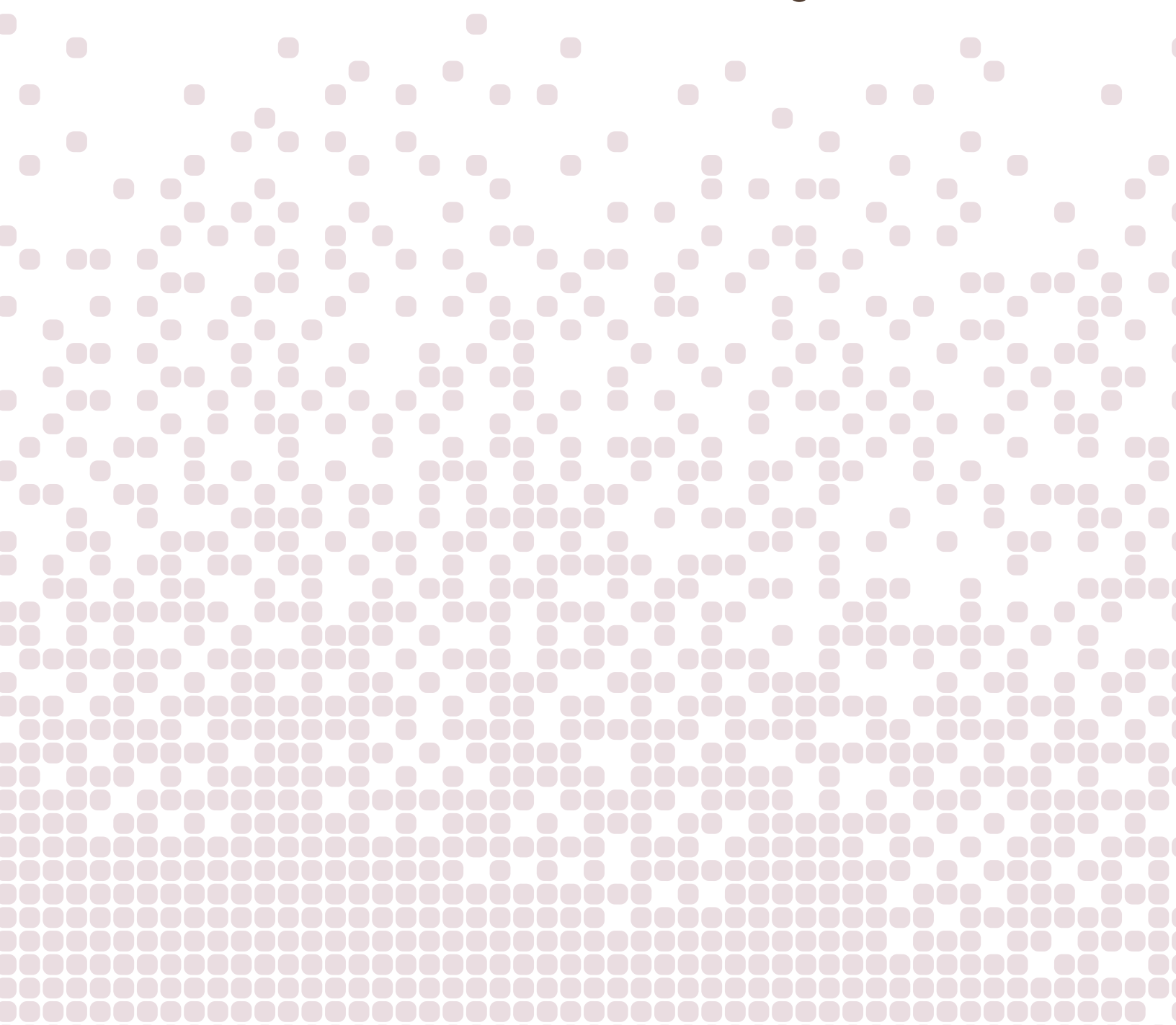




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# Nitrogen Management Project Protocol



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## Abbreviations and Acronyms

ARMS	USDA Agricultural Resource Management Survey
BMP	Best management practices
C-AGG	Coalition on Agricultural Greenhouse Gases
CFR	United States Code of Federal Regulations
CH <sub>4</sub>	Methane
CO <sub>2</sub>	Carbon dioxide
CO <sub>2</sub> e	Carbon dioxide equivalent
CPS	NRCS Conservation Practice Standard
CRT	Climate Reserve Tonne
CSNT	Corn Stalk Nitrate Test
CSP	Conservation Stewardship Program
CWA	Clean Water Act
DNDC	DeNitrification-DeComposition (biogeochemical process model)
EPA	United States Environmental Protection Agency
GHG	Greenhouse gas
GIS	Geographic Information System
HEL	Highly erodible land
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
lb	Pound
LVRO	Leaching, volatilization, and runoff
Mg	Megagram
MRTN	Maximum return to nitrogen
MSU-EPRI	Michigan State University and Electric Power Research Institute
N <sub>2</sub> O	Nitrous oxide
N	Nitrogen
NASS	USDA National Agricultural Statistics Service

NCR	North Central Region of the United States
NH <sub>3</sub>	Ammonia
NH <sub>4</sub> <sup>+</sup>	Ammonium
NMP	Nutrient or Nitrogen Management Plan
NO <sub>3</sub> <sup>-</sup>	Nitrate
NO <sub>x</sub>	Nitrogen oxides
NOAA	National Oceanic and Atmospheric Administration
NPS	Nonpoint source
NRCS	Natural Resource Conservation Service of the USDA
NUE	Nitrogen use efficiency
RCPP	Climate Action Reserve Rice Cultivation Project Protocol
Reserve	Climate Action Reserve
RTA	Ratio of removed to applied nitrogen
SAC	Climate Action Reserve Science Advisory Committee
SSR	Source, sink, and reservoir
T-AGG	Technical Working Group on Agricultural Greenhouse Gases
TMDL	Total maximum daily load
TSP	Technical Service Provider (recognized by NRCS)
USDA	United States Department of Agriculture

# 1 Introduction

The Climate Action Reserve (Reserve) Nitrogen Management Project Protocol (NMPP) provides guidance to account for, report, and verify greenhouse gas (GHG) emission reductions associated with improvements in nitrogen use efficiency (NUE) in crop production. The NMPP is intended to be a modular protocol, which will expand to include additional activities that improve NUE, as more data becomes available.

The Reserve is a national offsets program working to ensure integrity, transparency, and financial value in the U.S. carbon market. It does this by establishing regulatory-quality standards for the development, quantification, and verification of GHG emission reduction projects in North America; issuing carbon offset credits known as Climate Reserve Tonnes (CRT) generated from such projects; and tracking the transaction of credits over time in a transparent, publicly-accessible system. Adherence to the Reserve's high standards ensures that emission reductions associated with projects are real, permanent and additional, thereby instilling confidence in the environmental benefit, credibility, and efficiency of the U.S. carbon market.

Project developers and aggregators that initiate nitrogen management projects use this document to quantify and register GHG reductions with the Reserve. The protocol provides eligibility rules, methods to calculate reductions, performance-monitoring instructions, and procedures for reporting project information to the Reserve. Additionally, all project reports receive independent verification by ISO-accredited and Reserve-approved verification bodies. Guidance for verification bodies to verify reductions is provided in the Reserve Verification Program Manual and Section 8 of this protocol.

This protocol is designed to ensure the complete, consistent, transparent, accurate, and conservative quantification and verification of GHG emission reductions associated with a nitrogen management project.<sup>1</sup>

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<sup>1</sup> See the World Resources Institute / World Business Council for Sustainable Development, The Greenhouse Gas Protocol for Project Accounting (Part I, Chapter 4) for a description of GHG reduction project accounting principles.

## 2 The GHG Reduction Project

### 2.1 Background

Nitrous oxide ( $\text{N}_2\text{O}$ ), a potent agricultural greenhouse gas, is emitted as a product or by-product of the naturally occurring microbial processes of nitrification and denitrification. Nitrous oxide emissions from agricultural lands are generally related to the application of inorganic and organic nitrogen (N) fertilizer, or legume-derived N. Any factor or action that impacts N availability in the soil may impact  $\text{N}_2\text{O}$  emissions, due to the fact that higher levels of available mineral N increase the amount of N available for transformation through the nitrification-denitrification cycle.

Nitrous oxide emissions from agricultural lands in the U.S. are estimated at 204.6 Mt  $\text{CO}_2\text{e}$ , which make up 69.2 percent of total U.S.  $\text{N}_2\text{O}$  emissions, or 3.1 percent of total U.S. emissions. Although annual  $\text{N}_2\text{O}$  emissions from agricultural lands in the U.S. have fluctuated somewhat over the years, they were 3.4 percent higher in 2009 than they were in 1990.<sup>2</sup>

Nitrogen is an essential nutrient for plants, and agricultural producers have long supplied additional N soil amendments to their crops. During much of history, N was supplied to crops primarily in organic form such as through manure application and N-fixing legumes. However, during the latter part of the 19th century, inorganic N (typically synthetic fertilizer) replaced organic N as the main source of this nutrient, and today, inorganic N has become essential to world food production, contributing significantly to the 18 percent increase in global atmospheric concentrations of  $\text{N}_2\text{O}$  since 1750.<sup>3</sup> In addition to increased  $\text{N}_2\text{O}$  emissions, the increased use of inorganic N in agriculture has proliferated the N-losses to the environment in the forms of ammonia ( $\text{NH}_3$ ), ammonium ( $\text{NH}_4^+$ ), nitrogen oxides ( $\text{NO}_x$ ), and nitrate ( $\text{NO}_3^-$ ), which affect air and water quality and lead to significant disruptions to natural ecosystem functions.

Because N available to microbes drives  $\text{N}_2\text{O}$  emissions, any agricultural management practice that reduces the presence of excess mineral N in the soil is a good candidate  $\text{N}_2\text{O}$  emission reduction strategy. Specifically,  $\text{N}_2\text{O}$  emissions can be reduced with the implementation of nitrogen management practices that focus on improving the nitrogen use efficiency (NUE)<sup>4</sup> by matching nitrogen supply as exactly as possible with plant nutrient uptake to avoid the presence of excess N in the soil (i.e. less N applied for the same crop productivity). Determining the proper rate and timing of N applications during the year are important management decisions for agricultural producers. Using too little N may result in lower yields, poorer crop quality, and hence, reduced profits. When too much N is applied, yields and quality are generally not compromised (for most crops), but profit may be reduced and negative environmental effects can occur related to N leaching and nitrous oxide ( $\text{N}_2\text{O}$ ) emissions.

The objective of a nitrogen management project under this protocol is to reduce  $\text{N}_2\text{O}$  emissions by adopting practices that further improve nitrogen use efficiency beyond what is projected to happen in the future, absent a carbon market.

<sup>2</sup> U.S. EPA. (2011). Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2009. EPA 430-R-11-005. Washington, D.C. Available at [http://www.epa.gov/climatechange/emissions/usgginv\\_archive.html](http://www.epa.gov/climatechange/emissions/usgginv_archive.html)

<sup>3</sup> IPCC Fourth Assessment Report: Climate Change 2007.

[http://www.ipcc.ch/publications\\_and\\_data/publications\\_and\\_data\\_reports.shtml#1](http://www.ipcc.ch/publications_and_data/publications_and_data_reports.shtml#1)

<sup>4</sup> The N Use Efficiency (NUE) is typically defined as “the proportion of all nitrogen inputs that are removed in harvested crop biomass” (Ribbaudo et al., 2011).

This protocol provides eligibility criteria for approved nitrogen management practices and approaches for quantifying N<sub>2</sub>O emission reductions that occur as a result of adopting the approved practices.

N<sub>2</sub>O emissions are positively correlated with low soil pH, higher ambient temperatures, high water-filled pore space, soil compaction, available carbon substrate in soils, and available mineral N in soils.<sup>5</sup> These relationships result in significant variability in expected N<sub>2</sub>O emissions and reduction potentials associated with different regions and crops across the U.S. They are also responsible for significant differences in the feasibility and efficacy of various nitrogen management practices for reducing N<sub>2</sub>O emissions while maintaining or improving crop yield. As a result, this protocol contains region- and crop-specific eligibility criteria, as noted below, and employs system-specific GHG quantification approaches that are applicable to specific circumstances.

### **2.1.1 Nitrogen Management Practices Considered for this Protocol**

The Reserve's Science Advisory Committee recommended certain practices that are likely to reduce N<sub>2</sub>O emissions and have shown consistent results in scientific peer-reviewed literature, and those practices were prioritized for consideration as project activities. These candidate activities are summarized in Appendix B and listed below in Table 2.1, along with the Reserve's current assessment of data availability and existing quantification methods for these activities. Appendix A addresses the steps required for developing performance standards, particularly data needs for common nitrogen management practices, and Appendix D describes the criteria necessary to ensure that quantification methods are sufficiently rigorous and vetted in order to be included as a project activity in this protocol. The Reserve may add additional eligible project activities in future versions of the protocol if data and analyses support their inclusion and if robust quantification methods can be developed.

This version of the Nitrogen Management Project Protocol includes only one method for quantifying N<sub>2</sub>O emission reductions from reducing N application rates, which is applicable only to N rate reductions for corn in the Corn Belt, or the North Central Region, as it is called in this protocol.<sup>6</sup> Section 5 provides further information on regions where the currently approved project activity is applicable. Additional quantification methods for N application rate reductions may be added in future versions of the protocol, covering additional regions and crop systems.

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<sup>5</sup> Chantigny et al., 2010; Farahbakhshazad et al., 2008; Venterea and Rolston, 2000.

<sup>6</sup> See Table 2.2 below for applicability of the approved quantification methodology and for a list of states included in the North Central Region.

**Table 2.1.** Priority List of Nitrogen Management Practices

Potential Nitrogen Management Practice	Are comprehensive national data available to develop a performance standard? <sup>a</sup>	Is a standardized quantification methodology for N <sub>2</sub> O emissions currently available that meets Reserve criteria? <sup>b</sup>
Reduce N Applied	Yes	Yes
Use of Nitrification and Urease Inhibitors <sup>c</sup>	Yes	No
Use of Nitrification Inhibitors (Only) <sup>c</sup>	Yes	No
Switch from Anhydrous to Urea	No	No
Switch from Fall to Spring Application	Yes	No
Change to Slow Release Fertilizer	No	No
Change to Fertigation	No	No
Apply N Closer to Roots	No <sup>d</sup>	No
Add N Scavenging Cover Crops	No	No
<p>a) This column represents whether or not data is available specifically through the USDA ARMS dataset, which the Reserve identified as the best available to develop performance standards for nitrogen management. Appendix A provides more detail on how the Reserve made this determination.</p> <p>b) The Reserve shall only adopt quantification methodologies that are standardized, scientifically vetted, and conservative. Appendix D outlines general criteria that the Reserve considered when determining which quantification methodologies were sufficiently evaluated to include in this protocol.</p> <p>c) Note that while the use of nitrification inhibitors was recommended both with urease inhibitors and on their own, the use of urease inhibitors (without nitrification inhibitors) is not a priority practice.</p> <p>d) Although some N application method data is available, the Reserve does not believe the data is sufficient to develop a performance standard for changing N placement to apply N closer to the roots.</p>		

## 2.2 Project Definition

For the purpose of this protocol, a GHG reduction project (“project”) is defined as the adoption and maintenance of an approved project activity<sup>7</sup> that reduces nitrous oxide (N<sub>2</sub>O) emissions.

The approved project activity may be implemented on a single field, known as a “single-field project,” or may be implemented on two or more individual fields combined into a single project area, also known as an “aggregate.” Specific requirements for aggregates are outlined in Section 2.4. Physical boundaries for individual fields must be defined according to the requirements in Section 2.2.1.

At present, only project activities listed in Table 2.2 below are considered approved project activities. However, implementation of additional best management practices and adaptive management practices are encouraged under this protocol, as discussed in Section 2.2.3, below.

<sup>7</sup> Note that a project is defined by the adoption of practices; however, GHG reductions are quantified based on actual project performance in terms of reduced N<sub>2</sub>O emissions.

**Table 2.2.** Definitions for Approved Project Activities

Approved Project Activity	Description	Applicable Primary Crop	Applicable Region
Reduce N Applied	Reduction in the annual nitrogen application rate compared to recent historic application rates <sup>8</sup> at the site, without going below N demand <sup>9</sup>	Corn <sup>10</sup>	North Central Region <sup>11</sup>

### 2.2.1 Defining Field Boundaries

For the purposes of this protocol, an individual field must be defined by the following criteria:

1. The field must be under the direct management control of a single entity.
2. The field area must be continuous.
3. Management practices within the field boundary must be homogeneous, within a reporting period.<sup>12</sup> More specifically, in a reporting period, the same crop must be grown throughout the field and N fertilization dates must be the same (within fourteen days); N fertilization composition, placement, and cover crops must be implemented consistently throughout the field. N application rate may vary across the field, so long as the total N applied is used as the input for all equations in Section 5. This protocol also explicitly encourages use of variable rate technology and other adaptive management strategies, as they may help enable the project activity while maintaining or increasing yields (see Section 2.2.3, below).

The field boundary, as defined by this protocol, should generally be similar, if not exactly the same, as the field boundaries that have been historically observed by the farmer for other BAU management purposes (e.g. tracking yield per field over time, but particularly during the baseline), and/or the field boundaries referenced in legal documents pertaining to all, or part of a parcel, of the property (e.g. contracts and other documentation of property sales). Fields should only be sub-divided beyond the traditional or legal boundaries if doing so is required to meet all three of the above criteria.

### 2.2.2 Defining the Cultivation Cycle

For the purposes of this protocol, a cultivation cycle is generally defined as the period starting immediately after harvest of one primary crop and ending after the next primary planted crop is harvested the following calendar year. A primary crop is defined as the main production crop grown on a field in a given year (e.g. corn is a primary crop and may be grown on its own or with

<sup>8</sup> Nitrogen application rates in the project description are meant to include total N rate (e.g. the total of all synthetic and organic sources of N).

<sup>9</sup> The NMPP Science Advisory Committee recommended that “without going below N demand” be included in the project definition to ensure that this project activity should not be implemented such that yields are significantly affected. To prevent going below N demand, this protocol includes a performance standard based on a nitrogen use efficiency metric (see Section 3.5.1), encourages implementation of additional enabling practices (Section 2.2.3), and accounts for any leakage effects if yield is affected (see Section 5.4.2).

<sup>10</sup> Multi-year rotations that include other crops (e.g. soy, wheat) are eligible under this protocol; however, only emission reductions related to the corn cultivation cycle shall be credited.

<sup>11</sup> Defined in Section 3.1.

<sup>12</sup> Changes in management practices may be made from year to year (e.g. in different reporting periods), so long as management within a given field is homogenous for the purposes of defining the field's spatial boundary.

a cover crop). If there are multiple primary crops in rotation, each type of crop (e.g. corn in a corn-soybean rotation) has a distinct cultivation cycle. Since this protocol is only applicable to annual corn crops, the cultivation cycle is further defined as approximately 365 days.<sup>13</sup> One complete cultivation cycle for corn in a corn-soy rotation, for example, begins with post-harvest residue management for the soy crop harvested in the fall of year one, continues with field preparation, seeding, and cultivation of the corn crop, and culminates upon completion of the corn harvest in the fall of year two.

### 2.2.3 Implementation of Enabling Practices

As noted in the project definition (Table 2.2), implementation of the project activity (reducing N application rate) should not result in such a significant N rate reduction that the N applied falls below N demand of the crop, resulting in yield loss. Though reducing one's N rate is the only creditable activity at this time, the NMPP recognizes that improved nitrogen use efficiency can be achieved through a variety of nitrogen best management practices that minimize the risk of yield losses.

This protocol encourages the adoption of additional best management practices as a way to enable N rate reductions, while maintaining or increasing yield. These enabling practices include, but are not limited to: practices listed in Table 2.1, practices listed in NRCS Conservation Practice Standard (CPS) 590, precision agriculture practices (particularly variable rate technology and yield monitors), and adaptive management tools (such as corn stalk nitrate tests (CSNT),<sup>14</sup> pre-plant or pre-sidedress soil nitrate tests, field-composite soil tests, and replicated strip trials). In some cases, these practices may result in additional N<sub>2</sub>O reductions beyond those quantified in this protocol; such reductions may be creditable under future versions of the protocol.

## 2.3 Project Developer

The project developer is an entity that has an active account in good standing on the Reserve, submits a project for listing and registration with the Reserve, and is ultimately responsible for all project reporting and verification. Under this protocol, project developers may act as aggregators, who represent one or more fields participating in a project, or as developers of single-field projects. Project developers/aggregators may be a corporation or other legally constituted entity, city, county, state agency, agricultural producer, or a combination thereof. An individual farmer may serve as a project developer of a single-field project, as an aggregator for their own fields, or as an aggregator for a group of fields under different ownership or management. Farmers who elect to enroll in an aggregate and not serve as a project developer are referred to as "project participants." Project participants must have authority to make cultivation management decisions on their fields that are enrolled in the aggregate.

Project developers/aggregators act as official representatives to the Reserve on behalf of project participants and are ultimately responsible for submitting all required forms and complying with the terms of this protocol. Project developers/aggregators manage the flow of ongoing monitoring and verification reports to the Reserve and may engage in other project

<sup>13</sup> As the protocol expands in future versions, primary crops with cultivation cycles of less than a year (e.g. lettuce) or more than a year (e.g. perennials) may be included, which would likely necessitate changes in the definition of "cultivation cycle" as approximately 365 days.

<sup>14</sup> Corn Stalk Nitrate Tests (CSNTs) are required by this protocol for monitoring and verification of the project activity, at a frequency of one CSNT per field or one CSNT per 100 acres, whichever is lower. However, it is up to each individual project participant to use the CSNT results as an adaptive management tool.



development activities such as developing monitoring plans, modeling emission reductions, managing data collection and retention etc., or may hire technical contractors to perform these services on their behalf. The scope of project developer/aggregator services is negotiated between the project participants and the project developer/aggregator and should be reflected in contracts between the project participants and the project developer/aggregator.

Project aggregators have the authority to develop their own internal monitoring, reporting, and other participation requirements for individual fields as they deem necessary, as long as these internal requirements do not conflict with any requirements outlined in this protocol.

Aggregators also have the discretion to exclude individual fields enrolled in their aggregate from participating in verification activities for any given reporting period; however, in such cases, there can be no CRTs issued for those fields in the aggregate total.

In all cases, the project developer/aggregator must attest to the Reserve that they have exclusive claim to the GHG reductions resulting from all fields in the project. The project developer/aggregator must attest to this requirement by submitting a signed Attestation of Title form for single-field projects or Aggregator Attestation of Title<sup>15</sup> form for aggregates, prior to the commencement of verification activities each time the project is verified (see Section 8).

Although the aggregator must have exclusive claim to CRTs for the project to complete verification, this protocol does not dictate the terms for how that exclusive title will be established; allowing the aggregator, project participant, and land owner (if separate from the project participant) maximum flexibility for the terms of contracts between the respective parties. In the case of project activities taking place on leased fields (e.g. the project participant is not the land owner, but rather a lessee), the aggregator must notify the land owner with a Letter of Notification of the Intent to Implement a GHG Mitigation Project on the respective field.

