

APPLICATION FOR LISTING A U.S. FOREST OFFSET PROJECT

OPR Staff Use Only	Date Application Received:	OPR Tracking Number:	Date Application Reviewed:	OPR Staff Use Only
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PART I. ENTITY APPLYING FOR LISTING

Is this form being submitted by the Offset Project Operator (OPO) or by the Authorized Project Designee (APD)? Notes: 1. The person completing this form should be an OPO/APD employee. 2. If the APD is submitting this form, the OPO should submit the form Designation of Authorized Project Designee simultaneously.	☐ OPO ☒ APD
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Name of Person Completing Form: Jeff Cole	Organization, if applicable: Blue Source LLC	
Date Form Completed: February 2, 2013 (submitted 2/13, amended 3/7)	Phone Number: 415-637-5333	Email Address: jcole@bluesource.com

PART II. OFFSET PROJECT INFORMATION

Offset Project Name: Blue Source - Bishop Improved Forest Management Project		
Offset Project Commencement Date: Feb 13, 2013	First Reporting Period Start Date: Feb 13, 2013	First Reporting Period End Date: Aug 13, 2013
Forest Offset Project Type:	☐ Reforestation ☒ Improved Forest Management ☐ Avoided Conversion	

PART III. OPO/APD INFORMATION

Part III.A OPO			
OPO Name: Heartwood Forest Fund IV		OPO's CITSS ID#: CA1433	
Mailing Address: 1512 East Franklin	City: Chapel Hill	State: NC	Zip: 27514
Contact Person: Kaarsten Turner Dalby	Phone Number: 303-838-2512	Email Address: kaarsten@forestlandgroup.com	
Part III.B APD (if applicable) ☐ No APD/Not Applicable			
APD Name: Blue Source LLC		APD's CITSS ID#: CA1278	
Mailing Address: 1935 E. Vine Street	City: Murray	State: UT	Zip: 84121
Contact Person: Jeff Cole	Phone Number: 415-637-5333	Email Address: jcole@bluesource.com	

Part IV. LAND OWNERSHIP

1. Is the Offset Project Operator (OPO) the owner in fee for the offset project area? (See Part V.C for follow-up documentation or explanation.)	☒ Yes ☐ No
2. Does the offset project occur on public or private lands?	☒ Private ☐ Public
3. Does the offset project occur on any the following categories of land?	
a. Land that is owned by, or subject to, an ownership or possessory interest of a Tribe	a. ☐ Yes ☒ No
b. Land that is "Indian lands" of a Tribe, as defined by 25 U.S.C. §81(a)(1)	b. ☐ Yes ☒ No

c. Land that is owned by any person, entity, or Tribe, within the external borders of such Indian lands

c. ☐ Yes ☒ No

Part V. ATTACHMENTS FOR ALL U.S. FOREST LISTINGS

Part V.A Items Required for All Projects

On separate attached sheets of paper, provide the following:

1. A description of the management activities that will lead to increased carbon stocks in the Project Area, compared to the baseline.
 2. An explanation and justification of the offset project commencement date (provided in Part II). As part of the explanation, specify the action(s) that identify the offset project commencement date.
 3. A description of how the offset project meets (or will meet) the definition of "Natural Forest Management," including the following:
 - a. Composition of native species
 - b. Distribution of age classes / sustainable management
 - c. Structural elements (standing and lying dead wood)
- (Refer to section 3.8.2 of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011)
4. Descriptions and maps of the Project Area boundaries that include the following:
 - a. Governing jurisdictions, and latitude/longitude coordinates
 - b. Public and private roads (map)
 - c. Towns (map)
 - d. Major watercourses (4th order or greater), water bodies, and watershed description (map)
 - e. Topography (map)
 - f. Townships, ranges, and sections or latitude and longitude (map)
 - g. Existing land cover and land use (description with optional map)
 - h. Forest vegetation types (description with optional map)
 - i. Site classes (description with optional map)
 - j. Land pressures and climate zone/classification (description with optional map)
 - k. Historical land uses, current zoning, and projected land use within the project area
 - l. A georeferenced shape file (or other electronic file that can be read in a geographic information system) that clearly identifies the project area and boundaries. The file may constitute the required map if it includes the required map information list above.
 5. Identification of what assessment area or areas contain lands within the Project Area
 - a. Include how many acres of project lands fall within each assessment area
 - b. Include a value for total project area acreage
 6. General description of the forest conditions within the Project Area
 - a. Species (tree) composition
 - b. Age class distribution
 - c. Management history
 7. Indication of whether the project will employ a Qualified Conservation Easement. If so, include the date the Qualified Conservation Easement was or will be recorded, the terms that affect forest management within the easement, and provide a copy of the Qualified Conservation Easement to ARB.

