

VERIFICATION REPORT

American Carbon Registry

Bluesource – Shafer-Tuuk Improved Forest Management Project

Reporting Period:

30 March 2019 to 29 March 2020

Prepared for:

Bluesource LLC

11 November 2020



AMERICAN CARBON REGISTRY

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Executive Summary

This report describes the verification services provided for the Bluesource – Shafer-Tuuk Improved Forest Management Project (“the project”), located in the Cumberland Plateau of eastern Tennessee, that was conducted by SCS Global Services. The overall goal of the verification engagement was to review impartially objectively the claimed GHG emission reductions/removal enhancements, claimed by the project proponent, the Shafer-Tuuk Tree Farm LLC, for the reporting periods from 30 March 2019 to 29 March 2020 against relevant ACR standards and the approved methodology. The verification engagement was carried out through a combination of document review, interviews with relevant personnel and on-site inspections. As part of the verification engagement 7 findings were raised: 3 Non-Conformity Reports, 4 New Information Requests and 0 Observation. These findings are described in Appendix A of this report. The project complies with the verification criteria, and SCS holds no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

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1 Introduction

1.1 About SCS Global Services

SCS Global Services (SCS) is a global leader in third-party certification, auditing, testing services, and standards. Established as an independent third-party certification firm in 1984, our goal is to recognize the highest levels of performance in environmental protection and social responsibility in the private and public sectors, and to stimulate continuous improvement in sustainable development. In 2012, Scientific Certification Systems, Inc. began doing business as SCS Global Services, communicating its global position with offices and representatives in over 20 countries.

SCS' Greenhouse Gas (GHG) Verification Program has been verifying carbon offsets since 2008 and to date has verified over 250 million tonnes of CO₂e, providing GHG verification services to a wide array of industries including manufacturing, transportation, municipalities, and non-profit organizations. The GHG Verification Program draws upon SCS's established expertise to serve the global carbon market.

1.2 Objectives

The overall goal of third-party verification was to review impartially and objectively the claimed GHG emission reductions/removal enhancements against relevant ACR standards and the approved methodology. SCS independently evaluated the GHG assertion, based on supporting evidence and GHG verification best practice. The objectives of verification were to evaluate

- Reported GHG baseline, project emissions and emission reductions/removal enhancements, leakage assessment, and impermanence risk assessment and mitigation (if applicable).
- Any significant changes to the project procedures or criteria since the last verification.
- Any significant changes in the GHG project's baseline emissions and emission reductions/removal enhancements since the last verification.

SCS reviewed the GHG project plan, GHG assertion, and any additional relevant documentation provided by the client to determine

- That the reported emissions reductions and/or removal enhancements are real.
- Degree of confidence in and completeness of the GHG assertion.
- That project implementation was consistent with the GHG project plan.
- Eligibility for registration on ACR.
- Sources and magnitude of potential errors, omissions, and misrepresentations, including the
 - Inherent risk of material misstatement.
 - Risk that the existing controls of the GHG project would not have prevented or detected a material misstatement.

1.3 Scope

Verification included examination of some or all of the following elements of the GHG project plan:

- Physical infrastructure, activities, technologies, and processes of the GHG project
- GHG SSRs within the project boundary
- Temporal boundary
- Baseline scenarios
- Methods and calculations used to generate estimates of emissions and emission reductions/removal enhancements
- Original underlying data and documentation as relevant and required to evaluate the GHG assertion
- Process information, source identification/counts, and operational details
- Data management systems
- Roles and responsibilities of project participants or client staff
- QA/QC procedures and results
- Processes for and results from uncertainty assessments
- Project-specific conformance to ACR eligibility criteria

SCS examined the reported data, quantification methodologies, calculation spread-sheets or databases, source data, project data management systems, data quality controls in place, measurement and monitoring systems, and records pertaining to emissions quantification. Calculation and error checks, interviews with project participants, an iterative risk assessment, sampling plan, and audit checklist were performed to the extent necessary for SCS to develop an understanding of how data are collected, handled, and stored for a specific project.

