

# Summary and Response to Public Comments

A draft of the *Methodology for the Quantification, Monitoring, Reporting, and Verification of Greenhouse Gas Emissions Reductions and Removals from Active Conservation and Sustainable Management on U.S. Forestlands* was developed Green Assets and ACR or potential approval by ACR.

All new methodologies and methodology modifications, whether developed internally or brought to ACR by external parties, undergo a process of public consultation and scientific peer review prior to approval.

The methodology was posted for public comment October 6<sup>th</sup>, 2022 – November 9<sup>th</sup>, 2022. Comments and responses are documented here. If applicable, additional public comments received after the formal close of the public comment period are also documented herein.

#	ORGANIZATION	COMMENT	AUTHOR RESPONSE
1	Finite Carbon	By allowing a conservation easement to be recorded 1 year prior to a project start date, the protocol provides a sufficiently generous timeframe to account for potential administrative delays. However, ACR Standard 7.0 is still in place, allowing projects to be submitted under a new methodology within 10 years of the project Start Date. ACR is potentially opening the door to properties that avoided conversion up to a decade ago, which brings additionality into question. ACR Standard 8.0 should be adopted before this methodology is in place.	The submittal time frame for projects developed under new methodologies has been shortened in the draft ACR Standard v8.0 to within five years of the project start date. ACR supports early actors of new project types, however the methodology authors (both ACR and Green Assets) commit to no project submittals older than 5 years from project start date, effectively committing to the ACR Standard v8.0 language. Furthermore, the new version of the Standard is expected to undergo public consultation and be active for use prior to publication and implementation of this methodology.
2	Finite Carbon	We suggest that the date of a qualified appraisal could be considered as potential evidence of demonstrating a good faith effort to implement the carbon project.	The methodology authors agree that completion of a qualified appraisal suffices as evidence of demonstrating a good faith effort to implement an avoided conversion carbon project, and that the date of the completion of a qualified appraisal constitutes a valid project start date. Section 2.3 of the methodology has been updated accordingly.
3	Finite Carbon	The protocol is eligible on tribal land. However, the conservation easement requirement is likely to be a cultural barrier to entry for tribes, as this would require the tribe to reassign their rights to a third-party and allow enforcement of the easement rules	Another option specific to projects located on tribal lands has been added to Section 2.1.1, with the intention of leaving a non-prescriptive pathway for tribal projects to demonstrate a legal commitment to avoid conversion to the HBU.

		over the tribe. We suggest ACR consider an alternative mechanism that would provide similar assurance for tribal land.	
4	Finite Carbon	The protocol states the following in relation to financial additionality: "...it is not common practice for landowners to encumber their property with a conservation easement or transfer ownership to other entities, and forego an opportunity to increase value. Carbon revenue helps exceed this opportunity cost financial barrier by compensating for the foregone opportunity." However, compensation is provided for the recordation of easements. It is not clear that there is still a financial barrier after accounting for the easement compensation, and we believe further justification should be provided in the methodology.	<p>The conservation commitment requirements outlined Section 2.1.1 inherently require a legal conservation commitment for each avoided conversion project which foregoes the opportunity to maximize revenue through conversion to HBU. Even if an easement holder were to offer the landowner compensation (or another incentive) for the easement, the landowner would still be giving up future opportunities to capitalize on their investment by legally limiting how they can manage their land.</p> <p>Section 2.4.2.1 is not the foundation of additionality in this methodology (The Regulatory Surplus Test and Benchmark Performance Standard fulfill this role), but rather it highlights that legally foregoing the opportunity to convert to HBU is itself above and beyond what would have occurred without the project (i.e., additional).</p> <p>The text in section 2.4.2.1 has been revised for further clarity.</p>
5	Spatial Informatics Group	Residual live tree carbon stocks, in all conversion scenarios, appear to be non-conservatively assumed 0. In some conversion situations, for instance residential construction, there is the desira-	The methodology does not assume live tree stocks are zero following conversion. The methodology does assume that, once conversion activities are completed, $\Delta C_{BSL, TREE, t} = 0$ (the <i>change</i> in baseline live tree

ble retention of live trees. Other conversion activities like agriculture, might be pragmatic in tree removal as not all areas of the property are suitable for production. The methodology could benefit from stronger justification for allowing post conversion carbon stocks to be 0 or provide a means to estimate these stocks. Spelling errors were observed throughout the document.

stocks equals zero). Additional text was added to Section 4.1 as justification in response to this comment.

