ACR
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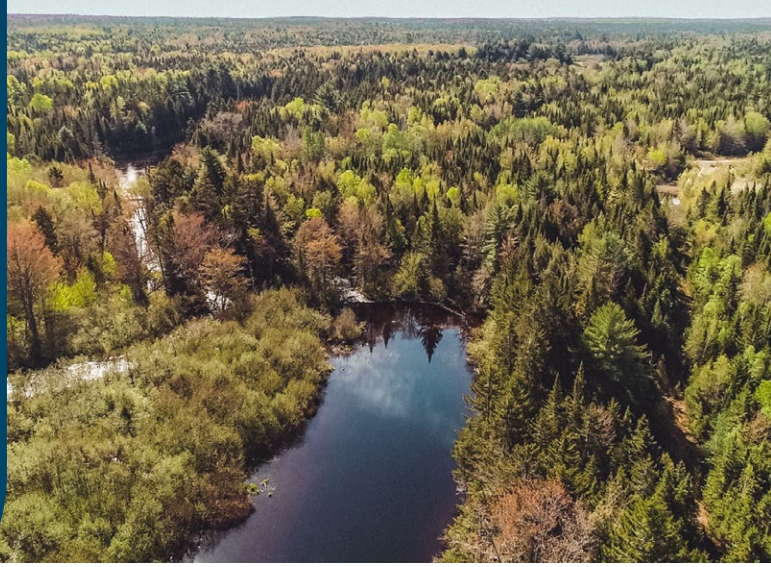
Building the Bioeconomy with Forest Carbon Credits



THE ANEW – TOMAH HIGHLANDS FORESTRY PROJECT

PROJECT OVERVIEW

36,634 acres of Acadian Forest in Maine.
Project Proponent: Baskahegan Company; Project Developer: Anew Climate
Baseline: Aggressive harvest plan to meet revenue requirements with lower-value products on shorter rotation, typical of industrial forestry in the region.
Activity: Land acquisition, decreased harvests, and enhanced sustainable management for wildlife habitat and high-quality forest products afforded through carbon credits.
ACR 617; 154,294 tonnes CO2e of verified carbon emissions reduced and removed from 2020-2022.

CARBON MARKETS ADVANCE MULTIPLE OBJECTIVES

Historically, forest owners have faced competing demands to maintain forest health, biodiversity, and water quality with pragmatic needs to harvest timber, maintain wood supply to local mills, provide employment, and earn a living. While climate change adds to these pressures, it also creates a new opportunity to advance multiple objectives at the same time, as this case study demonstrates.

Set on more than 36,000 acres of Acadian Forest in Maine, the Anew – Tomah Highlands Forestry Project demonstrates how the sale of carbon credits supports conservation and climate goals, while promoting economic development. In short, the project is helping to build the bioeconomy from responsible forestry.

In operation for more than 100 years, the Baskahegan Company was the first commercial timber company to develop a forest carbon project in Maine. A "patient" manager, the company has long been known for its focus on quality timber products and forest stewardship.

> Nonetheless, Kyle Burdick, Woodlands Manager notes, **"the carbon crediting program is the only thing that has ever rewarded Baskahegan financially for doing good forest management."**

DELAYING HARVEST STORES ADDITIONAL CARBON BUT COSTS LANDOWNERS

When confronted with financial pressures – for example the costs of maintaining roads or paying property taxes – forest owners typically harvest more timber. In some cases, they might resort to selling their forest outright. In either scenario, forest values are put at risk, including habitat for wildlife and carbon storage, and can be diminished or lost altogether. Across New England, it is common for forest owners to harvest on short intervals, delivering only low-value logs to pulp mills with forest health declining over time.