1.4 Verification Criteria

The verification criteria were comprised of the following:

- American Carbon Registry Standard, Version 5.0
- Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands, Version 1.2 (“the methodology”)

1.5 Level of Assurance

The level of assurance was reasonable.

1.6 Treatment of Materiality

For verification purposes, it was required that discrepancies between the emission reductions/removal enhancements claimed by the project proponent and estimated by SCS be immaterial, i.e. be less than ACR's materiality threshold of $\pm 5\%$, as calculated according to the equation in the ACR Standard.

1.7 Summary Description of the Project

The project consists of 3,093 acres of forestland located in eastern Tennessee and is aimed at maintaining forest carbon stocks and the long-term conservation and sustainable management of the forest which will promote healthy wildlife habitat. To achieve this, the Shafer-Tuuk Tree Farm, LLC has put in place a conservation easement with The Nature Conservancy and plans to continue timber harvests on the property that are below net annual growth.

2 Assessment Process

2.1 Method and Criteria

The verification services were provided through a combination of document review, interviews with relevant personnel, as discussed in Sections 2.2 through 2.4 of this report. At all times, an assessment was made for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5 of this report, findings were issued to ensure conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan template developed by SCS. The audit team identified areas of "residual risk"—those areas where there existed risk of a material misstatement (see Section 1.6 above) that was not prevented or detected by the controls of the project. Sampling and data testing activities were planned to address areas of residual risk. The audit team then created a verification plan that took the sampling plan into account.

2.2 Document Review

The monitoring report (dated 10 November 2020; "MR") were carefully reviewed for conformance to the verification criteria. The following provides a list of additional documentation, provided by project personnel in support of the aforementioned documents, that was reviewed by the audit team.

Documentation Reviewed During the Course of Verification Activities		
Document	File Name	Ref.
Monitoring Report	Tuuk_RP3_MonitoringReport_11_10_2020.pdf	1
GHG Plan	ShaferTuuk_GHG_Plan_11_27_18.pdf	2
2020 project attestation	Tuuk_Annual-Project_Attestation_2020.pdf	3
Regulatory compliance attestation	Tuuk_Regulatory_Compliance_Attestation_2020.pdf	4

ACR Terms of Use agreement	Tuuk_acr-terms-of-use-june-2015_corporate signature.pdf	5
Authorization letter	Tuuk_Authorization_Letter_2020.pdf	6
Conservation easement	Shafer-Tuuk Conservation Easement FINAL RECORDED.pdf	7
FSC documentation	The Nature Conservancy FSC CoC cert IN-2018-1.pdf	8
FSC documentation	TNC FSC FM reassess 18 (1).pdf	9
Project boundary	Tuuk_Boundary_11_11_19.shp	10
Project plots	TuukPlots_3_9_17.shp	11
Harvest shapefile	RP3_RustedLanternHarvest_05_11_2020.shp	12
Harvest shapefile	RP3_PassCoveHarvest_05_11_2020.shp	13
Harvest map	Tuuk_2018_Road_Projects_Map.pdf	14
Harvest question - email	RE Shafer-Tuuk Harvest Question.pdf	15
Harvest question - email	RE Shafer-Tuuk Improved Forest Management Project.oi	16
Harvest records	Volume Removed During RP3.pdf	17
Harvest records	Tuuk_Additional Loads 2019.pdf	18
Harvest records	2018 Marked Sale Timber Sum 03172018.pdf	19
Calculations workbook	Tuuk_RP3_ERT_HWP_09_02_2020.xlsx	20
Calculations workbook	Tuuk_Start_RP3_CO2_05_29_2020.xlsx	21

2.3 Interviews

2.3.1 Interviews of Project Personnel

The process used in interviewing project personnel was a process wherein the audit team elicited information from project personnel regarding (1) the work products provided to the audit team in support of the MR; (2) actions undertaken to ensure conformance with various requirements and (3) implementation status of the project activities. The following provides a list of personnel associated with the project proponent who were interviewed.

