Nevada

Sagebrush Ecosystem Program

Conservation Credit System Reverification Subcommittee

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Presented by

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NEVADA SAGEBRUSH ECOSYSTEM PROGRAM | Nevada Department of CONSERVATION & NATURAL RESOURCES | NDA Nevada Department of Agriculture | NEVADA DEPARTMENT OF WILDLIFE

Reverification Process

- Verifications are completed at year 15 of 30-year Credit Projects, and 15-year increments for longer duration Credit Projects.
- Reverification occurs to ensure that GRSG habitat is being maintained as planned by implementing a full HQT Verification by a certified third-party verifier.
- 15-year verification allows for direct comparison with the initial HQT.
- The relatively comprehensive annual management and monitoring report to be turned in for all Credit Projects will add to the considerable knowledge about the management and status of project.

Reverification Process - Discussion

- Currently we are using a 3-year window with 1 year + or – the 15-year verifications.

Credit Variability

- Credit variability is variation in GRSG habitat function on a site as measured by the HQT at two different points in time.
- Even on relatively stable sites, variability is likely to result due to variation in climatic conditions and other natural events that influence GRSG habitat function.
- Credit variability is also likely to occur due to sampling errors that are inherent to any measurement method.
- Based on these considerations, the CCS allows for limited variability in GRSG habitat function as a mechanism to insulate Credit Project Proponents from being subject to penalties for minor fluctuations in GRSG habitat quality that are out of their control.

Credit Variability - Discussion

- Defining this range will be the most important issue to tackle.
- Variability will be shown by the number of credits that are gained or lost after the 15-year verifications, however, it will be based on vegetation conditions. Is there a way that we can estimate future conditions to achieve a standard variance?
- Can state and transition models be used to estimate this number?
- Currently the calculator weights the conditions on the private land to the surrounding site conditions for baselines.

Credit Variability - Discussion

Potential Pathway for determining Credit Variability

1. Find the deviation in veg conditions throughout all projects, if verification results fall outside of standard deviation,

2. Use the baseline (vegetation conditions in the area adjacent to the project), if the credits fall below the new baseline,

3. Enter Remedial Action Plan

Credit Project Failure

- A Credit Project failure may include an unintentional reversal or an intentional reversal.
- This may include but is not limited to failure to execute the required Management or Mitigation Actions according to the terms and conditions of execution or the Administrator determines that site-specific performance measures are not maintained based on an evaluation of the Management or Mitigation Plan, field data, and the Habitat Quantification Tool (taking into account natural climate variability).
- The SETT will coordinate with the Credit Project Proponent to consider whether adaptive management measures can be implemented to remediate a Credit Project prior to concluding there has been a Credit Project failure.
- Prior to a finding by the Administrator, 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.

Participant Contract

- Financial Assurances:
  - Required to ensure there are sufficient funds for long-term management and monitoring of the Project Area over the Contract Period.
  - May be used to conduct remedial action due to an Unintentional Reversal. (Participant Contract Section 6.a)
  - The Administrator and Participant agree to a process for, or agree to the Administrator using the financial assurance to cover the costs of replacing Credits that have been sold or otherwise applied to offset Debits due to Intentional Reversal. The purpose of such replacement process and financial assurance is to ensure the replacement of Credits if, at any point during the Contract Period, Credit Project failure as a result of Intentional Reversal is determined.
    - Section 6.b.1.a-e

Remedial 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.
- **If the project is found to be invalidated at the 15-year mark**, the remediation plan can be extended to the 30-year mark to allow the producer to restore their property back to the baseline, or variance of that baseline, that was established through field work.
- **If the project is found to be invalidated at the 30-year or end of life verification**, the proponent will have 10 years to return the site to its prior conditions following the milestones at the 1-, 5-, and 10-year marks.
- Next page will highlight what a remedial action plan may look like

Remedial Action Plan: 15-Year Mark

Categories (x) that may fall below baseline:

1. % of meadow grass and forb cover
2. % of upland grass and forb cover
3. % of shrub cover
4. % of sagebrush count
5. % of sagebrush cover
6. % of invasive annul grasses cover (want to decrease instead of increase)

Due to each map unit being separate, it is not expected that all map units will fall below baseline, therefor this will be tailored to the map unit(s) that are not meeting that standard.

Years After Implementation of Remedial Action Plan (Milestones)	If Baseline not Met at 15-Year Verification
15-Year Verification	Vegetation communities not found to meet baseline (with variance) of initial verification
1 Year	Increase % of X in Map Unit Y
5 Years	Continue to increase % of X in Map Unit(s) Y
10 Years	% of X is close to meeting initial verification baseline (with variance) in Map Unit Y
15 Years	All vegetation communities meet levels of the initial verification (with variance) or remediation action plan has failed

Remedial Action Plan: 30-Year Mark

Categories (X) that may fall below baseline:

1. % of meadow grass and forb cover
2. % of upland grass and forb cover
3. % of shrub cover
4. % of sagebrush count
5. % of sagebrush cover
6. % of invasive annul grasses cover (want to decrease instead of increase)

Due to each map unit being separate, it is not expected that all map units will fall below baseline, therefor this will be tailored to the map unit(s) that are not meeting that standard.

Annual Monitoring will be extended for map units under the Remedial Action Plan.

Years After Implementation of Remedial Action Plan (Milestones)	If Baseline not Met at 30-Year Verification
15-Year Verification	Vegetation communities not found to meet baseline (with variance) of initial verification
1 Year	Increase % of X in Map Unit Y
5 Years	Continue to increase % of X in Map Unit(s) Y
10 Years	% of X is close to meeting initial verification baseline (with variance) in Map Unit Y

Remedial Action Plan - Example

Map Unit 1: Altered Meadow	Sagebrush Canopy Cover	Shrub Canopy Cover	Perennial Forb Cover	Forb Species richness	Perennial Grass Cover	Invasive Annual Grass Cover
Initial Verification	0%	0%	11%	3.9	55%	0%
30-year Verification	5%	4%	5%	1.2	40%	10%
Year 1	3%	2%	8%	2.4	45%	8%
Year 5	0%	0%	10%	3.5	50%	3%
Year 10	~0%	~0%	~11%	~3.9	~55%	~0%

Years 1 & 5 will not have verifications, the extended annual monitoring will help to show if there is a positive trend in the vegetation conditions.

- Annual Monitoring will only apply to the map unit identified in the Remedial Action Plan.

At the end of year 10, verification of this map unit should show that the vegetation conditions are at, or close to, what the vegetation conditions were during the initial HQT calculations.

Post-Remedial Action Plan

There will be another verification for map units at the end of the Remedial Action Plan term.
Potential Solutions for Cost-Effective Verifications:

1. Remote Sensing
2. Fewer Transects per Map Unit
3. Other suggestions?

If the remedial action plan is successful, the Credit Project Proponent and Administrator will dissolve the agreement, as with normal end-of-life for Credit Projects.

- The Credit Project will come to an end with an understanding that sufficient effort was used to try and remediate the loss of credits. Reserve account credits will be used to make up for the credits that were not restored

If the Remedial Action Plan is unsuccessful, the Credit Project Proponent will have to follow through with Section 6.b.1 of the participant contract.

- Upon completion of a purchase, generation of new credits to offset the lost credits, or payment to the Administrator to cover lost credits, the Credit Project agreement will end.