developer.

4.8 Reversal Risk Rating

The 15.8% reversal risk rating, calculated for the initial reporting period, is applied to the current reporting periods in conformance with the requirements of the Reserve.

4.9 Review of Required Attestations and Agreements

The audit team confirms that an Attestation of Title, dated 10 November 2014, has been posted on the Reserve website. Checks to demonstrate that the project developer continues to hold title to the project area are documented in Section 4.1 above.

The audit team confirms that two Attestations of Regulatory Compliance (one covering the period 1 January 2012 - 31 December 2012 and one covering the period 1 January 2013 - 31 December 2013), both dated 10 November 2014, have been posted on the Reserve website. In addition, email correspondence with representatives of regulatory agencies, as described in Section 4.2 above, indicated no known violations of regulatory requirements. Additional checks as to the absence of timber harvest (and, thus, absence of opportunities for regulatory violations) are documented in Section 4.2 above.

The audit team confirms that two Attestations of Voluntary Implementation (one covering the period 1 January 2012 - 31 December 2012 and one covering the period 1 January 2013 - 31 December 2013), both dated 10 November 2014, have been posted on the Reserve website.

All of the attestation forms mentioned in this Section 4.9 were executed by James Erler, Forestry & Wildland Fire Director. In support of Mr. Erler's role as an "officer of the Project Developer legally authorized to bind the entity", the audit team was provided with evidence that the project developer's tribal council authorized, through vote of the council, Mr. Erler to "execute and deliver, as appropriate" the attestation forms mentioned in this Section 4.9. Therefore, the audit team agrees that Mr. Erler has been duly authorized to carry out the task.

The verification team reviewed a Project Implementation Agreement (PIA) identified as "FIRST AMENDMENT OF PROJECT IMPLEMENTATION AGREEMENT" ("CAR 1st Amdt – PIA 2015.03.15.pdf"), provided by the forest owner. The PIA is signed by the President of the Reserve and by the Yurok Tribe forest owner. Both signatures are witnessed by Notaries Public, whose stamps and signatures are included on the PIA. The PIA covers a term of the agreement between Yurok Tribe and the Reserve to the date 100 years from the recording date, 30 March 2015, as attested by the stamp of the Humboldt County Recorder.

5 Verification Opinion

The project developer has supplied all the evidence requested during the verification process to enable SCS to arrive at an opinion on the accuracy of the calculated and claimed emission reductions and removals. SCS has determined that the monitoring report and associated documents for the project are in conformance with the verification criteria.

The Lead Verifier recommends that SCS issue a positive verification opinion for 31,284 metric tonnes of CO₂e reductions and removals for the project over the 2012 reporting period and 29,731 metric tonnes of CO₂e reductions and removals for the project over the 2013 reporting period. With a mandatory buffer pool contribution of 4,943 CRTs for the 2012 reporting period and 4,698 CRTs for the 2013 reporting period, a balance of 26,341 and 25,033 CRTs should be issued to the project developer for the 2012 and 2013 reporting periods, respectively.