Interview Log: Individuals Associated with Project Proponent			
Individual	Affiliation	Role	Date(s) Interviewed
Megan McKinley	Throughout audit	Carbon Project Manager	Throughout audit

2.3.2 Interviews of Other Individuals

The process used in interviewing individuals other than project personnel was a process wherein the audit team made inquiries to confirm the validity of the information provided to the audit team. The

following personnel not associated with the project proponent. The following provides a list of individuals not associated with the project proponent who were interviewed.

Interview Log: Individuals Not Associated with Project Proponent			
Individual	Affiliation	Role	Date(s) Interviewed
Jake Almond	American Forest Management, Inc	Forester	24 July 2020
Dillion Alley	American Forest Management, Inc	Forester	24 July 2020
Shannon Gann	TN Department of Agriculture	County Forester	27 July 2020

2.4 Site Inspections

No on-site inspections were conducted as part of the verification services.

2.5 Resolution of Findings

Any potential or actual discrepancies identified during the audit process were resolved through the issuance of findings. The types of findings typically issued by SCS during this type of verification engagement are characterized as follows:

- **Non-Conformity Report (NCR):** An NCR signified a discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement.
- **New Information Request (NIR):** An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a verification statement.
- **Observation (OBS):** An OBS indicates an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan are not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary.

As part of the audit process, 3 NCR, 4 NIRs and 0 OBS were issued. All findings issued by the audit team during the audit process have been closed. All findings issued during the audit process, and the impetus for the closure of each such finding, are described in Appendix A of this report.

2.6 Techniques and Processes Used to Test the GHG Information and GHG Assertion

The audit team applied various techniques and processes to test the GHG information and the GHG assertion over the course of the audit, listed below:

- Review of project documentation including the GHG Plan (Ref. 2), MR (Ref. 1), ownership documentation (Ref. 7), spatial information (Refs. 10-11), certification documentation (Refs. 8-9) and calculation workbooks (Refs. 20-21) to check for project-specific conformance to ACR standard and methodology, appropriateness of methodologies and tools applied, accuracy of GHG information and assertion
- Assessment of any disturbances or forest management activities, including review of timber harvests and harvest removal records, that took place in the project area during the reporting period (Refs. 11-19).
- A review project scenarios.
- Review of the sources, sinks and reservoirs of GHG emissions within the project boundary.
- Assessment of eligibility, additionality, GHG emission reduction assertion and underlying monitoring data to determine if either contained material or immaterial misstatements.
- Assessment of the emission reduction calculation inputs and procedures was performed to review the quantitative analyses undertaken by Bluesource to convert the raw inventory data into emission reduction estimates during the reporting period (Refs. 20-21). This included a re-calculation of project emissions, ERTs, and uncertainty using inventory data as described below in section 3.1 and 3.2.
- Communicate with project personnel and project proponent via interviews, emails, and meetings to gain a better understanding of the project team's methodologies.
- Examine the data management and quality control processes and its controls for sources of potential errors and omissions.
- Review of project documentation including risk assessment and regulatory compliance (Ref. 4).

3 Verification Findings

3.1 Results of Quantitative Uncertainty Assessment

SCS devoted a portion of the verification assessment to the review of the manner and propriety by which the project proponent quantified uncertainty associated with the individual GHGs in the project, in addition to the uncertainty of the calculation of GHG emission reductions and removals.

The audit team also calculated the total materiality of the GHG reduction and removal assertion.

3.1.1 Project Uncertainty

The reported total Project Uncertainty (UNC_t) value of 7.23% value reported by the client for 2019 was independently re-quantified by SCS using equation 19 in the methodology. The audit team found this difference reasonable and immaterial.

