

Sagebrush Ecosystem Program

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STATE OF NEVADA
Sagebrush Ecosystem Program

Nevada Conservation Credit System (CCS) for Greater Sage-grouse Habitats

Debit Project Proponent Frequently Asked Questions (FAQ)

More information can be found in the CCS Manual, User’s Guide, and Habitat Quantification Tool Scientific Methods Documents at <http://sagebrusheco.nv.gov/CCS/ConservationCreditSystem/>.

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General CCS FAQs for Debit Projects

1. Am I required to mitigate using the CCS if my project is in or near Sage-grouse habitat?

If an anthropogenic disturbance is in or within 6km of mapped sage-grouse [management areas](#), then it may require compensatory mitigation through the CCS, per State Mitigation regulation (NAC 232.400-232.480), which requires mitigation for qualifying disturbances in sage-grouse habitat.

2. What debit projects qualify as an anthropogenic disturbance as defined by the CCS?

Please refer to Table 1 of the CCS User's Guide for qualifying anthropogenic disturbance types. Broadly, anthropogenic disturbances include the following categories: mining, oil and gas, renewable (geothermal, wind, solar), roads, powerlines, rights-of-way (ROW), urban development, towers, and mineral exploration (> 5 acres). Ranching and farming activities are not considered anthropogenic disturbance impacts and some activities can provide beneficial conservation actions. The CCS User's Guide can be found on the website under [CCS Program Documents](#).

3. What is the Habitat Quantification Tool (HQT)?

The Habitat Quantification Tool (HQT) is the quantitative method to assess direct and indirect impacts (debts) on sage-grouse habitat due to anthropogenic disturbance. The HQT uses GIS Desktop analysis and field data collection. Field data may not be required in some cases, such as for exploration or expansion in already heavily disturbed areas.

4. What components of a disturbance are analyzed for debit projects?

All features associated with a disturbance, including but not limited to, the footprint, access roads, ROW, or other ancillary features, that fall on public land.

5. Is one-acre equivalent to one debit or credit?

No. One debit or credit is equivalent to a functional acre. A functional acre is calculated within the HQT and is determined by the sage-grouse habitat type and quality. Projects can produce more or less than one credit or debit per acre based on these factors.

6. What are my options for determining debits?

For large projects located in the habitat, it is recommended that the typical HQT process is used, which is to connect with a Verifier to complete field surveys in the impacted areas to determine the pre-project habitat function. For smaller projects, projects marginally located in habitat, or projects on a short timeline, there is the option to run a desktop estimate at 100% habitat suitability, called a Desktop Only Analysis. This methodology assumes that all habitats in the project area are 100% suitable for sage-grouse, resulting in the most conservative estimate of debits. Though it will likely

result in a more significant debit number, it may be cheaper than completing field surveys. Speak to your Verifier and the SETT about your options.

7. How long does it take to run the HQT for a debit project?

It depends, but generally, it takes around 6 months to complete a full HQT analysis, including the desktop analysis and field verification, where data must be collected from April 15 – June 30. If field data are not collected and a Desktop Only Analysis at 100% habitat suitability is utilized, it can be completed in a much shorter time frame and any time of the year. It is important to note that the CCS procedure closely aligns with the federal permitting process and should be completed in conjunction with each other.

8. How are credits acquired?

Credits can be purchased from a credit developer who has credits available through the CCS, or the Proponent can generate their own credits on private or public land. Credits can be generated by preserving high-quality sagebrush communities (private land only), removing unused anthropogenic disturbances, removing encroaching pinyon and juniper trees, or enhancing meadows. For more information on developing credits on public lands, see FAQ 32 – 37 below and Sections 2.3.5 and 2.3.6 of the Conservation Credit System Manual on our website under [CCS Program Documents](#).

9. Do all credits have to be acquired before project construction?

Ideally, all required credits would be acquired before construction. This recommendation is to reduce the proponent's long-term liability of becoming out of compliance by not completing the required mitigation. However, current CCS policy states that at least 1/3 (one-third) of credits must be acquired before construction.

10. If only 1/3 of total credits can be acquired upfront, when do the remaining credits have to be acquired, and can they be phased?

If less than the total number of credits are acquired up front, then a mitigation plan or mitigation phasing form must be developed, in coordination with the SETT, to outline how the remaining credits will be obtained over 10 years or sooner. No more than three transactions can occur to offset the total credit obligation.

11. What is a Mitigation Plan?

A mitigation plan is developed when a Debit Project Proponent has not acquired their total mitigation obligation (credits) before project construction, and the proponent plans to participate in generating their own credits on public land. This plan will outline the proposed conservation project types, and this document must be approved by the Sagebrush Ecosystem Council (SEC).

