

VERIFICATION REPORT

American Carbon Registry

Bluesource – Massachusetts Tri-City Improved Forest Management Project

Reporting Periods

16 September 2018 to 15 September 2019

16 September 2019 to 15 September 2020

Prepared for:

Bluesource

28 October 2021



AMERICAN CARBON REGISTRY

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Executive Summary

This report describes the verification services provided for the Massachusetts Tr-City Improved Forest Management Project (“the project”), an Improved Forest Management Project located in western Massachusetts, 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 for the reporting periods from 16 September 2018 to 15 September 2019, and 16 September 2019 to 15 September 2020, against relevant ACR standards and the approved methodology. The verification engagement was carried out through a combination of document review and interviews with relevant personnel. As part of the verification engagement 6 findings were raised: 2 Non-Conformity Reports, 3 New Information Requests and 1 Observations. 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.

Table of Contents

1	Introduction	1
1.1	About SCS Global Services	1
1.2	Objectives.....	1
1.3	Scope.....	2
1.4	Verification Criteria	2
1.5	Level of Assurance	3
1.6	Treatment of Materiality	3
1.7	Summary Description of the Project.....	3
2	Assessment Process.....	3
2.1	Method and Criteria.....	3
2.2	Document Review	3
2.3	Interviews.....	4
2.4	Site Inspections	5
2.5	Resolution of Findings.....	5
2.6	Techniques and Processes Used to Test the GHG Information and GHG Assertion	6
3	Verification Findings.....	6
3.1	Results of Quantitative Uncertainty Assessment	6
3.2	Analysis of the Quantification Methodologies and Applicable Data Sets and Sources	7
3.3	Basis of Data and Information Supporting the GHG Assertion.....	8
3.4	Leakage Assessment	8
3.5	Risk Assessment	8
4	Conclusion.....	9
	Appendix A: List of Findings	10

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:

- ACR Standard, Version 4.0
- ACR Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands v1.2 (“the methodology”)
- ACR Forest Carbon Project Standard v2.1
- ACR Validation and Verification Standard v1.1
- Principles of ISO 14064-3:2006: Greenhouse Gas – Specification with guidance for the validation and verification of greenhouse gas assertions
- ACR Tool for Risk Analysis and Buffer Determination, Version 1.0

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 is a conglomerate of three water municipalities (Westfield, Holyoke and West Springfield) located in western Massachusetts. The overall goals and objectives of the water municipalities are the protection of their respective water resources and supplies. The aim of the project is to ensure long-term environmental benefits provided by the conservation of the forests. This will be achieved by implementing significantly lower harvesting levels through sustainable forest management practices that include small group selection, single tree selection, and shelterwood cuts instead of clearcutting. The project will achieve GHG reductions through its commitment to maintaining its forest's CO₂ stocks above the locally observed industrial management levels.

2 Assessment Process

2.1 Method and Criteria

The verification services were provided through a combination of document review, interviews with and 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 reports (MassCities_RP3_MonitoringReport_DRAFT_10_27_21.pdf and MassCities_RP2_MonitoringReport_DRAFT_10_27_21.pdf, both dated to 27 October 2021; "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.
RP3 Monitoring Report	MassCities_RP3_MonitoringReport_DRAFT_10_27_21.pdf	1
RP2 Monitoring Report	MassCities_RP2_MonitoringReport_DRAFT_10_27_21.pdf	2
Upgrowth Workbook	BS_WMA_Upgrowth_20210606.xlsx	3
No Mortality CO2 calcs	ProjectCO2_NoMort_20210715.xlsx	4
RP1 Depletions	RP1_OT_WMA_HVST002,003_Depletions_5_10_21.xlsx	5
RP2 Depletions	RP2_OT_WMA_HVST003_Depletions_5_10_21.xlsx	6
ERT workbook	RP2_RP3-ERTs-WMA_10_27_21.xlsx	7
RP3 Depletions	RP3_OT_WMA_HVST005_HVST006_Depletions_5_11_21.xlsx	8
No Cut Database	FVS-WMA-NoCutNoMort-20210616.accdb	9
Summary CO2 NoMort	ProjectCO2_NoMort.xlsx	10
No Cut FVS Key File	NoCutNoMort.key	11
Before Cut Database	FVS-WMA-HLY-DisturbedPlots-Before-20200607.accdb	12
After Cut Database	FVS-WMA-HLY-DisturbedPlots-After-20200607.accdb	13
Cut FVS Key File	RunDstbPlots.key	14
Timber Sales #005	HWW_Sale_Timber_#005_HarvestCuttingPlan.pdf	15
Timber Sales #006	HWW-Sale_Timber_#006_HarvestCuttingPlan.pdf	16