The justification aligns with the commenter's examples of both residential construction (residual live trees sparsely distributed, exhibit stagnant growth, and may not survive) and agriculture (sparsely distributed along the fringe of development, exhibiting stagnant growth due to crown exposure and depleted site resources, and not characteristic of a managed or productive forest). Moreover, in agricultural conversions, and as the commenter has noted, the areas that are converted are typically the most productive soil and, as a result, only poor-quality land (for growing anything, including trees) is all that is left unconverted. These areas are typically excluded from avoided conversion projects in the first place through the project area development process. This methodology's default land conversion rates, which assume less than complete conversion, further constrains the baseline, with 10% of carbon stocks within the project area assumed to remain unconverted. These residual trees are assumed to not accrue carbon at a level that merits accounting.

Regarding residential construction, the typical development process involves completely clearing a site of vegetation, removing topsoil, regrading, constructing buildings, and installing impervious surfaces; rarely are measurable trees retained in any sufficient quantity. It is more typical to completely remove existing

			<p>trees and instead plant new trees as homeowners desire and Homeowners Associations (HOAs) allow.</p> <p>Lastly, the authors assert that any residual live tree growth is de minimis.</p> <p>All spelling errors will be corrected prior to publication.</p>
<p>6</p>	<p>The Climate Trust</p>	<p>The Climate Trust recommends requiring perpetual conservation easements or discounting for non-perpetual easements. Conservation easements are commonly understood in the conservation community to be perpetual. For example, the Land Trust Alliance requires that most easements in a land trust portfolio be perpetual in order to receive LTA accreditation. The federal government requires perpetual easements in their NRCS Agricultural Conservation Easement Program (ACEP). It is also common practice for state governments to require perpetual term conservation easements in exchange for their funding. The other two US-focused registries, CARB and CAR, both require perpetual easements for their grassland and forestry avoided conversion projects (CAR does allow for 150 year easements if necessary but strongly encourages perpetual).</p> <p>It appears that this methodology, as well as the avoided conversion of grasslands methodology, are linking easement length with the 40-year Minimum</p>	<p>While the authors appreciate the commenter's perspective on perpetual conservation easements, we have chosen not to require conservation easements to be perpetual for the following reasons:</p> <ol style="list-style-type: none"> <li>1. While we anticipate that many easements for projects employing this methodology will be "in perpetuity," this methodology cannot effectively enforce a landowner's continuance of the conservation commitment once they are no longer involved in an ACR carbon project. Once the carbon project ceases, it is not feasible for ACR (nor other carbon programs, nor verifiers, we would argue) to monitor the project area's easement status. Requiring easements to be perpetual creates a false sense of continued assurance beyond the duration of the carbon project, and the duration of the carbon project is the only time when the easement's continuance can be effectively enforced.</li> <li>2. The same reasoning which bolsters ACR's permanence requirements and 40-year Minimum Project</li> </ol>

Project Term. However, the ACR Standard states that “the Minimum Project Term is not equated with the assurance of permanence, because no length of term, short of perpetual is truly permanent”. Given that easements can in fact be perpetual, both avoided conversion methodologies should either require perpetual easements or provide a strong crediting incentive for them.

Term (as found in the ACR Standard) can also be applied to this methodology's easement temporal requirements. ACR stands behind the 40-year Minimum Project Term for AFOLU projects as there is no sound scientific basis or accepted international standard around any number of years that equates to an emission reduction/removal being permanent. Further, as stated in the ACR Standard, the AFOLU Minimum Project Term is aligned with scientific reports that have assessed the critical role of the AFOLU sector in all 1.5°C-consistent pathways to achieve Paris Agreement targets and reach net zero emissions by mid-century to avoid the catastrophic effects of climate change.