As part of verification activities, verification bodies shall review contracts and letters of notification as a means of confirming exclusive title to the CRTs. The Reserve will not issue CRTs for GHG reductions that are reported or claimed by entities other than the aggregator.

## **2.4 Project Aggregates**

As noted above, incorporated into the NMPP is an option for project aggregation, with clear rules for how aggregation must be undertaken. Aggregators may provide appropriate technical expertise and fulfill protocol requirements on behalf of farmers in addition to providing other technical consulting services. In addition, aggregation allows for “economies of scale” within the methodology, allowing streamlined requirements for individual farmers while upholding rigorous quantification and verification standards at an aggregate level. This is primarily accomplished through pooling uncertainty and by sampling fields for verification activities.

### **2.4.1 Field Size Limits**

The aggregate does not need to be comprised of contiguous fields, and can encompass numerous fields located on one farming operation or distributed amongst different farms and/or producers.

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<sup>15</sup> The Reserve Aggregator Attestation of Title form is available at <http://www.climateactionreserve.org/how/program/documents/>.

There is no limit on the total number of acres enrolled in an aggregate, assuming each individual field meets the requirements of Section 2.2.1. There are, however, limits on how large a single field may be, in relation to the total combined acreage in an aggregate, as defined by Table 2.3 below. Field size limitations are in place to minimize the influence that a single large field may have on an aggregate's total emission reduction calculations, due to the random sampling used to verify aggregates.

**Table 2.3.** Maximum Field Size as a Percent of Aggregate Acreage

Number of Fields in Aggregate	Maximum Acreage of a Single Field (% of Aggregate Acreage)
2	70%
3	50%
4	33%
5 or more	25%

### 2.4.2 Entering an Aggregate

Individual fields may join an aggregate by being added to the aggregate's Project Submittal Form (if joining an aggregate at initiation) or by being added through the New Field Enrollment Form (if joining once the aggregate is underway).

Single-field projects that have already been submitted to the Reserve may choose to join an existing aggregate by submitting an Aggregate Transfer Form to the Reserve. The project aggregator will also need to submit a New Field Enrollment Form, listing that field. Emission reductions occurring on single fields or new fields entering an aggregate will start counting toward the aggregate CRTs in the reporting period immediately following the transfer. Because project start dates and reporting periods are tied to annual cultivation cycles, fields are encouraged to begin the process of entering an aggregate prior to completion of the cultivation cycle (e.g. prior to harvest) of the year immediately preceding that in which emission reductions will be registered as part of the aggregate.

### 2.4.3 Leaving an Aggregate

Fields must meet the requirements in this section in order to leave or change aggregates and continue reporting emission reductions to the Reserve. In all cases, emission reductions must be attributed to one project for a complete reporting period, as defined in Section 3.3, and no CRTs may be claimed by a project for a field that does not participate and report data for a full reporting period.

Project activities on an individual field may be terminated and the field may elect to leave the aggregate at any time.

Individual fields may elect to leave an aggregate and participate as a single-field project for the duration of their crediting period. To leave an aggregate and become a single-field project, the project participant must open a project developer account on the Reserve and submit a Project Submittal Form to the Reserve, noting that it is a "transfer project" and identifying the aggregate from where it transferred.

Fields can switch their participation to another aggregate during a crediting period if, and only if:

1. The field changes ownership, tenant occupancy or management control during the crediting period and the new owner, tenant or manager has other fields already enrolled with a different aggregator.
2. The original aggregate is terminated (e.g. goes out of business).
3. The aggregator breaches its contract with the project participant and the contract is terminated.

Fields seeking to change aggregates during a crediting period under one of the above allowed circumstances must submit an Aggregate Transfer Form to the Reserve prior to enrolling in the new aggregate.

#### **2.4.4 Changes in Land Ownership, Management or Tenant Occupancy**

A field in an aggregate can change ownership, tenant occupancy or management control during a crediting period, and remain in the aggregate with uninterrupted crediting if, and only if, the following criteria are met:

1. The contract with the aggregator is transferred from the old to the new project participant.
2. The new project participant submits a Field Management Transfer Form to the Reserve via their aggregator prior to the beginning of the subsequent reporting period.
3. Implementation of the approved project activity continues without change until the end of the current reporting period.<sup>16</sup>

Where any of these criteria are not met, a field will forfeit the opportunity to generate CRTs for the reporting period during which the ownership, tenant occupancy or management control change occurs. The field may re-enter the aggregate at any time during the remainder of the 5-year crediting period by fulfilling the three requirements above.

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<sup>16</sup> See Sections 3.3 and 7.4 for a description of reporting periods.

### 3 Eligibility Rules

Projects must fully satisfy all eligibility rules in order to register with the Reserve. All fields participating in a project must meet the following criteria, as well as the definition of a GHG reduction project (Section 2.2), in order for the project to be eligible.

<b>Eligibility Rule I:</b>	Location and Crop System	→	<i>U.S. and U.S. tribal areas, in areas corresponding to approved quantification approaches (see Table 3.1)</i>
<b>Eligibility Rule II:</b>	Start Date	→	<i>No more than six months prior to submission*</i>
<b>Eligibility Rule III:</b>	Additionality	→	<i>Meet performance standard</i>
<b>Eligibility Rule IV:</b>	Regulatory Compliance	→	<i>Exceed regulatory requirements</i>
		→	<i>Compliance with all applicable laws</i>

\* Except as otherwise permitted in Section 3.2.

#### 3.1 Location and Crop System

Only projects located in the United States and on U.S. tribal lands are eligible to register reductions with the Reserve under this protocol. Project fields must be located in regions and employ crop systems for which there is an applicable quantification approach in this protocol. Table 3.1 lists the quantification approaches currently contained in this protocol along with their applicable geographic regions and crop systems. Not all fields within a project are required to be located in the same region.

Please also refer to the additional applicability criteria included in Section 5.1, which may further restrict eligibility in some of the states included in Table 3.1.

**Table 3.1.** Eligible Practice: State-Crop Combinations

Approved Practice	Eligible State-Crop Combinations <sup>17</sup>	
Reducing Amount of N Applied	Illinois	Corn
	Indiana	Corn
	Iowa	Corn
	Kansas	Corn
	Michigan	Corn
	Minnesota	Corn
	Missouri	Corn
	Nebraska	Corn
	North Dakota	Corn
	Ohio	Corn
	South Dakota	Corn
	Wisconsin	Corn

<sup>17</sup> Multi-year rotations that include other crops than those listed in Table 3.1 are eligible under this protocol; however, only emission reductions related to the corn cultivation cycle shall be credited. Both corn grown for grain and corn for silage are eligible.

### 3.2 Start Date

Each field has a unique start date, defined as the first day of a new cultivation cycle for an applicable primary crop during which an approved project activity is implemented. The first day of a new cultivation cycle is defined as the first day after the field's previous harvest of a primary crop was completed for that field. The start date may be chosen as any date that coincides with the start of a cultivation cycle during which a project activity is implemented. Further, fields under the same management control or even within the same aggregate may have different start dates within the same year and/or may have start dates in different years, depending on when the project activity is first implemented on a given field.

It is important to note, however, for fields that are part of an aggregate, the aggregate's reporting start date might differ from the field's start date. The aggregate reporting start date shall be determined by the aggregator, taking into account the respective start dates of fields within the aggregate (see Section 7.4 for further discussion).

Fields may be submitted as a single-field project or join an aggregate at any time before the end of the first cultivation cycle after the field's start date.

Fields with start dates on or after June 27, 2010 are eligible to register with the Reserve if submitted by June 27, 2013 (i.e. during the first 12 months following the Effective Date of Version 1.0 of the protocol).<sup>18</sup> Fields with start dates prior to June 27, 2010 are not eligible under this protocol. Fields may always be submitted for listing by the Reserve prior to their start date.

### 3.3 Crediting Period

The crediting period for fields under this protocol is defined as five eligible crop years, which may occur over a period of up to ten years.<sup>19</sup> An eligible crop year is defined as one complete cultivation cycle (i.e. 365 days) in which an eligible crop (see Table 3.1), is grown on the field. CRTs may only be generated during an eligible crop year. Eligible crop years do not have to be consecutive, but project reporting for each field must be continuous during a crediting period, with no gaps between reporting periods. This means that multi-year rotations that alternate between eligible and non-eligible crops must report project data for all time periods, including ineligible crop years, to maintain continuous reporting throughout the crediting period (see Section 6.4 for reporting requirements).

Crediting periods may be renewed one time (for a potential of ten eligible crop years of crediting). During the last six months of a field's first crediting period, project developers/aggregators may apply for a field's eligibility under a second crediting period. The project must meet the eligibility requirements of the most recent version of this protocol, including any updates to the Performance Standard Test (Section 3.5.1.1). The historic baseline established in the first crediting period of the project shall be used for the project's second crediting period.

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<sup>18</sup> The Effective Date of Version 1.0 of the protocol is June 27, 2012.

<sup>19</sup> The time period over which a crediting period of five eligible crop years must be completed is based on a variable period of time (five to ten years), depending on how many eligible crop years are planted. For example, in the case of a corn-corn monoculture, the crediting period must be five consecutive years, while a corn-soy rotation may have a five year crediting period that extends over ten years, if corn is planted every other year. A more complex multi-crop rotation, however, in which the eligible crop is grown only every fourth year will likely be limited specifically by the ten year maximum crediting period, as opposed to limited by the five eligible crop years.

The reporting period under this protocol is one complete cultivation cycle of an annual crop, approximately 365 days. Reporting periods in which a field does not meet the performance standard (see Section 3.5.1.1), or a field is withdrawn from participation in verification activities, still count as one of the five eligible crop years in the crediting period. Similarly, the field must continue to meet monitoring and continuous reporting requirements, even if not eligible to generate CRTs in a given year.

Crediting periods do not apply to aggregates, only to individual fields within an aggregate and to single-field projects.

The Reserve will issue CRTs for GHG reductions quantified and verified according to this protocol for a maximum of two five-year crediting periods after the field's start date, as defined above. If, at any point in the future, the approved project activity adopted on a field becomes legally required, emission reductions may be reported to the Reserve for that field up until the date that the practice is required by law to be adopted. Upon the effective date of the new legal requirement, the Reserve will cease to issue CRTs for GHG reductions for the legally required N rate reduction for that field (see Section 3.5.2 for further guidance).

### 3.4 Other Criteria

Section 5.1 specifies additional “applicability conditions”, specific to each approved project activity, that must be met by each field implementing that respective project activity. Currently, Section 5.1 includes applicability conditions for implementing the only approved project activity: reducing N application rate.

Lands that have no cropping history prior to the earliest eligible start date under this protocol (June 27, 2010) are not eligible under this protocol. Project fields must also meet the conservation compliance standards required by the 1985 (and subsequent) Farm Bill(s) for USDA direct payments and conservation programs.<sup>20</sup> More specifically, if the project area includes land classified as highly erodible land (HEL)<sup>21</sup> that land must meet the Highly Erodible Land Conservation provisions to be eligible under this protocol. To be eligible, HEL land must have an approved conservation system in place that the USDA NRCS recognizes as meeting the Highly Erodible Land Conservation provisions or that has been developed by a certified Technical Service Provider (TSP) to meet the Highly Erodible Land Conservation provisions.<sup>22</sup> If the project area includes land classified as wetlands,<sup>23</sup> that land must meet the Wetlands Conservation (or “swampbuster”) provisions to be eligible under this protocol (i.e. project fields

<sup>20</sup> Growers are ineligible for USDA program benefits (e.g. DCP, EQIP, CSP), if they farm HEL or wetlands unless specific requirements are met, as outlined in Title 7 of the Code of Federal Regulations, Subpart A, Part 12.4 and 12.5.

<sup>21</sup> Highly erodible land is defined as “land that has an erodibility index of 8 or more” in Title 7 of the Code of Federal Regulations, Subpart A, Part 12.2. Part 12.21 further outlines how HEL is identified and how the erodibility index is calculated.

<sup>22</sup> Basic requirements for HEL Conservation provisions are outlined in Section 510.10 of the National Food Security Act Manual. NRCS technical standards for such conservation systems are outlined in Title 7 of the Code of Federal Regulations, Subpart A, Part 12.5 (a). These conservation plans focus on limiting soil erosion and are typically distinct from nitrogen management plans. Growers can locate TSP certified by NRCS at: <https://techreg.sc.egov.usda.gov/CustLocateTSP.aspx>

<sup>23</sup> Wetlands generally have a predominance of hydric soil and are inundated or saturated by surface or groundwater for various durations over the year. See Title 7 of the Code of Federal Regulations, Subpart A, Part 12.2 for the definition of wetlands. It is also worth noting that wetlands in the project area may also be impacted by the applicability conditions in Section 5.1 of this protocol.

may not include wetlands unless NRCS or a certified TSP has determined that the wetland area is explicitly exempt from compliance with the Wetland Conservation provisions).<sup>24</sup>

Management records and/or data must be available on the history of crop production practices for at least the past five years prior to the field's start date. In case less than three eligible crop years were planted in the five years prior to the field's start date, the period shall be extended so that at least three eligible crop years are included. Further, the crop production system on a project field must be consistent with the past five years of management data (or extended years including the three eligible crop years) for that field. More specifically, the frequency of eligible crops grown in a multi-crop rotation must not increase due to the project (e.g. a multi-crop rotation shall not be replaced during the project with a corn-corn rotation nor with any other rotation that increases the frequency of corn crops while decreasing the frequency of others and/or the decreasing the diversity of a multi-crop rotation. However, the frequency of eligible crops grown may decrease (e.g. a corn-corn rotation may be changed to corn-soy or other multi-crop rotation).

Increases or decreases in yields compared to pre-project yields are allowable. However, yield reductions may result in leakage effects that must be estimated and accounted for (see Section 5.4.2 for further guidance on accounting for leakage). The Reserve also encourages implementation of the additional best management practices listed in Section 2.2.3 as a way to mitigate the risk of perceived yield loss and to help ensure that yields are maintained (or increased) while the N rate decreases.

### **3.5 Additionality**

The Reserve strives to register only projects that yield surplus GHG reductions that are additional to what would have occurred in the absence of a carbon offset market.

Projects must satisfy the following tests to be considered additional:

1. The Performance Standard Test
2. The Legal Requirement Test

#### **3.5.1 The Performance Standard Test**

Projects pass the Performance Standard Test by meeting a performance threshold, i.e. a standard of performance applicable to all nitrogen management projects, established by this protocol. Performance standards are specified below according to the type of project activity being implemented.

The performance standard research and rationale for the specific performance standards outlined below are summarized in Appendix A.

##### **3.5.1.1 Performance Standard for Reducing Nitrogen Application Rate**

The performance standard for this project activity is based on a nitrogen use efficiency metric, calculated as a ratio of the amount of N removed by crop biomass to the amount of N available to the crop as a function of how much total nitrogen was applied to the crop. This ratio is

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<sup>24</sup> As outlined in Title 7 of the Code of Federal Regulations, Subpart A, Part 12.5(b), and in Section 510.10 of the National Food Security Act Manual. Such exemptions may include wetlands farmed prior to 1985, wetlands with minimal effect, or wetlands with mitigation measures in place.

referred to as the ratio of removed to applied nitrogen (RTA). The RTA can be interpreted as a general measure of the nitrogen use efficiency.

A field passes the Performance Standard Test when its annual RTA, calculated for each eligible crop year of the project,<sup>25</sup> exceeds the applicable performance standard RTA threshold in Table A.7, which represents the calculated state average RTA.<sup>26</sup>

A field's RTA is calculated using Equation 3.1 below.<sup>27</sup> The calculation to determine a field's RTA and to demonstrate that a field passes the Performance Standard Test occurs *ex post* (e.g. after completion of the reporting period). However, the field's RTA is calculated using average historic yield, so a farmer can estimate *ex ante* the maximum N rate that will allow a given field to pass the Performance Standard Test.

### Equation 3.1. Annual RTA

$RTA_f = \frac{(Y_f \times NC)}{NR_{P,f}}$		
Where,		
		<u>Units</u>
RTA <sub>f</sub>	=	RTA calculated for field <i>f</i>
Y <sub>f</sub>	=	Average historical yield for field <i>f</i> (over the baseline look-back period, defined below)
NC	=	Default N concentration [0.36 kg N/bushel for corn grain and 3.22 kg N/short ton for silage]
NR <sub>P,f</sub>	=	Annual N application rate during the reporting period (including organic and synthetic forms of N) for field <i>f</i>
<p>* Unit may be bushels (in the case of corn grain) or short tons (in the case of corn for silage)          1 acre = 0.405 ha and 1 lb = 0.454 kg</p>		
Additional guidance on determining this equation's input parameters is provided in Section 5.1.		

Average historical yield (Y<sub>f</sub>) is defined as the average yield (per hectare) of the eligible crop (corn) over the baseline look-back period, which is defined as all eligible crop years over the five years prior to the field's start date. If less than three eligible crop years were planted in the five years prior to the field's start date, the baseline look-back period shall be extended until at least three eligible crop years are included. As such, the average historical yield is calculated from all eligible crop years in the baseline look-back period prior to the start date (i.e. at least three and up to five eligible crop years). If a catastrophic yield loss occurred due to anomalous weather during a historic eligible crop year, yield data for that year may be excluded from the calculation of average historical yield; however, if those yield data are excluded, the historic period over which the average historical yield is calculated must be extended to include the another historic eligible year (i.e. so that the same number of valid eligible crop years is used to determine the average historical yield). Verifiers shall use their professional judgment to determine whether it

<sup>25</sup> Fields are not excluded from program participation based on their pre-project RTA levels.

<sup>26</sup> The Reserve calls this the "calculated state average RTA" because this value is calculated based on mean N rate application and mean yield for each state. Data for calculating the true mean RTA of each state is not available.

<sup>27</sup> Equation 3.1 mirrors the equation used to calculate the state average RTA, with the exception that the yield and N rate values are state average values from a given survey year.



was appropriate to exclude an anomalous yield for calculating  $Y_f$ . The average historical yield value shall be fixed for the duration of a field's crediting period, but shall be (re)calculated at the start of each crediting period.

A field must pass the Performance Standard Test in a reporting period (i.e. annually) in order to be awarded CRTs for that reporting period. However, if a field does not pass the performance standard in an eligible crop year, it does not necessarily forfeit eligibility for the remainder of the crediting period. Rather, the field loses one of the five eligible crop years of its crediting period but maintains eligibility for the remainder of the crediting period, so long as the field maintains continuous reporting to the Reserve and is able to pass the performance standard in a future reporting period.

A field growing both eligible and non-eligible crops does not need to pass the performance standard in its non-eligible crop years to maintain eligibility, so long as N use does not increase significantly in the non-eligible crop years. Specifically, the N application rate in a non-eligible crop year of the project must be within 15 percent of the average N rate from the past five planting seasons for the non-eligible crop.<sup>28</sup> If the N rate for the non-eligible crop year is greater than 15 percent of the historic average, the field will forfeit eligibility for the subsequent eligible crop year.<sup>29</sup> Verifiers shall review non-eligible crop year reporting data as part of their eligibility assessment for the next eligible crop year. See Section 6.3.3.2 for reporting requirements in non-eligible crop years.

#### **3.5.1.1.1 Grace Period**

At the beginning of a field's first crediting period, each field shall be given a grace period for the first two eligible crop years to meet or exceed the applicable RTA performance threshold in Table A.7. During the grace period, a modified performance standard shall be applied, in which the field passes the performance standard so long as the field's RTA increases each reporting period. Implementation of the approved project activity shall be fully creditable during this grace period. However, CRT issuance will be delayed for all CRTs generated by a field during its grace period, until such time as the field's RTA meets or exceeds the RTA threshold established in Table A.7. Once a field has completed verification for the reporting period in which it meets or exceeds the RTA threshold, CRTs shall be issued for all emission reductions achieved during the grace period. Fields must pass the performance standard in the reporting period associated with the third eligible crop year to receive any credits for the grace period; if the field does not pass the performance standard in the third eligible crop year, CRTs generated, but not issued, during the grace period will be forfeited.

#### **3.5.2 The Legal Requirement Test**

All fields enrolled in a project or aggregate are subject to a Legal Requirement Test to ensure that the GHG reductions achieved by approved project activities on those fields would not otherwise have occurred due to federal, state or local regulations, or other legally binding mandates. A field passes the Legal Requirement Test when there are no laws, statutes, regulations, court orders, environmental mitigation agreements, permitting conditions, binding

<sup>28</sup> In the case that five previous seasons of data are not available for the non-eligible crop on a field, the average of the number of years available shall be used. If no data is available for a field, N rates for the same non-eligible crop applied to other fields managed by the project participant or N rate recommendations from Extension Service representatives for those non-eligible crops shall be used, whichever is lower.

<sup>29</sup> This percent threshold prevents the project participant from increasing the non-eligible crop's N use to intentionally build residual N on the field, which would result in N reductions in subsequent eligible years that may be larger than would have otherwise been possible without risk of yield loss.

contractual obligations,<sup>30</sup> or other legally binding mandates (including, but not limited to, legally mandated nutrient management plans,<sup>31</sup> conservation management plans, and deed restrictions) that require adoption or continued use of approved nitrogen management project activities on the field.

To satisfy the Legal Requirement Test, project developers of single-field projects must submit a signed Attestation of Voluntary Implementation form, while aggregators must submit a signed Attestation of Voluntary Implementation form on behalf of all project participants in the aggregate.<sup>32</sup> Attestations of Voluntary Implementation must be signed and submitted to the Reserve prior to the commencement of verification activities each time the project or aggregate is verified (see Section 8). Individual project participants who are part of an aggregate will not be required to attest to the voluntary nature of project activities to the Reserve. However, supporting documentation should be made available to the verification body during verification, if requested. In addition, the Single-Field Monitoring Plan (Section 6.1) must include procedures that the project developer will follow to ascertain and demonstrate that the project field at all times passes the Legal Requirement Test, while the Aggregate Monitoring Plan (Section 6.2) must similarly include procedures that the aggregator will follow to ascertain and demonstrate that all fields in the aggregate at all times pass the Legal Requirement Test.

A summary of research performed on federal and state requirements is provided in Appendix C. This summary includes extensive background on the Clean Water Act (CWA) and other important water quality laws, as well as other regulations related to synthetic N fertilizer, manure N, and their uses.

As of the Effective Date of this protocol, the Reserve could identify no existing federal regulations that explicitly obligate agricultural producers to adopt the nitrogen management practices approved under this protocol. When watersheds are successfully meeting the CWA water quality standards, agriculture sources are generally unregulated. However, the Reserve has identified circumstances, particularly where watersheds are not in compliance with CWA water quality standards, in which state- and local-level regulations enacted to implement the federal CWA may require nutrient management plans (NMPs) and/or require implementation of some of the nitrogen management practices approved as project activities. More specifically, once a watershed is identified as “impaired,”<sup>33</sup> if any agricultural nonpoint source<sup>34</sup> is identified

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<sup>30</sup> Contracts with NRCS that must be signed by a grower in order to receive EQIP funds are not considered “legally binding mandates” for the purposes of this Legal Requirement Test, if the only repercussion of violating the contract is not receiving the aforementioned financial incentive (e.g. there is no fine, Notice of Violation, or other legal penalty levied).