	SCS Values	Client Values	Difference
Year	UNC _t	UNC _t	
2019	7.19%	7.23%	-0.03%

Note: final numbers are rounded for simplicity.

3.1.2 Materiality

The total materiality of the GHG reduction and removal assertion was also calculated for the reporting period.

$$\% \text{ Error} = \frac{(\text{Project Emission Reduction Assertion} - \text{Verifier Emission Reduction Recalculation})}{\text{Verifier Emission Reduction Recalculation}} * 100$$

$$\% \text{ Error} = \frac{(53,854 - 53,853)}{53,853} * 100 = \frac{1}{53,853} * 100 = 0.002\%$$

3.2 Analysis of the Quantification Methodologies and Applicable Data Sets and Sources

The audit team re-quantified project emissions, emissions reductions, and project uncertainty from the raw inventory data provided by the client. This process entailed verifying that the methods detailed in the MR were applied as indicated. The team confirmed that the emissions reduction by conducting the following analysis:

- Calculate the end of reporting period diameter of individual trees from the raw inventory by adding three seasons of growth.
- Recalculate the live aboveground, live belowground, and standing dead carbon pools using Jenkins equations and decay class information.
- Calculate the change in project carbon stock stored in above and below ground live trees using equation 11 in the methodology
- Calculate the change in project carbon stock stored in above ground dead trees using equation 12 in the methodology

- Calculate any greenhouse gas emission resulting from the implementation of the project in the reporting period using equation 13 in the methodology
- Calculate the change in the project carbon stock and GHG emissions during the reporting period using equation 14 in the methodology.
- Calculate the percentage uncertainty in the combined carbon stocks in the project during the reporting period using equation 18 in the methodology
- Calculate the total project uncertainty (percentage) during the reporting period using equation 19 in the methodology.
- Calculate the net greenhouse gas emission reductions (in metric tons CO₂e) during the reporting period and during each annual vintage using equation 20 in the methodology.

3.3 Basis of Data and Information Supporting the GHG Assertion

The following table indicates whether the data and information supporting the GHG assertion were based on assumptions and industry defaults, future projections, and/or actual historical records.

Assumptions and Industry Defaults	<input type="checkbox"/>
Future Projections	<input checked="" type="checkbox"/>
Actual Historical Records	<input checked="" type="checkbox"/>

3.4 Leakage Assessment

Section E3 of the GHG Plan states: “All forestlands owned by Shafer-Tuuk Tree Farm, LLC have been certified by the Forest Stewardship Council (FSC). To prevent activity-shifting leakage, Shafer-Tuuk Tree Farm, LLC will not conduct harvests on other lands under its ownership that would offset the harvest reductions attributable to the project. Therefore, leakage is limited to market leakage. We conservatively assume market leakage of 40%.” The audit team has also confirmed that the Shafer-Tuuk Tree Farm, LLC holds FSC certification.

SCS confirmed that the applicable market leakage factor of 0.4 was applied.

3.5 Risk Assessment

The reported value of the total risk score, as determined based on the risk analysis documented in the PP and MR, was 16%. The audit team performed a complete review of the risk assessment against the requirements of the ACR Tool for Risk Analysis and Buffer Determination. The audit team concludes that the assignment of risk scores is appropriate and in conformance to the ACR Tool for Risk Analysis and Buffer Determination. A more detailed review of the audit team’s conclusions may be found below.

Actions Undertaken to Evaluate Whether the Risk Assessment Has Been Conducted Correctly		
Risk Category	Value Selected	Verification Activities
A	4%	Confirmation, through independent review of documentation, that project is not located on public or tribal lands
B	4%	Confirmation, through independent review of documentation, that project is not located on public or tribal lands
C	2%	Confirmation, through independent review of documentation, that the project is not located outside the United States
D	-2%	Confirmation, through independent review of documentation, that the project area is covered under a conservation easement
E	2%	Confirmation, through independent review of documentation, that project is located in low fire risk region.
F	4%	Confirmation, through independent review of documentation, that epidemic disease or infestation is not present within the project areas, or within a 30 mile radius of the project area.
G	0%	Confirmation, through independent review of documentation, that project is not a wetland project or a forest project where more than 60% of the project area is not a forested wetland.
H	2%	Confirmation that default value has been applied in the risk assessment calculation.