Part V.B Required Items Deferrable for Reforestation Projects

All projects are required to submit the following items, but Reforestation projects may defer these items until the second site-visit verification. Please mark the box for each item being deferred.

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|--------------------------------|---|
| ☐ defer | 1. A description of the inventory methodology for each of the carbon pools included in the Forest Project's Offset Project Boundary. The inventory methodology must describe the information required in Appendix A.3 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011). |
| ☐ defer | 2. A description of the calculation methodologies for determining metric tons per acre for each of the carbon pools included in the Offset Project Data Report. |
| ☐ defer | 3. A modeling plan, following the requirements and methods in Appendix B, Section B.3. |
| ☐ defer | 4. A diagram of the final baseline incorporating all required carbon stocks. |
| ☐ defer | 5. A summary of the inventory of carbon stocks for each carbon pool. |
| ☐ defer | 6. A summary of inventory confidence statistics. |
| ☐ defer | 7. A description and estimate of the Forest Project's baseline onsite carbon stocks. Baseline onsite carbon stocks must be portrayed in a graph depicting time in the x-axis and metric tons CO ₂ e in the y-axis. The graph should be supported with written characterizations that explain any annual changes in the baseline carbon stocks over time. |
| ☐ defer | 8. An estimate of carbon that will be stored long-term in harvested wood products in the baseline. |
| ☐ defer | 9. Calculation of the offset project's reversal rating and contribution to the Forest Buffer |

	Account.
Part V.C Required for Some Projects (Conditional)	
On separate attached sheets of paper, provide the following items as required. If an item is not required, check the N/A (not applicable) box for that item.	
☐ N/A ☒ N/A ☒ N/A ☒ N/A ☒ N/A ☐ N/A	1. If the answer in Part IV.A was "yes," documentation (e.g., deed of trust, title report) showing the OPO's ownership interest in the property and its interest in the trees and standing timber on the property. 2. If the answer in Part IV.A was "no," explain how the entity identified as the OPO has the right to undertake and list the project and provide documentation supporting the explanation. 3. If the Forest Project is located on public land, a description and copies of the documentation demonstrating explicit approval of the offset project's management activities and baseline, including any public vetting processes necessary to evaluate management and policy decisions concerning the offset project. 4. A description and copies of documentation demonstrating that the land within the Project Area is owned by a tribe or private entities if the Forest Project is located on the any of the following: a. Land that is owned by, or subject to an ownership of possessory interest of a Tribe b. Land that is "Indian lands" of a Tribe, as defined by 25 U.S.C. §81(a)(1) c. Land that is owned by any person, entity, or Tribe, within the external borders of such Indian lands 5. A copy of the limited waiver of sovereign immunity between ARB and the governing body of the Tribe 6. If commercial harvesting is either planned or ongoing within the Project Area, a description of how the Forest Owner satisfies one of the three requirements for employing and demonstrating sustainable long-term harvesting practices on all of its forest landholdings. (Refer to section 3.8.1 of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011)
Part VI. ADDITIONAL ATTACHMENTS BY PROJECT TYPE	
Each of the project types requires some additional attached information for project listing. Provide the additional information as required.	
Part VI.A Required for Reforestation Projects	
On separate attached sheets of paper, provide the following:	
1. An explanation of how the Project Lands, at the time of offset project commencement, meets the eligibility requirements of (a) less than 10 percent tree canopy cover for a minimum of 10 years; or (b) subject to a significant disturbance that has removed at least 20 percent of the land's above-ground live biomass. The explanation should include why the forest was out of forest cover or a description of the disturbance if a natural significant disturbance occurred. 2. For a Reforestation Project that occurs on land that has undergone a recent Significant Disturbance, indicate the eligibility scenario pertaining to the project site as identified in Appendix E, or a description of how the Forest Project occurs on a type of land for which the Forest Owner has not historically engaged in or allowed timber harvesting. [☒ N/A] 3. A qualitative characterization of baseline conditions, including an assessment of the likely vegetative conditions and activities that would have occurred in the absence of the project, taking into consideration any laws, statutes, regulations, or other legal mandates that would encourage or require reforestation on the Project Area. The qualitative assessment shall include an assessment of the commercial value of trees within the project area over the next 30 years. 4. List any laws, statutes, regulations, or other legal mandates that would encourage or require reforestation on the project area. [☒ N/A]	
Part VI.B Required for Improved Forest Management Projects on Private Lands	
On separate attached sheets of paper, provide the following:	
1. Documentation that the Project Area has greater than 10 percent tree canopy cover. 2. A determination of how the Forest Project's initial standing live carbon stocks compare to Common Practice, as required in Section 6.2.1 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011). 3. If the Forest Project's initial standing live carbon stocks are below Common Practice, a determination of the "High Stocking Reference" for the Project Area. To determine the High Stocking Reference,	