<sup>31</sup> If Nutrient Management Plans are legally required, but do not require N rate reductions or specify N rate targets that would require reductions, the field passes the Legal Requirement Test because the project activity (reduce N rate) is not specifically required. Verification bodies shall evaluate such plans and use their professional judgment to make a determination.

<sup>32</sup> Form available at <http://www.climateactionreserve.org/how/program/documents/>.

<sup>33</sup> A watershed is identified as impaired when it is not in compliance with Clean Water Act water quality standards. Once identified as “impaired,” a watershed is added to the “Impaired or Threatened Waters List,” also known as the CWA’s “303(d) List.” As this list is updated frequently, project developers and verification bodies should refer to the U.S. EPA website for the most current list of impaired watersheds:  
[http://iaspub.epa.gov/waters10/attains\\_nation\\_cy.control?p\\_report\\_type=T](http://iaspub.epa.gov/waters10/attains_nation_cy.control?p_report_type=T)

<sup>34</sup> A “nonpoint source” is defined by the Clean Water Act as any source of water pollution not meeting the legal CWA definition of “point source.” The term “point source” is defined by the CWA Section 502(14) as “any discernible, confined and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft, from which

as contributing to a watershed's impairment, agricultural nonpoint sources in that watershed may become limited by a nonpoint source pollution obligation (e.g. a field- or region-specific obligation to help meet a total maximum daily load (TMDL)<sup>35</sup> or other policy mechanism chosen to meet that obligation).

Due to localized implementation of the CWA and TMDL strategies, the extent to which nutrient management plans become effectively required by law may vary greatly in terms of flexibility and what is explicitly required (e.g. a project participant may be allowed to self-select practices to include in an NMP for their field, while elsewhere an explicit N rate reduction may be required). Once a practice is required or is self-selected by a project participant for CWA compliance, the Reserve considers that practice a non-voluntary legally binding mandate, as continued implementation of that practice is required by law, and that practice will not be considered an eligible project activity for that farm.

Further, fields that are located in impaired watersheds with established TMDLs for nitrogen that identify agriculture as a source of impairment shall not pass the Legal Requirement Test *unless* the field (and/or appropriate nonpoint source under which discharges from the field would be categorized) has been specifically identified as *not* contributing to the watershed's impairment.

If the approved project activity (N rate reduction) of an eligible field later becomes legally required, emission reductions may be reported to the Reserve for that field up until the date that the practice is required by law to be adopted. Upon the effective date of the new legal requirement, a field may no longer report emission reductions to the Reserve.

The Legal Requirement Test is applied to each field, so if one field in an aggregate becomes legally required, it shall not affect the other fields in the aggregate.

### **3.5.3 Ecosystem Services Payment Stacking**

When multiple ecosystem services credits or payments are sought for a single activity on a single field, it is referred to as "credit stacking" or "payment stacking," respectively.<sup>36</sup> Under this protocol, credit stacking is defined as receiving more than one mitigation credit for the same activity on spatially overlapping areas (i.e. in the same acre). Payment stacking is defined as issuing mitigation credits for a best management or conservation practice that is funded by the government or other parties via grants, subsidies, payment, etc. Mitigation credits are used to offset the environmental impacts of another entity such as emissions of GHGs, removal of wetlands or discharge of pollutants into waterways, to name a few.

#### **3.5.3.1 Credit Stacking**

Based on a review of mitigation credit markets in the U.S., water quality trading is the only ecosystem services market that would credit nutrient-reducing activities. Water quality trading programs (WQTP) are being developed across the country as an optional tool for compliance with the Clean Water Act. While there are many water quality trading programs under development, as of the Effective Date of this protocol, there were no active WQT markets

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pollutants are or may be discharged." The CWA point source definition goes on to explicitly state that agricultural storm water discharges and return flows from irrigated agriculture are not considered point sources.

<sup>35</sup> The maximum contaminant level for Nitrate-N (concentration of 10 mg/L) according to the Safe Drinking Water Act (e.g. the highest level of a contaminant allowable in drinking water). is often referenced when developing total maximum daily loads (TMDL) and can serve as a minimal target, and is included here for reference.

<sup>36</sup> Cooley, D., & Olander, L., September 2011.

identified that had issued nutrient reduction credits to agricultural sources for the approved practice (N rate reduction) in eligible project locations under this protocol (see Table 3.1).<sup>37</sup> As such, credit stacking is not addressed by the protocol at this time.

Research on WQTP to date suggests that these programs are highly variable due to the localized nature of program development and enforcement as allowed under the Clean Water Act. The Reserve will continue to track the development of relevant WQTP and will update this section as programs are implemented. This section will also be updated as the protocol is revised to include additional approved practices and/or geographic regions.

### 3.5.3.2 Payment Stacking

The Reserve has identified three USDA Natural Resource Conservation Service (NRCS) programs that provide payments nationwide to support the implementation of agricultural best management practices (BMPs). Authorized by the 2008 Farm Bill, the Environmental Quality Incentives Program (EQIP), the Agricultural Water Enhancement Program (AWEP), and the Conservation Stewardship Program (CSP) are national programs that are implemented at the state- and county-level. NRCS expressly allows the sale of environmental credits from enrolled lands,<sup>38</sup> but does not provide any additional guidance on ensuring the environmental benefit of any payment for ecosystem service stacked with an NRCS payment.

All NRCS programs share a common set of conservation practice standards that contain information on why and where the practice is to be applied, and set forth the minimum quality criteria that must be met during the application of that practice in order for it to achieve its intended purpose(s).

NRCS Conservation Practice Standard 590 – *Nutrient Management* (CPS 590) provides assistance to farmers to manage the amount (rate), source, placement (method of application), and timing of plant nutrients and soil amendments on lands where plant nutrients and soil amendments are applied.<sup>39</sup>

Data obtained from NRCS show that no state eligible under this protocol has more than 2 percent of cropland acres receiving NRCS funding under CPS 590, suggesting that existing payments are not adequate to further incentivize nitrogen application reductions.<sup>40</sup> Analyses also show that farmers base their fertilizer application rate decisions on routine practice and there is significant opportunity for farmers to reduce fertilizer application without affecting yields (see Appendix A).

Therefore, the use of NRCS payments to help support reductions in nitrogen application under this protocol is allowed if the agreement with NRCS to implement CPS 590 was signed after the

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<sup>37</sup> The following WQTP that allow nutrient trading between point sources and agricultural nonpoint sources were assessed: The Great Miami River Watershed Water Quality Credit Trading Pilot (OH), Red Cedar River Nutrient Trading Pilot Program (WI), Southern Minnesota Beet Sugar Cooperative Program, Alpine Cheese Phosphorus Nutrient Trading Plan (OH), Kalamazoo River Demonstration (MI), and Rahr Malting Company NPDES Permit (MN). None of these programs have issued water quality credits to cropland for fertilizer reduction activities.

<sup>38</sup> EQIP, 7 CFR §1466.36; CSP, 7 CFR §1470.37.

<sup>39</sup> Natural Resources Conservation Service. (December 2011). Conservation Practice Standard, Nutrient Management, Code 590. State-specific conservation practice standards can be downloaded from [http://efotg.sc.egov.usda.gov/efotg\\_locator.aspx](http://efotg.sc.egov.usda.gov/efotg_locator.aspx).

<sup>40</sup> Based on data obtained from NRCS Performance Results System Database. FY 2010 data updated as of March 30, 2011; FY 2011 data updated as of October 1, 2011. Retrieved April 2012 from <http://ias.sc.egov.usda.gov/prshome/>.

project field's start date or after the field's submittal to the Reserve, whichever is earlier. Fields seeking to stack payments must also meet all other eligibility requirements in this protocol, including the start date requirement in Section 3.2.

Stacking NRCS payments under CPS 590 with CRTs under this protocol is not allowed if the nutrient management plan required by CPS 590 included a reduction in fertilizer application and was under a signed agreement with NRCS prior to the project field's start date or prior to the field's submittal to the Reserve, whichever is earlier. Until June 27, 2013,<sup>41</sup> fields with start dates on or after June 27, 2010 are allowed to stack, so long as no agreement with NRCS to implement CPS 590 with a nutrient management plan including N rate reductions was signed prior to the field's start date.

Note that if a field is under an agreement with NRCS to receive payments for activities that do not include reduced fertilizer application under CPS 590 (or NRCS payments under any other CPS), those payments do not affect field eligibility since the payments were awarded for different activities than those credited by this protocol and are therefore not considered "stacked."

Furthermore, other fields owned by the farmer are eligible if they are not under agreement to receive NRCS funding for CPS 590 activities that include reduced fertilizer application. Fields that have received CPS 590 payments in the past (e.g. prior to the field's start date) but have not received payments for at least one year are also eligible.

To be conservative, fields stacking NRCS CPS 590 payments are only eligible to receive CRTs for the portion of the project not funded by public dollars. For example, EQIP payment rates are estimated to provide 50 percent, 75 percent or 90 percent of the cost of practice implementation, with higher percentages awarded if the farmer qualifies as "historically underserved" or as a "limited resource farmer," respectively. If a farmer receives an EQIP payment for CPS 590 at the 50 percent level, the number of CRTs issued is to be reduced by 50 percent. This is to support the additionality of the project and to protect against public funds for voluntary natural resource protection and/or restoration being used to finance mitigation projects undertaken to satisfy regulatory requirements (i.e. offset a regulated entity's CO<sub>2</sub> emissions in a cap-and-trade system).

**Table 3.2.** Payment Stacking Scenarios

Scenario	Is Project Eligible?	Is the Project Stacking? <sup>42</sup>
1. Field under CPS 590 agreement that includes a reduction in fertilizer application and agreement was signed <i>prior</i> to the project field's start date or submittal to the Reserve (whichever is earlier)	No	n/a
2. Field under NRCS CPS 590 agreement for activities that do not include reduced fertilizer application	Yes	No
3. Field under NRCS agreement for any other CPS	Yes	No
4. Field under CPS 590 agreement that includes a reduction in fertilizer application and agreement was signed <i>after</i> the project field's start	Yes	Yes

<sup>41</sup> 12 months after the Effective Date of Version 1.0 of the protocol.

<sup>42</sup> A "yes" response to the question "Is the project stacking?" in Table 3.2 denotes that the project is only eligible to receive CRTs for the portion of the project not funded by public dollars, as discussed in the paragraph immediately above Table 3.2.

date or submittal to the Reserve (whichever is earlier)		
5. Field that received CPS 590 payment for the year prior to the project field's start date	No	n/a
6. Field that received CPS 590 payment in the past, but has not received payment for more than one year	Yes	No

For informational purposes, any other type of ecosystem service payment or credit received for activities on a project field must be disclosed by the project developer/aggregator to the verification body and the Reserve.

This section will also be updated as the protocol is revised to include additional approved practices.

### 3.6 Regulatory Compliance

As a final eligibility requirement, project developers/aggregators must attest that activities on project fields (including, but not limited to, project activities) do not cause material violations of applicable laws (e.g. air, water quality, water discharge,<sup>43</sup> safety, labor, endangered species protection, etc.). To satisfy this requirement, project developers/aggregators must submit a signed Attestation of Regulatory Compliance form prior to verification activities commencing each time a project is verified.<sup>44</sup> Project developers/aggregators are also required to disclose in writing to the verifier any and all instances of legal violations – material or otherwise – caused by activities on project fields.

If a verifier finds that activities on project fields have caused a material violation, then CRTs will not be issued for GHG reductions that occurred on the field during the period(s) when the violation occurred. Individual violations due to administrative or reporting issues, or due to “acts of nature,” are not considered material and will not affect CRT crediting. However, recurrent administrative violations directly related to activities on project fields may affect crediting. Verifiers must determine if recurrent violations rise to the level of materiality. If the verifier is unable to assess the materiality of the violation, then the verifier shall consult with the Reserve.

Additional information on legal requirements potentially relevant to the regulatory compliance of project activities is included in Appendix C.

<sup>43</sup> See Appendix C for an overview of water quality rules and regulations that may impact a farm's legal requirements or regulatory compliance.

<sup>44</sup> Attestation of Regulatory Compliance form available at <http://www.climateactionreserve.org/how/program/documents/>.

## 4 The GHG Assessment Boundary

The GHG Assessment Boundary delineates the GHG sources, sinks, and reservoirs (SSRs) that must be assessed by project developers in order to determine the net change in emissions caused by a nitrogen management project.<sup>45</sup>

The GHG Assessment Boundary encompasses all the GHG SSRs that may be significantly affected by project activities, including sources of N<sub>2</sub>O and CH<sub>4</sub> emissions from the soil, biological CO<sub>2</sub> emissions and soil carbon sinks, and GHG emissions from fossil fuel consumption. For accounting purposes, the SSRs included in the GHG Assessment Boundary are organized according to whether they are predominantly associated with a nitrogen management project's "primary effect" (i.e. the project's intended N<sub>2</sub>O reduction), or its "secondary effects" (i.e. unintended changes in carbon stocks, CH<sub>4</sub> emissions, or other GHG emissions).<sup>46</sup> Secondary effects may include increases in CO<sub>2</sub> emissions associated with fossil fuel consumption from site preparation, as well as increased GHG emissions caused by the shifting of cultivation activities from the project area to other agricultural lands (often referred to as "leakage"). Projects are required to account for all SSRs that are included in the GHG Assessment Boundary regardless of whether the particular SSR is designated as a primary or secondary effect.

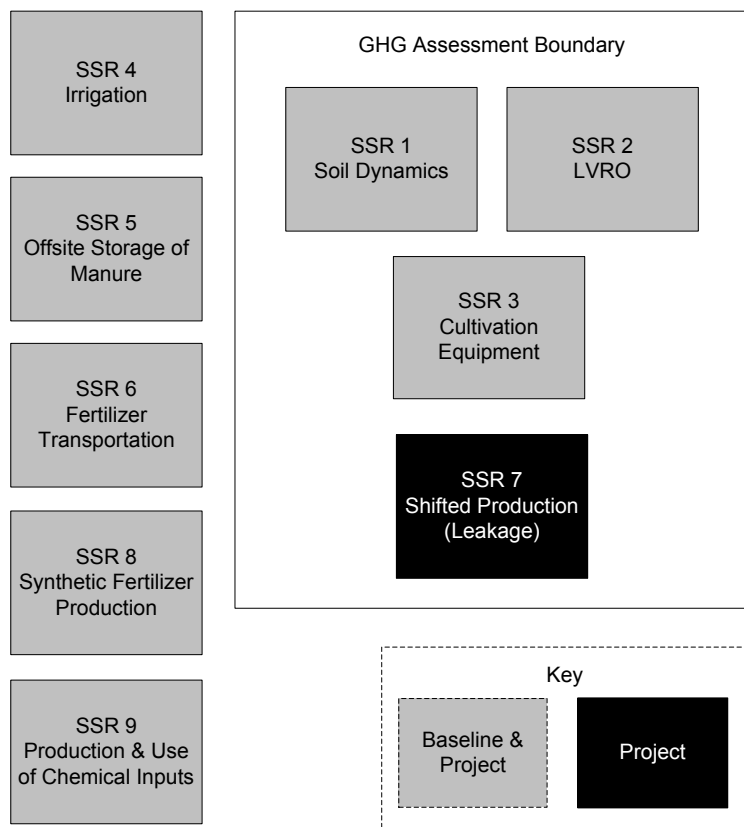
Figure 4.1 below provides a general illustration of the GHG Assessment Boundary, indicating which SSRs are included or excluded from the project boundary.

Table 4.1 provides a comprehensive list of the GHG SSRs that may be affected by a nitrogen management project, and indicates which SSRs must be included in the GHG Assessment Boundary.

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<sup>45</sup> The definition and assessment of sources, sinks, and reservoirs is consistent with ISO 14064-2 guidance.

<sup>46</sup> The terms "primary effect" and "secondary effects" come from World Business Council on Sustainable Development / World Resources Institute. (2005). The Greenhouse Gas Protocol for Project Accounting, *World Resources Institute*, Washington, DC. Available at <http://www.ghgprotocol.org>.



**Figure 4.1.** General Illustration of the GHG Assessment Boundary



**Table 4.1.** Description of all Sources, Sinks, and Reservoirs

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
<b>Primary Effect Sources, Sinks, and Reservoirs</b>					
1. Soil Dynamics	Biogeochemical interactions occurring in the soil that produce emissions of nitrous oxide, as well as carbon dioxide (biogenic), and possibly methane.	N <sub>2</sub> O	I	A method for quantifying direct N <sub>2</sub> O emissions from an approved project activity, as provided in Section 5.3.1	The primary effect of a nitrogen management project is a reduction in nitrous oxide emissions from soil. <sup>47</sup>
		CO <sub>2</sub>	E	N/A	Changes in soil carbon stocks may result from implementation of a nitrogen management project activity; however, the effect is negligible since it is unlikely that growers will reduce N application rates such that crop yields are significantly reduced. It is conservative to not account for increases in soil carbon from increases in organic fertilizer (i.e. manure) application rates. The impact of project-related reductions in organic fertilizer application rates on stable soil organic carbon pools <sup>48</sup> are likely going to be insignificant due to the small size of the expected change in organic N fertilization rate.
		CH <sub>4</sub>	E	N/A	Methane production and oxidation is insignificant for non-flooded soils.

<sup>47</sup> These N<sub>2</sub>O emissions are referred to as “direct N<sub>2</sub>O emissions from soils” by the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

<sup>48</sup> Changes in organic fertilizer may significantly impact total soil organic carbon. However, due to aerobic carbon decomposition, only a small fraction of the added organic fertilizer is transformed into a carbon pool that is stable during the permanence period (100 years).

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
2. Leaching, Volatilization, and Runoff	Leaching, volatilization, and runoff of applied nitrogen, followed by denitrification into N <sub>2</sub> O. <sup>49</sup>	N <sub>2</sub> O	I	IPCC emission factor methodology, as provided in Section 5.3.2	Also a primary effect of nitrogen management projects, this may be a significant portion of overall N <sub>2</sub> O emission reductions, due to the project's reduction in losses of total N from the project field.
<b>Secondary Effect Sources, Sinks, and Reservoirs</b>					
3. GHG Emissions from Cultivation Equipment	Fossil fuel emissions from equipment used for field preparation, seeding, fertilizer/pesticide/herbicide application, and harvest.	CO <sub>2</sub>	I	Method in Section 5.4.1	Emissions may be significant if management requires an increase in the use of cultivation equipment or a change in the type of equipment required (e.g. increased number of fertilizer applications). Increased emissions due to project activity must be accounted for. Decreased emissions due to project activity are not accounted for, to be conservative and to avoid double counting under a cap (e.g. in regions such as California where emissions from transportation fuels will be capped).
		CH <sub>4</sub>	E	N/A	Excluded, as this emission source is assumed to be very small.
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small.
4. GHG Emissions from Irrigation	Changes to nitrogen management practices may require changes to the field's irrigation system. As irrigation water pumping and transport requires energy, certain nitrogen management changes may increase energy use for irrigation and lead to energy-related GHG emissions.	CO <sub>2</sub>	E	N/A	Excluded, as currently approved project activities are not allowed to use irrigation, except in emergencies, and as such any increase in water usage or changes to the irrigation system are not likely to be due to the project.
		N <sub>2</sub> O	E		
		CH <sub>4</sub>	E		

<sup>49</sup>The IPCC Guidelines for National Greenhouse Gas Inventories (2006) refer to the N<sub>2</sub>O emissions from leaching, volatilization, and runoff (LVRO) as "indirect N<sub>2</sub>O emissions" because these emissions typically occur offsite due to denitrification of the N lost from the project site due to LVRO. Reductions in "indirect N<sub>2</sub>O emissions" are still considered reductions in primary effect emissions because reducing N losses from the project site is one of the primary goals of the approved project activity (reducing N rate). Reductions of these "indirect N<sub>2</sub>O emissions" are not to be confused with "indirect emission reductions" or "secondary effect emission reductions," (e.g. emission reductions occurring outside the control of the project participant). To avoid confusion, this protocol refers to emissions from leaching, volatilization, and runoff as emissions from "LVRO," instead of "indirect N<sub>2</sub>O emissions."

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
5. GHG Emissions from Offsite Storage of Manure	Indirect emissions from changes in storage of manure at the facilities from which the manure originates.	N <sub>2</sub> O	E	N/A	As a waste product, the supply of manure is relatively inelastic. A reduction of total organic N applied to land will not result in any less organic N produced, but rather, may lead to the shifting of the end-of-life fate of manure across the landscape. The most likely end-of-life fate for manure diverted from a project field is to be land-applied elsewhere, resulting in no real reductions in organic N applied, due to the project, or in a worst-case scenario, manure may spend more time in storage before being land-applied. The reverse is also true; an increase in organic N application is likely to result in a reduction in organic N applied elsewhere (or a reduction in storage), leading to little or no net change in N <sub>2</sub> O emissions. Changes in organic N application therefore do not need to be included in project accounting.
		CH <sub>4</sub>	E	N/A	
		CO <sub>2</sub>	E	N/A	
6. GHG Emissions from Fertilizer Transportation	Changes to nitrogen management practices may include increasing proportions of organic to synthetic N applied. An increase in the amount of organic N applied may increase emissions from transporting that fertilizer. <sup>50</sup>	CO <sub>2</sub>	E	N/A	Because organic N fertilizers have a greater weight per unit N compared to synthetic fertilizers, emissions from organic N transportation are higher compared to emissions from synthetic N transportation when organic N transportation distances exceed about 5 miles. However, GHG emissions from organic N transportation are not included because any increases in organic N inputs will not likely be due to the project. Furthermore, since the supply of organic N is mostly inelastic, organic N will be transported regardless of absence or presence of the project.
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small.

<sup>50</sup> Organic N weighs more per unit of N than synthetic N, resulting in more GHG emissions per unit of N applied, and it is distributed less efficiently than commercial synthetic fertilizer.

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
		CH <sub>4</sub>	E	N/A	Excluded, as this emission source is assumed to be very small.
7. GHG Emissions from Shifted Production (Leakage)	Increases in production outside the project area, sometimes referred to as “indirect land use change,” may occur if yields are significantly and negatively affected by a project activity.	CO <sub>2</sub>	I	Method in Section 5.4.2	If aggregate level yields are found to have statistically decreased due to project activities, there is an assumed increase in GHG emissions from shifted production that must be estimated and included.
		CH <sub>4</sub>	I		
		N <sub>2</sub> O	I		
8. GHG Emissions from Synthetic Fertilizer Production	Decreases in use of synthetic N fertilizer on fields may affect the amount of synthetic fertilizer produced and indirectly cause reduction of GHGs associated with fertilizer production.	CO <sub>2</sub>	E	N/A	It is conservative to exclude this category because, in all cases, emissions from this SSR will decrease. Also, the source is “indirect,” meaning that reductions take place offsite, and are difficult to link directly to project activities of a single field. Finally, in some regions, emissions from fertilizer production will be directly regulated under a capped industry and including this source would lead to double counting.
		N <sub>2</sub> O	E	N/A	
		CH <sub>4</sub>	E	N/A	
9. GHG Emissions from Production and Use of Chemical Inputs	Changes in nutrient management practices may impact how much lime or herbicides are used on fields	CO <sub>2</sub>	E	N/A	Excluded, as approved project activities are unlikely to materially increase the use of lime or herbicides used on fields. The very small changes in herbicide and/or lime demand due to nitrogen management projects are unlikely to have an effect on herbicide and/or lime production.
		N <sub>2</sub> O	E		
		CH <sub>4</sub>	E		

## 5 Quantifying GHG Emission Reductions

GHG emission reductions from a nitrogen management project are quantified by comparing actual project emissions to baseline emissions related to nitrogen management. Baseline emissions are an estimate of the GHG emissions from sources within the GHG Assessment Boundary (see Section 4) that would have occurred in the absence of the nitrogen management project. Project emissions are actual GHG emissions that occur from sources within the GHG Assessment Boundary. Project emissions must be subtracted from the baseline emissions to quantify the project's total net GHG emission reductions. GHG emission reductions are calculated separately for each individual field and, in the case of an aggregate, summed together over the entire aggregate. The calculation approach in this section is applicable to single-field projects and aggregates.

