



Verification Report

ACR114 GreenTrees ACRE (Advanced Carbon Restored Ecosystem)

June 22, 2018

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1 INTRODUCTION

GreenTrees, LLC (GreenTrees) contracted with Ruby Canyon Engineering, Inc. (RCE) to perform the verification of the ACR114 GreenTrees ACRE (Advanced Carbon Restored Ecosystem) project (Project) for the reporting period of January 1, 2016 through December 31, 2017 under the American Carbon Registry (ACR) program. The goal of the verification is to ensure that the GHG assertion is materially correct, that the data provided to RCE is well documented and that if GreenTrees has made any material errors, that these errors be corrected.

1.1 PROJECT BACKGROUND

The GreenTrees ACRE Project is a programmatic afforestation/reforestation project (A/R). Project lands are located within the Mississippi Alluvial Valley (MAV) in the US Forest Service south Central and Southeast Regions. The project uses site preparation and tree planting to establish trees on lands that had previously been used for agriculture.

1.2 CONTACT INFORMATION

Project Developer

GreenTrees, LLC
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Verification Body

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Zach Eyler, Vice President
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Verification Body Technical Support

Forester's Co-Op (FCO)
415 Colfax Avenue
Grass Valley, CA 95945
(530) 273-8326
Tom Amesbury, Principal Forester
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1.3 VERIFICATION TEAM

Lead Verifier: Zach Eyler

Team Members: Phillip Cunningham, Tom Amesbury (FCO), Connor Williams (FCO), Allison Erny (FCO),
Internal Peer Reviewer: Bonny Crews

1.4 OBJECTIVES

The goal of this GHG emission reduction verification is to ensure that the GHG assertion made by the Project is materially correct, that the data provided to RCE can be documented and that the Project is in compliance with all ACR standards and requirements.

2 VERIFICATION CRITERIA

2.1 STANDARDS AND PROCESS

- Validated Project Plan “Advanced Carbon Restored Ecosystem (ACRE), December 13, 2011
- ACR Standard, October 2010 – v2.1
- ACR Forest Carbon Project Standard, November 2010 – v2.1 (Forest Standard)
- ACR Validation and Verification Guideline for GHG Projects, June 2012 - v1.1
- Afforestation and Reforestation (A/R) methodological tool “Tool for testing significance of GHG emissions in A/R CDM project activities, Version 01”
- ACR Risk Buffer Rating Tool – v1.0
- ACR Methodology for Afforestation and Reforestation of Degraded Land, Version 1.0, March 2011 (Methodology), together with the following procedures and tools:
 - Approved CDM “Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities”
 - Approved CDM tool “Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity”
 - Approved CDM “Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities”
 - Approved CDM “Combined tool to identify the baseline scenario and demonstrate the additionality in A/R CDM project activities”

2.2 LEVEL OF ASSURANCE

This verification was conducted to a reasonable level of assurance.

2.3 MATERIALITY

This verification was conducted to ACR’s required materiality threshold of +/-5% of the GHG project’s emission reductions or removal enhancements.

3 SCOPE OF VERIFICATION

- Organizational Boundaries
 - ~110,000 acres located in Mississippi, Louisiana, and Arkansas

- Infrastructure, Technologies, Processes
 - The Project is considered a programmatic afforestation/reforestation project (A/R). The Project uses site preparation and tree planting to establish trees on lands that have been in continuous agricultural use for decades.
- GHG SSRs
 - Carbon Pools: aboveground biomass, belowground biomass and soil organic carbon
- Types of GHGs Reported
 - CO₂
- Reporting Period
 - January 1, 2016 – December 31, 2017
- Assessment Areas
 - Project lands are located within the Mississippi Alluvial Valley (MAV) in the US Forest Service south Central and Southeast Regions.

4 VERIFICATION PROCESS

4.1 VERIFICATION ACTIVITIES

The verification process consisted of the following activities as outlined in the verification plan:

- RCE completed a COI form on February 14, 2018 to identify any potential conflict of interest with the Project or Project Developer. No conflicts of interest were found.
- RCE and FCO held a verification kick-off meeting with GreenTrees on February 26, 2018. During the kick-off meeting RCE reviewed the verification objectives and process, reviewed the verification schedule, and submitted an initial document request.
- RCE performed a strategic review and risk assessment of the received data and support documents to understand the scope and areas of potential risk in the GHG emissions reductions.
- RCE developed a risk-based sampling plan based upon the strategic review and risk assessment. The verification plan and sampling plan were used throughout the verification and were revised as needed based upon additional risk assessments.
- Two site visits were completed:
 - RCE and FCO completed a site visit on March 21-22, 2018 to the GreenTrees office location in Plains, VA. During the site visit RCE performed key personnel interviews and observed the onsite GHG management systems and data gathering, monitoring, and handling practices.
 - FCO completed a site visit to the field on April 9-13, 2018. FCO completed a variety of tasks while in the field including check cruising existing GreenTrees plots, installing new plots in selected strata as a comparison to GreenTrees carbon stocks and conducting interviews with key personnel and foresters.
- RCE performed a risk-based desktop review of the submitted verification documents. The desktop review included an assessment of the GHG calculation methods and inputs, source data completeness, GHG management and monitoring systems and eligibility documentation.
- RCE submitted requests for additional documentation, clarifications and recommendations for improvement as necessary to GreenTrees throughout the verification.