changes in the Project Area's live-tree carbon stocks over the preceding 10 years must be documented. [☒ N/A]

- a. Include an affidavit testifying that the inventory depicted over the past 10 years is reasonably accurate.
 - b. Include a summary of volume harvested over the past 10 years.
4. Documentation of any and all legal constraints affecting forest management activities on the Project Area. The documentation of legal constraints must include:
- a. A description of each constraint (refer to Section 6.2.1.2 of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).
 - b. A narrative that describes the effect of the constraint on forest management.
 - c. A description of the modeling techniques used to simulate the effects of the constraint.
5. A demonstration that the growth and harvesting regime assumed for the baseline is financially feasible following the requirements of Section 6.2.1.3 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).

Part VI.C Required for Improved Forest Management Projects on Public Lands

On separate attached sheets of paper, provide the following:

1. Documentation demonstrating that the offset project takes place on land that has greater than 10 percent tree canopy cover.
2. A projection of future changes to Project Area forest carbon stocks by extrapolating from historical trends; and anticipating how current public policy will affect onsite carbon stocks per the requirements of Section 6.2.2 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).
3. An explanation of how current public policy will affect onsite carbon stocks and how, the baseline modeling incorporates constraints imposed by all applicable statutes, regulations, policies, plans, and Activity-Based Funding.

Part VI.D Required for Avoided Conversion Projects

On separate attached sheets of paper, provide the following:

1. Documentation demonstrating the planned or completed dedicating of the land in the Project Area to continuous forest cover through a Qualified Conservation Easement or transfer to public ownership.
2. Documentation demonstrating that the type of anticipated land use conversion is legally permissible per the requirements of Section 3.1.1.3 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).
3. A description of the Project Area was determined, following the requirements in Section 4 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).
4. A full copy of the appraisal that was prepared for the Project Area per the requirements of Section 3.2.1.3 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).
5. A description of the highest value alternative land use identified in the appraisal.
6. An estimate the rate of conversion and removal of onsite carbon stocks per the requirements in Section 6.3.1 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).
7. A comparison of the fair market value of the anticipated alternative land use for the Project Area per the requirements of Section 3.2.1.3 (of the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011).
8. Where the anticipated alternative land use is commercial, residential or agricultural use, indicate the maximum slope of the project area.
Maximum slope _____ or ☒ N/A
9. Where the anticipated alternative land use is mining, describe the extent of mineral resources existing in the Project Area.
10. Where the anticipated alternative land use is commercial, residential or recreational use, indicate:
 - a. The proximity of the Project Area to metropolitan areas;
 - b. The proximity of the Project Area to grocery and fuel services and accessibility of those services;
 - c. Population growth (people per year) within 180 miles of the Project Area.