Project emission reductions are generally quantified and verified on an annual basis, reflecting a reduction in annual N rate over a complete cultivation cycle. For single-field projects, the reporting period shall be defined using the exact dates corresponding to the beginning and the end of the cultivation cycle for the particular field. Single-field project developers may choose to verify GHG emission reductions on a less frequent basis if they desire (see Section 7.4.1). The length of time over which GHG emission reductions are quantified and verified is called the "reporting period." The length of time over which GHG reductions are verified is called a "verification period". For single-field projects, a verification period may cover multiple reporting periods (see Section 7.4.1.4).

For reporting purposes, the reporting period must be uniformly defined for the aggregate, with a start date chosen by the aggregator (i.e. an aggregator may choose for the reporting period to start on any date during the year, with all subsequent reporting periods following the same annual cycle). Individual fields within an aggregate may have cultivation cycles that start on different dates; however, the cultivation cycles for all fields within an aggregate must be complete before the aggregate is able to undergo verification. To ensure that only emission reductions occurring during an aggregate's fixed reporting period is credited during that reporting period, emission reductions from each field shall be prorated, according to the methodology in Section 7.3.3.

The primary effect of a nitrogen management project is the total reduction in direct N<sub>2</sub>O emissions from soil (SSR 1) and in N<sub>2</sub>O emissions from leaching, volatilization, and runoff (SSR 2), due to implementation of an approved project activity. The quantification methodology for direct N<sub>2</sub>O emission reductions (Section 5.3.1) resulting from reductions in N application rate is based on the MSU-EPRI Tier 2 emission factor methodology, developed for corn cropping systems in the North Central Region of the U.S. The quantification methodology for leaching, runoff, and volatilization N<sub>2</sub>O emission reductions (Section 5.3.2) is adapted from the MSU-EPRI adaptation of the IPCC Tier 1 methodology for calculating indirect N<sub>2</sub>O emissions.<sup>51</sup>

<sup>51</sup> Version 1.0 of this protocol was informed by early versions of the MSU-EPRI protocol (specifically, Version 1.4.6, 25 January 2012). As the NMPP underwent development at the Reserve and the MSU-EPRI protocol underwent approval through the American Carbon Registry and Verified Carbon Standard processes, numerous revisions were made, some of which are discussed in Box 5.2. Although the final protocol version accepted by the American Carbon Registry was published after Version 1.0 of the Reserve protocol was adopted, it is the most appropriate publicly accessible citation, reflecting the quantification methodology upon which the equations to quantify SSR 1 are based. Millar et al. (2012). *Methodology for Quantifying Nitrous Oxide (N<sub>2</sub>O) Emissions Reductions by Reducing Nitrogen Fertilizer Use on Agricultural Crops*. American Carbon Registry, Winrock International, Little Rock, Arkansas. July 2012.

In addition to the primary effect (SSR 1 and 2), nitrogen management projects may result in unintended increases of GHG emissions from other SSRs. Section 5.4 provides requirements for calculating these secondary effect GHG emissions resulting from the project activity.

Total emission reductions from a project are equal to the combined primary emission reductions from SSR 1 and 2 for all fields in the project area, minus the increase in emissions from all other SSRs due to the project activity (secondary effects). Total net GHG reductions for a reporting period are calculated by subtracting actual project emissions from baseline emissions for all SSRs over the reporting period, as prescribed in Sections 5.2 to 5.4. Equation 5.1 below provides the general GHG reduction calculation.



Figure 5.1. Equation Organizational Chart

**Equation 5.1. GHG Emission Reductions**

$$ER = PER - SE$$

Where,

Units

ER	=	Total emission reductions from the project area for the reporting period*	Mg CO <sub>2</sub> e
PER	=	Total primary effect GHG emission reductions over the entire project area, see Section 5.3	Mg CO <sub>2</sub> e
SE	=	Total secondary effect GHG emissions caused by project activity during the reporting period for the entire project aggregate, <sup>52</sup> see Section 5.4	Mg CO <sub>2</sub> e

\* It is important to note that the reporting period for this protocol is one year. As such, the protocol refers frequently to annual N rates, which should be thought of as the N rate over one cultivation cycle/reporting period.

## 5.1 Applicability Conditions for N Rate Reduction Projects

The following applicability conditions must be met for all fields implementing the approved project activity: reducing N rate in corn cropping systems in the NCR.<sup>53</sup>

1. The project area shall not contain any organic soils (i.e. histosols).<sup>54</sup>
2. The project area is located in a county/counties where mean annual precipitation is between 600 mm and 1200 mm, as indicated in Figure 5.2 below.<sup>55</sup>
3. The project area shall not include irrigated corn cropping systems (i.e. cropping systems may not be regularly irrigated in either the project or baseline periods, nor is irrigation permissible within six weeks of planting). However, emergency irrigation to prevent crop failure in years of severe drought will be allowed in both the project and baseline in systems that are typically not irrigated. More specifically, emergency irrigation is only permitted on project fields located in a county that has received a USDA Secretarial disaster designation due to severe drought in that growing season.<sup>56</sup>
4. The project area may include tile-drained fields, as long as tile-drains were in place during the baseline period (i.e. not installed for the purposes of the project).

<sup>52</sup> Throughout Section 5, equations will distinguish between calculations which must be performed at the field versus aggregate level. For a single-field project, the entire project area is comprised of only the single field. As such, in this section, when guidance is provided for the aggregate, but not the single-field project, the guidance should be assumed to apply to both.

<sup>53</sup> "Corn cropping systems" includes both corn grown for grain and corn grown for silage.

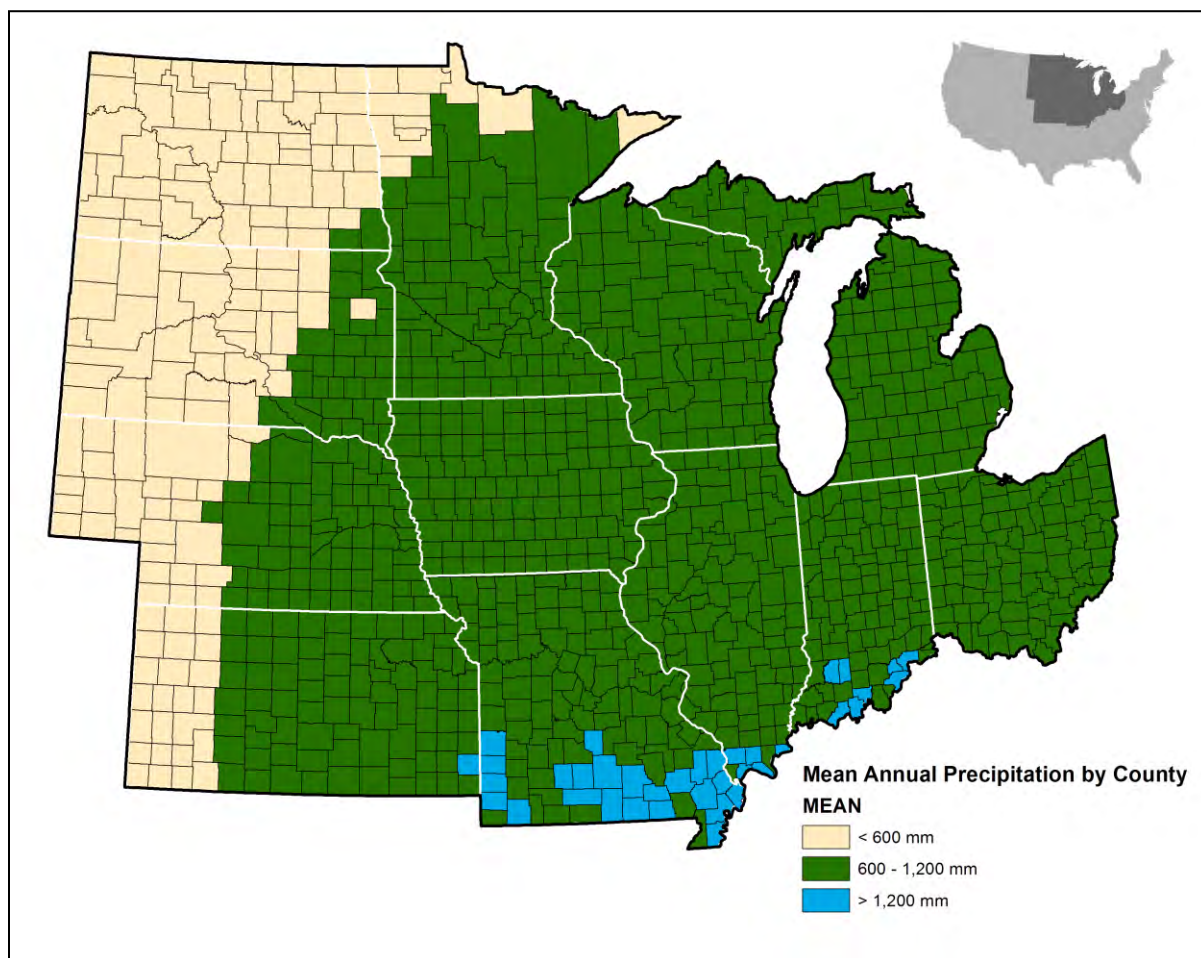
<sup>54</sup> See USDA-NRCS, Keys to Soil Taxonomy. Available at [http://soils.usda.gov/technical/classification/tax\\_keys/](http://soils.usda.gov/technical/classification/tax_keys/).

<sup>55</sup> This precipitation range was constrained by a sensitivity analysis.

<sup>56</sup> A new streamlined process for USDA Secretarial disaster designation "provides for nearly an automatic designation for any county in which drought conditions, as reported in the U.S. Drought Monitor (<http://droughtmonitor.unl.edu>), when any portion of a county meets the D2 (Severe Drought) intensity value for eight consecutive weeks. A county that has a portion of its area in a drought intensity value of D3 (Extreme Drought) or higher at any time during the growing season would also be designated as a disaster area." See the Farm Service Agency's Emergency Disaster Designation and Declaration Process Overview Page for more information: ([http://www.fsa.usda.gov/Internet/FSA\\_File/ed\\_desig\\_process2012.pdf](http://www.fsa.usda.gov/Internet/FSA_File/ed_desig_process2012.pdf)) for more information.



5. Both synthetic as well as organic fertilizer may be applied to project fields. However, only N<sub>2</sub>O emission reductions from reductions in the synthetic N rate shall be credited. Synthetic fertilizers<sup>57</sup> may be applied in dry form (e.g. granular urea, ammonium nitrate) or liquid form (e.g. urea ammonium nitrate, UAN). Organic fertilizers may be liquid or solid, and may include unprocessed manure (e.g. beef cattle manure, hog manure, digester effluent and/or solids), other unprocessed organics (e.g. compost) and processed commercial organic fertilizers. On any particular field, a number of different fertilizer types can be applied.
6. Total organic N applied may increase or decrease in the project area. However, total annual N applied (synthetic and organic) must decrease below baseline levels. Only reductions in synthetic N rate shall generate creditable emission reductions under this protocol.



**Figure 5.2.** Map of Mean Annual Precipitation per County in the North Central Region

Green denotes counties eligible under this protocol. This map is developed based on data from the NOAA Climate Prediction Center. The area-weighted average of mean annual precipitation was determined for each county in the NCR.<sup>58</sup>

<sup>57</sup> Urea is considered a “synthetic” fertilizer for the purposes of this protocol.

<sup>58</sup> CPC U.S. Unified Precipitation data provided by the NOAA/OAR/ESRL PSD, Boulder, Colorado. Retrieved from <http://www.esrl.noaa.gov/psd/>.

## 5.2 Determining Baseline and Project N Rates

The annual baseline N rate ( $NR_{B,f,t}$ ) and annual project N rate ( $NR_{P,f}$ ), used to calculate baseline and project N<sub>2</sub>O emissions for N rate reduction projects, shall be calculated separately for each individual field. The process for calculating the total annual N rate, and total annual synthetic and total annual organic N rates respectively, is the same for any given year, whether that year is one of the eligible crop years in the baseline look-back period or a reporting period during the crediting period of the project. Section 5.2.3 provides equations to determine a field's N rate in terms of kg N per hectare for each different type of fertilizer, based on information typically more readily available to the project participant (such as fertilizer mass and volume). The parameters calculated in Section 5.2.3, combined with the guidance below, are then used in the equations in Section 5.3.

### 5.2.1 Determining the Annual Baseline N Rate

Both an annual baseline N rate ( $NR_{B,f,t}$ ) and an average baseline N rate ( $NR_{B,f,avg}$ ) are calculated once the appropriate baseline look-back period is identified. The baseline look-back period is defined as all eligible crop years over the five years prior to the field's start date. If less than three eligible crop years were planted in the five years prior to the field's start date, the baseline look-back period shall be extended until at least three eligible crop years are included.<sup>59</sup>

The total annual baseline N rate must be calculated using Equation 5.5 for each eligible crop year in the baseline look-back period. The average baseline N rate ( $NR_{B,f,avg}$ ) is then calculated in Equation 5.2, for purposes of confirming that the project meets all applicability conditions (Section 5.1) and for use in Equation 5.12 and Equation 5.14. The annual baseline N rate is calculated for both synthetic and organic N sources using Equation 5.6 through Equation 5.11 for each eligible crop year within the field's baseline look-back period. The average baseline N rates for both synthetic and organic N sources are calculated in Equation 5.3 and Equation 5.4, respectively, for use in Equation 5.13, Equation 5.14, Equation 5.15, and Equation 5.18.

Per Section 3.3, the baseline established in the first crediting period of the project shall continue to be used in the project's second crediting period.

#### Equation 5.2. Average Baseline N Rate of all Fertilizer on Field

$NR_{B,f,avg} = \frac{\sum_t NR_{B,f,t}}{t_B}$		
Where,		
		<u>Units</u>
$NR_{B,f,avg}$	= Average baseline N rate of all fertilizer (both synthetic and organic) on field $f$ , calculated from all eligible crop years during the field's baseline look-back period	kg N/ha
$NR_{B,f,t}$	= Total annual baseline N rate of all fertilizer on field $f$ in year $t$ of the baseline look-back period, see Equation 5.5	kg N/ha
$t_B$	= Number of eligible crop years included in the baseline look-back period ( $3 \leq t_B \leq 5$ )	years

<sup>59</sup> For example, if the cropping sequence prior to the project start is corn-soybean-corn-soybean-corn, and all corn crop years are eligible, a baseline look-back period of five years suffices. However, if the cropping sequence prior to the field's start date is soybean-corn-soybean-corn-soybean, the baseline look-back period shall be extended until one more corn crop year is included.

**Equation 5.3. Average Baseline N Rate of Synthetic Fertilizer on Field**

$NR_{B,S,f,avg} = \frac{\sum_t NR_{B,S,f,t}}{t_B}$		
Where,		
		<u>Units</u>
$NR_{B,S,f,avg}$	= Average baseline N rate of total synthetic fertilizer for field $f$ , calculated from all eligible crop years during the field's baseline look-back period	kg N/ha
$NR_{B,S,f,t}$	= Annual baseline N rate of total synthetic fertilizer for field $f$ in year $t$ of the baseline look-back period, see Equation 5.6	kg N/ha
$t_B$	= Number of eligible crop years included in the baseline look-back period ( $3 \leq t_B \leq 5$ )	years

**Equation 5.4. Average Baseline N Rate of Organic Fertilizer on Field**

$NR_{B,O,f,avg} = \frac{\sum_t NR_{B,O,f,t}}{t_B}$		
Where,		
		<u>Units</u>
$NR_{B,O,f,avg}$	= Average baseline N rate of total organic fertilizer for field $f$ , calculated from all eligible crop years during the field's baseline look-back period	kg N/ha
$NR_{B,O,f,t}$	= Annual baseline N rate of total organic fertilizer for field $f$ in year $t$ of the baseline look-back period, see Equation 5.7	kg N/ha
$t_B$	= Number of eligible crop years included in the baseline look-back period ( $3 \leq t_B \leq 5$ )	years

**5.2.2 Determining the Annual Project N Rate**

For each reporting period, the annual project N rate ( $NR_{P,f}$ ) is calculated using Equation 5.6 through Equation 5.11, in Section 5.2.3 below. The annual project N rate is subsequently used in Equation 5.13 and Equation 5.15. The respective annual N rates for both synthetic and organic N sources for each eligible crop year must be calculated according to Section 5.2.3.

If the annual project organic N rate ( $NR_{P,O,f}$ ) is equal to or greater than the average baseline organic N rate ( $NR_{B,O,f,avg}$ ), the total annual project N rate ( $NR_{P,f}$ ) must be calculated as the sum of annual project synthetic and annual project organic N rates ( $NR_{P,S,f}$  and  $NR_{P,O,f}$ ) in Equation 5.15.<sup>60</sup>

If the annual project organic N rate ( $NR_{P,O,f}$ ) is less than the average baseline organic N rate ( $NR_{B,O,f,avg}$ ), the average baseline organic N rate ( $NR_{B,O,f,avg}$ ) must be used instead of the annual project organic N rate ( $NR_{P,O,f}$ ) in Equation 5.13, Equation 5.15, and Equation 5.18.

**5.2.3 Determining N Content of Fertilizer Application**

This section provides equations to determine each field's respective N rate in terms of kg N per hectare for each different type of fertilizer, using information more readily available to the project participant (such as fertilizer mass and volume). These equations shall be used for both the baseline and project, as necessary, to calculate values in Equation 5.6 and Equation 5.7, which

<sup>60</sup> This approach conservatively disallows the quantification of N<sub>2</sub>O emission reductions from reducing organic N rate, while ensuring the largest N<sub>2</sub>O emission reductions from reducing synthetic N rate, by taking full advantage of the exponential N<sub>2</sub>O response at higher total N rates.

in turn produce values necessary for use in Equation 5.5, Equation 5.12, Equation 5.13, Equation 5.14, Equation 5.15, and Equation 5.18 below.

Regardless of whether baseline ( $NR_{B,f}$ ) or project ( $NR_{P,f}$ ) N rates are being calculated, the total N rate for a field  $f$  is calculated as the sum of N rates of synthetic and organic fertilizer N, as indicated in the general Equation 5.5 below. For the purposes of this protocol all N rates are considered annual N rates.

**Equation 5.5. Total Fertilizer N Rate for Field**

$NR_f = NR_{S,f} + NR_{O,f}$		
Where,		<u>Units</u>
$NR_f$	= Total fertilizer N rate for field $f$	kg N/ha
$NR_{S,f}$	= N rate of total synthetic fertilizer for field $f$ , see Equation 5.6	kg N/ha
$NR_{O,f}$	= N rate of total organic fertilizer for field $f$ , see Equation 5.7	kg N/ha

The total synthetic fertilizer N rate for a particular field is calculated as the sum of N rates of all dry and liquid synthetic N sources and calculated in Equation 5.6 below.

**Equation 5.6. Synthetic Fertilizer N Rate for Field**

$NR_{S,f} = \sum_j NR_{DS,j,f} + \sum_j NR_{LS,j,f}$		
Where,		<u>Units</u>
$NR_{S,f}$	= N rate of total synthetic fertilizer for field $f$	kg N/ha
$NR_{DS,i,f}$	= N rate of dry synthetic fertilizer type $j$ on field $f$ , see Equation 5.8	kg N/ha
$NR_{LS,i,f}$	= N rate of liquid synthetic fertilizer type $j$ on field $f$ , see Equation 5.9	kg N/ha

The total organic fertilizer N rate for a particular field is calculated as the sum of N rates of all solid and liquid (slurry) organic N sources and calculated in Equation 5.7 below.

**Equation 5.7. Organic Fertilizer N Rate for Field**

$NR_{O,f} = \sum_j NR_{SO,j,f} + \sum_j NR_{LO,j,f}$		
Where,		<u>Units</u>
$NR_{O,f}$	= N rate of total organic fertilizer for field $f$	kg N/ha
$NR_{SO,i,f}$	= N rate of solid organic fertilizer type $j$ on field $f$ , see Equation 5.10	kg N/ha
$NR_{LO,i,f}$	= N rate of liquid organic fertilizer type $j$ on field $f$ , see Equation 5.11	kg N/ha

Fertilizer N rates used in the equations throughout this protocol are in [kg N/ha]. Use the following guidance to determine how to convert project participants' reported synthetic and organic fertilizer N rates to kg N/ha, yielding values for  $NR_{DS,j,f}$ ,  $NR_{LS,j,f}$ ,  $NR_{SO,f}$  and  $NR_{LO,f}$ .

In general, the amount of N-containing fertilizer is multiplied by the N concentration ( $NC_j$ ) of the fertilizer, and relevant conversions to SI units are applied. Equation 5.8 and Equation 5.9 show

calculations for fertilizer N rates for dry N-containing synthetic fertilizers and liquid N-containing synthetic fertilizers, respectively, which are used in Equation 5.6, above, while Equation 5.10 and Equation 5.11 show calculations for fertilizer N rates for solid N-containing organic fertilizers and liquid N-containing organic fertilizers, respectively, which are used in Equation 5.7, above. Default information on N concentrations and weights of various N-containing fertilizers is provided in Table A.2, although farm management records, commercial fertilizer labels, and/or laboratory tests on the N content of organic sources are preferable, when available, as discussed further in Section 6.

**Equation 5.8. Fertilizer N Rates of Dry N-Containing Synthetic Fertilizer**

$$NR_{DS,j,f} = \frac{MF_{DS,j,f} \times NC_{DS,j} \times 0.454}{0.405}$$

Where,

		Units
$NR_{DS,i,f}$	= N rate of dry synthetic fertilizer $j$ for field $f$	kg N/ha
$MF_{DS,i,f}$	= Mass of dry synthetic N-containing fertilizer $j$ applied to field $f$	lb fertilizer/acre
$NC_{DS,i}$	= N concentration of dry synthetic fertilizer $j$ , see Table A.2	lb N/lb fertilizer
0.454	= Factor to convert lb to kg	
0.405	= Factor to convert acre to ha	

**Equation 5.9. Fertilizer N Rates of Liquid N-Containing Synthetic Fertilizer**

$$NR_{LS,j,f} = \frac{VF_{LS,j,f} \times MF_{LS,j} \times NC_{LS,j} \times 0.454}{0.405}$$

Where,

		Units
$NR_{LS,i,f}$	= N rate of liquid synthetic fertilizer $j$ for field $f$	kg N/ha
$VF_{LS,j,f}$	= Volume of liquid synthetic N-containing fertilizer $j$ applied to field $f$	gallons/acre
$MF_{LS,i}$	= Mass of liquid synthetic fertilizer $j$ per gallon of fertilizer	lb fertilizer/gallon
$NC_{LS,j}$	= N concentration of liquid synthetic fertilizer $j$ , see Table A.2	lb N/lb fertilizer
0.454	= Factor to convert lb to kg	
0.405	= Factor to convert acre to ha	

Similarly, the solid and liquid organic fertilizer N rate for a particular field is calculated as the sum of N rates of all organic N sources and calculated using the equation below.

