

Errata and Clarifications

METHODOLOGY FOR THE QUANTIFICATION, MONITORING, REPORTING AND VERIFICATION OF GREENHOUSE GAS EMISSION REDUCTIONS AND REMOVALS FROM IMPROVED FOREST MANAGEMENT ON NON-FEDERAL U.S. FORESTLANDS

VERSION 2.0

2024-08-12

This Errata and Clarifications document is supplemental to the ACR Methodology *Improved Forest Management on Non-Federal U.S. Forestlands, Version 2.0* (“the Methodology”) and applies to all projects registered under the Methodology. Each erratum and clarification contained herein is effective as of its posting date listed below. This document may be updated as supplemental information or clarifications are needed. Project Developers and Verification Bodies shall adhere to the errata and clarifications when implementing projects and conducting verification activities.

1. Erratum: Description of Removals calculation (2024-05-09)

This erratum amends the description of the Removals calculation. Section 8, page 63, includes the following instructions for the calculation of removals and emission reductions (~~strike through~~ text indicates a deletion):

“The Project Proponent may elect to distinguish between removals ($REM_{RP,t}$) and emission reductions ($ER_{RP,t}$) for a given reporting period with a positive ERT issuance. Removals are calculated by adjusting the with-project carbon stock change for leakage and uncertainty. Emission reductions are calculated as the remaining ERTs, which are the ERTs attributable to the baseline scenario stock change. ~~Since removals may never exceed ERTs, the twenty-year baseline average value of wood products is conservatively deducted.~~ If distinguishing, removals and emission reductions must be allocated to vintage years following the procedure outlined in Equation 27”

Removals will be calculated using an alternate equation (see erratum below), which directly ensures that removals never exceed total ERTs with an if-statement, rather than deducting baseline harvested wood products each year, even in years when removals would not exceed total ERTs without deducting baseline HWPs.

2. Erratum: Calculation of Removals, Equation 30 (2024-05-09)

This erratum presents an updated removals calculation. Equation 30 is updated to calculate removals as follows:

$$\text{if } [(\Delta C_{P,t} + C_{P,HWP,t}) \times (1 - LK) \times (1 - UNC_{DED,t}) \geq ERT_{RP,t}] \text{ then } REM_{RP,t} = ERT_{RP,t}$$

or

$$\text{if } [(\Delta C_{P,t} + C_{P,HWP,t}) \times (1 - LK) \times (1 - UNC_{DED,t}) < ERT_{RP,t}] \text{ then } REM_{RP,t} = (\Delta C_{P,t} + C_{P,HWP,t}) \times (1 - LK) \times (1 - UNC_{DED,t})$$

WHERE

| | |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| t | Time in years. |
| $REM_{RP,t}$ | Total removals (in metric tons CO ₂ e) in reporting period t . |
| $\Delta C_{P,t}$ | Change in the with-project carbon stock (in metric tons CO ₂ e) during year t . |
| $C_{P,HWP,t}$ | With-project carbon remaining stored in wood products 100 years after harvest (in metric tons CO ₂ e) for the project for during year t . |
| $ERT_{RP,t}$ | Total ERTs in reporting period t . |
| LK | Market leakage discount. |
| $UNC_{DED,t}$ | Uncertainty deduction (in %) for year t . |

3. Erratum: Timber market capacity (2024-08-01)

Section 4.1 contains the following requirement for identification of a baseline scenario (***emphasis*** on added detail). All projects are subject to the following requirement at validation:

“The baseline scenario’s harvested timber output must not exceed regional mill capacity for the species and size forest products produced throughout the crediting period. Mills must be within hauling distances that allow the baseline’s forest management activities to be economical. ***In the instance that a participating entity has multiple GHG Projects with Start Dates within 3***

years of each other that utilize the same timber markets, the combined baseline timber outputs shall not exceed the total current capacity of all the identified timber markets amongst the multiple projects in any given year. A Project Proponent is not subject to this requirement if it is acting on behalf of multiple unique landowners, forest managers, or investors (per project) who maintain management authority over each project area. The feasibility of the baseline harvest regime must be demonstrated with mill reports, testimony from a professional forester, published literature from a state or federal agency, or other verifiable evidence.

4. Erratum: Resampling of carbon stock measurements (2024-08-12)

Section 7.4.1 contains the following requirements regarding resampled carbon stock measurements and the two-tailed Student's t-test (***emphasis*** on added detail):

"In addition to any other activities needed by the verifier to provide a reasonable level of assurance that the ERT assertion is without material discrepancy, full verification field visits must include a resampling of the carbon stock measurements, to be carried out according to the following specifications:

- “The resampled carbon stock measurements must statistically agree with the project’s carbon stock measurements using a two-tailed Student’s t-test at the 90% confidence interval. If the project’s forest inventory is comprised of permanent plots that may be efficiently relocated by the verifier, this test shall be paired. Otherwise, this test shall be unpaired, requiring installation of resampling plots at new locations;
- The minimum number of resampling plots shall be determined by calculating the square root of the most recent forest inventory’s plot count:
 - If the forest inventory has been stratified, resampling may include the lesser of either 1) five (5) strata selected by the verifier based on a strategic assessment of risk, or 2) fewer than five (5) strata comprising $\geq 90\%$ of the proportional project carbon stocks. The Student’s t-test(s) may be performed either independently by strata, or at a consolidated project level, so long as absence of bias and statistical agreement of the t-test(s) can be demonstrated; and
 - Resampling plot allocation may be based on a strategic assessment of risk, proportional carbon stocking, proportional acreage, or another reasonable and demonstrably non-biased method. Plot selection and resampling sequence must be systematic and non-biased. This might be accomplished by assigning a plot sequence prior to the field visit and progressing through the sequence until both the minimum number of resampling plots and the required statistical agreement are reached.
- **In highly homogeneous strata the Student’s t -test(s) may fail due to lack of variability amongst datapoints rather than measurement error. When this occurs the verifier may, at their discretion and in addition to performing the initial t-test(s), compare carbon stock estimates at a plot level. If all of the verifier’s plot level carbon stock estimates are within 3% of the project’s respective plot level carbon stock estimates, the t-test may be considered to pass.**”