- RCE's internal peer reviewer conducted a review of the verification sampling, report, and statement.
- RCE issued a final verification report, verification statement, and list of findings.
- RCE held an exit meeting with GreenTrees.

4.2 ACR FORESTRY STANDARD AND REQUIREMENTS

4.2.1 Eligibility

RCE and FCO reviewed the Project against all ACR Forest Standard and Methodology eligibility requirements and confirmed the following:

- Project is implemented on degraded lands.
- Project is not implemented on organic soils.
- Project land is not considered wetlands.
- Litter remains on site.
- Plowing, ripping or scarification is only done within the first five years of the initial site preparation.
- All lands were planted after November 1, 1997, meeting ACR start date requirements.
- GreenTrees has committed to a minimum project term of 40 years, meeting the ACR project term requirements.
- The Project crediting period is confirmed as 40 years.
- GreenTrees as the project developer has direct control over the emission reductions.
- GreenTrees has clear title to the emissions reductions.
- The ownership titling of land within the Project boundary is clear.
- Project lands were not cleared of trees within 10 years before the project start date.

4.2.2 Additionality

RCE and FCO confirmed that the Project meets the applicable additionality requirements including the CDM A/R methodological Tool "Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities" and ACR's three-pronged test. Land enrolled was previously validated and verified as meeting the additionality requirements. RCE and FCO reviewed a sample of new tracts to confirm land enrolled for this reporting period are similar to previous tracts and meet all requirements. The Project exceeds enforced laws and regulations, exceeds common practice in the geographic region and forest type and the Project faced a financial implementation barrier.

4.2.3 Permanence

The Project has committed to a 40-year agreement with ACR. A few owners decided to leave the Project and RCE/FCO confirmed that these tracts have been removed from the Project.

The original PD states that trees planted greater than 15 years ago would be removed from the Project. However, ACR provided guidance during the last verification that these trees are permitted to stay part of the Project with the following guidance: "This is permissible for instances/stands that are demonstrably growing slowly relative to comparable stands within the project. Please ensure that the annual monitoring report provides an updated year/or target for these stands/instance for which offset counting will stop so future verifiers can track this." RCE discussed this with GreenTrees and confirmed that trees are still not growing as fast as originally anticipated. In addition, original CRP contracts for land owners last 15 years,

but owners have an opportunity to renew and almost all landowners are renewing. Lands that are part of the CRP (and WRP) programs have an obligation to not harvest and commit to conservation practices. GreenTrees confirmed that no harvesting has occurred during this reporting period and in addition that very few tracts are near carbon stock levels that would make economic sense for harvesting.

The Project uses the ACR risk assessment tool. RCE and FCO reviewed the tool and agree with the risk rating of 20.00%

4.2.4 Leakage

The ACR Forest Standard states that A/R projects do not typically need to account for leakage. Discussions with GreenTrees confirm that the Project is typical of A/R project and that there is no leakage.

4.2.5 Community and Environmental Impacts

RCE and FCO confirmed that positive impacts and co-benefits from the Project potentially include income to landowners, new jobs associated with Project activities, water quality, reduction of soil erosion, and increased biodiversity.

4.3 PROJECT INVENTORY

RCE assisted FCO with the review of the Project's inventory. A variety of areas of the inventory were reviewed and discussed with GreenTrees. Overall, FCO and RCE confirmed that the Project inventory meets the ACR requirements and is conservative in nature. A variety of recommendations for improvement were suggested for GreenTrees to implement in the future to make the Project more transparent and less difficult to verify.

RCE and FCO confirmed that the Project's 90% confidence interval was no more than 10% of the mean carbon stocks, thus the Project does not need to take an uncertainty deduction.

4.4 GHG ASSERTION

RCE and FCO reviewed the GHG assertion calculation as well as supporting documentation for the assertion. After careful review and discussion, with GreenTrees assistance, the calculations were confirmed to be accurate and commensurate with their reported GHG equations and methods. RCE and FCO made recommendations on their calculation process for future verifications.

5 VERIFICATION FINDINGS

RCE and FCO developed an issues log notifying GreenTrees of additional documentation requests, clarifications and recommendations for improvements. All issues were closed by appropriate responses by GreenTrees. A complete list of the issues and responses can be found in Appendix A.

6 VERIFICATION RESULTS AND CONCLUSION

This verification of the GreenTrees ACRE Project for the reporting period January 1, 2016 to December 31, 2017 was completed in a manner consistent with ISO 14064-3 and in conformance with all ACR standards and guidelines. The table below is a summary of the emission reduction or removals.

Vintage	GHG Reductions and Removals (mtCO ₂ e)	Risk Buffer (mtCO ₂ e)	Emission Reductions (mtCO ₂ e)
2016	165,976	33,195	132,781
2017	1,107,890	221,577	886,313
Total	1,273,866	254,772	1,019,094

Note: Values might not sum correctly due to rounding.

Lead Verifier Signature



Zach Eyler

Internal Peer Reviewer Signature



Bonny Crews

7 APPENDIX A