**Equation 5.10. Fertilizer N Rates of Solid N-Containing Organic Fertilizer**

$$NR_{SO,j,f} = \frac{MF_{SO,j,f} \times NC_{SO,j} \times 0.454}{0.405}$$

Where,

Units

NR <sub>SO,i,f</sub>	=	N rate of solid organic fertilizer <i>j</i> for field <i>f</i>	kg N/ha
MF <sub>SO,i,f</sub>	=	Mass of solid organic N-containing fertilizer <i>j</i> applied to field <i>f</i>	lb fertilizer/acre
NC <sub>SO,i</sub>	=	N concentration of solid organic fertilizer <i>j</i> , see Table A.2 <sup>61</sup>	lb N/lb fertilizer
0.454	=	Factor to convert lb to kg	
0.405	=	Factor to convert acre to ha	

**Equation 5.11. Fertilizer N Rates of Liquid N-Containing Organic Fertilizer**

$$NR_{LO,j,f} = \frac{VF_{LO,j,f} \times MF_{LO,j,f} \times NC_{LO,j} \times 0.454}{0.405}$$

Where,

Units

NR <sub>LO,i,f</sub>	=	N rate of liquid organic fertilizer <i>j</i> for field <i>f</i>	kg N/ha
VF <sub>LO,i,f</sub>	=	Volume of liquid organic N-containing fertilizer <i>j</i> applied to field <i>f</i>	gallons/acre
MF <sub>LO,i,f</sub>	=	Mass of liquid organic N-containing fertilizer <i>j</i> applied to field <i>f</i>	lb fertilizer/gallon
NC <sub>LO,j</sub>	=	N concentration of liquid organic fertilizer <i>j</i> , see Table A.2 <sup>62</sup>	lb N/lb fertilizer
0.454	=	Factor to convert lb to kg	
0.405	=	Factor to convert acre to ha	

**5.3 Determining Primary Effect N<sub>2</sub>O Emission Reductions**

This section provides the calculation method for primary effect N<sub>2</sub>O emission reductions for N rate reduction projects in eligible corn crop years in the North Central Region of the United States.

**5.3.1 Baseline and Project Direct N<sub>2</sub>O Emissions from Soils<sup>63</sup> (SSR 1)**

The baseline direct N<sub>2</sub>O emissions are calculated using the average baseline N rate and the MSU-EPRI Tier 2 emission factor developed for the project activity (N rate reduction) in corn cropping systems in the North Central Region of the U.S.<sup>64</sup> See Equation 5.2, Equation 5.3, Equation 5.4, and Equation 5.12.

<sup>61</sup> For processed commercial organic fertilizer, N contents following manufacturers' specification can be used. For unprocessed manure, default manure N contents are shown in Table A.2 in Appendix A.

<sup>62</sup> For processed commercial organic fertilizer, N contents following manufacturer's specifications can be used. For unprocessed manure, default manure N contents are shown in Table A.2 in Appendix A and are consistent with Edmonds et al. (2003) cited in U.S. Environmental Protection Agency. (2011). Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2009. EPA 430-R-11-005. Washington, D.C.

<sup>63</sup> As noted in Section 4, SSR 1 refers to the N<sub>2</sub>O emissions from soil dynamics or, to follow IPCC nomenclature, refers to the "direct N<sub>2</sub>O emissions from soils."

<sup>64</sup> Millar et al. (2012). *Methodology for Quantifying Nitrous Oxide (N<sub>2</sub>O) Emissions Reductions by Reducing Nitrogen Fertilizer Use on Agricultural Crops*. American Carbon Registry, Winrock International, Little Rock, Arkansas. July 2012.

**Equation 5.12.** Direct Baseline N<sub>2</sub>O Emissions from Soils for Field

$$N_2O_{Dir,B,f} = 0.67 \times [(e^{(0.0067 \times NR_{B,f,avg})}) - 1] \times \frac{44}{28} \times \frac{310}{1000}$$

Where,

		<u>Units</u>
$N_2O_{Dir,B,f}$	= Baseline direct N <sub>2</sub> O emissions from eligible crop years from field $f$	Mg CO <sub>2</sub> e/ha
$NR_{B,f,avg}$	= Average baseline N rate for all fertilizers (both synthetic and organic) on field $f$ , calculated from all eligible crop years during the field's baseline look-back period, see Equation 5.2	kg N/ha
44/28	= Unit conversion from kg N <sub>2</sub> O-N to kg N <sub>2</sub> O, where 44 is the molecular weight of N <sub>2</sub> O and 28 is twice the atomic weight of N	
310	= Global warming potential of N <sub>2</sub> O	
1000	= Conversion of kg CO <sub>2</sub> e/ha to Mg CO <sub>2</sub> e/ha	

Similarly, the project direct N<sub>2</sub>O emissions are calculated based on the project total N rate applied during the eligible crop's cultivation cycle and the MSU-EPRI Tier 2 emission factor. See Equation 5.13 below.

**Equation 5.13.** Direct Project N<sub>2</sub>O Emissions from Soils for Field

$$N_2O_{Dir,P,f} = 0.67 \times [(e^{(0.0067 \times (NR_{P,S,f} + NR_{P,O,f}))}) - 1] \times \frac{44}{28} \times \frac{310}{1000}$$

Where,

		<u>Units</u>
$N_2O_{Dir,P,f}$	= Project direct N <sub>2</sub> O emissions from field $f$ , for the reporting period	Mg CO <sub>2</sub> e/ha
$NR_{P,S,f}$	= Annual project N rate of total synthetic fertilizers for field $f$ , see Equation 5.6	kg N/ha
$NR_{P,O,f}$	= Annual project N rate of total organic fertilizers for field $f$ (if the annual project organic N rate, $NR_{P,O,f}$ , calculated in Equation 5.7 is smaller than the average baseline organic N rate, $NR_{B,O,f,avg}$ , calculated in Equation 5.4, use $NR_{B,O,f,avg}$ instead of $NR_{P,O,f}$ in this equation)	kg N/ha
44/28	= Unit conversion from kg N <sub>2</sub> O-N to kg N <sub>2</sub> O	
310	= Global warming potential of N <sub>2</sub> O	
1000	= Conversion of kg CO <sub>2</sub> e/ha to Mg CO <sub>2</sub> e/ha	

**5.3.2 Baseline and Project N<sub>2</sub>O Emissions from Leaching, Volatilization, and Runoff (SSR 2)**

N<sub>2</sub>O emissions from leaching, volatilization, and runoff (LVRO)<sup>65</sup> of N must be accounted for in determining primary effect GHG reductions. Baseline N<sub>2</sub>O emissions from LVRO are determined according to Equation 5.14 below.

<sup>65</sup> As noted in Section 4, the IPCC refers to these emissions as "indirect N<sub>2</sub>O emissions."

**Equation 5.14.** Baseline N<sub>2</sub>O Emissions from LVRO for Field<sup>66</sup>

$$N_2O_{LVRO,B,f} = \left[ \left[ (NR_{B,S,f,avg} \times 0.10) + (NR_{B,O,f,avg} \times 0.20) \right] \times 0.01 \right] + (NR_{B,f,avg} \times Frac_{LEACH} \times 0.0075) \times \frac{44}{28} \times 310 \div 1000$$

Where,

Units

$N_2O_{LVRO,B,f}$	=	Baseline N <sub>2</sub> O emissions from leaching, volatilization, and runoff from eligible crop years from field <i>f</i>	Mg CO <sub>2</sub> e/ha
$NR_{B,S,f,avg}$	=	Average baseline N rate of total synthetic fertilizer for field <i>f</i> , calculated from eligible crop years during the field's baseline look-back period, see Equation 5.3	kg N/ha
0.10	=	IPCC default factor for the fraction of all synthetic fertilizer N inputs that volatilizes as NH <sub>3</sub> and NO <sub>x</sub> (IPCC parameter name: Frac <sub>GASF</sub> )	
$NR_{B,O,f,avg}$	=	Average baseline N rate of total organic fertilizer for field <i>f</i> , calculated from eligible crop years during the field's baseline look-back period, see Equation 5.4	kg N/ha
0.20	=	IPCC default factor for the fraction of all organic fertilizer N inputs that volatilizes as NH <sub>3</sub> and NO <sub>x</sub> (IPCC parameter name: Frac <sub>GASM</sub> )	
0.01	=	IPCC default emission factor for N <sub>2</sub> O emissions from atmospheric deposition of N on soil and water surfaces and subsequent volatilization (IPCC parameter name: EF <sub>4</sub> )	kg N <sub>2</sub> O-N/(kg NH <sub>3</sub> -N + kg NO <sub>x</sub> -N)
$NR_{B,f,avg}$	=	Average baseline N rate for all fertilizers (both synthetic and organic) on field <i>f</i> , calculated from eligible crop years during the field's baseline look-back period, see Equation 5.2	kg N/ha
$Frac_{LEACH}$	=	Fraction of N inputs that is lost through leaching and runoff (This value is equal to the value used for the project reporting period. See Box 5.1 and Appendix E)	
0.0075	=	IPCC default emission factor for N <sub>2</sub> O emissions from N leaching and runoff (IPCC parameter name: EF <sub>5</sub> )	kg N <sub>2</sub> O-N/kg NO <sub>3</sub> -N
44/28	=	Unit conversion from kg N <sub>2</sub> O-N to kg N <sub>2</sub> O	
310	=	Global warming potential of N <sub>2</sub> O	
1000	=	Conversion of kg CO <sub>2</sub> e/ha to Mg CO <sub>2</sub> e/ha	

<sup>66</sup> The methodology to calculate LVRO emissions reflects the MSU-EPRI methodology's adaptation of the IPCC Guidelines for National Greenhouse Gas Inventories (2006) for calculating LVRO emissions (Vol. 4 Ch. 11 Table 11.3). MSU-EPRI's adaptation excluded N<sub>2</sub>O emissions from crop residue management from Equation 5.13 and 5.14, as those emission reductions are not eligible for crediting. IPCC default factors are used for Frac<sub>GASF</sub>, EF<sub>4</sub>, Frac<sub>LEACH</sub>, and EF<sub>5</sub>. See Box 5.1 for more information on determining the value of Frac<sub>LEACH</sub>.



**Box 5.1. Determining  $\text{Frac}_{\text{LEACH}}$  for Baseline and Project Accounting**

The fraction of N inputs lost through leaching and runoff ( $\text{Frac}_{\text{LEACH}}$ ) is an important input to Equation 5.14 and Equation 5.15, where baseline and project LVRO emissions are calculated. Whether or not leaching occurs may vary due to inter-annual variability in levels of precipitation and evapotranspiration. However, to conservatively estimate what would have happened if baseline practices had continued on the project field, the same value for  $\text{Frac}_{\text{LEACH}}$  shall be used in both the baseline and project equations, calculated from climatological data for the project's reporting period.

Most fields will apply a  $\text{Frac}_{\text{LEACH}}$  value calculated based on precipitation and evaporation data from a nearby weather station, according to the methodology outlined in Appendix E.<sup>67</sup>

Fields with certain site specific characteristics, however, are required by this protocol to use fixed default  $\text{Frac}_{\text{LEACH}}$  values. Specifically, fields with tile drains shall use the fixed default value of  $\text{Frac}_{\text{LEACH}} = 0.3$ , even if that county otherwise would have applied a  $\text{Frac}_{\text{LEACH}}$  value of 0.<sup>68</sup>

All other fields, including those fields using emergency irrigation when permissible (as defined in Section 5.1), shall apply the  $\text{Frac}_{\text{LEACH}}$  value calculated according to Appendix E. Because emergency irrigation is only permitted in years of severe or extreme drought, irrigation (when allowed under this protocol) is not expected to make up the full precipitation deficit. So while the IPCC recommends a  $\text{Frac}_{\text{LEACH}}$  default of 0.3 for all irrigated fields (except those receiving drip irrigation), the Reserve assumes that "emergency irrigation" years will have  $\text{Frac}_{\text{LEACH}}$  values more similar to fields receiving drip irrigation. Because of this, emergency irrigated fields shall apply the  $\text{Frac}_{\text{LEACH}}$  value determined by comparing precipitation and potential evapotranspiration data (i.e. calculating  $\text{Frac}_{\text{LEACH}}$ ) instead of the 0.3 value. The Reserve believes this methodology maintains consistency with IPCC guidelines for determining  $\text{Frac}_{\text{LEACH}}$ .

Project  $\text{N}_2\text{O}$  emissions during the cultivation cycle from leached and volatilized N must be accounted for according to Equation 5.15 below.

**Equation 5.15. Project  $\text{N}_2\text{O}$  Emissions from LVRO for Field**

$$N_2O_{\text{LVRO},P,f} = \left[ \left( (NR_{P,S,f} \times 0.10) + (NR_{P,O,f} \times 0.20) \right) \times 0.01 \right] + \left( (NR_{P,S,f} + NR_{P,O,f}) \times \text{Frac}_{\text{LEACH}} \times 0.0075 \right) \times \frac{44}{28} \times 310 \div 1000$$

Where, Units

$N_2O_{\text{LVRO},P,f}$	= Project $\text{N}_2\text{O}$ emissions from leaching, volatilization, and runoff from field $f$ for the reporting period	Mg $\text{CO}_2\text{e/ha}$
$NR_{P,S,f}$	= Annual project N rate for total synthetic fertilizer for field $f$ , see Equation 5.6	kg N/ha
$NR_{P,O,f}$	= Annual project N rate for total organic fertilizer for field $f$ . If the project organic N rate ( $NR_{P,O,f}$ ) calculated in Equation 5.7, is smaller than the average baseline organic N rate ( $NR_{B,O,f,\text{avg}}$ ) calculated in Equation 5.4, use $NR_{B,O,f,\text{avg}}$ instead of $NR_{P,O,f}$ in this equation	kg N/ha
$\text{Frac}_{\text{LEACH}}$	= Fraction of N inputs that is lost through leaching and runoff. See Box 5.1 and Appendix E	

\* 0.10, 0.20, 0.01 and 0.0075 are IPCC defaults, as defined in Equation 5.14.

<sup>67</sup> Once data becomes available, the Reserve plans to streamline project accounting by calculating the value for  $\text{Frac}_{\text{LEACH}}$  by county and publishing those values on the Reserve website.

<sup>68</sup> This default value for tile-drained fields is consistent with the IPCC methodology, based on analysis performed in Nevison, Cynthia. "Background Paper on Indirect  $\text{N}_2\text{O}$  Emissions from Agriculture," *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, Background paper published 2003 to inform the 2006 update to the Revised 1996 National Inventory Guidelines, Available at: [http://www.ipcc-nggip.iges.or.jp/public/gp/bgp/4\\_6\\_Indirect\\_N2O\\_Agriculture.pdf](http://www.ipcc-nggip.iges.or.jp/public/gp/bgp/4_6_Indirect_N2O_Agriculture.pdf). Nevison's analysis reviewed case studies that took place in the Midwestern U.S., generally in fields of corn or soybeans, underlain with tile drains to confirm whether the IPCC methodology was appropriate for these systems.

### 5.3.3 Primary Effect Baseline and Project N<sub>2</sub>O Emissions

Based on direct N<sub>2</sub>O emissions from soil and N<sub>2</sub>O emissions from LVRO from the baseline and the project, primary effect baseline and project GHG emissions for each field are calculated using Equation 5.16.

**Equation 5.16.** Primary Effect Baseline and Project GHG Emissions

$N_2O_{B,f} = N_2O_{Dir,B,f} + N_2O_{LVRO,B,f}$		
$N_2O_{P,f} = N_2O_{Dir,P,f} + N_2O_{LVRO,P,f}$		
<i>Where,</i>		<u>Units</u>
$N_2O_{B,f}$	= Total baseline N <sub>2</sub> O emissions for field <i>f</i>	Mg CO <sub>2</sub> e/ha
$N_2O_{Dir,B,f}$	= Direct baseline N <sub>2</sub> O emissions from field <i>f</i> , see Equation 5.12	Mg CO <sub>2</sub> e/ha
$N_2O_{LVRO,B,f}$	= Baseline N <sub>2</sub> O emissions from leaching, volatilization, and runoff from field <i>f</i> , see Equation 5.14	Mg CO <sub>2</sub> e/ha
$N_2O_{P,f}$	= Total project N <sub>2</sub> O emissions for field <i>f</i> for the reporting period	Mg CO <sub>2</sub> e/ha
$N_2O_{Dir,P,f}$	= Direct project N <sub>2</sub> O emissions from field <i>f</i> for the reporting period, see Equation 5.13	Mg CO <sub>2</sub> e/ha
$N_2O_{LVRO,P,f}$	= Project N <sub>2</sub> O emissions from leaching, volatilization, and runoff from field <i>f</i> for the reporting period, see Equation 5.15	Mg CO <sub>2</sub> e/ha

### 5.3.4 Adjusting Primary Effect GHG Reductions for Uncertainty

The total primary effect GHG reductions (Mg CO<sub>2</sub>e) for the entire project area are calculated and adjusted for uncertainty in Equation 5.17. Equation 5.17 shall be applied in the same way to both single-field projects and aggregates, with the exception that the aggregate must sum the entire project area's GHG reductions (e.g. sum the GHG reductions from all fields).

**Equation 5.17.** Total Primary Effect GHG Reductions for the Project

$PER = \sum_{f=1}^{nrFields} \mu_{struct,f} \times [(N_2O_{B,f} - N_2O_{P,f}) \times A_f]$		
<i>Where,</i>		<u>Units</u>
PER	= Primary effect GHG reductions over the entire project area	Mg CO <sub>2</sub> e
nrFields	= Number of fields included in the project area	
$\mu_{struct,f}$	= Accuracy deduction for structural uncertainty for field <i>f</i> (as determined in Equation 5.18)	
$N_2O_{B,f}$	= Total baseline N <sub>2</sub> O emissions for field <i>f</i> , see Equation 5.16	Mg CO <sub>2</sub> e/ha
$N_2O_{P,f}$	= Total project N <sub>2</sub> O emissions for field <i>f</i> for the reporting period, see Equation 5.16	Mg CO <sub>2</sub> e/ha
$A_f$	= Size of field <i>f</i>	ha

The value of  $\mu_{struct,f}$  is calculated in two steps, so as to adjust for structural uncertainty, including measurement uncertainty of emission reductions. First, the uncertainty in emission reductions,  $UNC_{PER,f}$ , is calculated. Then, based on the value of  $UNC_{PER,f}$  the accuracy deduction for structural uncertainty  $\mu_{struct,f}$  can be determined. The two-step calculation is included in Equation 5.18.

Equation 5.18 also contains the parameter *UAF*, defined as the uncertainty adjustment factor to scale  $\mu_{struct}$  for the number of fields enrolled under this protocol at the program-level in a given

reporting period. UAF is calculated by the Reserve and is published on the Reserve Nitrogen Management Project Protocol webpage.<sup>69</sup> Application of this adjustment factor ensures that the uncertainty deduction per field decreases as certainty increases at the program level (i.e. with an increase in the number of fields in the program).<sup>70</sup> UAF is calculated as  $1 + (32/\sqrt{nrProgram})$ , where *nrProgram* is the number of fields enrolled under this protocol at the program-level in a given reporting period. Notably, fields enrolled in a NMPP project but currently in a non-eligible crop year do not count towards *nrProgram*.

All projects reporting to the Reserve must apply *UAF* for a given reporting year as published on the Reserve website for determining  $\mu_{struct}$  at the time of verification. Box 5.2 provides additional information pertaining to the development of uncertainty methods in this protocol.

#### Equation 5.18. Structural Uncertainty Deduction

##### Step 1:

If the project is located in Michigan:

$$UNC_{PER,f} = (UAF) \left( 100 - 63 \times e^{-40 \times 10^{-6} \times NR_{P,f}^2} \right)$$

If the project is not located in Michigan:

$$UNC_{PER,f} = (UAF) \left( 100 - 63 \times e^{-40 \times 10^{-6} \times NR_{P,f}^2} + 15 \right)$$

##### Step 2:

then  $\mu_{struct,f} = 1$

If  $UNC_{PER,f} < 15$ ,

If  $UNC_{PER,f} \geq 15$ , then  $\mu_{struct,f} = e^{-UNC_{PER,f}/300}$

Where,

Units

$UNC_{PER,f}$	=	Uncertainty in N <sub>2</sub> O emission reductions associated with a reduction in N rate for field <i>f</i> relative to the average emission reduction value	%
UAF	=	Uncertainty adjustment factor to scale $\mu_{struct}$ for the number of fields enrolled at the program-level under this protocol in a given reporting period. Value available on the Reserve website <sup>69</sup>	
$NR_{P,f}$	=	Total project N rate determined for field <i>f</i> . See Equation 5.5 unless the project organic N rate ( $NR_{P,O,f}$ ) calculated in Equation 5.7 is smaller than the baseline organic N rate ( $NR_{B,O,f,avg}$ ) calculated in Equation 5.4, then use $NR_{B,O,f,avg}$ (instead of $NR_{P,O,f}$ ) summed with $NR_{P,S,f}$ to calculate $NR_{P,f}$ for use in Equation 5.5	kg N/ha
15	=	Additional uncertainty deduction for states other than Michigan (i.e. outside the area where field measurements occurred)	%
$\mu_{struct,f}$	=	Accuracy deduction for structural uncertainty for field <i>f</i>	

<sup>69</sup> The UAF is available here: <http://www.climateactionreserve.org/how/protocols/nitrogen-management/>

<sup>70</sup> Assessing structural uncertainty by considering the number of fields enrolled at the program-level is consistent with the Coalition on Agricultural Greenhouse Gases' (C-AGG) recommendations on uncertainty. See *C-AGG Executive Summary: Uncertainty in Models and Agricultural Offset Protocols*, May 2012, Version 1. However, it should be noted that application of the UAF is not included in the MSU-EPRI protocol.