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
Ian Hash	Bluesource	Manager – Forest Carbon Projects	Throughout the audit
Paul Cousar	SIG	Forest Carbon Specialist	Throughout the 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
Doug Hutcheson	Massachusetts DCR	Service Forester	26 March 2021
Sean Libby	Massachusetts DCR	Service Forester	26 March 2021

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, 2 NCRs, 3 NIRs and 1 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

- Review of project documentation including calculation workbooks (Refs. 3-8), the MR (Ref 1-2), information related to this reporting period's harvest activity (Refs 5-6, 8, 15-16), and information regarding disturbed plots due to harvest (Refs 12-13), 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 that took place in the project area during the reporting period (Refs 5-6, 8, 15-16).
- Review of the application of project scenario during the reporting period.
- Review of the sources, sinks and reservoirs of GHG emissions within the project boundary (Refs. 4, 7).
- 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. This included a re-calculation of project emissions, ERTs, and uncertainty using inventory data as described below in section 3.1 and 3.2 (Refs. 4, 7).
- 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.

3 Verification Findings

This section follows the requirements for the verification report as set out in Chapter 12 of the ACR Validation and Verification Standard.

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 personnel 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 project uncertainty of 9.19% for RP2 and 9.54% for RP3 (Ref. 1 and 2) was verified via independent re-quantification (see table below).

3.1.1 Project Uncertainty

The reported total Project Uncertainty (UNC_t) value of 9.19% and 9.54% was independently re-quantified by SCS using equation 19 in the methodology. No issues were found (see table below). The audit team found the difference reasonable and immaterial.

	SCS Values	Client Values	Difference
Reporting Period	UNC _t	UNC _t	
2	9.14%	9.19%	0.05%
3	9.46%	9.54%	0.08%

Materiality

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

RP2

$$\% \text{ Error} = \frac{(125,975 - 125,975)}{125,975} * 100 = \frac{0}{125,975} * 100 = 0\%$$

RP3

$$\% \text{ Error} = \frac{(120,154 - 120,421)}{120,421} * 100 = \frac{-267}{120,421} * 100 = -0.22\%$$

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 updated 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 the emissions reduction by conducting the following analysis:

- Calculate the depletion of trees harvested per reporting period based on plots harvested (Ref. 5, 6, 8, 15, 16). Then calculate and interpolate the growth of the harvested plots (Ref. 3).
- Run carbon model to grow harvested plots forward with and without a harvest (Ref. 11, 12, 13, 14).
- Calculate end of reporting period diameter of individual trees from the raw inventory by adding seasons of growth to updated plots before and after harvest (Ref. 3).
- Recalculate the live aboveground, live belowground, and standing dead carbon pools using Jenkins equations and decay class information (Ref. 12 and 13).

- Calculate the change in project carbon stock stored in above and below ground live trees using equation 11 in the methodology (Ref. 7).
- 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 (Ref. 7).
- 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 each 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 checked="" type="checkbox"/>
Future Projections	<input type="checkbox"/>
Actual Historical Records	<input checked="" type="checkbox"/>

3.4 Leakage Assessment

Section E3 of the GHG Plan (Ref. 4) states: “All active harvest forestlands owned by Massachusetts Tri-City have been certified by the Forest Stewardship Council (FSC). This demonstrates that there will be no leakage beyond de minimus levels through activity-shifting leakage to other lands, as defined in section D6 of the Methodology.

Therefore, leakage is limited to market leakage. We conservatively assume market leakage of 40%.”

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 aerial imagery, that project is not located on public or tribal lands
B	4%	Confirmation, through aerial imagery, that project is not located on public or tribal lands
C	2%	Confirmation, through aerial imagery, that the project is not located outside the United States
D	0%	Confirmation, through independent review of documentation, that the full project area is not covered under a conservation easement
E	2%	Confirmation, through independent review of documentation, that project is located in low fire risk region.
F	2%	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 aerial imagery, 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.

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)
2	2018	16 September 2018	31 December 2018	43,964
2	2019	1 January 2019	15 September 2019	106,007
3	2019	16 September 2019	31 December 2019	41,818

3	2020	1 January 2020	15 September 2020	101,223
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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)
2	2018	16 September 2018	31 December 2018	36,930	7,034
2	2019	1 January 2019	15 September 2019	89,045	16,962
3	2019	16 September 2019	31 December 2019	35,127	6,691
3	2020	1 January 2020	15 September 2020	85,027	16,196

Note: final numbers are rounded for simplicity.