4 Conclusion

The audit team asserts, with no qualifications or limitations, that the quantification of GHG emission reductions and/or removal enhancements, as reported in the MR, conforms to the verification criteria and is without material discrepancy.

On the basis of the information made available SCS and the analyses completed during the verification, SCS was able to reach a positive opinion, with a reasonable level of assurance, that the emission reductions represented by the Project Proponent, The Nature Conservancy, during the reporting periods from 30 March 2019 to 29 March 2020 are free from material misstatement and in conformance with the assessment criteria.



The following provides a summary of the ERT issuance for the current Reporting Period with the Leakage deduction included and the Buffer deductions excluded (Gross ERTs):

Annual Emission Reduction in Metric Tons (tCO ₂ e)				
Reporting Period	Vintage	Start Date	End Date	Gross GHG Emission Reductions (tCO ₂ e)
3	2019	30 March 2019	31 December 2019	48,522
3	2020	1 January 2020	29 March 2020	15,590
TOTAL				64,112

The following provides a summary of the ERT issuance for the current Reporting Period with the Leakage and the Buffer deduction included (Buffer credits shown separately):

Annual Emission Reduction in Metric Tons (tCO ₂ e)					
Reporting Period	Vintage	Start Date	End Date	Net GHG Emission Reductions (tCO ₂ e)	Quantity of Buffer Credits (tCO ₂ e)
3	2019	30 March 2019	31 December 2019	40,758	7,764
3	2020	1 January 2020	29 March 2020	13,096	2,494
TOTAL				53,854	10,258

Note: final numbers are rounded for simplicity.

Lead Auditor Approval	 Alexa Dugan, 11 November 2020
Internal Reviewer Approval	 Michael Hoe, 11 November 2020

Appendix A: List of Findings

Please see Section 2.5 above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Project Personnel Response” is a verbatim transcription of responses provided to the findings by project personnel.

NIR 1 Dated 24 Jul 2020

Standard Reference: ACR Standard version 5.0

Document Reference: Tuuk_RP3_ERT_HWP_05_29_2020.xlsx

Finding: The ACR principle of transparency states "Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used."

The workbook Tuuk_RP3_ERT_HWP_05_29_2020.xlsx, sheet "HWP Market Sale", rows 32-37 indicates that harvesting occurred during a sale titled "Road/Storm." A shapefile indicating where these harvests have taken place was not provided. Information regarding the area harvested and the location of these harvests was not provided. To verify all harvested areas, the audit team requests additional information regarding the Road/Storm harvest.

Project Personnel Response: Storm damaged trees were harvested within the boundary of the harvest for the PassCove timber sale. A map of where trees were salvaged as part of a new road construction has been provided.

Auditor Response: The audit team reviewed the map provided (Tuuk_2018_Road_Projects_Map.pdf) as well as the email clarification (RE Shafer-Tuuk Harvest Question.pdf). However, the audit team is not able to confirm that the road/storm harvests occurred within the boundary of the project area. The Map (Tuuk_2018_Road_Projects_Map.pdf) shows that the trees were salvaged as part of new road construction. The audit team confirmed with the use of aerial imagery in Google Earth that the new road was in fact constructed during this reporting period. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA

NCR 2 Dated 24 Jul 2020**Standard Reference:** ACR Standard version 5.0**Document Reference:** Tuuk_RP3_ERT_HWP_05_29_2020.xlsx;
Tuuk_RP3_MonitoringReport_06_09_2020.pdf**Finding:** ACR is now requiring that all Projects report ERTs by Vintage Year and a formal Errata and Clarification will be issued for IFM Methodology. To calculate the vintages, it requires determining the proportion of the reporting period in each calendar year. This is carried out in the ERT workbook, sheet ACR_IFM_ERT_Reporting. However, the calendar year 2018 (cell F7) and the end of reporting period 1 date (cell F8) is used to determine the proportion of the reporting report. The number of days in a year can vary by year. For instance, 2020 is a leap year. Therefore by using 2018, the vintage allocation is not accurately represented.**Project Personnel Response:** The ERT workbook, sheet ACR_IFM_ERT_Reporting, has been updated to reflect the proportion of the reporting period in each calendar year, including the appropriate number of days in leap years.**Auditor Response:** The audit team reviewed the updated ERT workbook (dated 07292020), however we did not observe any changes to the number of days used in the vintage calculation. For instance, the number of days in 2020 that occurred in the reporting period is still listed as 87 days.**Project Personnel Response 2:****Auditor Response 2:** This finding has been closed outside the cover of this workbook. The Monitoring Report and ERT workbook (dated 09-02-2020) have been updated to include the correct number of days for each vintage period.**Bearing on Material Misstatement or Conformance (M/C/NA):** NA

NIR 3 Dated 24 Jul 2020**Standard Reference:** ACR Standard version 5.0**Document Reference:** Tuuk_Start_RP3_CO2_05_29_2020.xlsx;
Tuuk_RP3_MonitoringReport_06_09_2020.pdf**Finding:** The core GHG accounting principle of consistency states "Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time."

Section 5.2 of the Monitoring Report indicates that "The projection was developed by deriving individual live tree annual diameter growth rates from one 10-year cycle model run of FVS-SN with no management (reflecting the lack of timber harvest or other forest management activities occurring in the actual case during the monitoring period)." The subsequent steps listed in that section further indicate a 10-year interval. For example "For each live tree (ascribed a unique identifier), annual diameter growth was derived assuming linear growth during the 10-year projection interval (i.e. for dbh, annual growth calculated as dbh at end of 10-year interval minus dbh at beginning of 10-year interval, reported in the FVS Treelist output, divided by 10)." However, the calculations workbook (Start_RP3_CO2...xlsx, sheet InvDate, cell J5) indicates a 5-year time step in the growth simulation.

The audit team requests clarification on the interval of growth rate modeling that was carried out for this project.

Project Personnel Response: Section 6.2 of the monitoring report has been updated to indicate the correct 5-year projection intervals used in the modeling of this project.

Auditor Response: The audit team reviewed the updated monitoring report dated 07282020 and verified that it has been updated to indicate a 5-year project interval. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA

NIR 4 Dated 24 Jul 2020

Standard Reference: ACR Standard version 5.0

Document Reference: Tuuk_RP3_ERT_HWP_05_29_2020.xlsx;
Tuuk_RP3_MonitoringReport_06_09_2020.pdf

Finding: The core GHG accounting principle of consistency states "Enable meaningful comparisons in GHG-related information. Use consistent methodologies for meaningful comparisons of emissions over time."

Section 5.2 of the Monitoring Report states that "Estimated total stock in live and dead trees in March 2020, grown from the inventory data, is 13,572 CO₂ (=Δ2019-2018Live Tree CO₂ Project + Δ2019-2018Standing Dead CO₂ Project + HWP Project). However, the ERTs workbook along with section 5.5 of the Monitoring Report shows a total live and dead carbon stock of 13,576 tonnes CO₂. The audit team requests clarity on which reported carbon stock is accurate.

Project Personnel Response: The value of 13,572 CO₂ was erroneously reported. Section 6.2 of the Monitoring Report has been updated to state that "Estimated total stock in live and dead trees in March 2020, grown from the inventory data, is 13,576 CO₂..."

