



Reverification Process: Credit Projects

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Reverification

- **Purpose:** Ensure that greater sage grouse habitat is being maintained as planned
- **Process:** Every 15 years, reverification will be conducted by a certified third-party verifier who will run through the full Habitat Quantification Tool (HQT) to allow for comparisons in condition with the initial HQT quantification.

Current Policy

- Reverify every 15 years throughout the life of the credit project and at the end of the project.
- If credit project is found to be in-compliance, they may exit the program or re-enroll for another 30 years (and receive another credit release).
- **In the Case of Unintentional Reversals:** If a credit site can be fully or partially recovered within a reasonable amount of time and cost, the Credit Project Proponent may develop a remedial action plan that is approved by the Administrator and paid for with the financial instruments secured for long-term management and unintentional reversals.
- **In the Case of Intentional Reversals:** the Credit Project Proponent and Administrator will determine if an agreed-upon remedial action plan can be implemented or if credits must be replaced either by transferring available credits generated by the Credit Project proponent or by purchasing available off-site credits.
- **Credit Variability Tolerance:** If verification shows that a Credit Project is performing below the credit variability tolerance and is therefore not meeting conditions, the Credit Project Proponent must work with the Administrator to determine a remedial action plan. Credit Projects outside of the credit variability tolerance may be subject to credit reversals.

Current Policy Summary

- At the end of their contract, if credit projects meet their baseline standards, as determined comparing their initial HQT to their reverification (Credit Variability Tolerance), they may enroll for another 30 years at the time of reverification or exit the program.
- If projects do not meet their baseline standards, they will enter a remediation action plan per the policy of the CCS and agreed upon in the management plan and participant contract.
- If no remedial action plan can be agreed upon, projects may be subject to credit reversals.
- Currently there is no outlined process for comparison of reverification results and for a remediation action plan.

Remediation Action Plan

- General guidance for uplift that needs to occur for a project to get back to baseline.
- The Remedial Action Plan must be initiated within 120 days following identification of Credit Project failure, unless the Parties mutually agree to an extension
- 10 or 15 years depending on the type of reverification that is occurring:
 1. **10-year** Remediation Action Plan: Used for projects that are not meeting baseline during the end-of-life reverification
 2. **15-year** Remediation Action Plan: Used for projects that are not meeting baseline during the 15-year reverification
- Uplift that needs to occur will be based on the following categories:
 1. % of Meadow grass and forbs
 2. % of Upland grass and forbs
 3. % of Shrub cover
 4. % of Sagebrush count
 5. % of Sagebrush cover
 6. % of invasive annual grass cover
 7. Forb richness

Issues to Consider

- **Comparisons**

- Credit Variability Tolerance: We need to define this. Should we require field data to match exactly what was originally calculated +/- standard deviations?
- Field data will not match the field data that was collected at the start of their project due to various factors, some of which may be out of their control. (Drought, Invasive Annual Grass, Wildfire, etc.)

- **Invalidations**

- Intentional Reversals: Credits are invalidated due to not implementing management activities as defined in the management plan, decreased GRS habitat quality due to over-utilization, or intentional disturbance, development, or inappropriately managed or unaddressed known risks.
- Unintentional Reversals: Credits are invalidated by an extraordinary event or circumstances beyond the control of the proponent
- If management plan is followed, do we assume the producer has done their due diligence and does not need a remedial action plan?
- Invalidation Fees

Issues to Consider

- **Moving Window for Reverification**
 - A moving window for reverification would be a set number of years, plus or minus from the actual 15-year mark, that would allow for a credit project to reverify when conditions are like the conditions from the initial verification.
 - If drought has been an issue, it would allow for reverification during a year with better precipitation and better range conditions.
- **Remediation Action Plan**
 - If a project is found to be invalidated after reverification, the administrator and proponent will work together to create a remediation action plan.
 - Enhancing and Extending Annual Monitoring
 - Currently there is no template for a remediation action plan.
 - Participants have 120 days to initiate remedial action plan

Our Ask

Assemble an SEC subcommittee to:

- Work with the SETT to refine the Credit Project reverification and remedial action plan processes
- Develop standardized expectations for 15-year and end-of-life milestones (“Credit Variability Tolerance”)

Questions/Comments

For the purposes of this adaptive management strategy the SETT will be using the NDOW PMU and BSU boundaries to identify causal factors and management responses.