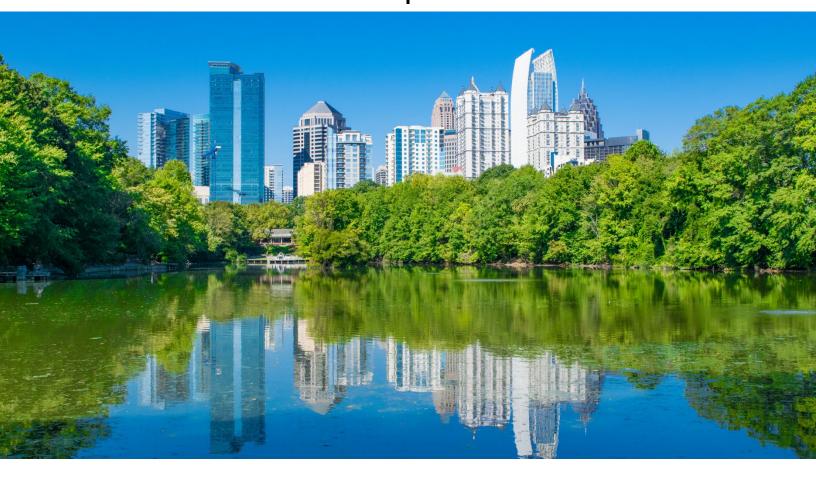


Summary of Tree Preservation Protocol

Eligibility Checklist for Potential Projects

Version 13 February 29, 2024



✓ Identify Project Operator (Section 1.1)

A Project requires one Project Operator, which can be an entity organized and licensed under the laws of its jurisdiction or a governmental body. This is the entity who takes legal responsibility for the project and its reporting throughout the Project Duration.

Commit to 40-year or 100-year Project Duration and sign Project Implementation Agreement (Section 1.2, 2.2)

This is a 40-year or 100-year agreement between the Project Operator and City Forest Credits (the "Registry") for an urban forest carbon project. Registry will provide the agreement template.

✓ Documentation (Section 3)

Templates for all documentation for carbon crediting supplied by the Registry including application, proof of ownership or right to receive credits, project design document, attestations, forest composition report, social impact report, carbon and co-benefit quantification, and more.

✓ Project location (Section 1.3)

Project must be located in or along the boundary of one of the following:

- "Urban Area" per Census Bureau maps (depicted in the CFC Location Eligibility map <u>linked here</u>);
- The boundary of any incorporated city or town created under the law of its state;
- The boundary of any unincorporated city, town, or unincorporated urban area created or designated under the law of its state;
- The boundary of any regional metropolitan planning agency or council established by legislative action or public charter (depicted in the CFC Location Eligibility map <u>linked here</u>). Examples include the Metropolitan Area Planning Council in Boston, the Chicago Municipal Planning Agency, the Capital Area Council of Governments (CAPCOG) in the Austin area, and the Southeastern Michigan Council of Governments (SEMCOG)
- Within the boundary of land owned, designated, and used by a municipal or quasi-municipal entity for source water or watershed protection. Examples include Seattle City Light South Fork Tolt River Municipal Watershed (8,399 acres owned and managed by the City and closed to public access);

✓ Ownership or eligibility to receive potential credits (Section 1.5)

The Project Operator must meet one of the following:

 Own the land, trees, and potential credits upon which project trees are located

- Own an easement or equivalent property interest for a public right of way which project trees are located and accepts ownership of project trees by assuming responsibility for maintenance and liability for them
- Have a written agreement from the landowner, granting ownership to the Project Operator of any potential credits delivered by project trees on that landowner's land

✓ Demonstrate preservation of trees for 40 or 100 years (Section 4)

The Project Operator must show that the trees in the Project Area are preserved from removal by a recorded easement, covenant, or deed with a term of at least 40 years or 100 years. This action is referred to as the "Preservation Commitment."

This Preservation Commitment must be recorded no later than six months after Registry approval of the Project Application.

✓ Demonstrate threat of loss (Section 4):

The Project Operator must show that prior to the Preservation Commitment:

- Project trees were not preserved from removal through a recorded encumbrance or other prohibitions on their removal; and
- Project Area:
 - Was in a land use designation that allowed for at least one non-forest use. Non-forest uses include industrial, commercial, transportation, residential, agricultural, or resource other than forest, as well as nonforest park, recreation, or open space uses; and
 - Excludes critical areas such as wetlands, riparian buffers, floodplains, or steep slopes where development is prohibited, severely restricted, or subject to highly complex and discretionary permitting decisions.
- Project Area met one of the following conditions:
 - Surrounded on at least 30% of its perimeter by non-forest, developed or improved uses, or
 - Sold, conveyed, or had assessed value within three years of preservation for greater than \$8,000 average price per acre for the bare land, or
 - Would have a fair market value after conversion to a developed or improved use greater than the fair market value prior to preservation

✓ Quantification for credits (Section 11)

The Project Operator must follow the quantification methods outlined in the Protocol and use the CFC Quantification Calculator. These steps are designed to be completed by anyone moderately familiar with forestry. The Registry will provide templates that identify data needed with some of calculations based on formulae.

