

Response to ACR AFOLU Technical Committee Recommendation

Concerning: Proposal for a modification to American Carbon Registry methodology “Improved Forest Management Methodology for Quantifying Removals and Emission Reductions Through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands”

Submitted by David Shoch, TerraCarbon LLC on behalf of Erika Luukas, UPM

16 June 2014

In response to:

“Summary of ACR and/or Committee Review and Discussion

This seems like a reasonable proposal, but raises a flag for one of our reviewers, who envisioned a baseline that would go down sharply in the first years of a project due to clearcutting the previous stand. It is not clear, however, whether the project is defined to begin prior to the clearcutting or at the time of the establishment of a new stand upon which the new management regime will be implemented. If it is the latter, the baseline would be similar to an afforestation project, and the large decline from harvesting the prior stand would not be considered.”

The scenario that would be permitted through the modification is the former, i.e. that clearcutting and initiation of plantation forestry is part of the baseline activity. The project starts with the initial stocks of the original stand prior to conversion, which are included in the baseline period and contribute to the long-term average. The conversion can take place immediately in year 1, as can a clearcut in any baseline management regime currently permitted by the methodology – this can result in a baseline that goes down sharply with the initial conversion, as it would with the initiation of any new, more aggressive management regime. If there is ambiguity here, whether initial stocks must be included in baseline period longterm average (as they should), then that ambiguity applies to all baseline scenarios with clearcuts enacted at the beginning of the baseline period, and is not specific to the modification we have proposed.

In response to:

“It is suggested that a quantitative threshold might be established that would limit the rate of conversion in the baseline to the observed rate of conversion of similar stands in the state and forest type where the project is located at the time of project initiation.

...Send back to developer for consideration of a practical way to develop a quantitative threshold as suggested above.”

We would counter that any rate of conversion should be driven by the existing NPV analysis in the methodology, which already establishes a quantitative threshold driving the timing and extent

of harvest. Instead, we would suggest establishing further requirements to more credibly substantiate “common practice.” We propose adding the following text:

“Common practice shall be substantiated either by (1) demonstrating with management records that the baseline management scenario involving replacement of existing onsite timber producing species has been implemented within the 10 years prior to project start date on lands in the state containing the project area managed by the project proponent (or by the previous project area owner/manager) or (2) demonstrating via analysis of US Forest Service Forest Inventory and Analysis (FIA) that the replacement use (e.g. commercial plantation) in the baseline management scenario involving replacement of existing onsite timber producing species has been established on more than 1,000 acres per year on average in the state containing the project area within the 10 years prior to project start date.”

Note that the exception proposed here will still be subject to the requirement that all baseline scenarios “shall be based on silvicultural prescriptions recommended by published state or federal Agencies.”

Updated methodology modifications below:

p. 6	bottom of last paragraph	“In developing the baseline scenario, exceptions to the requirement that the baseline management scenario shall perpetuate existing onsite timber-producing species may be made where it can be demonstrated that a baseline management scenario involving replacement of existing onsite timber producing species (e.g. where forest is converted to plantations, replacing existing onsite timber-producing species) follows common practice in the region at the time leading up to the project start date. Common practice shall be substantiated either by (1) demonstrating with management records that the baseline management scenario involving replacement of existing onsite timber producing species has been implemented within the 10 years prior to project start date on lands in the state containing the project area managed by the project proponent (or by the previous project area owner/manager) or (2) demonstrating via analysis of US Forest Service Forest Inventory and Analysis (FIA) that the replacement use (e.g. commercial plantation) in the baseline management scenario involving replacement of existing onsite timber producing species has been established on more than 1,000 acres per year on average in the state containing the project area within the 10 years prior to project start date.”
p. 13	First paragraph under table 1	“Where the baseline management scenario involves replacement of existing onsite timber producing species (e.g. where forest is converted to plantations, replacing existing onsite timber producing species), the management regime should similarly be based on silvicultural prescriptions recommended by published state or federal agencies.”