3. Any financial burden required beyond the Minimum Project Term (i.e., long term easement maintenance and monitoring costs and the opportunity costs associated with HBU conversion rights) without continued carbon revenue would likely decrease landowner participation. If this financial burden is also unenforceable (per 1. above), this would decrease landowner participation without any increased rigor to the carbon claims made.

Although the methodology will not require a perpetual conservation easement, incentives for both perpetual conservation easements and/or crediting period renewal may be considered in future versions of the methodology or other areas of the ACR program.

**7** The Climate Trust

Minimal justification is provided for the proposed benchmark performance standard.

ACR's performance standard requires a demonstration that the FMV under the HBU is at least 50% higher than the appraised FMV of its As Is use. This performance standard is higher than ARB's minimum appraisal ratio of 1.4; why was a more conservative ratio adopted? We understand the need to balance market accessibility with high standards for additionality. Did ACR draw upon peer reviewed literature and scenario analyses to determine where the performance standard should be set? As a project developer, it would be helpful to understand the justification for this performance standard so that we can communicate the additionality case for our projects.

We also noted that a previous version of ACR's Avoided Conversion of Grasslands methodology required a 1.4 minimum appraisal ratio, but an updated version (published 2019) extended eligibility to a list of approved counties based on historical patterns of conversion. Would ACR consider this approach for forest projects?

While there is support in the scientific literature for using appraisal ratios to determine if forestland conversion would occur (Alig and Plantinga, 2004, Journal of Forestry), there is little basis for defining what the threshold should be. In a model of forestland conversion in Georgia, Wear and Newman (2004, Journal of Forestry) propose a "switching value" that is equivalent to 1.81 for 100% conversion (all lands convert at this value), which aligns well with the proposed Conversion Probability Discount's (CPD) cut-off of 1.8. However, it's reasonable to assume that some land conversion activities would begin at a lower appraisal ratio, as some landowners react to market forces more quickly than others. To account for this, a CPD is assessed for projects whose appraisal ratio is less than 1.8. Relative to other avoided conversion protocols, this methodology proposes a less severe deduction for the uncertainty that baseline land conversion activities would occur. By setting such a severe deduction, other programs have effectively limited participation of projects with appraisal ratios less than 1.8. In recognition that making the CPD less severe impacts additionality, we propose raising the bar for entry (performance standard) to 1.5. We find that these two changes (raising the performance standard and lessening the CPD) together maintain a strong additionality claim for all projects while still allowing projects with lower appraisal ratios to come forward (albeit with reduced crediting).

			The authors may consider a location/practice-based performance standard (derived from historical patterns of conversion) in future versions of the methodology.
8	HGB and Associates	We believe that it is necessary for an Avoided Conversion Project require the legal constraints to establish permanence and are in favor of the use of multiple organizations to assist in the long-term benefits that this methodology brings to the registry.	We agree that avoided conversion projects should be based on a legal conservation commitment. By requiring conservation easements, surface rights transfers to 501(c)(3) conservation-focused non-profits, or another demonstrable legal commitment (for tribal projects), we hope to connect carbon projects with local partners and ultimately increase their chances for success.
9	HGB and Associates	We are very much in favor of the latitude given by this methodology to the project owner regarding applicable start dates. Easement contraction to closure is often a lengthy process and allowing the project to start generating credits once the commitment has been made will benefit everyone involved. We are also pleased that there is a window to utilize for recently closed projects that want to participate in the Carbon arena but may not have been acutely aware of how to get started at the time the easement closed. This should allow more conservation minded folks to participate.	Thank you for the support for multiple Start Dates. Per comment #2, we intend to allow the date of the qualified appraisal as another potential Start Date. We also appreciate the feedback concerning the window for enacting a conservation commitment, with which we sought to balance feasibility and concerns for additionality.
10	HGB and Associates	The inclusion of SOC at the project specific level is an outstanding opportunity for smaller tracts and landowners to participate where the cost of entry	Thank you for the feedback concerning the inclusion of the SOC pool and its degradation models. We would like to clarify that SOC is accounted for only in



was too high previously. This inclusion also allows for the project to benefit in a realistic timeline with degradation of aerobic decomposition in Histosols in the project case scenario.

the baseline scenario (and only when the HBU is agricultural), while the with-project SOC is always assumed static.