**Box 5.2. Uncertainty in the NMPP**

According to C-AGG's white paper on uncertainty, "when models are used, analyses of both structural and input uncertainty related to their use must be completed."<sup>71</sup> For the NMPP, the Reserve applies an uncertainty deduction methodology that is similar to that used in the Reserve's Rice Cultivation Project Protocol (RCPP). Input uncertainty for an empirical model (such as the MSU-EPRI model adapted for use in this version of the NMPP) is subject to less uncertainty than a biogeochemical model (such as the DND model used by the RCPP), simply because there are significantly fewer critical inputs. The Reserve is not aware of any additional field emissions measurement datasets for N rate trials available at this time for the North Central Region that can be used for independent validation of the model, other than the robust dataset used to develop the MSU-EPRI methodology and used to validate the model for Michigan (validating the model for Michigan is discussed further below). With no independent field data for the other states in the NCR, the Reserve cannot explicitly quantify the structural uncertainty of the quantification approach included in the NMPP at this time. Thus, for all states in the NCR (*except* Michigan), the Reserve increased the uncertainty deduction used in the MSU-EPRI methodology by 15 percent to account for this lack of independent field data to evaluate the quantification approach.

For Michigan, the "leave one out" statistical approach was used to calculate the structural uncertainty of the model within that state. More specifically, one set of data points from the Hoben et al. N rate trials was "left out" when recalculating the Tier 2 emission factor used in the protocol, making that "left out" dataset independent of the model and allowing for quantification of the model's accuracy within that state. The Tier 2 emission factor and direct N<sub>2</sub>O emissions equations have also been updated in this protocol and therefore differ somewhat from the Hoben et al. paper. However, as the data from the Michigan field sites may not be representative for fields located outside of Michigan it is not appropriate to use this "left out" data as independent field data to quantify uncertainty for other states in the NCR. It is expected that in the future, independent data will become available to quantify the structural uncertainty for the remainder of the NCR explicitly, at which time the Reserve expects to adjust the NMPP's structural uncertainty deduction.

## 5.4 Determining Secondary Effect GHG Emissions

Secondary effect emissions are unintentional changes in GHG emissions from the secondary SSRs within the GHG Assessment Boundary. Secondary effect emissions may increase, decrease or go unchanged as a result of the project activity. If emissions from secondary SSRs increase as a result of the project, these emissions must be subtracted from the total calculated primary effect GHG reductions for each reporting period. Equation 5.19, below, summarizes the changes in secondary effect GHG emissions.

Equation 5.19 also accounts for any increased CO<sub>2</sub> emissions from increased consumption of fossil fuels associated with the operation of cultivation equipment (SSR 5), as well as increased GHG emissions due to shifted crop production outside the project boundary (SSR 6).

<sup>71</sup> C-AGG Executive Summary: Uncertainty in Models and Agricultural Offset Protocols, May 2012, Version 1. Available at: <http://www.c-agg.org/resources/>

**Equation 5.19.** Total Secondary Effect Emissions from Project Activity for the Project Aggregate

$SE = \sum_f (SE_{FF,f}) + SE_{PS}$		
Where,		
		<u>Units</u>
SE	= Net secondary effect GHG emissions for project aggregate due to project activities	Mg CO <sub>2</sub> e
SE <sub>FF,f</sub>	= Net secondary effect GHG emissions from increased cultivation equipment emissions due to fossil fuel consumption for field <i>f</i> (SSR 3), as calculated in Section 5.4.1, using either Equation 5.20 or Equation 5.21	Mg CO <sub>2</sub> e
SE <sub>PS</sub>	= Secondary effect GHG emissions for the project aggregate from production shifting outside of the project boundary (SSR 6), as calculated in Section 5.4.2	Mg CO <sub>2</sub> e

**5.4.1 GHG Emissions from Cultivation Equipment (SSR 3)**

Included in the GHG Assessment Boundary are CO<sub>2</sub> emissions resulting from increased fossil fuel consumption associated with increased use of onsite equipment for performing nitrogen management activities due to the project activity. Specifically, secondary emissions from cultivation equipment must be quantified if the number of field operations for N application increases (e.g. a switch from single to split application) or if the equipment for N application changes (e.g. from a gasoline- to diesel-powered tractor). Secondary emissions from cultivation equipment need not be quantified if there is no change in cultivation equipment due to implementation of the project (e.g. there is no change to the equipment used for N application and/or the number of field operations associated with N application).

Two approaches are provided to calculate secondary emissions from cultivation equipment. Approach 1 calculates emissions based on the time needed for each nitrogen management related field operation, the horsepower required for this field operation, and a default emission factor for GHG emissions per horsepower-hours. Approach 2 calculates emissions based on the fuel consumption for field operations related to nitrogen management and a default emission factor for GHG emissions per unit of fuel consumed.

Approach 1 is designed to require minimal documentation. The project participant must provide manufacturers' specifications on the horsepower requirements for the N application equipment used, and the time needed per hectare for N application. The time needed for N application should be reported based on work-hour records. However, lacking those records, they may be derived based on the average operation or ground speed of the equipment and the application width per pass (e.g. width of boom). Secondary emissions from cultivation equipment, following Approach 1, are determined in Equation 5.20.

**Equation 5.20.** Increased Emissions from Cultivation Equipment (Approach 1)

$$SE_{FF,f} = \left( \sum_i (EF_{HP-hr,P,i,f} \times HP_{P,i,f} \times t_{P,i,f}) - \sum_k (EF_{HP-hr,B,k,f} \times HP_{B,k,f} \times t_{B,k,f}) \right) \times 10^{-6}$$

If  $SE_{FF,f} < 0$ , set  $SE_{FF,f}$  to 0

Where,

		Units
$SE_{FF,f}$	= Increase in secondary emissions from a change in cultivation equipment on field $f$	Mg CO <sub>2</sub> -e/ha
$EF_{HP-hr,P,i,f}$	= Emission factor for project operation $i$ on field $f$ . Default value is 1311 for gasoline-fueled operations and 904 for diesel-fueled operations <sup>72</sup>	g CO <sub>2</sub> -e/HP-hr
$HP_{P,i,f}$	= Horsepower requirement for project operation $i$ on field $f$	HP
$t_{P,i,f}$	= Time required to perform project operation $i$ on field $f$	hr/field
$EF_{HP-hr,B,k,f}$	= Default emission factor for baseline operation $k$ on field $f$ . Default value is 1311 for gasoline-fueled operations and 904 for diesel-fueled operations <sup>73</sup>	g CO <sub>2</sub> -e/HP-hr
$HP_{B,k,f}$	= Horsepower requirement for baseline operation $k$ on field $f$	HP
$t_{B,k,f}$	= Time required to perform baseline operation $k$ on field $f$	hr/field
$10^{-6}$	= Converting g CO <sub>2</sub> e to Mg CO <sub>2</sub> e	

**Optional Method** (determination of  $t$ )

If time records are not available, use the method below in both baseline and project estimates.

$$t = \frac{10000}{(\text{width} \times \text{speed} \times 1000)} \times A_f$$

Where,

		Units
$t$	= Time requirement for field operation	hr
10000	= Area unit conversion	m <sup>2</sup> /ha
width	= Application width covered by equipment	m
speed	= Average ground speed of the operation equipment	km/hr
1000	= Length unit conversion	m/km
$A_f$	= Size of field $f$	ha

As an alternative to Approach 1, project participants may choose to quantify secondary emissions from changes in the use of cultivation equipment based on their fuel consumption records (see Equation 5.21, Approach 2, below). If insufficient fuel consumption records are available, Approach 1 must be used.

<sup>72</sup>California Air Resources Board, OFFROAD2007. Available at <http://www.arb.ca.gov/msei/offroad/offroad.htm>.

<sup>73</sup> Ibid.

**Equation 5.21.** Increased Emissions from Cultivation Equipment (Approach 2)

$SE_{FF,f} = \frac{\sum_j [(FF)_{PR,j} \times EF_{FF,j}]}{1000}$		
If $SE_{FF,f} < 0$ , set $SE_{FF,f}$ to 0		
Where,		<u>Units</u>
$FF_{PR,j}$	= Total change in fossil fuel consumption for field $f$ during the reporting period, by fuel type $j$	gallons
$EF_{FF,j}$	= Fuel-specific emission factor. Default values are 17.4 for gasoline and 13.7 for diesel <sup>74</sup>	kg CO <sub>2</sub> /gallon fossil fuel
1000	= Kilograms per megagram	kg CO <sub>2</sub> / Mg CO <sub>2</sub>

#### 5.4.2 GHG Emissions from Shifting Crop Production Outside Project Boundaries (Leakage) (SSR 7)

Econometric studies have reported considerable price elasticity for corn.<sup>75</sup> Therefore, it is assumed in this protocol that a statistically significant decrease in corn yields due to project activities would result in an increase of production outside of the project area. The increased emissions associated with this shift in production must be estimated if project related yield losses are statistically significant compared to historic and average yields.

In order to determine if crop yields have decreased across the project area during the cultivation cycle as a result of project activity, the annual yield from the project area must be compared to historical yields over the baseline look-back period from the same project area. Because yields fluctuate annually depending on numerous climatic drivers, for this evaluation, yields are normalized to average annual county yields using USDA National Agricultural Statistics Service (NASS) statistics,<sup>76</sup> according to the procedure below.

This normalization procedure must be followed for each cultivation cycle to demonstrate that the yields from the project area have not declined due to project activity. The following procedure is applicable for a single-field project. All aggregates must apply the following procedure to the entire project area, defined as the sum of individual fields included in verification activities.

1. For each year  $t$  in the baseline look-back period (see Section 5.2), normalize the yield of the field by the county average for that year,  $y\_norm_t$ . If the project is an aggregate, calculate  $y\_norm_t$  for each of the historical years as the weighted average (by percent of field area) of all fields in the aggregate following Equation 5.22. The distribution of  $y\_norm_t$  will have the same number data points as the number of eligible crop years in the baseline look-back period (between three and five years).

<sup>74</sup> California Air Resources Board, OFFROAD2007. Available at <http://www.arb.ca.gov/msei/offroad/offroad.htm>.

<sup>75</sup> Huang, H., & Khanna, M., 2010.

<sup>76</sup> Available at <http://quickstats.nass.usda.gov>.

**Equation 5.22.** Normalized Yield for Each Year

For single-field projects:  $y\_norm_t = Y_{f,t}/Y_{county,t}$

For aggregate projects:  $y\_norm_t = \sum_f \left( A_f \times \frac{Y_{f,t}}{Y_{county,t}} \right) / \sum_f A_f$

Where,

		Units
$A_f$	=	Size of field $f$
$Y_{f,t}$	=	Yield of field $f$ in year $t$
$Y_{county,t}$	=	County average yield in year $t$ (based on USDA NASS statistics)

If aggregates span multiple counties,  $Y_{county,t}$  must correspond with the county in which field  $f$  is located.

- For the cultivation cycle for the present reporting period, normalize the yield of each field by the county average for the growing season for the year and, if the project is an aggregate, calculate the weighted average for all fields in the aggregate to get  $y\_norm_{t_0}$  using Equation 5.22 above and replacing  $t$  with  $t_0$ , i.e. the year of the present reporting period.
- Take the standard deviation,  $s$ , and mean of the  $y\_norm_t$  distribution:

$$s = stdev(y\_norm_t)$$

$$\overline{y\_norm_t} = average(y\_norm_t)$$

- Calculate the minimum yield threshold below which normalized yields are significantly smaller than the historical average. This shall be done as follows:

$$y\_min = \overline{y\_norm_t} - 2.132 \times s$$

Where 2.132 is the t-distribution value with 95 percent confidence for a one-tailed test with four degrees of freedom (i.e.  $n$  is 5),<sup>77</sup> and  $s$  is the standard deviation of the  $y\_norm_t$  distribution, as calculated in Step 3.

- For every year of the crediting period, calculate  $y\_norm_{t_0}$  and compare this value to  $y\_min$ . If  $y\_norm_{t_0}$  is smaller than  $y\_min$ , it must be assumed that leakage occurred and emissions increased outside of the project area. The project must account for increased emissions as specified in Equation 5.23 below.

<sup>77</sup> The t-distribution value of 2.132 =  $t(0.05, n - 1)$ , where  $n$  is 5, and  $n-1$  degrees of freedom is 4. If there are less than five data points (e.g. less than five eligible crop years in the baseline look-back period), a different t-distribution value must be substituted for 2.132. Specifically, where  $n=4$ ,  $t\text{-value}=2.353$ , and where  $n=3$ ,  $t\text{-value}=2.920$ .



**Equation 5.23.** Increased Emissions Outside the Project Boundary

$$SE_{PS} = \left(1 - \frac{y_{norm_{t0}}}{y_{min}}\right) \times \sum_i [N_2O_{B,f} \times A_f]$$

Where,

Units

SE <sub>PS</sub>	=	Total secondary effect GHG emissions from production shifting outside of the project boundary	Mg CO <sub>2</sub> e/ha
y <sub>norm<sub>t0</sub></sub>	=	Normalized project yield for field <i>f</i>	Mg/ha
y <sub>min</sub>	=	Minimum yield threshold below which normalized yields are significantly smaller than the historical average for field <i>f</i>	Mg/ha*
N <sub>2</sub> O <sub>B,f</sub>	=	Total baseline N <sub>2</sub> O emissions for field <i>f</i> , see Equation 5.16	Mg CO <sub>2</sub> e/ha
A <sub>f</sub>	=	Size of field <i>f</i>	ha

\* Mg/ha is indicated as required units for crop yield. Note, however, that units of y<sub>norm<sub>t0,i</sub></sub> and y<sub>min<sub>t0,i</sub></sub> cancel each other out. Therefore, other units can be used, as long as the units for y<sub>norm<sub>t0,i</sub></sub> are the same as the units for y<sub>min<sub>t0,i</sub></sub>.

## 6 Project Monitoring

The Reserve requires that Monitoring Plans and Reports be established for all monitoring and reporting activities associated with the project. Single-field projects must develop a monitoring plan in accordance with the guidance in Section 6.1. Aggregate projects must develop monitoring plans both at an aggregate-level and field-level in accordance with the guidance in Section 6.2.

### 6.1 Single-Field Project Monitoring Plan

Single-field projects must establish a Single-Field Monitoring Plan (SFMP). The SFMP, together with the Single-Field Report outlined in Section 7.2.1, will serve as the basis for verification bodies to confirm that the monitoring and reporting requirements in Section 6 and 7 are met for single-field projects, and that consistent, rigorous monitoring and recordkeeping is ongoing at the project field. The SFMP must be developed and maintained by the project developer. The SFMP must specify how required field data (Section 6.3) are collected, recorded, and managed at each field. The SFMP must also outline procedures for developing and submitting a complete Single-Field Report in accordance with Section 7.2.1. It is the responsibility of the project developer to ensure that the SFMP meets all requirements specified, and is kept on file and up-to-date for verification.

The SFMP will outline the following:

- Procedures describing how the field perimeter GIS shape file and/or \*.kml file will be created
- Procedures describing how the crediting period, verification schedule, and quantification results will be tracked for that field
- Procedures or methods for ensuring that the project developer holds title to the GHG emission reductions as required in Section 2.3
- Procedures that the project developer will follow to ascertain and demonstrate that the project field at all times passes the Legal Requirement Test and Regulatory Compliance (Sections 3.5.2 and 3.6 respectively)
- A plan for monitoring the field data outlined in Section 6.3, which includes a plan for detailed record keeping and maintenance that meet the requirements for minimum record keeping in Section 7.3.1
- The frequency of data acquisition
- The role of individuals performing each specific activity, particularly N application, monitoring, and corn stalk sampling (for CSNTs)
- QA/QC provisions to ensure that data acquisition is carried out consistently and with precision

### 6.2 Monitoring Plans for Aggregates and Participating Fields

Aggregate projects must establish an Aggregate Monitoring Plan (AMP), according to the requirements of Section 6.2.1 below. It is also the responsibility of the aggregator to ensure that each of the project participants with fields enrolled in the aggregate develops a Field Monitoring Plan (FMP) that meets at minimum the requirements specified in Section 6.2.2, and to ensure that an up-to-date copy of each FMP is kept on file by the aggregator and for verification.

#### 6.2.1 Aggregate Monitoring Plan

Aggregate projects must establish an AMP, which will serve, together with the Aggregate Report outlined in Section 7.2.2, as the basis for verifiers to confirm that the aggregate tracking

requirements have been and will continue to be met for each reporting period. The AMP must be developed and maintained by the aggregator. The AMP must outline procedures on how all of the data included in the annual Aggregate Report, the requirements of which are specified in Section 7.2.2, will be collected and managed, and must outline procedures for developing and submitting a complete Aggregate Report.

The AMP will outline the following:

- Procedures describing how the field perimeter GIS shape file and/or \*.kml files will be created for each field
- Procedures describing how the crediting period, verification schedule, and quantification results will be tracked for each field included in the aggregate
- Procedures and methods for ensuring that the title to the GHG emission reductions has been conferred to the aggregator as required in Section 2.3 for each field in the aggregate
- Procedures that the aggregator will follow to ascertain and demonstrate that all fields in the aggregate at all times pass the Legal Requirement Test and Regulatory Compliance (Sections 3.5.2 and 3.6 respectively); process should include review of permits (e.g. air, water, and land use permits), Notices of Violations (NOVs), and any administrative or legal consent orders relevant to project activities
- Procedures the aggregator will follow to track which fields have passed the performance standard and which are in a grace period with delayed crediting (see Section 3.5.1.1.1).
- A plan for detailed record keeping and maintenance that meet the requirements for minimum record keeping in Section 7.3.2
- The role of individuals performing each specific activity, particularly N application, monitoring, and corn stalk sampling (for CSNTs)
- QA/QC provisions to ensure that data collected from the field level, according to data acquisition requirements outlined in the FMP described below, is carried out consistently and with precision

### **6.2.2 Field Monitoring Plan for Project Participants in an Aggregate**

The Field Monitoring Plan (FMP) will serve as the basis for verifiers to confirm that the monitoring and reporting requirements in Sections 6 and 7 are met at each field in an aggregate, and that consistent, rigorous monitoring and record keeping is ongoing at each field. The FMP must specify how required field data (Section 6.3) are collected, recorded and managed at each field.

One FMP must be developed for each project participant. If a project participant has multiple fields enrolled in the aggregate, only one FMP is required as long as it addresses the distinct monitoring requirements at each field. The FMP can be developed by the project participant or the aggregator, depending on the arrangement specified in contractual agreements. It is the responsibility of the aggregator to ensure that the FMP meets all requirements specified, and that an up-to-date copy of each FMP is kept on file by the aggregator and for verification.

At a minimum the FMP shall stipulate:

- The frequency of data acquisition
- The role of individuals performing each specific activity, particularly N application, monitoring, and corn stalk sampling (for CSNTs)

- A plan for monitoring the field data outlined in Section 6.3, including a detailed record keeping plan meeting the minimum record keeping requirements of Sections 7.3.2.2 and 7.3.2.3
- QA/QC provisions to ensure that data acquisition is carried out consistently and with precision

### **6.3 Mandatory Field Data Monitoring Requirements**

All field-level data and information specified in this Section must be collected and retained for verification purposes. Section 7.3 provides further guidance on specific record-keeping requirements.

#### **6.3.1 General Field Tracking Data**

- Either a GIS shape file or a \*.kml file clearly defining the field perimeter
- The coordinates of the most north-westerly point of the field, reported in degrees to four decimal places<sup>78</sup> (to be used for creating field serial numbers)
- The serial number of the field, constructed as specified in Section 7.1.1.
- The start date of the field
- Disclosure of any material and immaterial regulatory violations, with copies of all Notices of Violations (NOVs) included in the report
- Field crop yield during the reporting period and for five years (or at least three eligible crop years) prior to the field start date for the eligible crop(s)

#### **6.3.2 Field Management Data**

The following management data must be collected and retained at each field for each cultivation cycle over the life of the project (e.g. both for eligible and ineligible crop years):

- Planting date
- Begin and end date of harvesting on the field
- Dates when emergency irrigation is used, type of system, justification for use

#### **6.3.3 Project Activity Data and Documentation**

##### **6.3.3.1 Project Activity Data and Documentation: Eligible Crop Years**

To corroborate field management assertions, each field must collect and retain the following documentation for all eligible crop years:

- Planting date
- Begin and end date of harvesting on the field
- Crop yield
- Fertilizer types, amounts (e.g. rates), and application dates, disaggregated by type for all sources of N (both synthetic and organic). including purchasing records and information on each type's N concentration<sup>79</sup>
- All field monitoring parameters, as listed in Table 6.1
- Fertilizer application method and placement
- Type of equipment used for fertilizer application

<sup>78</sup> Longitude reported in degrees to four decimal places provides a spatial resolution of about 11 meters, the resolution of the latitude is slightly less than that.

<sup>79</sup> Blackmer, A.M., & Mallarino, A.P., 1996. Available at <http://www.extension.iastate.edu/Publications/PM1584.pdf>.

- Whether irrigation was used, and if so, the type of irrigation system used, justification of why it was necessary, irrigation dates and volumes (during the growing season and during post-harvest period). (It should be noted that irrigation is only permissible in eligible crop years in case of emergency irrigation needs)

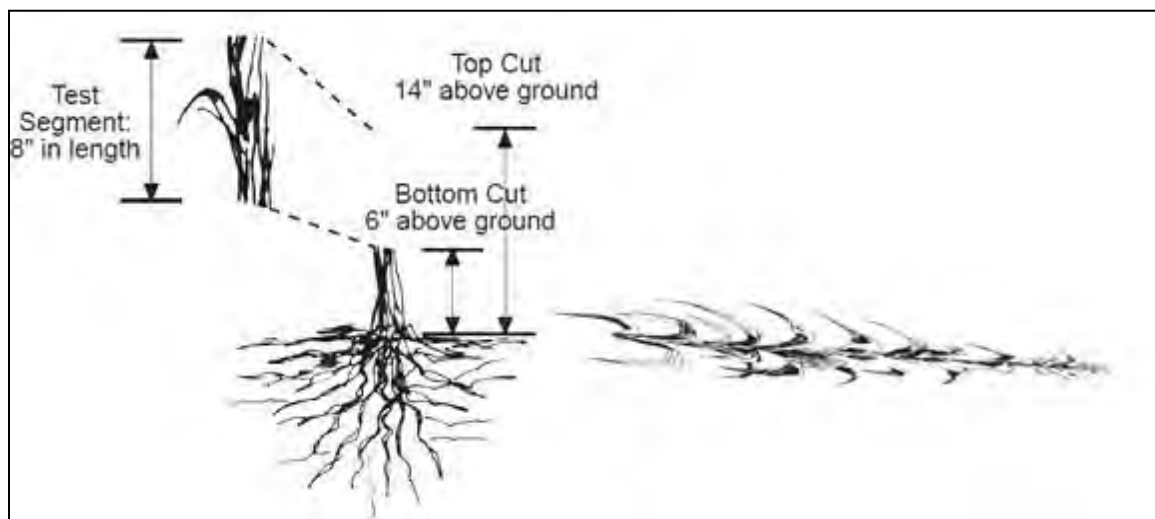
#### 6.3.3.1.1 Implementation of a Corn Stalk Nitrate Test

As a monitoring requirement to help corroborate field management assertions, each field must implement at least one Corn Stalk Nitrate Test (CSNT) for each eligible corn crop toward the end of the reporting period, according to the sampling methodology developed by Iowa State University, discussed below.<sup>80</sup>

One CSNT sample shall be comprised of 15 segments taken from corn stalks across the project field. According to the Iowa State University guidelines, if the project participant intends to use CSNT results as an adaptive management technique, each CSNT sample should cover no more than 20 acres. However, for the purposes of this protocol, one CSNT may cover up to 100 acres on a given field.