PART VII. ADDITIONAL QUESTIONS

1. Have any GHG reductions or GHG removal enhancements associated with the Project Lands ever been listed or registered with, or otherwise claimed by, another registry or program, or sold to a third party prior to listing?	☐ Yes ☒ No
1.A. Have any lands within the Project Area ever been listed or registered with an offset project registry or program in the past?	☒ Yes ☐ No

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1.B. Have GHG emission reductions or GHG removal enhancements associated with lands within the Project Area been credited or claimed for the purpose of GHG mitigation or reduction goals, whether in a voluntary or regulatory context?				☐ Yes ☒ No		
If yes to any of the three questions above, identify the registry or program (vintage and Reporting Period(s)) below:						
Registry/Program: CAR/FPP 3.2 project (listed, never verified/registered)		Reporting Period(s): None		Vintage(s): None		
Credits Issued: None						
2. Is this offset project being implemented and conducted as the result of any law, statute, regulation, court order, or other legally binding mandate?				☐ Yes ☒ No		
If yes, explain. N/A						
3. Does this offset project employ broadcast fertilization?				☐ Yes ☒ No		
Part VIII. ATTESTATIONS AND OPO/APD SIGNATURE						
 Initial	I certify under penalty of perjury under the laws of the State of California the GHG reductions and/or GHG removal enhancements for					
	Project Name: Blue Source - Bishop Improved Forest Management Project		from	Crediting Period Start Date: Feb 13, 2013	to	Crediting Period End Date: Feb 13, 2038
	will be measured in accordance with the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011, and all information required to be submitted to ARB is true, accurate, and complete.					
 Initial	I understand I am voluntarily participating in the California Greenhouse Gas Cap-and-Trade Program under title 17, article 5, and by doing so, I am now subject to all regulatory requirements and enforcement mechanisms of this program and subject myself to the jurisdiction of California as the exclusive venue to resolve any and all disputes arising from the enforcement of provisions in this article.					
 Initial	I understand that the offset project activity and implementation of the offset project must be in accordance with all applicable local, regional, and national environmental and health and safety laws that apply to the offset project location. I understand that offset projects are not eligible to receive ARB or registry offset credits for GHG reductions and GHG removal enhancements that are not in compliance with the requirements of this Article.					
In signing this form, I certify under penalty of perjury of the laws of California that the information contained in this form is true, accurate and complete. I further certify that I am duly authorized to represent and legally bind the Offset Project Operator (OPO) or Authorized Project Designee (APD) on all matters related to this form.						
SIGNATURE: 			PRINTED NAME: Kevin Townsend on behalf of Blue Source			
TITLE: Chief Commercial Officer			DATE: March 8, 2013			

Background for Application of Listing a U.S. Forest Offset Project

Section 95975 of the Cap-and-Trade Regulation describes the requirements and process for an Offset Project Operator (OPO) or Authorized Project Designee (APD) to list an offset project with an approved Offset Project Registry. This form is designed to help an OPO or APD fulfill the requirements of Section 95975 for listing an offset project. The information in the completed form should be submitted to the approved Offset Project Registry with which the OPO or APD would like their offset project listed.

Where to Submit Information Contained in This Form

Please complete the information on the form using your computer. Then either add an electronic signature to the form or print, sign, and scan the form. The completed and signed information and all supporting documentation should be submitted to the American Carbon Registry via the registry system.

This form is also available from the ARB website at:

<http://www.arb.ca.gov/cc/capandtrade/offsets/forms/forms.htm>

Detailed Instructions for Application for Listing a U.S. Forest Offset Project

Part I. Entity Applying for Listing:

- Indicate whether the Offset Project Operator (OPO) or Authorized Project Designee (APD) is submitting the information for project listing. Section 95975(a) of the Cap-and-Trade Regulation requires that the OPO and, if applicable, the APD must register with ARB for the Cap-and-Trade Program prior to listing a project. It also requires that neither the OPO nor APD is subject to any Holding Account restrictions imposed as part of an enforcement action. To register with ARB, please visit the website for Compliance Instrument Tracking System Services (CITSS): <https://www.wci-citss.org/>
- List the name, organization, phone number, and email address of the person submitting the information. This person should be an employee of the OPO or APD, whichever entity is making the submission. The person submitting the information need not be the same person as the contact person listed for the OPO or APD in Part III and also need not be the person signing the form in Part VIII.
- The person submitting the information should indicate the date the form is completed.

Part II. Offset Project Information:

- Provide the name for the offset project. Indicate the offset project commencement date and the start and end dates of the first reporting period; approximations are acceptable if precise dates are unknown.

