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STATE OF NEVADA
Sagebrush Ecosystem Program

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

Debit Project Proponents Frequently Asked Questions

More information can be found in the CCS Manual, User’s Guide, and Habitat Quantification Tool 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 project 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, on page 8 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 ways (ROW), urban, towers, and exploration (> 5 acres). The CCS User's Guide can be found on the website at http://sagebrushco.nv.gov/CCS/Program_Documents.

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

The Habitat Quantification Tool (HQT) is the quantitative method used to assess direct and indirect impacts (debits) to sage-grouse habitat. The HQT uses a GIS Desktop analysis as well as field data collection. In some cases, such as for exploration or expansions in already heavily disturbed areas, field data may not be required.

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

All features associated with a disturbance, including the footprint, access roads, ROWs, 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. The habitat quality and type of habitat determines the credit or debit values for each project, as calculated by the HQT. Projects can produce more or less than 1 credit or debit per acre based on these factors.

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

It depends, but generally around 6 months if the full HQT analysis is completed, which includes the desktop analysis and field verification where data must be collected during April 15 – June 30. If field data are not collected, the analysis could be completed in a much shorter time frame.

7. How are credits acquired?

Credits can either be purchased from a credit developer who has credits available through the CCS program, or the proponent can generate their own credits either on private or public land. Credits can be generated by preserving high quality sagebrush habitat (private land only), removing unused anthropogenic disturbances, removing invasive pinyon/juniper trees, or enhancing meadows, and. For more information on developing credits on public lands, see Section 2.3.5 and Section 2.3.6 of the Conservation Credit System Manual, located on our website at http://sagebrusheco.nv.gov/CCS/Program_Documents.

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

Ideally, all credits needed to offset the debits of a project would be acquired prior to beginning construction. This is recommended to reduce long-term liability of the proponent. However, current CCS policy states that at least 1/3 of credits must be acquired up front before any project construction.

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

If less than the total amount 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 a 10-year period, or sooner. No more than three transactions can occur to offset the total credit obligation.

10. What is a Mitigation Plan?

A mitigation plan is developed when a debit project proponent has not acquired their total mitigation obligation (credits) prior to project development and the proponent plans to participate in generating their own credits on public land. This plan will outline what types of conservation projects are being proposed, and this document must be approved by the Sagebrush Ecosystem Council (SEC).

11. What is a Mitigation Phasing Form?

A mitigation phasing form outlines approximately when and how many credits will be purchased over a 10-year period if the debit project proponent does not purchase all credits up front. It can be found on the Sagebrush Ecosystem Program (SEP) website at http://sagebrusheco.nv.gov/CCS/Program_Documents.

12. What are the term lengths for debit projects?

The typical minimum term length for most debit projects is 30 years. If a project includes areas that will not be reclaimed, such as roads or open pits, debits would be analyzed in perpetuity. The only exception is exploration projects, for which the minimum term is 10 years.

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

No, minimum term length is 30 years, unless it is an exploration project, which can have a minimum term length of 10 years. Exploration projects can buy pro-rated 30-year credits. More information on pro-rating can be found in section 2.4.4 of the CCS Manual, located on our website at http://sagebrusheco.nv.gov/CCS/Program_Documents.

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

No, but the further away the credit is located from the debit project, the more credits the proponent will have to acquire due to the application of a proximity ratio (FAQ 15).

15. 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 applied (1.15), so 100 initial Debits would equate to 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 (page 31, Table 9) of the CCS Manual, located on our website at http://sagebrusheco.nv.gov/CCS/Program_Documents.

16. Can a debit project proponent purchase credits from the Sagebrush Ecosystem Program?

At this point in time, the SEP does not develop credits. The SEP can help connect buyers with sellers. Please contact the SETT for an updated Credit Developer contact list.

17. 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.

18. 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.

19. If a debit project proponent purchases more than the needed credits, 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 at the time they are purchased.

20. If a Debit project proponent developed more than the needed credits on public land, can they be sold at a later date?

No. Selling credits generated on public land is not allowable.

21. If we develop more than the needed credits 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. Debit duration needs to match 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 30 remaining 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 the time they are transferred to offset the second debit project.

22. Are there credits for purchase on public lands?

No.

23. Is it cheaper or easier to purchase credits or to develop them on public lands?

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 obligation is fully satisfied at the finalization of the transaction. Developing credits on public land may offer flexibility to the developer if they have resources and equipment nearby. However, the debit project proponent will be responsible for managing and maintaining the credits generated on public land for the duration of the project. In addition, for any projects on public lands, policy and NEPA constraints need to be considered and addressed.

