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Verification Report

ACR566 Bluesource - 100 Mile Wilderness Improved Forest Management Project

November 21, 2022

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1 INTRODUCTION

Anew Climate LLC (formerly Bluesource LLC) contracted with Ruby Canyon Environmental, Inc. (RCE) to perform the verification of the ACR566 Bluesource – 100 Mile Wilderness Improved Forest Management Project (Project) for the reporting period of June 2, 2021 – June 1, 2022 under the American Carbon Registry (ACR) program. Anew Climate LLC (Anew) acts as the project developer for the landowner and project proponent, The Elliottsville Foundation (Elliotsville Foundation). This report is documentation of verification activities that RCE performed for the Project. RCE ensured that the GHG assertion was materially correct, that the data provided to RCE was well documented, and that if Anew made any material errors, that these errors were corrected.

RCE worked with Forest Resource Solutions and Technologies (FRST) to complete this verification.

1.1 OBJECTIVES

The objectives of the verification are to evaluate:

- The emissions reductions and to ensure that the assertion is materially correct;
- The data provided to RCE can be documented and if errors or omissions are detected, they can be corrected

RCE retains all data and documents for seven years after the end of the project reporting period or for the duration required by ACR, whichever is longer.

1.2 PROJECT BACKGROUND

The Project is located on approximately 12,983 acres of northern hardwood and spruce-fir forestland in Piscataquis County, Maine. The area encompasses habitat for White-tailed Deer and the federally threatened Canada Lynx. Maine's northern woods are also known habitat for Moose and American Martin. This property is owned by Elliottsville Foundation, formerly known as Elliottsville Plantation Inc. The Project ensures long-term sustainable management of the forests.

1.3 RESPONSIBLE PARTY

Project Proponent

The Elliottsville Foundation
PO Box 148
Portland, ME 04112
Lucas St. Clair, Executive Director
207-518-9462

Project Developer

Anew Climate LLC
2825 E Cottonwood Pkwy 400
Cottonwood Heights, UT 84121

Josh Strauss, Vice President
949-233-1501

1.4 VERIFICATION TEAM

Lead Verifier: Zach Eyler
Biometrician: Andrea Eggleton, FRST
Professional Forester: Christian Eggleton, FRST
Forestry Analyst: Tim Facemire, FRST
Internal Reviewer: Phillip Cunningham

1.5 VERIFICATION CRITERIA

1.5.1 Verification Standards, Guidelines, and Tools

- Bluesource – 100 Mile Wilderness Improved Forest Management Project Plan (March 18, 2022)
- Bluesource – 100 Mile Wilderness Improved Forest Management Project Addendum (November 17, 2022)
- Bluesource – 100 Mile Wilderness Improved Forest Management Project Monitoring Report (November 17, 2022)
- ACR Standard, Version 6.0 (July 1, 2019)
- ACR Validation and Verification Standard Version 1.1 (May 2018)
- Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non - Federal U.S. Forestlands v.1.3, April 2018
- Errata and Clarifications - Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non - Federal U.S. Forestlands v.1.3, September 30, 2021
- ISO 14064-3:2006 “Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions”

1.5.2 Level of Assurance

The verification was conducted to a reasonable level of assurance.

1.5.3 Materiality

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

2 VERIFICATION PROCESS

As the first step in verification activities, the Lead Verifier developed a Verification Plan to be followed throughout the verification. The plan included the following activities:

- RCE completed a COI form on July 28, 2022 to identify any potential conflict of interest with the Project or Project Developer. The COI form was approved by ACR on August 10, 2022.
- RCE and Anew held a verification kick-off meeting on August 12, 2022. During the kick-off meeting RCE reviewed the verification objectives and process, reviewed the 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 process and were revised as needed based upon additional risk assessments.
- During the initial validation/verification, the team conducted a site visit to the Project to verify the inventory quality and forest management practices from October 18-19, 2021. No site visit was conducted as part of this verification.
- 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, data management system and monitoring systems and eligibility documentation.
- RCE conducted interviews and had conversations with Project personnel during the verification. Personnel interviewed include:
 - Tim Hipp – Anew
 - Jason Heffner – Anew
- RCE submitted requests for corrective actions, non-material findings, additional documentation, and clarifications as necessary to Anew throughout the verification.
- RCE's internal 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 Anew.

3 VERIFICATION FINDINGS

3.1 PROJECT BOUNDARY AND ACTIVITIES

The Project entails improved forest management on approximately 12,983 acres of northern hardwood and spruce-fir forestland in Piscataquis County, Maine. GHG emission reductions for the Project are quantified by comparing actual onsite carbon stocks against modeled baseline onsite carbon stocks and baseline carbon in harvested wood products. The difference in these Project and baseline carbon stocks year over year is the basis for calculating the Project's primary goal of maintaining and enhancing forest GHG pools.