Sampling for the CSNT must follow the recommended methodology from Iowa State University:

1. Sampling shall take place between one and three weeks after black layers have formed on about 80 percent of the kernels of most ears of corn.
2. The portion of each plant sampled is the 8-inch segment of stalk found between 6 and 14 inches above the soil.
3. Leaf sheaths should be removed from the segments.
4. Stalks severely damaged by disease or insects should not be used.
5. Fifteen 8-inch segments should be collected to form a single sample to be sent for analysis.



**Figure 6.1.** Diagram of How to Sample for Crop Stalk Nitrate Tests<sup>81</sup>

<sup>80</sup> Blackmer, A.M., & Mallarino, A.P. (Revised August 1996) Cornstalk testing to evaluate nitrogen management. *PM 1584*. Department of Agronomy, Iowa State University, University Extension. Available at <http://www.extension.iastate.edu/Publications/PM1584.pdf>.

<sup>81</sup> Ibid.

Once CSNT samples are collected, they must be sent to a university extension service or other qualified laboratory for analysis as soon as possible after collection. Samples should be placed in paper (not plastic) bags to enable some drying and minimize growth of mold, and samples should be refrigerated (but not frozen) if stored for more than one day before mailing.

Documentation of the lab results should be kept on file by both the project participant and aggregator. Verification bodies will use CSNT lab results to inform their verification site visit sampling for aggregates, as discussed in Section 8.3.1.

#### **6.3.3.2 Project Activity Data and Documentation: Non-Eligible Crop Years**

If the crop rotation on the project field includes ineligible crops (e.g. soy in a corn/soy rotation), the project field must report continuously on the field's management practices, even though the project field shall only receive credit for project activities implemented on eligible crops.

To corroborate field management assertions, each field must collect and retain the following documentation for all non-eligible crop years:

- Planting date
- Begin and end date of harvesting on the field
- Total N applied for the non-eligible crop year, and total N applied in each of the previous five crop years for the same non-eligible crop grown on that field

Though not required, the Reserve encourages project participants to keep detailed monitoring records for non-eligible crop years comparable to the records which must be kept for eligible crop years (e.g. Section 6.3.3.1).<sup>82</sup>

#### **6.3.4 Field Monitoring Parameters**

Prescribed monitoring parameters necessary to calculate baseline and project emissions are provided in Table 6.1 below. Field monitoring parameters must be determined according to the data source and frequency specified, for all eligible crop years. Table 6.1 specifies monitoring requirements for field monitoring parameters required of all project fields.

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<sup>82</sup> Monitoring additional variables for the non-eligible crop year will ensure proper records have been kept in order to set an appropriate baseline and in the event that non-eligible crops are included in the NMPP in the future. See Section 6.4 for more information.

**Table 6.1.** Field Monitoring Parameters

Equation Reference	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference(r) Operating Records (o)	Measurement Frequency	Comment
Equation 3.1 Equation 5.18	$NR_{P,f}$	Total project N rate for all fertilizers on field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 3.1	$RTA_f$	RTA calculated for field $f$ for purposes of the performance standard	ratio	c, o	Annual	Calculated from farmer records
Equation 3.1 Equation 5.21	$Y_f$	Annual yield on field $f$	unit/ha	o	Annual	Farmer records (historic and project)
Equation 3.1	NC	Default N concentration for corn	kg N/unit	r	Annual (unless unchanged)	Equation 3.1 lists the default values [0.36 kg N/bushel for corn grain and 3.22 kg N/short ton for silage]
Equation 5.1 Equation 5.17	PER	Primary effect GHG reductions over the entire project area	Mg CO <sub>2</sub> e	c	Annual	
Equation 5.1 Equation 5.18	SE	Net secondary effect GHG emissions for project aggregate due to project activities	Mg CO <sub>2</sub> e	c	Annual	
Equation 5.2 Equation 5.12 Equation 5.14	$NR_{B,f,avg}$	Average baseline N rate for all fertilizers on field $f$ , calculated from baseline look-back period	kg N/ha	o, c	Once	Farmer records
Equation 5.2	$NR_{B,f,t}$	Total annual baseline N rate for all fertilizers on field $f$ in year $t$ of baseline look-back period	kg N/ha	o, c	Once	Farmer records
Equation 5.2 Equation 5.3 Equation 5.4	$t_B$	Number of eligible crop years included in the baseline look-back period	years	o	Once	$3 \leq t_B \leq 5$
Equation 5.3	$NR_{B,S,f,avg}$	Average baseline N rate of total synthetic fertilizer for field $f$ , calculated from baseline look-back period	kg N/ha	o, c	Once	Farmer records
Equation 5.3	$NR_{B,S,f,t}$	Annual baseline N rate of total synthetic fertilizer for field $f$ in year $t$ of the baseline look-back period	kg N/ha	o, c	Once	Farmer records

Equation Reference	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference(r) Operating Records (o)	Measurement Frequency	Comment
Equation 5.4 Equation 5.14	$NR_{B,O,f,avg}$	Average baseline N rate of total organic fertilizer for field $f$ , calculated from baseline look-back period	kg N/ha	o, c	Once	Farmer records
Equation 5.4	$NR_{B,O,f,t}$	Annual baseline N rate of total organic fertilizer for field $f$ in year $t$ of the baseline look-back period	kg/N/ha	o, c	Once	Farmer records
Equation 5.5	$NR_f$	Annual total nitrogen application rate (including organic and synthetic forms of N) on field $f$	kg N/ha	o, c	Annual	Farmer records. $NR_{P,f}$ and $NR_{B,f,t}$ are both calculated using Equation 5.5
Equation 5.5 Equation 5.6	$NR_{S,f}$	Annual total synthetic nitrogen application rate for field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 5.5 Equation 5.7	$NR_{O,f}$	Annual total organic nitrogen application rate for field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 5.6 Equation 5.8	$NR_{DS,j,f}$	Annual N application rate of dry synthetic fertilizer type $j$ on field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 5.6 Equation 5.9	$NR_{LS,j,f}$	Annual N application rate of liquid synthetic fertilizer type $j$ on field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 5.7 Equation 5.10	$NR_{SO,j,f}$	Annual N application rate of solid organic fertilizer type $j$ on field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 5.7 Equation 5.11	$NR_{LO,j,f}$	Annual N application rate of liquid organic fertilizer type $j$ on field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 5.8	$MF_{DS,j,f}$	Mass of dry synthetic N-containing fertilizer $j$ applied to field $f$	lb fertilizer/acre	o, m	Annual	Farmer records
Equation 5.8	$NC_{DS,j}$	Nitrogen concentration of dry synthetic fertilizer $j$	lb N/lb fertilizer	o, m, r	Annual (unless unchanged)	Farmer records, fertilizer N-content label or laboratory tests preferable (default reference data also included in Table A.2)
Equation 5.9	$VF_{LS,j,f}$	Volume of liquid synthetic N-containing fertilizer $j$ applied to field $f$	gallons/acre	o, m	Annual	Farmer records
Equation 5.9	$MF_{LS,j}$	Mass of liquid synthetic fertilizer $j$ per gallon of fertilizer	lb fertilizer/gallon	o, m	Annual	Farmer records



Equation Reference	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference(r) Operating Records (o)	Measurement Frequency	Comment
Equation 5.9	$NC_{LS,j}$	Nitrogen concentration of liquid synthetic fertilizer $j$	gallons N/lb fertilizer	o, m, r	Annual (unless unchanged)	Farmer records, fertilizer N-content label or laboratory tests preferable (default reference data also included in Table A.2)
Equation 5.10	$MF_{SO,j,f}$	Mass of solid organic N-containing fertilizer $j$ applied to field $f$	lb fertilizer/acre	o, m	Annual	Farmer records
Equation 5.10	$NC_{SO,j}$	Nitrogen concentration of solid organic fertilizer $j$	lb N/lb fertilizer	o, m, r	Annual (unless unchanged)	Farmer records, fertilizer N-content label or laboratory tests preferable (default reference data also included in Table A.2)
Equation 5.11	$VF_{LO,j,f}$	Volume of liquid organic N-containing fertilizer $j$ applied to field $f$	gallons/acre	o, m	Annual	Farmer records
Equation 5.11	$MF_{LO,j,f}$	Mass of liquid organic N-containing fertilizer $j$ applied to field $f$	lb fertilizer/gallon	o, m	Annual	Farmer records
Equation 5.11	$NC_{LO,j}$	Nitrogen concentration of liquid organic fertilizer $j$	lb N/lb fertilizer	o, m, r	Annual (unless unchanged)	Farmer records, fertilizer N-content label or laboratory tests preferable (default reference data also included in Table A.2)
Equation 5.12 Equation 5.16	$N_2O_{Dir,B,f}$	Direct baseline $N_2O$ emissions from field $f$	Mg $CO_2e/ha$	c	Once	
Equation 5.13 Equation 5.16	$N_2O_{Dir,P,f}$	Direct project $N_2O$ emissions from field $f$	Mg $CO_2e/ha$	c	Annual	
Equation 5.13 Equation 5.15 Equation 5.18	$NR_{P,S,f}$	Annual project N rate of total synthetic fertilizer for field $f$	kg N/ha	o, c	Annual	Farmer records
Equation 5.13 Equation 5.15 Equation 5.18	$NR_{P,O,f}$	Annual project N rate of total organic fertilizer for field $f$	kg N/ha	o, c	Annual	Farmer records

Equation Reference	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference(r) Operating Records (o)	Measurement Frequency	Comment
Equation 5.14 Equation 5.16	$N_2O_{LVRO,B,f}$	Baseline $N_2O$ emissions from leaching, volatilization, and runoff from field $f$	Mg $CO_2e/ha$	c	Annual	Calculated annually to reflect the appropriate $Frac_{LEACH}$ .
Equation 5.14	$NR_{B,S,f,t}$	Baseline N rate of total synthetic fertilizer for field $f$ in year $t$ of the baseline look-back period	kg N/ha	o, c	Once	Farmer records
Equation 5.14 Equation 5.15	$Frac_{LEACH}$	Fraction of N inputs that is lost through leaching and runoff	ratio	r	Annual	Box 5.1 and Appendix E and available per reporting year on Reserve website
Equation 5.15 Equation 5.16	$N_2O_{LVRO,P,f}$	Project $N_2O$ emissions from leaching, volatilization, and runoff from field $f$	Mg $CO_2e/ha$	c	Annual	
Equation 5.16 Equation 5.17 Equation 5.23	$N_2O_{B,f}$	Total baseline $N_2O$ emissions for field $f$	Mg $CO_2e/ha$	c	Once	
Equation 5.16 Equation 5.17	$N_2O_{P,f}$	Total project $N_2O$ emissions for field $f$	Mg $CO_2e/ha$	c	Annual	
Equation 5.17	nrFields	Number of fields included in the project area		o	Annual	Farmer records
Equation 5.17 Equation 5.18	$\mu_{struct,f}$	Accuracy deduction for structural uncertainty for field $f$	value	c	Annual	
Equation 5.17 Equation 5.20 Equation 5.22 Equation 5.23	$A_f$	Size of field $f$	ha	o	Annual	Farmer records
Equation 5.18	$UNC_{PER,f}$	Uncertainty in $N_2O$ emission reductions associated with a reduction in N rate for field $f$ relative to the average emission reduction value	%	c	Annual	

Equation Reference	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference(r) Operating Records (o)	Measurement Frequency	Comment
Equation 5.18	UAF	Uncertainty adjustment factor to scale $\mu_{\text{struct}}$ for the number of fields that are enrolled at the program-level under this protocol in a given reporting period		r	Annual	Available per reporting year on Reserve website
Equation 5.19 Equation 5.20 Equation 5.21	SE <sub>FF,f</sub>	Secondary effect of GHG emissions from increased cultivation equipment emissions due to fossil fuel consumption for field $f$	Mg CO <sub>2</sub> e	c	Annual	Calculated using <i>either</i> Equation 5.20 <i>or</i> Equation 5.21
Equation 5.19 Equation 5.23	SE <sub>PS</sub>	Secondary effect of GHG emissions for the project aggregate from production shifting outside of the project boundary	Mg CO <sub>2</sub> e	c	Annual	
Equation 5.20	EF <sub>HP-hr,P,i,f</sub>	Emission factor for project operation $i$ on field $f$	g CO <sub>2</sub> e/ HP-hr	r	Annual	Default value is 1311 for gasoline-fueled operations and 904 for diesel-fueled operations
Equation 5.20	HP <sub>P,i,f</sub>	Horsepower requirement for project operation $i$ on field $f$	HP	o, r	Annual	
Equation 5.20	t <sub>P,i,f</sub>	Time required to perform project operation $i$ on field $f$	hr/field	o, c	Annual	Farmer records or calculated using optional method in Equation 5.20
Equation 5.20	EF <sub>HP-hr,B,k,f</sub>	Default emission factor for baseline operation $k$ on field $f$	g CO <sub>2</sub> e/ HP-hr	r	Annual	Default value is 1311 for gasoline-fueled operations and 904 for diesel-fueled operations
Equation 5.20	HP <sub>B,k,f</sub>	Horsepower requirement for baseline operation $k$ on field $f$	HP	o, r	Annual	
Equation 5.20	t <sub>B,k,f</sub>	Time required to perform baseline operation $k$ on field $f$	hr/field	o, c	Annual	Farmer records or calculated using optional method in Equation 5.20

Equation Reference	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference(r) Operating Records (o)	Measurement Frequency	Comment
Equation 5.20	$t$	Time requirement for field operation	hr	c	Annual	Only calculated for Equation 5.20 if farm records for $t_{P,i,f}$ and $t_{B,k,f}$ are not available
Equation 5.20	width	Application width covered by equipment	m	o	Annual	
Equation 5.20	speed	Average ground speed of the operation equipment	km/hr	o	Annual	
Equation 5.21	$FF_{PR,j}$	Total change in fossil fuel consumption for field $f$ during the reporting period, by fuel type $j$	gallons	o	Annual	Farmer records, fuel sales receipts
Equation 5.21	$EF_{FF,j}$	Fuel-specific emission factor	kg CO <sub>2</sub> /gallon fossil fuel	r	Annual	Default values are 17.4 for gasoline and 13.7 for diesel
Equation 5.22	$y_{norm,t}$	Normalized yield for each year $t$	Mg/ha	c	Annual	
Equation 5.22	$Y_{f,t}$	Yield of field $f$ in year $t$	Mg/ha	o	Annual	
Equation 5.22	$Y_{county,t}$	County average yield in year $t$	Mg/ha	r	Annual	Reference data from USDA NASS county yield statistics <sup>83</sup>
Equation 5.23	$y_{norm,t_0}$	Normalized project yield for field $f$	Mg/ha	c	Annual	
Equation 5.23	$y_{min}$	Minimum yield threshold below which normalized yields are significantly smaller than the historical average for field $f$	Mg/ha	c	Annual	

<sup>83</sup> Available at: <http://quickstats.nass.usda.gov>.

## 6.4 Supplemental Field Data Monitoring

In addition to the required field-level data and information specified in Section 6.3, project participants may choose to monitor and keep records of additional field data. Project participants are encouraged to monitor and retain supplemental records for *all* nitrogen management activities and *all* crops once a project is underway, including practices and crops not currently eligible for crediting at this time. Additional records may be of use in the event that quantification methodologies become available for currently ineligible practices and crops in future versions of this protocol. Further, while not required, supplemental data collected for eligible crop years may further assist project participants in successfully completing verification by providing verification bodies with additional information to corroborate project implementation activities and emission reductions from the project.

Supplemental monitoring parameters could include:

- A list of “enabling practices” (defined in Section 2.2.3) implemented on the field during the reporting period, as well as detailed records of dates and other aspects of management
- Additional data collected and/or test results from the implementation of any enabling or adaptive management practices (e.g. variable rate technology and the results of supplemental pre-plant or pre-sidedress soil nitrate tests, field-composite soil tests, and replicated strip trials)

## 7 Reporting and Record Keeping

This section provides requirements and guidance on reporting rules and procedures. A priority of the Reserve is to facilitate consistent and transparent information disclosure among project developers.

### 7.1 Project Submittal Documentation

For each nitrogen management project, project developers/aggregators must provide the following documentation to the Reserve in order to submit a nitrogen management project for listing on the Reserve.

- Project Submittal form
- Project Submittal \*.csv file

The Project Submittal form will be the same for both single-field projects and aggregates. Both single-field and aggregate projects will also be required to submit a project submittal \*.csv file, which shall include the initial “List of Enrolled Fields”; each field’s serial number (according to Section 7.1.1 below), county and state; and the names of project participants for each field. In the case of a single-field project, the List of Enrolled Fields will include only the single field. The List of Enrolled fields for aggregate projects shall include all fields enrolled in the aggregate at the time of submittal. Once verification commences (i.e. at the NOVA/COI stage), aggregate projects will be required to update the list to include all fields actually enrolled in the aggregate at that point (e.g. if fields have been added or removed from the aggregate between submittal and contracting a verifier<sup>84</sup>). The list must also be updated prior to each subsequent annual verification.

Project submittal forms can be found at  
<http://www.climateactionreserve.org/how/program/documents/>.

#### 7.1.1 Determining Field Serial Numbers

The field serial number, which must be included in the List of Enrolled Fields, shall be determined by the following algorithm, with each element separated by a dash (-):

First state postal abbreviation, followed by the first letter of the County, followed by degrees of the most north-western point of the field (latitude then longitude, both reported to four decimal places), followed by the acreage of the field.<sup>85</sup> (Example: CA-B-39.6123-121.5332-76 would be a 76 acre field in Butte County, CA.)

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<sup>84</sup> See the Reserve Verification Program Manual at <http://www.climateactionreserve.org/how/program/program-manual/>.

<sup>85</sup> Because all fields will be located in the United States, the latitude will always be positive (i.e. degrees north of the equator), and longitude will always be negative (i.e. degrees west of the Prime Meridian). Therefore, in the example serial number, the field in Butte County California is at +39.6123° latitude, and -121.5332° longitude.

## 7.2 Annual Reports and Documentation

Once a project has been listed on the Reserve, project developers must provide the following documentation to the Reserve in order to register a nitrogen management project with the Reserve. This documentation must be submitted to the Reserve within 12 months of the end of each reporting period in order for the Reserve to issue CRTs for quantified GHG reductions.

The following documentation is required of both single-field projects and aggregates:

- Signed Attestation of Regulatory Compliance form
- Signed Attestation of Voluntary Implementation form
- Signed (Aggregator) Attestation of Title form <sup>86</sup>
- Annual Reports (as outlined in Sections 7.2.1 and 7.2.2)
- Verification Report
- Verification Statement

With the exception of the Annual Reports, outlined in Sections 7.2.1 and 7.2.2, all of the above project documentation will be available to the public via the Reserve's online registry. Further disclosure (e.g. of the Annual Reports) and other documentation may be made available on a voluntary basis through the Reserve, at the request of the project developer.

In the event that a project participant transfers from one aggregate to a different aggregate, the new aggregator is responsible for submitting a Field Management Transfer form, which will require the project participant's signature, to the Reserve prior to the beginning of the subsequent reporting period.

Project forms can be found at <http://www.climateactionreserve.org/how/program/documents/>.

### 7.2.1 Single-Field Report (Single-Field Projects Only)

For each cultivation cycle, the following information must be included in an annual report that will be submitted to the Reserve as a \*.csv file:

- The field serial number (according to Section 7.1.1)
- The acreage of the field (acres)
- Start date of the field
- Whether the field had previously been enrolled in an aggregate
  - If so, include the name of the aggregate, dates of enrollment, and a brief description of the circumstances for leaving the previous aggregate.
- Whether the field includes land classified as HEL or wetlands
- The field's emission reduction calculation results for the current verified cultivation cycle (corrected for structural uncertainty) OR a statement indicating that the field is in a non-eligible crop year.<sup>87</sup>
- Lab results of the Corn Stalk Nitrate Test

<sup>86</sup> Although the single-field project will submit the general Attestation of Title form, aggregators will be required to submit an Aggregator Attestation of Title form, which will include language attesting to the fact that the aggregator has not and will not knowingly allow a third party (e.g. project participant) to provide false, fraudulent, or misleading data or statements.

<sup>87</sup> Note that a single-field project must report continuously (e.g. submit a single-field report annually) even if that field is in a non-eligible crop year.

### 7.2.2 Aggregate Report

For each cultivation cycle, all aggregate-level monitoring information must be included in an annual Aggregate Report that will be submitted to the Reserve as a \*.csv file, with accompanying documentation, at verification. The Aggregate Report must contain a list of all fields and the following information for each field:

- The field serial number (according to Section 7.1.1)
- The acreage of the field (acres)
- Start date of the field
- Date field enrolled in the aggregate, including a flag specifying whether the field is a new addition to the aggregate for this reporting period
- Current status of field (active, active but not in an eligible crop year, terminated, transferred to a different aggregate)
- Name of project participant associated with the field
- Whether the field includes land classified as HEL or wetlands
- A flag indicating whether the field had a site visit or desktop verification, or was unverified during the reporting period
- The emission reduction calculation results for the field (uncorrected for structural uncertainty)
- Lab results of the Corn Stalk Nitrate Test

In addition to the above information, collected at the field-level, the Aggregate Report must include the total verified emission reductions for the aggregate, corrected for structural uncertainty and any deductions due to errors or misrepresentations at the verified fields.

### 7.2.3 Field Report

For each cultivation cycle, including those in which a non-eligible crop is grown, all fields within an aggregate must submit an annual Field Report to the aggregator. This report will not be submitted to the Reserve. Although the Reserve encourages participants to submit Field Reports in the form of a \*.csv file, the format of the report will be at the discretion of the aggregator.

At a minimum, Field Reports will be required to include the following:

- A signed statement by the project participant attesting to the fact that all statements and data contained therein are true and accurate
- Current status of field (active, active but not in an eligible crop year), as well as a description of any notable changes in management control and/or management practices
- Whether the field includes land classified as HEL or wetlands
- Field management data (as specified in Section 6.3.2)
- Project activity data (as specified in Section 6.3.3),

All fields must report continuously (e.g. submit a Field Report annually) even if that field is in a non-eligible crop. In a non-eligible crop year, the Field Report should include a statement indicating that the field is in a non-eligible crop year, as well as the information required by Section 6.3.3.2.



## 7.3 Record Keeping

For purposes of independent verification and historical documentation, project developers are required to keep all information outlined in this protocol for a period of ten years after the information is generated or seven years after the last verification. This information will not be publicly available, but may be requested by the verifier or the Reserve.