Part III. OPO/APD Information:

- Enter contact information for the OPO and APD requesting the offset project listing. Every offset project will have an OPO. If an offset project does not have an APD, please mark the box indicating the Offset Project does not have an APD and leave the remaining fields blank.
- For both the OPO and, if applicable, the APD, enter the entity's name, its CITSS ID number, its mailing address, and the name, phone number, and e-mail address of a contact person for the entity. The CITSS ID number has six digits. The first two digits are letters followed by four numbers.

Part IV. Land Ownership:

- This part includes five questions regarding land ownership. Answer all five questions.
- Further documentation based on the responses here is required in Part V.C

Part V. Attachments for All U.S. Forest Listings:

- The Compliance Offset Protocol U.S. Forest Project, October 20, 2011, requires numerous attachments. To aid with tracking each attachment, it is recommended that the header for each attachment include the item number (e.g., "Attachment for Part V.B.3").
- When a requirement is not applicable to the project being listed, please select the N/A (Not Applicable) checkbox next to the requirement so that it is clear that the documentation was not inadvertently left out.
- All projects must provide all 7 items listed in Part V.A.

**Submit the information in this form to
the American Carbon Registry**

- All projects must provide all 9 items listed in Part V.B. except for reforestation projects which may defer providing these until the second on-site verification. Reforestation projects must check the corresponding box for each item where a submission is being deferred.
- Based on the answers in Part IV provide the required documents in Part V.C. If the information is not required for the project type being listed, select the not applicable ("N/A") checkbox.
- For Part V.C.5 if a waiver of sovereign immunity is a prerequisite to listing it must meet the requirement of the regulation found in section 95975(I).
- For Part V.C.6 if there is expected to be a decrease in standing live carbon stocks over a ten-year period due to planned balancing of age classes or normal silviculture cycles for forest ownership less than 1000 acres there are additional requirements that should be submitted with the listing documents that can be found in section 3.8.3 of the Compliance Offset Protocol U.S. Forest Projects.
- Part V.C.7 requires documentation submitted to ARB. It is recommended that the documentation be provided to the Offset Project Registry at the time of project listing. Prior to issuance of ARB offset credits, the project listing information must be submitted by the OPO or APD to ARB. At that time, providing a copy of all documentation required for project listing will suffice the requirement to provide ARB with the documentation required in part V.C.7.

Part VI. Additional Attachments by Project Type:

- The Compliance Offset Protocol U.S. Forest Projects, October 20, 2011 has requirements specific to each forest project type (i.e., reforestation, improved forest management, avoided conversion). Only one of the sections within this part will be applicable to any given project. Provide all the documentation required based on the project type in Part VI.A, Part VI.B, Part VI.C, or Part VI.D consistent with the information provided in Part II about the offset project type and in Part IV.B about whether an Improved Forest Management Project is on private or public lands.
- As with Part V, in Part VI it is recommended that the header for each attachment include the item number (e.g., "Attachment for Part VI.C.2").
- When a requirement is not applicable to the project being listed, please select the N/A (Not Applicable) checkbox next to the requirement so that it is clear that the documentation was not inadvertently omitted.

Part VII. Additional Questions:

- This part includes several questions required by the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011 for all projects.
- If the answer to question 1 or any of its subparts is "yes," further details on the reductions claimed and/or credits that have been issued must be provided.
- If the answer for the question in Part VII.2 is "yes," provide an explanation.
- In Part VII.3, answer whether the offset project seeking listing employs broadcast fertilization.

Part VIII. Attestations and OPO/APD Signature:

- Section 95975(c) of the Cap-and-Trade Regulation requires three attestations for listing an offset project. The required attestations are provided in this section. Each attestation should be initialed by the person signing the form.
- The first attestation requires the applicant to provide the offset project name and the start and end dates of the crediting period to complete the statement. The offset project name should match the name entered in Part II. The dates for the offset project's crediting period must also be provided. Please note that the dates provided in the attestation are for the crediting period, not for the first Reporting Period provided in Part II. The crediting period dates may be approximate if precise dates are not known.
- The attestations must be submitted to ARB but need not be submitted to ARB until requesting issuance of ARB offset credits. A request for issuance of ARB offset credits requires a copy of the offset project listing information, and providing the attestations on this form will satisfy the regulatory requirement.
- The individual signing this document should be an official from the OPO or APD who is authorized to sign a legally binding document. Please provide the person's signature, printed name, title, and date signed.

**Submit the information in this form to
the American Carbon Registry**