- Stored carbon stock present in Project Area (Section 11.1)
 Estimate the biomass stock present and adjust for uncertainty to calculate the "Accounting Stock". This can be done using the US Forest Service General Technical Report NE-343 tables, on-site inventory of some live trees with i-Tree methods and tools, or an on-site forest inventory.
- 2. Areas expected to remain in trees after potential development (Section 11.2) Calculate the fraction of the Accounting Stock that likely would be emitted as a result of development, to calculate "Avoided Biomass Emissions"
- Soil carbon (Section 11.3)
 Calculate "Avoided Soil Carbon Emissions" caused by conversion of soils to impervious surfaces in the Project Area
- Deduction for displaced development (leakage) (Section 11.4) Apply the deductions in Section 11.4 and Appendix B to Biomass and Soil Carbon calculations to adjust for development and emissions that would be displaced by the preservation of the Project Area.
- 5. Co-Benefits (Section 11.5)

The Project Operator must calculate co-benefits separately from CO₂(e). The Registry will supply the Co-Benefit Quantification Calculator based on the project climate zone. The tool will provide values for rainfall interception, reductions of air compounds, and energy savings.

The Project Operator may elect to also account for ongoing growth of trees within the Project Area after the Initial Crediting Period (Section 11.6)

✓ Social Impacts (Section 12)

The Project Operator must describe how the project impacts contribute towards achievement of the global UN Sustainable Development Goals (SDGs). The Registry will supply a template to evaluate how the project aligns with the SDGs.

✓ Attestation of No Net Harm and No Double Counting (Section 5)

The Project Operator must sign an attestation that the project does cause net harm and will not seek credits on trees, properties, or projects that have already received credits. The Project Operator must check the location of the Project Area against the Registry-provided geospatial database of prior projects to ensure no double counting.

✓ Attestation of Additionality (Section 6)

The Project Operator must sign an attestation that:

- Prior to the Preservation Commitment, the trees in the project area are not protected via easement or recorded encumbrance or in a protected zoning status that preserves the trees
- Prior to the Preservation Commitment, the zoning in the project area must currently allow for a non-forest use
- Prior to the Preservation Commitment, the trees in the project area passed one of three tests to show a threat or risk of removal or conversion out of forest
- The Project Operator records in the public land records an easement, covenant, or deed restriction specifically protecting the trees for the project duration of 40 years or 100 years
- Describes financial additionality and prior consideration for the Project.

In addition, if the Project Area parcels are owned by an entity whose mission is to conserve land in its natural state, such as a land trust, the Project Area must have been acquired less than 2 years prior to submitting a project application.

Validation and verification by third-party verifiers (Sections 13 and Appendix D)

The Registry will conduct validation and will retain a qualified and approved independent Validation and Verification Body for verification of all projects.

✓ Issuance of Credits to Project Operator (Section 7.2)

After validation and verification, the Registry issues credits to the Project Operator based on the Project Area size:

- o 50 acres or less: all credits are issued after validation and verification
- Greater than 50 but less than 200 acres: credits are issued in the equivalent of 50 acres per year
- Greater than 200 acres: credits are issued in equal amounts over five years

✓ Credits for Reversal Pool Account (Section 7.3)

The Registry will issue 90% of Project credits earned and requested and will hold 10% in the Registry's Reversal Pool Account.

✓ Understand Reversals (Section 9)

If the Project Area loses credited carbon stock, the Project Operator must return or compensate for those credits if the tree loss is due to intentional acts or gross negligence of Project Operator. If tree loss is due to fire, pests, or other acts of god (i.e., not due to the Project Operator's intentional acts or gross negligence), the Registry covers the reversed credits from its Reversal Pool Account of credits held back from all projects.

✓ Commit to monitoring and reporting (Section 8)

The Project Operator must submit a report every three years for the project duration. The reports must be accompanied by some form of telemetry or imaging that captures tree canopy, such as Google Earth, aerial imagery, or LiDAR. The reports must estimate any loss of stored carbon stock or soil disturbance in the Project Area.