12. What is a Mitigation Phasing Form?

A mitigation phasing form outlines approximately when and how many credits will be purchased over 10 years if the Debit Project Proponent does not buy all credits up front. It can be found on the Sagebrush Ecosystem Program (SEP) website under [CCS Program Documents](#).

13. What are the term lengths for debit projects?

The minimum term length for most Debit projects is 30 years. Debits will be analyzed in perpetuity if a project includes areas that will not be reclaimed, such as roads or open pits. The only exception to the 30-year minimum is for mineral exploration projects, with a minimum of 10 years.

14. If a debit project term length is less than 30 years, can credits be purchased or developed for less than 30 years?

Minimum term lengths less than 30 years are not allowed unless it is a mineral exploration project, which can have a minimum term length of 10 years. Exploration projects can buy prorated 30-year credits. More information on prorating can be found in Section 2.5.4 of the CCS Manual, located on our website under [CCS Program Documents](#).

15. Do credits have to be acquired from a certain part of the State?

No, but the further away the Credit Project is located from the Debit Project, the more credits the Proponent will have to acquire due to applying a proximity ratio (FAQ 16).

16. What is a proximity ratio?

The proximity ratio is a factor that is applied to the number of debits to account for the proximity of the conservation action to the impact. For example, a Debit Project in Washoe County that purchases credits in White Pine County will have the highest proximity factor (1.15), so 100 initial debits would equal 115 credits. Proximity ratios are based on biologically meaningful population delineations for Greater Sage-grouse. For more information on different factors that affect the final debit calculations, see Section 2.2.2 of the CCS Manual, located on our website under [CCS Program Documents](#).

17. Can a Debit Project Proponent purchase credits from the Sagebrush Ecosystem Program?

The SEP does not develop credits but helps connect credit buyers with sellers. Please contact the SETT for an updated Credit Developer contact list.

18. What is the purchase price of a credit?

There is no set purchase price of a credit. Prices are determined by free market forces and are established through private negotiations between the credit buyer and seller.

19. If a Debit Project Proponent purchases more than the needed credits, can they be resold at a later date?

No. Purchasing extra credits to 'bank' and re-sell is not allowed.

20. If a Debit Project Proponent purchases more than the credits needed, can they be used at a later date for another project?

Credits are purchased for specific projects. If excess credits are purchased, they need to be applied to another project when they are purchased.

21. If a Debit Project Proponent developed more than the credits needed on public land, can they be sold at a later date?

No, selling credits generated on public lands is not allowable.

22. If we develop more than the credits needed on public land, can they be used at a later date for another project?

Yes, however, the time frame in which they are managed will need to be considered. The debit duration needs to match the credit duration. For example, the proponent of a 30-year term debit project uses 70 credits from their project that generates 100 credits; the remaining 30 credits can be used for another project five years later, but those remaining 30 credits will need to be maintained a minimum of 30 years from that time to meet the needs for the second project. The 30-year Credit Project duration does not start for the second project until they are transferred to offset the second Debit Project.

23. Are there credits for purchase on public lands?

No.

24. Is purchasing credits or developing them on public land cheaper or easier?

That depends on many factors and could go either way. Purchasing credits from a seller on private lands will likely be more expeditious, and the Debit Proponent's purchase obligation will be satisfied with the finalization of the transaction. Developing credits on public lands may offer flexibility to the developer if they have resources. However, the Debit Project Proponent will manage and maintain the credits generated on public lands for the project's duration. In addition, policy and NEPA constraints need to be considered and addressed for any projects on public lands.

25. What is the time frame for contacting landowners and the credit purchase process? When should I start looking for credits?

The entire process can take several months to a year. A Debit Project Proponent should start looking for available credits before or around the same time as baseline surveys or when NEPA is initiated.

Plenty of time should be allowed to contact landowners and negotiate prices. At least 1/3 (one-third) of credits must be acquired before any project construction, even if NEPA is completed (see FAQ 8 for more information). The purchase of credits to cover the Debit Project disturbance should be finalized around the time NEPA is completed, as that is when the debit total will be finalized. The clock starts on the credits when the transfer is final, so if the project is not intended to start for another five years, the purchase should wait, or additional years should be negotiated to cover that lag time.

26. What agreements, forms, and documents are needed to complete a credit purchase (not including HQT analysis documents)?

A Debit Project Proponent is responsible for completing and signing the following documents on the SEP website under [CCS Program Documents](#); Debit Project Review Form Parts 1, 2, and 3, Credit Purchase Agreement, Mitigation Plan OR Mitigation Phasing Form (ONLY if not all credits are acquired upfront).

27. What is an “Internal Transfer” of credits?

An internal transfer involves a Debit Project Proponent that owns property and develops their credits. In this case, the Debit Proponent is the credit developer and must go through the standard process to generate, manage, and maintain a Credit Project. There would be no payment or transfer of funds; instead, there would be just a transfer of credits.