The Project's temporal boundary is the crediting period from June 2, 2020 – June 1, 2040.

3.2 GHG SOURCES SINKS, AND RESERVOIRS

Table 1 shows the GHG emission sources included in the project boundary based on the Methodology. RCE confirmed that the Project Plan appropriately identifies the offset project boundary and includes all relevant SSRs.

Table 1. GHG Emissions Sources

Source	GHG	Description
Above-ground biomass	CO ₂	Major carbon pool for project activity
Below-ground biomass	CO ₂	Major carbon pool for project activity
Standing dead wood	CO ₂	Major carbon pool in unmanaged stands for the project activity
Harvest wood products	CO ₂	Major carbon pool for project activity
Market Effects	CO ₂	Reductions in project outputs due to project activity may be compensated by other entities in the marketplace. Those emissions must be included in the quantification of project benefits.

3.3 ELIGIBILITY

3.3.1 ACR Eligibility

RCE confirmed the following ACR eligibility criteria listed in the ACR Standard, Version 6.0 by reviewing the project proponent's Project Plan, Monitoring Report, and calculations as well as other supporting documentation described throughout this report (a full list of documents reviewed is in Appendix A).

- Start Date: The project start date is June 2, 2020.
- Minimum Project Term: The minimum project term is 40 years.
- Crediting Period: The crediting period is 20 years as specified by the Methodology, June 2, 2020 – June 1, 2040.
- Real: RCE confirmed that the GHG reductions follow the ACR methodology and are verifiable.
- Emission or Removal Origin: RCE confirmed that Elliottsville Foundation owns and has control over, or document effective control over the GHG sources/sinks from which the emissions reductions or removals originate.
- Offset Title: RCE confirmed that all Project lands are owned directly by the Project Proponent (Elliottsville Foundation), which hold full legal title.
- Additional: RCE confirmed that the project is additional as described in Section 3.4.
- Regulatory Compliance: RCE confirmed that the Project was in compliance with all applicable regulations.
- Permanent: RCE confirmed that the Project correctly applied the ACR Tool for Risk Analysis and Buffer Determination to account for permanence. A total risk score of 18% was confirmed.
- Net of Leakage: RCE confirmed that the Project correctly accounted for leakage per the Methodology.
- Independently Validated and Verified: RCE is a third-party validation and verification body that the project proponent has contracted to verify the Project.
- Environmental and Community Assessments: RCE reviewed project impacts as described in section 3.6 of this report.

3.3.2 Methodology Eligibility

RCE reviewed the Project against the ACR Methodology eligibility and applicability conditions and confirmed the following:

- The Project is located on non-federally owned private forestland.
- Elliotsville Foundation controls the timber rights on the forestland and can legally harvest.
- The Project does not have commercial timber harvesting occurring on or after the project start date.
- The Project is not on tribal lands.
- The Project is not on public non-federal lands.
- The Project does not use non-native species where adequately stocked native stands were converted for forestry or other land uses after 1997.
- The Project has not drained or flooded wetlands on or after the project start date.
- Elliotsville Foundation owns all lands and timber rights on the Project area.
- The Project's stocking levels will increase well above the baseline conditions for the duration of the Project and by the end of the Crediting Period.

3.4 ADDITIONALITY

The Project meets the requirements for the demonstration of additionality specified by the ACR Standard and the Methodology.

3.4.1 Regulatory Surplus Test

RCE confirmed that there are no existing laws, regulations, statutes, legal rulings, or other regulatory frameworks in effect as of the start date that requires the Project activity and the associated GHG emissions reductions; thus the Project passes the regulatory surplus test.

3.4.2 Common Practice Test

The Project has two portions of area that have different management and ownership history. The most recent area acquired by Elliotsville Foundation is similar to industrial forestland, while the larger portion of the Project area has been owned by Elliotsville Foundation for many years and managed with conservation goals in mind (wildlife habitat, mature forest generation, etc.).

The geographic region for the Project is Northern Maine. Throughout this region industrial forestlands are heavily cut and managed for maximizing NPV of the forestland investment. Wood products including hardwood sawtimber and softwood pulpwood are distributed to mills throughout this region.

Without the Project the property would have likely been managed for timber production and NPV maximizing harvesting on the recently acquired acres. With Project implementation the forestland carbon stocks will exceed the common practice found in the region.