Lead Auditor Approval	 James Cwiklik, 28 October 2021
Internal Reviewer Approval	 Michael Hoe, 10 November 2021

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.

4.1 Reporting Periods under review: 9/16/2018- 9/15/2020

NIR 1 Dated 9 Apr 2021

Standard Reference: ACR 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

Document Reference: RP2_RP3_OT_WMA_HVST_Depletions_1_13_21.xlsx

Finding: Section 3.2 (Step 1) of the methodology states "If a volume measurement is used, multiply the cubic foot volume by the appropriate green specific gravity by species from table 5-3a of the USFS Wood Handbook. This results in pounds of biomass with zero moisture content. If a particular species is not listed in the Wood Handbook, it shall be at the verifier's discretion to approve a substitute species. Any substitute species must be consistently applied across the baseline and with-project calculations." The audit team found that in the depletions calculation workbook (RP2_RP3_OT_WMA_HVST_Depletions_1_13_21.xlsx), sheet 'Holyoke RP2_RP3 Harvest', cell K14, a specific gravity of 0.60 was applied for the species Black Oak. In reviewing the USFS Wood Handbook (table 5-3a), the specific gravity for black oak is listed as 0.56. The audit team requests additional information regarding the application of this alternative specific gravity.

Project Personnel Response: The Specific gravity for Black Oak has been updated to 0.56.

Auditor Response: Updated to the correct specific gravity.

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

NIR 2 Dated 9 Apr 2021

Standard Reference: ACR 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

Document Reference: RP2_RP3_OT_WMA_HVST_Depletions_1_13_21.xlsx, HWW_Sale_Timber_#005_HarvestCuttingPlan, HWW-Sale_Timber_#006_HarvestCuttingPlan

Finding: Section 3.2 (Step 1) of the methodology states "If a volume measurement is used, multiply the cubic foot volume by the appropriate green specific gravity by species from table 5-3a of the USFS Wood Handbook. This results in pounds of biomass with zero moisture content. If a particular species is not listed in the Wood Handbook, it shall be at the verifier's discretion to approve a substitute species. Any substitute species must be consistently applied across the baseline and with-project calculations." In the Products to be Harvested section of the Timber Sale cutting plan documents (005 and 006), the species and board feet harvested are listed. In the depletions calculation workbook (sheet 1>Holyoke RP2_RP3 Harvest), the audit team found several inconsistencies with these Timber Sale Cutting Plans as listed here:

(1) In the Timber Sale Cutting plan document, White Birch is listed as 1.6 mbfs and Black cherry as 0.3. However, in the depletions calculations workbook, cell E10, it shows 1.9 mbfs of paper birch being harvested and no white birch or black cherry.

(2) In the Timber Sale cutting plan document, pitch pine harvested is 0.8 Mbfs and White pine as 439.9 Mbfs. However, in the depletions calculations workbook, cell E16, shows white pine as 440.7 Mbfs and there is no paper birch.

(3) In the depletions calculations workbook, cell E7, it appears that Other Hardwoods from Timber Sale Cutting Plan document) have been added to American Beech harvested.

(4) In the depletions calculations workbook, Cell C10, it appears that black cherry, white birch, and other hardwood (from the Timber Sale Cutting Plan document (006)) are combined as Paper birch. There is no Paper birch listed as being harvested in the Timber Sale cutting plan.

It is unclear to the audit team why some species have been lumped together or swapped for other species. The classification of the species impacts the carbon quantification given that there are species-specific specific gravities as listed in the USFS Wood Handbook (Table 5-3a). The audit team requests additional information and justification for these decisions.

Project Personnel Response: The depletions calculation workbook has been updated to reflect the correct species and volumes as reported in the Timber Sale cutting plans. Both the 005 and 006 harvests occurred during RP3, the ERT workbook has been updated to reflect this.

Auditor Response: This has been verified. Finding closed.

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

NIR 3 Dated 9 Apr 2021

Standard Reference: ACR 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

Document Reference: RP2_RP3_OT_WMA_HVST_Depletions_1_13_21.xlsx, HWW_Sale_Timber_#005_HarvestCuttingPlan, HWW-Sale_Timber_#006_HarvestCuttingPlan

Finding: Section 3.2 (Step 1) of the methodology states "1. Determine the amount of wood harvested (actual or baseline) that will be delivered to mills, by volume (cubic feet) or by green weight (lbs.), and by species for the current year (y). In all cases, harvested wood volumes and/or weights must exclude bark.