24. What is the time frame associated with 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 prior to or around the same time as baseline surveys or when NEPA is initiated. Plenty of time should be allowed for contacting landowners and negotiating

price. At least 1/3 of credits need to be acquired prior to 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 isn't intended to start for another five years, the purchase should wait, or additional years should be negotiated to cover that lag time.

25. What sort of agreements, forms and documents are needed to complete to move forward with a credit purchase (not including HQT analysis documents)?

A debit project proponent is responsible for completing and signing the following documents that can be found on the SEP website at:

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

Debit Project Review Form Parts 1, 2, and 3

Credit Purchase Agreement

Mitigation Plan OR Mitigation Phasing Form (ONLY if all Credits are not acquired up front)

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

An internal transfer involves a debit project proponent that owns property and develops their own credits. In this case, the debit proponent is also 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, rather just a transfer of credits.

27. What sort of agreements, forms and documents are needed to complete to move forward with a credit transfer?

A debit project proponent is responsible for completing or signing the following documents that can be found on the SEP website at:

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

Debit Project Review Form Parts 1, 2, and 3

Credit Transfer Agreement

Mitigation Plan OR Mitigation Phasing Form

(ONLY if all Credits are not acquired up front)

All required Credit Project forms

28. 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 debit project proponent has no further obligation. The exception is if the debit project proponent has developed their own credits and are also the credit developer, then they would be responsible for the invalidated credits.

29. What is the difference between term and permanent credits/debits?

A term credit/debit has a defined length of time assigned to the credit/debit (i.e. standard 30-year debit project). A permanent credit/debit is in perpetuity.

30. 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 at: http://sagebrusheco.nv.gov/CCS/Program_Documents) and it is in or within 6km of mapped sage-grouse habitat please contact the Sagebrush Ecosystem Program, kmcgowan@sagebrusheco.nv.gov or kandrlle@sagebrusheco.nv.gov.

FAQs related to Public Lands Credits

More information can be found in the CCS Manual at http://sagebrushco.nv.gov/CCS/Program_Documents.

31. What types of credit projects can a debit project proponent develop on public lands?

Conifer removal and meadow restoration. In the future, other project types may be approved on public lands.

32. 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 work in close coordination with SETT, and the appropriate federal land management agency. The SETT will need to approve the credit project as qualifying for a CCS project and the BLM or FS must approve the project in accordance with their policies and regulations.

33. What are the general processes for generating credits on public lands?

Option 1 (preferred): include proposed credit projects within the same NEPA document as for the proposed action in order to not delay the implementation of the credit project.

Option 2: Contact local BLM or Forest Service offices where the disturbance is occurring to determine if there are any NEPA ready projects potentially available that meet the criteria for public lands credit generation. If no NEPA ready projects are available with the local BLM or FS districts, the proponent can reach out to other district or regional offices to determine if NEPA ready projects meeting the criteria for public lands credit generation are available.

NEPA ready projects are limited and will often not be able to be completed within the proper time frames; therefore, public lands credit generation is preferred to be developed and included within the debit project proponent's NEPA for their proposed action.

34. What general requirements are associated with generating credits on public lands?

The debit project proponent must select an approved credit project for public lands project (e.g., conifer removal or meadow restoration) in coordination with the SETT. Approval will also be required from BLM or FS 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 increased risk of invalidating those credits from either their proposed disturbance or increased likelihood of new future disturbance. The debit project proponent must also maintain

and manage the credit project for the duration of project (e.g., a minimum of 10, 30 years or in perpetuity), and will include assurances such as bonding to ensure successful completion and durability of the project. Public lands credit projects will also require a higher reserve account contribution from the credit project due to increased risks associated with public lands projects.

35. For proponent driven credit projects, what happens if a project fails due to force majeure events (i.e., a wildfire)? Do I lose my credits or will I be required to do additional restoration?

If a force majeure event occurs, the project will be covered by the reserve account and financial assurances the debit project proponent provides up front 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. For more information on the reserve account contribution, please see the Credit Project Proponents FAQs.

36. 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 management plan, the project may fall out of CCS compliance. The debit proponent will be responsible for rectifying the situation and will be deemed in non-compliance with State Mitigation Regulations if not addressed. Legal actions may be pursued if the debit project proponent does not attempt in good faith to maintain compliance with the Regulations.

For additional information or guidance please review our CCS documents (Manual, Scientific Methods – Habitat Quantification Tool (HQT)) at:

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