3.4.3 Implementation Barriers Test

The Project chose to assess the financial barriers test per the ACR Standard and Methodology. RCE confirmed that carbon funding is reasonably expected to incentivize the Project's implementation. Due to the Project being implemented, Elliotsville Foundation loses the ability to monetize timber harvests during

the life of the Project. Anew provided a financial assessment comparison of NPV between the baseline scenario with harvesting and the project scenario without harvesting but including revenue from carbon credits. The baseline scenario NPV was significantly greater demonstrating that carbon funding is integral to the project activity.

3.5 PERMANENCE

RCE confirmed that the Project correctly applied the ACR Tool for Risk Analysis and Buffer Determination to account for permanence. A total risk score of 18% was confirmed.

3.6 PROGRAMMATIC DEVELOPMENT APPROACH

RCE confirmed that the Project is utilizing a Programmatic Development Approach (PDA). The Project currently only has one “site” for this reporting period but expects to potentially add additional area to the Project in the future. RCE confirmed that the Project has completed the required PDA Project Design Document and included it as an addendum to the GHG Plan.

3.7 ENVIRONMENTAL AND COMMUNITY IMPACTS

The Project Plan includes a summary of the Project activity’s net positive environmental and community impacts. The Project will provide habitat protection for wildlife, plant species, and trees, water quality protection and protection from soil erosion and degradation among other benefits. The Project is not expected to cause any negative environmental impacts.

3.8 LOCAL STAKEHOLDER CONSULTATION

No formal stakeholder consultation occurred since the Project is held on private lands.

3.9 MONITORING PLAN

The Project Plan includes a Monitoring Plan that identifies all monitored data and parameters. RCE confirmed that the monitoring parameters and approaches conform to the methods required by the Methodology. The plan includes all relevant data parameters and appropriately identifies units of measurements, data sources, methodologies, uncertainty, monitoring frequency and procedures, and QA/QC procedures. After discussions with Anew and reviews of project documents, RCE determined that the Monitoring Plan accurately reflects how Project data is monitored and recorded and there are no deviations relevant to the Project activity against the requirements of the Methodology. Anew and Elliottsville Foundation implemented the monitoring plan as stated in the Project Plan during Project activities.

3.10 BASELINE SCENARIO

The Project’s baseline scenario represents a combination of aggressive industrial harvests and conservation management regimes, each with stricter parameters than recommended state practices, targeted to maximize net present value at a 4% discount rate for non-governmental organizations. The baseline scenario applies harvesting across the Project area as allowed by the Methodology to maximize NPV.

The Project's baseline model simulates a range of harvest types and rotation lengths based on legal requirements and simulated growth within each stratum. The objective of modeling was to determine possible timber harvests in the project area over 100-years within the framework of legal and reasonable harvest constraints.

Stands were modeled for several different prescriptions, including no-harvest, clearcut, single tree selection, and shelterwood removal.

Anew utilized the USDA's Forest Vegetation Simulator (FVS) Northeastern variant to model harvests and yields. Growth models were calibrated using site index values calculated from plot gathered tree cores and their averages. FRST reviewed the Site Index calculations and confirmed that a reasonable species and site index for the region was assigned on an individual plot basis to appropriately calibrate growth. The process was confirmed to be consistently and systematically applied to each plot.

RCE reviewed the resulting baseline outputs to ensure that they reflected the modeling objectives and the legal additionality requirements. The model grows trees and volumes at a reasonable rate compared to regional averages.

3.11 ON-SITE INVENTORY VERIFICATION CHECK

This reporting period did not include an on-site inventory verification. The verification team confirmed the on-site carbon stocks during the initial validation/verification.

Project Area

During the previous site visit, the Verification Team conducted boundary-line reconnaissance by visiting Project boundary edge lines and points, plotting edge points with GPS receivers, and determining whether there were discrepancies with the digital Project boundary files provided by Anew and the physical boundary witnessed on-site. This was done to determine the risk that Project area inaccuracies could contribute to a material misstatement in Project emission reductions. To the extent feasible, the Verification Team confirmed that the Project area boundary was appropriate and accurate.

3.12 PROJECT DATA AND GHG EMISSIONS REDUCTION ASSERTION

RCE reviewed the Project Plan and Project data and calculations to ensure that appropriate equations were used in calculating baseline emissions, project emissions, and net emissions reductions.

3.12.1 Baseline Emissions

RCE and FRST confirmed that the baseline emissions were correctly calculated. See more detail in section 3.9.

3.12.2 Project Emissions

RCE and FRST confirmed that the project emissions were correctly calculated.

3.12.3 Emissions Reductions

RCE verified that Anew calculated emission reductions according to relevant Methodology equations and that the methods are included in the Project Plan.