- a. Baseline harvested wood quantities and species are derived from modelling a baseline harvesting scenario using an approved growth model.
- b. Actual harvested wood volumes and species must be based on verified third party scaling reports, where available. Where not available, documentation must be provided to support the quantity of wood volume harvested." The project team provided Harvest Cutting Plan documentation (005 and 006) for reporting periods 2 and 3. For 005 the proposed start date is listed as Dec. 2019, which would appear to correspond to reporting period 3. For 006 the proposed start date is listed as May 2020, which would appear to correspond to reporting period 3 as well. However, in the ERT workbook, it appears that the harvests are divided evenly between reporting periods 2 and 3. It is unclear when the harvests actually took place. The audit team requests additional information regarding the timing of the harvests and the allocation of the harvested carbon between the two reporting periods.

Project Personnel Response: Both harvests occurred during RP3. The ERT workbook has been updated to allocate both harvests' HWP's to RP3.

Auditor Response: Updated, finding closed.

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

OBS 4 Dated 9 Apr 2021

Standard Reference: ACR 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

Document Reference:

Finding: Section 3.2. (Steps 2 and 3) of the Methodology state "2. If a volume measurement is used, multiply the cubic foot volume by the appropriate green specific gravity by species from table 5-3a of the USFS Wood Handbook²⁹. This results in pounds of biomass with zero moisture content. If a particular species is not listed in the Wood Handbook, it shall be at the verifier's discretion to approve a substitute species. Any substitute species must be consistently applied across the baseline and with-project calculations.

3. If a weight measurement is used, subtract the water weight based on the moisture content of the wood. This results in pounds of biomass with zero moisture content." The goal of these steps are to determine the over-dry biomass (pounds) of the wood products which is the net volume (cu. ft.) of green wood * the specific gravity (green wood) * weight of cu. ft. of water (62.4 lbs). The audit team found that this equation was applied for these reporting periods (RP2 and RP3) in the workbook RP2_RP3_OT_WMA_HVST_Depletions_1_13_21.xlsx.

Project Personnel Response: The water weight has been applied to RP1 HWP's.

Auditor Response: This has been verified. Finding closed.

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

NCR 5 Dated 9 Apr 2021

Standard Reference: ACR 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

Document Reference: RP2_RP3-ERTs-WMA-Stocking-AdjHrvLvl_1_13_21.xlsx
OT_WMA_Depletions_6_3_19.xlsx

Finding: The audit team noticed a discrepancy between the provided ERT workbook and the previous harvests reported. Specifically, for year 2018, a harvested wood value of 1,286.7 is provided however no mill receipts or harvests were reported with this value. Cross referencing the older depletions file we note that same value was projected for year 2019 not 2018 (cell E15 in tab HWP's Projected). Please provide clarity if there was indeed a harvest of this amount, and if so provide receipts and associated calculations, or if this was not the case, please update to the actual harvested wood products. This may require a discussion with ACR as it affects RP1.

Project Personnel Response: The harvested wood value of 1,286.7 has been removed from the ERT workbook and updated with the actual harvested wood volume as calculated in "RP1_OT_WMA_HVST002,003_Depletions_4_26_21.xls". Regarding Timber sale 003, it was confirmed with the landowner that 70% of the volume was removed during RP1 and the remaining 30% was removed during RP2. This has been updated in the depletions workbooks for RP1 and RP2.

Auditor Response: Harvests have been verified. Finding closed.

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

NCR 6 Dated 9 Apr 2021

Standard Reference: ACR 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

Document Reference: RP2_RP3-ERTs-WMA-Stocking-AdjHrvLvs_1_13_21.xlsx

Finding: During the interpolation of the current reporting periods under review it was noticed that Section D5, equation 11 of the methodology, the change in project carbon stock stored in above and below ground live trees for year t, seemed to include two full years in RP1. Note in the ERT workbook cells D21 and E21 both contain the value of 19,847. However, the first reporting period was from 3/17/2017 - 9/15/18 which is not two full years. Please provide update to the proper amounts per the methodology and apply the proper amount per vintage as required by ACR.

Project Personnel Response: Equation 11 was applied based on the number of growing seasons within the time period of reporting period 1 rather than an integer number of years. ACR has confirmed that applying equation 11 based on growing seasons is a reasonable and acceptable approach.

Auditor Response: No further issues, finding closed.

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