28. What agreements, forms, and documents are needed to complete or move forward with an internal credit transfer?

A Debit Project Proponent is responsible for completing or signing the following documents on the SEP website under [CCS Program Documents](#); Debit Project Review Form Parts 1, 2, and 3, Credit Transfer Agreement, Mitigation Plan OR Mitigation Phasing Form (ONLY if all not credits are acquired upfront) and all required Credit Project forms.

29. Is the Debit Project Proponent (buyer) on the hook if credits are purchased from a landowner, and that credit project falls out of compliance with the State?

No. When a Debit Project Proponent buys credits, and the transaction is final, any non-compliance of credits (intentional or unintentional) is the responsibility of the credit developer. The exception is that if the Debit Project Proponent has developed their own credits and is also the credit developer, they would be responsible for the invalidated credits.

30. What is the difference between term and permanent credits or debits?

Permanent and term credits or debits refer to the duration or lifetime of a credit or debit. A term credit or debit has a defined length of time assigned to it (e.g., standard 30-year or 10-year exploration project). A permanent credit or debit is in perpetuity.

31. How and when do Debit Project Proponents contact the SETT to see if a project qualifies for the CCS?

If a proposed anthropogenic disturbance that may fall under a category in Table 1 of the CCS User's Guide (can be found on the SEP website under [CCS Program Documents](#) and is in or within 6km of mapped sage-grouse habitat, please get in touch with the SETT. More information can be found in the CCS Manual on the website under [CCS Program Documents](#).

FAQs related to Public Lands Credits

32. What types of credit projects can a Debit Project Proponent develop on public lands?

Pinyon-Juniper woodland removal and meadow restoration projects do not require SEC approval. The SEC may approve other project types, but collaboration with the SETT in project planning is required.

33. Who is responsible for developing a public lands project and plan? Who approves it?

A Debit Project Proponent who chooses to develop a Credit Project on public lands must closely coordinate with SETT and the appropriate federal or state land management agencies. The SETT will need to approve the credit project as qualifying for a CCS project, and the Bureau of Land Management (BLM) or United States Forest Service (USFS) must approve the project in accordance with its policies and regulations.

34. What are the general processes for generating credits on public land?

Option 1 (preferred): Include proposed Credit Projects within the same NEPA documentation for the proposed disturbance action to avoid delaying the implementation of the Credit Project.

Option 2: Contact local BLM or USFS offices where the disturbance is occurring to determine if any NEPA-ready projects that meet the criteria for public land credit generation are potentially available. If no NEPA-ready projects are available with the local districts, other districts or regional offices can be contacted to determine if NEPA-ready projects meeting the criteria for public lands credit generation are available.

NEPA-ready projects are limited and will not be completed within a timeframe comparable to purchasing credits from private landowners. Therefore, public land credit generation is preferred to be developed in time with the proposed disturbance NEPA.

35. What general requirements are associated with generating credits on public land?

The Debit Project Proponent must select an approved credit project for a public lands project (e.g., conifer removal or meadow restoration) in coordination with the SETT. Approval will also be required from BLM or USFS, and NEPA will likely be necessary. Proposed credit projects must also be located outside their proposed Plan of Operations boundary or Project Area, due to the increased risk of invalidating those credits from either their proposed disturbance or the increased likelihood of future disturbance. The Debit Project Proponent must also maintain and manage the Credit Project for the project duration and will include assurances such as bonding to ensure the successful completion and durability of the project. Public land credit projects will also require a higher reserve account contribution due to increased risks associated with public land projects.

36. For proponent-driven Credit Projects, what happens if a project fails due to force majeure events (e.g., wildfire)? Will I lose my credits or be required to do additional restoration?

If a force majeure event occurs, the reserve account will cover the project, and financial assurances will be provided by the Debit Project Proponent upfront for maintenance of the Credit Project. The Debit Project Proponent will not be required to acquire more credits or provide additional financial assurances to offset the loss. Please see the Credit Project Proponents FAQs for more information on the reserve account contribution.

37. For Debit Project Proponent-driven credit projects, what happens if a project fails due to non-compliance by the Debit Project Proponent?

If the Debit Project Proponent fails to implement, maintain, or manage the Credit Project as outlined in the management plan, the project may fall out of CCS compliance. If not addressed, the debit proponent will be responsible for rectifying the situation and will be deemed non-compliant with the State mitigation regulations. Legal actions may be pursued if the Debit Project Proponent does not attempt in good faith to maintain compliance with the rules.

Please review our other documents, such as the CCS Manual and Habitat Quantification Tool Scientific Methods, for additional information or guidance at

http://sagebrushco.nv.gov/CCS/Program_Documents.