RCE and FRST recalculated emission reductions for this reporting period according to the equations defined in the Methodology and the Project Plan and found the Project assertion to be free of material misstatement.

RCE and FRST also recalculated and confirmed the uncertainty assessment for the Project. The uncertainty calculation is the compiled square roots of the summed errors of each of the strata using a 90% confidence interval. RCE and FRST confirmed that the live, dead, and total uncertainty for the reporting period onsite carbon stocks was accurate.

4 VERIFICATION RESULTS

RCE developed a List of Findings that noted corrective action requests (CARs). Anew appropriately responded to all items in the List of Findings. The List of Findings is provided as Appendix B.

5 VERIFICATION CONCLUSION

RCE conducted a risk-based verification of the Bluesource – 100 Mile Wilderness Improved Forest Management Project that included a strategic review of the project data, documentation, and emission reduction calculations. The objective of the verification activities was to conduct an independent assessment of the Project’s initial reporting period and resulting ex-post GHG emission reductions.

Based on the review and the historical evidence collected, RCE concludes to a reasonable level of assurance that the Project’s GHG assertion is free of material misstatement. The emission reductions resulting from the reporting period June 2, 2021 - June 1, 2022 can be considered in conformance with the:

- ACR Standard, Version 6.0 (December 2020)
- ACR Validation and Verification Standard Version 1.1 (July 2019)
- Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non - Federal U.S. Forestlands v.1.3, April 2018
- Errata and Clarifications - Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non - Federal U.S. Forestlands v.1.3, September 30, 2021
- ISO 14064-3:2006 “Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions”

Table 2 provides a summary of the emissions reductions.

Table 2. Total ERTs

Vintage	Removal ERTs (mtCO₂e)	Other ERTs (mtCO₂e)	Total GHG Reductions and Removals (mtCO₂e)		Risk Buffer (mtCO₂e)	Final ERTs (mtCO₂e)
2021	12,925	16,734	29,659		5,339	24,320
2022	9,223	11,942	21,165		3,810	17,355
Total	22,148	28,676	50,824		9,149	41,675

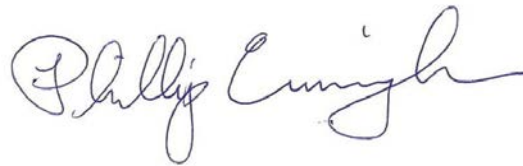
Note: Totals might not sum due to rounding.

Lead Verifier



Zach Eyler

Internal Reviewer



Phillip Cunningham

APPENDIX A—DOCUMENTS REVIEWED

1. 100MileWilderness_RP2_CO2_07_12_22
2. 100MileWilderness_RP2_ERT_HWP_07_12_2022
3. 100MileWilderness_RP2_MonitoringReport_09_02_22
4. 100MileWilderness_RP2_MonitoringReport_09_26_22
5. 100MileWilderness_RP2_MonitoringReport_11_17_22
6. 100MileWilderness_GHGPlan_SDG_Addendum_11_17_22

APPENDIX B—LIST OF FINDINGS

Includes Corrective Action Requests (CAR), Non-Material Findings (NMs), Additional Documentation Requests (ADR), and Clarification Requests (CR), as necessary.

Corrective Action Request, Non-Material Finding, Additional Documentation Request, or Clarification Request ID#	Finding	Client response	RCE response	Additional Client response	Additional RCE response	Open or Closed
CAR 1	<p>The table in Item 5 Net GHG Emission Reductions/Removals of Section VI of the Monitoring Report identifies the RP year as the ACR Account year and Vintage refers to the calendar year. Below the row labeled "Total Tradeable Balance" all of the 2021 ACR year Vintage breakouts should be one year less (to align with the RP1 monitoring report). This may require shifting down the 2022 ACR year values.</p> <p>All values in the ACR 2022 year have been verified as well as the summary table of credits by vintage and removals.</p>	To avoid confusion, we are now only listing the RP2 vintages in this section. This has been updated in the Monitoring Report (9_26_22 version)	Thank you for the update. This has been confirmed at the item may be closed.			Closed
CAR 2	The table in Item 5 Net GHG Emission Reductions/Removals of Section VI lists "Total Tradeable Balance" of the 2022 ACR year as cumulative from the project start. Please update this value for the 2022 ACR year only.	This has been updated in the MR.	Thank you for the update. This has been confirmed at the item may be closed.			Closed
CAR 3	Please update the Verification Type in Section VIII of the Monitoring Report.	This has been updated in the MR.	Thank you for the update. This has been confirmed at the item may be closed.			Closed
NM 1						
ADR 1						
CR 1						