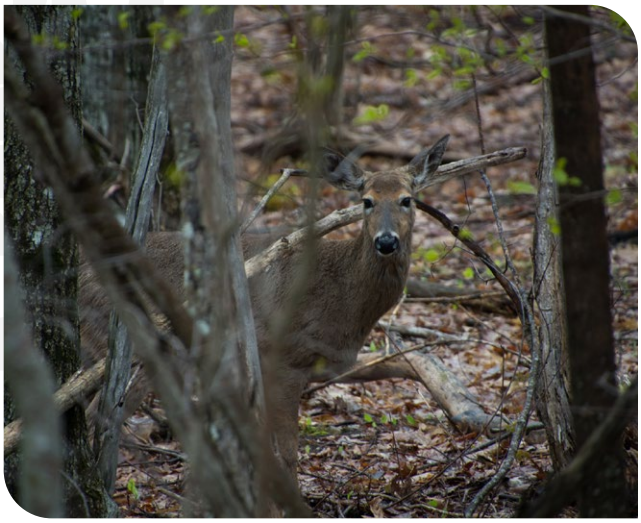
Across the entire region, the net impact of many such individual decisions adds up. Due to a history of short harvest intervals and large harvest blocks, which led to degraded forest conditions, regional forests could store nearly 650 million tonnes of additional carbon by 2050 if practices were improved, according to the New England Forestry Foundation (Source). The additional carbon storage would represent nearly one-third of the energy-related carbon emissions from the region during the same period.

Improving the way regional forests are managed offers the largest opportunity to achieve this climate benefit. One simple strategy is to let trees grow older. Generally speaking, by deferring or delaying harvest, forests store more carbon and wildlife habitat improves. These outcomes have been proven, even when the older trees are eventually harvested, because carbon, wildlife, and timber values in the forest overall increase with age. But delaying harvest costs the landowner, since they do not get paid until timber is cut.

Carbon credits can help bridge this gap.

> **"The best program hits the sweet spot of accumulating carbon over time while also improving the forest and production per acre,"** said Bob Perschel, Executive Director of the New England Forestry Foundation.

Baskahegan is aiming for this type of outcome in the Tomah Highlands project.



RESTORING THE FOREST AND HARVESTING LESS INTENSIVELY TO GENERATE CARBON CREDITS

In 2012, Baskahegan owned just over 100,000 acres of forest, harvesting roughly 31,000 cords of wood per year. Today, the company owns nearly 40% more forestland, yet it still harvests the approximately same amount of timber. This is the crux of its commitment to the planet, the forest, and the economy.

From an earlier sale of carbon credits, Baskahegan was able to buy more land and increase its forest holdings to nearly 150,000 acres. Across this area, the company could have harvested as much as 50,000 cords of wood or even more. Instead, it maintains a similar harvest level well below 50,000 cords and uses the difference to generate carbon credits. "For Baskahegan, the lower volume being harvested is where the additionality comes in," said Burdick.

Before they were bought by Baskahegan, the newly added forestlands bore signs of a century of intensive management for pulp, with trees harvested over shorter time periods with lower timber quality. These conditions also resulted in lower-quality wildlife habitat for iconic species like bald eagles and pine marten. For example, bald eagles prefer large canopy trees near lakes for their nesting, and deer like older, denser forest conditions for wintering habitat. To improve the forest health, store additional carbon and generate higher-quality products, such as lumber for construction, Baskahegan decided to grow its forest for a longer time between harvests.

"Carbon is a good choice, because we are getting paid for letting our forest grow into high-quality timber while also improving forest health," Burdick noted. Yet, like many forest managers, Baskahegan's small team did not have the necessary experience with carbon project development.

Enter Ian Hash, Natural Climate Solutions Director at Anew Climate, the carbon project developer working with Baskahegan. Anew brought the experience and technology needed to develop the project.

> **"Right now, carbon is accumulating on Baskahegan's new lands as the company moves them to longer rotations to restore the forest. While the carbon markets allow them to supplant what could be timber revenues, with carbon revenues, they are also able to conduct smaller scale sustainable management practices that promote long-lived wood products and keep the forest healthy and productive. It's a win-win"** Hash said.

CONCLUSION

"We can't make everything out of plastic; we need to transition to a bioeconomy and carbon markets offer one source for the needed funding," said New England Forestry Foundation's Bob Perschel.

The Tomah Highlands Project is an example of a step in that direction. A heavily cut-over forest is now sequestering additional carbon while also offering improved wildlife habitat and delivering high-quality logs to regional mills for long-lasting construction products.

> ACR's Forestry Director, Dr. Kurt Krapfl noted, **"By improving forest management, we can continue to provide the forest products and ecosystem services our society relies upon, while also storing much more carbon."**

In the Anew – Tomah Highlands Project, Baskahegan is showing that it's possible to advance multiple objectives at the same time.

For more information about the Anew – Tomah Highlands Project, visit Anew or ACR.