Auditor Response: The audit team reviewed the updated monitoring report dated 07282020 and verified that it has been updated with the dead tree C stock of 13,576 tCO₂e which matches the ERT workbook and calculations. This finding has been closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA

NCR 5 Dated 24 Jul 2020

Standard Reference: ACR Standard version 5.0

Document Reference: Tuuk_RP3_MonitoringReport_06_09_2020.pdf;
ShaferTuuk_GHG_Plan_11_27_18.pdf

Finding: Section 6.E of the ACR standard states that "Changes to validated GHG Project Plans are not permitted. Instead, project-specific deviations from methodology requirements or other changes from the validated GHG Project Plan (e.g., new GHG sources, sinks, or reservoirs) must be described in a Project Monitoring Report—as well as all subsequent Project Monitoring Reports—and submitted during the project's subsequent verification."

The GHG Plan, section A5.1. indicates that "The Bluesource – Shafer-Tuuk Improved Forest Management Project is located on 3,111 acres of northern hardwoods, mixed hardwoods, cove forest and oak-hickory forest in the Eastern Cumberland Plateau of Tennessee." However, this project area was updated during RP2 to 3,093 acres. While the RP3 monitoring report (Section 3.1) states "The Bluesource - Shafer-Tuuk Improved Forest Management Project is located on 3,093 acres of northern hardwoods and oak-hickory forest in the Cumberland Plateau of eastern Tennessee" the change in the project area since the validated GHG Project Plan is not documented in section 3.3 of the monitoring report.

Project Personnel Response: The deviation of acres in the project boundary reported in the GHG plan from subsequent monitoring reports is now reflected in Section 3.3 of the monitoring report.

Auditor Response: The audit team confirmed that this area deviation is now included in the updated monitoring report dated 07282020

Bearing on Material Misstatement or Conformance (M/C/NA): C

NIR 6 Dated 24 Jul 2020**Standard Reference:** ACR Standard version 5.0**Document Reference:** Tuuk_Signed_Attestations_2020.pdf

Finding: Section 8.B of the ACR Standard states "In their Annual Attestations to ACR, Project Proponents shall disclose any negative environmental or community impacts or claims of negative environmental and community impacts and the appropriate mitigation measure." The Attestation is required to continue crediting." Furthermore, Table 2 of the ACR standard indicates that "Project Proponents are required to provide a regulatory compliance attestation to a verification body at each verification."

The attestation pdf provided only shows the last 3 pages, which shows the signature of the project proponent. Although the document provided shows a signature of the project proponent, it is unclear what the project proponent has signed and if this pertains to both the regulatory compliance attestation and the annual attestation. Please provide complete attestation(s).

Project Personnel Response: Complete attestations have been provided. Tuuk_acr-terms-of-use-june-2015_corporate signature.pdf; Tuuk_Annual-Project_Attestation_2020.pdf; Tuuk_Regulatory_Compliance_Attestation_2020.pdf; Tuuk_Authorization_Letter.pdf

Auditor Response: Audit team reviewed all attestation and confirmed they are complete. This finding has been closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C

NCR 7 Dated 2 Sep 2020**Standard Reference:** ACR Standard version 5.0

Document Reference: Tuuk_RP3_ERT_HWP_09_01_2020.xlsx;
Tuuk_RP3_MonitoringReport_09_01_2020.pdf

Finding: Section 2.B.4 of the standard states:

"The following rules shall be applied when reporting emissions data to ACR for offset issuance:
- Claimed emissions reductions shall be rounded down to the nearest whole number; and
- Calculated Buffer Pool contributions shall be rounded up to the nearest whole number."

In the ERT workbook, the buffer pool credits were rounded to the nearest whole number, which results in them being rounded down to 10,257 rather than up to 10,258. Likewise, the ERTs are not rounded down.

Project Personnel Response:

Auditor Response: This finding was closed outside the cover of this workbook. An updated ERT workbook and Monitoring Report (dated 9-2-2020) shows that the buffer credits were correctly rounded up to 10,258 and the ERTs were correctly rounded down to 53,854. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): C