Registry Update:
Agriculture Protocols at the Climate Action Reserve

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Reserve Agriculture Protocols

• Rice Cultivation Project Protocol
  – Version 1.1 (June 2013)

• Nitrogen Management Project Protocol
  – Version 1.1 (January 2013)

• Livestock Project Protocol
  – Version 4.0 (January 2013) – voluntary market only
  – ARB Compliance Protocol for Livestock Projects (based on CAR v3.0)
  – ARB Early Action Protocols – CAR v1.0 through v3.0
Reserve Agriculture Protocols

• Mexico Livestock
  – Version 2.0 (September 2010)

• Organic Waste Digestion
  – Version 2.1 (January 2014)

• Organic Waste Composting
  – Version 1.1 (July 2013)
Nitrogen Management Protocol

• Reserve scoping exercise completed:
  – Case Study Evaluation of Colorado irrigated corn dataset against Minimum Data Standard:
    ➢ Mostly positive. But, insufficient replicate (or similar) studies
  – Review of USDA’s N2O Methodology:
    ➢ Promising option. Mostly positive. Following future updates.
  – Determination **not** to move forward with expansion at this time.

• Public Comment Period on Minimum Data Standard completed
  – 15 sets of comments submitted (EDF + 14 sets from scientists)
  – Still reviewing & following up. Next steps unclear.
Rice Cultivation Protocol

• Available for use in the voluntary market
• Newest version 1.1 released June 2013
  – Improved clarity between protocol requirements and guidance on DNDC modeling
• ARB is working to develop a compliance protocol, in part based on Reserve Rice Protocol
  – Reserve serving as an active participant in ARB’s Technical Working Group supporting compliance protocol development.
  – Reserve’s Rice Protocol will hopefully be early action protocol
• Strong and growing interest in protocol, but still no active projects listed with the Reserve
Future Grasslands Protocol Development

• Reserve continues to seek funding for moving forward with Grasslands protocol development

• Strong continued interest from stakeholders; Have not yet convened a workgroup

• Scoping work on Grasslands to date:
  – Grasslands Issue Paper (December 2012)
  – Peatlands Research Brief (January 2013)
  – Scoping Meetings held in Minneapolis, MN and Sacramento, CA (Feb/March 2013)
  – Further internal staff analysis on state of the science, existing methodologies, business as usual conversion trends, and other additionality considerations
Livestock Protocol

• Projects implemented to the Reserve’s U.S. Livestock Protocol, versions 1.0 through 3.0, are eligible for early action, as long as:
  – Vintage 2005-2014
  – Listed before January 1, 2014
• CRTs issued to these projects are “EAOCs” and can be converted to ARBOCs by applying to ARB and undergoing a “regulatory verification”
• Early action projects must transition to the ARB compliance protocols by February 28, 2015.
  – Crediting period starts over when the project begins using the new protocol.
Trends Observed by the Reserve

• Uptick in activity and interest in Livestock projects
  – Many early action projects converting to ARBOCs.
  – Early action projects thought to be inactive coming back online
    ▪ Verifying as early action
    ▪ Resubmitting as compliance
  – New projects being submitted under compliance protocol
    ▪ Start date of January 1, 2007 or later

• “Chicken-and-Egg” Dynamic.
  – **Until now:** Weak price signal & lack of certainty → contributed to inactive projects (i.e. verification didn’t pencil out, but project cont’d)
  – **Now:** Stronger price signal & growing certainty → increased interest & activity.
  – The Reserve expects a similar pattern with Rice (and eventually Nitrogen Management).
Interest, Demand, & Success (so far)

• **Interest:** *Lots (and increasing).*
  - Uptick in inquiries in parallel w/ ARB protocol development
  - To-date, interest seemingly driven more by environmental groups, technical consultants, and aggregators, than farmers and the rice industry
  - Regular requests for additional verification training.

• **Demand:** *Mixed.*
  - Compliance market: potentially large demand due to limited offset supply (especially for non-sequestration protocols)
  - Voluntary market: unknown due to limited supply
Interest, Demand, & Success (so far)

- **Success (building supply):** *Limited.*
  - No projects submitted to the Reserve for listing to date.
    - Lack of certainty of eligible project activities
    - Project developers encountering additional barriers (e.g. willingness of landowner to commit? Low or uncertain price signal?)
  - Providing ongoing guidance & education on the protocol
    - Responding to inquiries from potential project developers
    - Verification training completed (trained 5 individuals from 3 companies, including both verifiers and project developers), with ongoing requests for training.
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