### 7.3.1 Record Keeping for Single-Field Projects

The project developer should retain the following records and documentation, as well as documentation to substantiate the information in the annual Single-Field Report and all field-level data and calculations. These records include:

- Contractual arrangements with project developer, project participant and/or land owner (if applicable, e.g. if the project developer is not the field manager)
- Copies of letter of notification sent to land owner, including the date letter was sent
- GIS shape file or \*.kml file
- North-western latitude/longitude coordinates of field (to four decimal places)
- Serial number of field (according to the guidance in Section 7.1.1)
- Copies of air, water, and land use permits relevant to project activities; Notices of Violations (NOVs) relevant to project activities; and any administrative or legal consent orders relevant to project
- Copies of any USDA NRCS determinations and/or documentation of NRCS approval of conservation systems, if field includes wetlands or HEL land, respectively
- Executed Attestation of Title, Attestation of Regulatory Compliance, and Attestation of Voluntary Implementation forms
- Lab results of the Corn Stalk Nitrate Test
- Fertilizer purchase records
- Records demonstrating any material change (or lack thereof) in equipment type or usage (e.g. purchase or lease records for equipment, field-level fossil fuel use records, manufacturer's HP specifications, hours spent on N application)<sup>88</sup>
- Data inputs for the calculation of the project emission reductions
- Field management data (as specified in Section 6.3.2)
- Project activity data (as specified in Section 6.3.3), including:
  - Farm management records pertaining to nitrogen management and crop yields<sup>89</sup>
  - Records relevant to the equipment used for N-application and/or N-monitoring (e.g. nutrient applicator, nutrient sprayer, chlorophyll meter, variable rate technologies)
- Results of CO<sub>2</sub>e annual reduction calculations
- Initial and annual verification records and results

<sup>88</sup> Records are required for both approaches to quantifying SSR 3. Fossil fuel-use records, broken down by field, are required for implementing Approach 2 (see Section 5.4.1). If the standard default is used (Approach 1), less extensive records are required, as equipment horsepower requirements may be looked up based on manufacturer specifications and operating hours spent on N-application may be estimated, but basic documentation corroborating the choice of default (e.g. proof the equipment or hours claimed are the equipment or hours used/spent) are still necessary.

<sup>89</sup> Project participants are encouraged to retain excellent records for all nitrogen management activities and crops once the project is underway, even those not currently eligible for crediting at this time, in the event that quantification methodologies become available at some point in the future and considered for inclusion in this protocol.

## 7.3.2 Record Keeping for Aggregate Projects

### 7.3.2.1 Aggregate-Level Record Keeping

The aggregator should retain the following records and documentation, as well as documentation required by Sections 6.2 to substantiate the information in the annual Aggregate Report. System information must be retained for each field, yet collected and managed at the aggregate level. These records include all:

- Contractual arrangements with project developer, each project participant and/or land owner
- Copies of letters of notification sent to land owners, including the dates letters were sent
- GIS shape file or \*.kml file for all fields in the aggregate
- North-western latitude/longitude coordinates for each field (to four decimal places)
- Serial numbers for each field (according to the guidance in Section 7.1.1)
- Executed Aggregator Attestation of Title, Attestation of Regulatory Compliance, and Attestation of Voluntary Implementation forms
- Data inputs for the calculation of the project emission reductions
- Results of CO<sub>2</sub>e annual reduction calculations
- Initial and annual verification records and results

### 7.3.2.2 Aggregate Field-Level Record Keeping

The aggregator should retain the following records and documentation, as well as documentation required in Section 6.3 for each field.

At each field, the following records should be retained for verification purposes:

- Field management data (as specified in Section 6.3.2)
- Lab results of the Corn Stalk Nitrate Test
- Fertilizer purchase records
- Records demonstrating any material change (or lack thereof) in equipment type or usage (e.g. purchase or lease records for equipment, field-level fossil fuel use records, manufacturer's HP specifications, hours spent on N application).<sup>90</sup>
- Project activity data (as specified in Section 6.3.3), including:
  - Farm management records pertaining to nitrogen management and crop yield.<sup>89</sup>
  - All records relevant to the equipment used for N-application and/or N-monitoring (e.g. chlorophyll meter, variable rate technologies)

### 7.3.2.3 Participant Field-Level Record Keeping

Project participants must retain the following documentation and be prepared to provide this documentation when requested by the aggregator and/or a verification body:

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<sup>90</sup> Records are required for both approaches to quantifying SSR 3. Fossil fuel-use records, broken down by field, are required for implementing Approach 2 (see Section 5.4.1). If the standard default is used (Approach 1), less extensive records are required, as equipment horsepower requirements may be looked up based on manufacturer specifications and operating hours spent on N-application may be estimated, but basic documentation corroborating the choice of default (e.g. proof the equipment or hours claimed are the equipment or hours used/spent) are still necessary.

- Copies of air, water, and land use permits relevant to project activities; Notices of Violations (NOVs) relevant to project activities; and any administrative or legal consent orders relevant to project activities
- Copies of any USDA NRCS determinations and/or documentation of NRCS approval of conservation systems, if field includes wetlands or HEL land, respectively
- Records demonstrating any material change (or lack thereof) in equipment type or usage (e.g. purchase or lease records for equipment, field-level fossil fuel use records)

### 7.3.3 Supplemental Record Keeping

As noted in Section 6.4, project developers (of single-field projects) and project participants (who are part of an aggregate) are encouraged – but not required – to monitor and retain additional supplemental records for all nitrogen management activities and crops on their field once the project is underway, including nitrogen management activities and crops that are not eligible for crediting in the current protocol. Though this supplemental recordkeeping is not required, these additional records may help streamline verification activities and will be helpful for establishing a baseline in the event that additional quantification methodologies related to these practices and crops are included in future versions of the protocol. Supplemental records could include:

- A list of the “enabling practices” (see Section 2.2.3) implemented on the field during the reporting period
  - Additional data collected, due to enabling practices (e.g. variable rate technology and the results of supplemental pre-plant or pre-sidedress soil nitrate tests, field-composite soil tests, and replicated strip trials)
- Time-stamped digital photographs of fertilizer management activities
- Aerial images (demonstrating homogenous management and/or field boundaries)

## 7.4 Reporting Period and Verification Cycle

Project emission reductions must be quantified and verified on an annual basis, reflecting a reduction in annual N rate over a complete cultivation cycle. The length of time over which GHG emission reductions are quantified and verified is called the “reporting period.” The reporting period must be uniformly defined for the aggregate, and shall be determined by the aggregator as an annual period most appropriate for aggregate, based on the cultivation cycles and respective start dates of fields within the aggregate. Individual fields within an aggregate may have cultivation cycles that start on different dates; however the cultivation cycles for all fields within an aggregate must be complete before the aggregate is able to undergo verification. To ensure that only emission reductions occurring during an aggregate’s fixed reporting period is credited during that reporting period, emission reductions from each field shall be prorated as discussed further below. For single-field projects, the reporting period shall be defined using the exact dates corresponding to the beginning and the end of the cultivation cycle for the particular field.

Both reporting periods and cultivation cycles must be contiguous; there can be no time gaps in reporting during the crediting period of an aggregate once the initial reporting period has commenced.<sup>91</sup> If the crop rotation on the project field includes ineligible crops (e.g. soy in a corn/soy rotation), the project field must report continuously on the field’s management

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<sup>91</sup> An entire aggregate can willingly forfeit CRTs for an entire cultivation cycle in accordance with the zero-credit reporting period policy in Section 3.3.3 of the Reserve Program Manual.

practices, even though the project field shall only receive credit for project activities implemented on eligible crops.

Because a single reporting period must be uniformly defined for the aggregate, the aggregator must prorate the emissions reductions from each field in the aggregate, after the field has completed its respective cultivation cycle and total emission reductions for that field have been calculated. All emission reductions from a complete cultivation cycle should be verified at one time. However, the aggregator shall divide total emission reductions from the reporting period by 365 days to calculate the average daily emission reductions associated with a given field, and multiply by the total days of the cultivation cycle falling within the aggregate's uniform reporting period currently undergoing verification. The remaining emission reductions from the complete cultivation cycle (applicable to the subsequent reporting period), should be verified along with the field's total emission reductions from this cultivation cycle, but shall be credited under the subsequent aggregate reporting period.

For aggregates, no more than one reporting period can be verified at once, except during an aggregate's first verification, which may include historical emission reductions from prior years.

#### **7.4.1 Additional Reporting and Verification Options for Single-Field Projects**

For single-field projects, there are three verification options to choose from, which provide the project developer more flexibility and help manage verification costs associated with nitrogen management projects. The project developer may choose from these additional options after a project has completed its initial verification and registration.

A project developer may choose to use one option for the duration of a project's crediting period. Regardless of the option selected, reporting periods must be contiguous; there may be no time gaps in reporting during the crediting period of a project once the initial reporting period has commenced. Project participants must continue reporting during non-eligible crop years (see Section 6.3.3.2 for requirements). Non-eligible crop years do not require verification, and as such, do not count against the number of months included in a given verification period (see options below). Verifiers shall review N rate records for any interim non-eligible year(s) as a component of verifying eligibility in the subsequent eligible crop year (see Section 3.5.1.1).

If a single-field project joins an aggregate, that field will immediately be subject to the verification schedule of the aggregate moving forward (e.g. for the first reporting period that field is enrolled in the new aggregate).

If a field exits an aggregate to become a single-field project, that project is subject to the reporting and verification requirements of an initial reporting and verification period. In other words, that single-field project's first verification as a single-field project may not take advantage of Options 2 or 3, below.

##### **7.4.1.1 Initial Reporting and Verification Period**

The reporting period for projects undergoing their initial verification and registration cannot exceed one complete cultivation cycle, which may be slightly greater or less than 365 days. The one exception is for historic projects (e.g. fields with start dates on or after June 27, 2010), which are eligible to include multiple cultivation cycles in their first reporting period, so long as the project is submitted to the Reserve by June 27, 2013 (see Section 3.2 for additional guidance). Once a project is registered and has had at least one complete cultivation cycle of

emission reductions verified, the project developer may choose one of the verification options below.

#### **7.4.1.2 Option 1: Twelve-Month Maximum Verification Period**

Under this option, the verification period may not exceed one complete cultivation cycle, which may be slightly greater or less than 365 days. Verification with a site visit is required for CRT issuance.

#### **7.4.1.3 Option 2: Twelve-Month Verification Period with Desktop Verification**

Under this option, the verification period cannot exceed one complete cultivation cycle. However, CRTs may be issued upon successful completion of a desktop verification as long as: (1) Site visit verifications occur at two-year intervals (e.g. every second eligible crop year), with a maximum of three non-eligible crop years between corn crops; and (2) The verification body has confirmed that there have been no significant changes in selected project activities, field management or ownership and/or management control of the field since the previous site visit. Desktop verifications must cover all other required verification activities (i.e. a full desktop verification of the Single-Field Report).

Desktop verifications are allowed only for a single 12-month verification period in between 12-month verification periods that are verified by a site visit.

#### **7.4.1.4 Option 3: Twenty-Four Month Maximum Verification Period**

Under this option, the verification period cannot exceed two complete cultivation cycles of eligible crops (approximately 730 days or 24 months) and the project monitoring plan and Single-Field Report must be submitted to the Reserve for the interim eligible crop's cultivation cycle's reporting period. The project monitoring plan and report must be submitted for projects that choose Option 3 in order to meet the annual documentation requirement of the Reserve program. They are meant to provide the Reserve with information and documentation on project operations and performance. They also demonstrate how the project monitoring plan was met over the course of the first half of the verification period. They are submitted via the Reserve online registry, but are not publicly available documents. The monitoring plan and report shall be submitted within 30 days of the end of the reporting period. In the case of a multi-crop rotation, a 24-month verification period that consists of two non-consecutive corn crop years is allowable, with no more than one interim non-eligible crop year (e.g. verification could cover 24 months of data within a 36-month timeframe).

Under this option, CRTs may be issued upon successful completion of a site visit verification for GHG reductions achieved over a maximum of 24 months. CRTs will not be issued based on the Reserve's review of project monitoring plans or reports. Project developers may choose to have a verification period shorter than 24 months.

## 8 Verification Guidance

This section provides verification bodies with guidance on verifying GHG emission reductions associated with the project activity. This verification guidance supplements the Reserve's Verification Program Manual and describes verification activities specifically related to nitrogen management projects.

Verification bodies trained to verify nitrogen management projects must be familiar with the following documents:

- Climate Action Reserve Program Manual
- Climate Action Reserve Verification Program Manual
- Climate Action Reserve Nitrogen Management Project Protocol (NMPP)

The Reserve Program Manual, Verification Program Manual, and project protocols are designed to be compatible with each other and are available on the Reserve's website at <http://www.climateactionreserve.org>.

Only ISO-accredited verification bodies with lead verifiers trained by the Reserve for this project type are eligible to verify nitrogen management project reports. Verification bodies approved under other project protocol types are not permitted to verify nitrogen management projects. Information about verification body accreditation and Reserve project verification training can be found on the Reserve website at <http://www.climateactionreserve.org/how/verification/>.

In addition, all verification bodies must have a Certified Professional Agronomist or Certified Crop Advisor<sup>92</sup> on the verification team in order to verify nitrogen management projects. The agronomist or crop advisor must be present for all verification site visits, and will provide additional support and expertise with interpreting information, assessing field conditions, reviewing Corn Stalk Nitrate Test (CSNT) collection procedures and results, and interviewing project participants and any relevant staff onsite.

### 8.1 Preparing for Verification

The project developer is responsible for coordinating all aspects of the verification process, coordinating with the verification body, project participants (in the case of an aggregate), and the Reserve, and submitting all necessary documentation to the verification body and the Reserve.

The project developer is responsible for selecting a single verification body for the entire project or aggregate for each reporting period. The same verification body may be used up to six consecutive years (the number of consecutive years allowed, according to the Reserve Verification Program Manual<sup>93</sup>). Verification bodies, including the agronomist, must pass a conflict of interest review against the project developer, and in the case of aggregate projects, all project participants and the aggregator. Consequently, the submitted List of Enrolled Fields must be updated by the aggregator prior to the conflict of interest review.

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<sup>92</sup> Certification of agronomists and crop advisors should be administered by the American Society of Agronomy (<https://www.agronomy.org>), or other comparable program.

<sup>93</sup> Available at <http://www.climateactionreserve.org/how/verification/verification-program-manual/>.

Each year, project developers of single-field projects must make the Single-Field Report, which is submitted to the Reserve annually, and the Single-Field Monitoring Plan available to the verification body. These documents must meet the requirements in Sections 6 and 7.

In aggregate projects, project participants must annually submit a Field Report, all field data, and any reporting data from non-eligible crop years (where applicable, for fields completing an eligible crop year) to the aggregator according to the guidelines in Sections 6 and 7. Aggregators must make all Field Monitoring Plans (FMPs), Field Reports, reporting data from non-eligible crop years (for fields completing an eligible crop year), the Aggregate Monitoring Plan (AMP), and the Aggregate Report available to the verification body.

In all cases, the above documentation should be made available to the verification body after the NOVA/COI process is complete.

Aggregators may assist project participants in preparing documents for verification and in facilitating the verification process. The scope of these services is determined by the specific contract between project participants and the aggregator. However, the ultimate responsibility for monitoring reports and verification compliance is assigned to the aggregator.

For aggregates, a field is considered verified if it is in the pool of fields for which site visits or desktop verifications are conducted, even if not selected for either a site visit or desktop verification (see Section 8.3 for details on sampling for verification).

As a preliminary step in preparing for verification, the aggregator may choose to exclude fields from the pool of fields that may be selected for verification activities. Aggregators must report to the verification body all instances of field exclusion. The excluded fields shall be removed from the acreage totals and from field numbers used to determine field eligibility and verification sampling methodologies (in Section 8.3) and are therefore not considered verified.

## 8.2 Verification Schedule for Single-Field Projects

Single-field projects are comprised of exactly one field, and as such, there is no sampling methodology to select the fields undergoing verification. The single-field project shall be verified according to the verification schedule outlined below.

This protocol provides project developers three verification options, Sections 8.2.1 to 8.2.3, for a single-field project after its initial verification and registration in order to provide flexibility and help manage verification costs associated with nitrogen management projects. For each option, verification bodies may need to confirm additional requirements specific to this protocol, and in some instances, utilize professional judgment on the appropriateness of the option selected.

All fields are required to perform a CSNT prior to the end of the reporting period for each eligible corn crop and provide the test results to the verification body, in preparation for verification. Unlike the case with aggregates, where CSNT results will directly inform risk-based sampling for verification site visits, the CSNT results for single-field projects are used to assess risk of whether the project activity has occurred. CSNT results that indicate “excessive” N use (e.g. greater than 2000 ppm nitrate-N)<sup>94</sup> or other anomalous results (e.g. a large increase in ppm nitrate-N from previous), should be interpreted as having a higher risk of not having reduced

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<sup>94</sup> Blackmer, A.M., & Mallarino, A.P., 1996.

their N rate over the reporting period.<sup>95</sup> Therefore, fields with “excessive” CSNT results shall receive further follow up, in the form of site visits, interviews, additional information requests, etc., as necessary.

The actual requirements for performing a site visit verification and desktop verification are the same. A desktop verification is equivalent to a full verification, without the requirement to visit the site. A verification body has the discretion to visit any site in any reporting period if the verification body determines that the risks for that field warrant a site visit.

### **8.2.1 Option 1: Twelve-Month Maximum Verification Period**

Option 1 does not require verification bodies to confirm any additional requirements beyond what is specified in the protocol (see Section 7.4.1.2 for requirements).

### **8.2.2 Option 2: Twelve-Month Verification Period with Desktop Verification**

Option 2 requires verification bodies to review the documentation specified in Section 7.4.1.3 in order to determine if a desktop verification is appropriate. The verifier shall use their professional judgment to assess any changes that have occurred related to project data management systems, equipment or personnel and determine whether a site visit should be required as part of verification activities in order to provide a reasonable level of assurance on the project verification. The documentation shall be reviewed prior to the NOVA/COI renewal submitted to the Reserve, and the verification body shall provide a summary of its assessment and decision on the appropriateness of a desktop verification when submitting the NOVA/COI renewal. The Reserve reserves the right to review the documentation provided by the project developer and the decision made by the verification body on whether a desktop verification is appropriate.

### **8.2.3 Option 3: Twenty-Four Month Maximum Verification Period**

Under Option 3 (see Section 7.4.1.4), verification bodies shall look to the project monitoring report submitted by the project developer to the Reserve for the interim 12-month reporting period as a resource to inform its planned verification activities. While verification bodies are not expected to provide a reasonable level of assurance on the accuracy of the monitoring report as part of verification, the verification body shall list a summary of discrepancies between the monitoring report and what was ultimately verified in the List of Findings.

## **8.3 Verification Sampling and Schedule for Aggregates**

Guidelines for verification sampling of the aggregate and the aggregate’s verification schedule are different for “small aggregates,” “large single-participant aggregates,” and “large multi-participant aggregates.” This approach allows a consistent application of verification requirements across all aggregates regardless of size or number of participants.

In all cases, the verification schedule shall be established by the verification body using a combination of risk-based and random sampling, according to the verification schedule and sampling methodologies outlined in Sections 8.3.2, 8.3.3, and 8.3.4. These sampling

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<sup>95</sup> It is important to note that many factors influence N availability and a field’s corn stalks may vary in their nitrate-N concentration from year to year. Consequently, an “excessive” result by the CSNT does not necessarily mean that a field has not reduced its N rate against its baseline, but it is a good indication of which fields have the highest probability of application above the N demand for the crop, and therefore are at highest risk of not having reduced their N rate over the reporting period.



methodologies establish a minimum and a range of verification frequencies, as well as guidance on circumstances in which the verification body is encouraged to add fields beyond the minimum percentage of fields required for site visit and/or desktop verification. The verifier may use professional judgment to determine the number of additional fields and method for selecting fields if a risk-based review indicates a high probability of non-compliance. The verification sampling requirements are mandatory regardless of the mix of entry dates represented by the group of fields in the aggregate.

The initial site visit verification schedule for a given year shall be established after the completion of the NOVA/COI process. The schedule should be established as soon as possible after the commencement of verification activities, once the verifier has received CSNT results and the Aggregate Report, at a minimum, so as to include both risk-based and random sampling for the selection of site visited fields. This is meant to allow for the aggregator and verification body to work together to develop a cost-effective and efficient site visit schedule. Specifically, once the sample fields designated for a site visit have been determined, the verification body shall document all fields selected for planned site visit verification and provide a list of project participants and fields receiving a visit to the aggregator and the Reserve. The aggregator shall be responsible for informing project participants of their selection for a planned site visit. Following this notification, the aggregator shall supply the verification body with all the required documentation to demonstrate field-level conformance to the protocol. When a verification body determines that additional sampling is necessary, due to suspected non-compliance, however, a similar level of advance notice may not be possible.

Though significant advance notice of a field's selection for a site visit is required, aggregators and project participants shall not be given advance notice of which fields' data will be subject to desktop verification in a given year. A field shall be prepared for desktop verification during every reporting period, so long as the field's FMP is implemented and up-to-date, the Field Report submitted to the aggregator, and all record-keeping requirements of this protocol are followed.

Regardless of the size of an aggregate, if the aggregate contains any fields that did not pass site visit verification the year before and wish to re-enter the aggregate, those fields must have a full verification with site visit for the subsequent reporting period. These fields must be site visited *in addition* to the verification sampling methodology and requirements outlined below in Sections 8.3.2, 8.3.3, and 8.3.4.

For the purposes of verification, a "small aggregate" is defined as an aggregate comprised of 20 or fewer fields, regardless of the number of project participants. Small aggregates will meet fixed site visit and desktop verification frequency requirements based on a verification schedule determined by the verifier, in compliance with Section 8.3.2 of this protocol.

A "large single-participant aggregate" is defined as an aggregate comprised of more than 20 distinct fields all managed by one single project participant. For large single-participant aggregates, fields will be randomly selected for site visit and desktop verification, according to the sampling method in Section 8.3.3, which is based on a non-linear scale where the relative fraction of fields undergoing verification activities gets smaller as the aggregate size gets larger.

A "large multi-participant aggregate" is defined as an aggregate comprised of more than 20 fields and more than one project participant. For large multi-participant aggregates, participants and their fields will be selected for site visit and desktop verification, according to the risk-based and random sampling method in Section 8.3.4, which is based on a non-linear scale where the

relative fraction of fields undergoing verification activities gets smaller as the aggregate size gets larger.

In all cases, when determining the sample size for site visits and desktop verifications, the verification body shall round up to the nearest whole number.

The actual requirements for performing a site visit verification and desktop verification are the same. A desktop verification is equivalent to a full verification, without the requirement to visit the site. A verification body has the discretion to visit any site in any reporting period if the verification body determines that the risks for that field warrant a site visit.

### 8.3.1 Informing Site Visit Sampling with Corn Stalk Nitrate Test Results

All fields are required to perform a CSNT prior to the end of the reporting period for each eligible corn crop and provide the test results to the verification body, in preparation for verification. Verifiers must review the results of the CSNTs for all fields to inform their risk-based sampling. Verifiers shall prioritize selection of fields for site visits, based on CSNT results that indicate “excessive” N use (e.g. greater than 2000 ppm nitrate-N)<sup>96</sup> or other anomalous results for site visit verification by sampling (e.g. a large increase in ppm nitrate-N from previous CSNT results, even if not excessive).

It is important to note that many factors influence N availability and a field’s corn stalks may vary in their nitrate-N concentration from year to year. Consequently, an “excessive” result by the CSNT does not necessarily mean that a field has not reduced its N rate against its baseline, but it is a good indication of which fields within the aggregate have the highest probability of application above the N demand for the crop, and therefore are at highest risk of not having reduced their N rate over the reporting period. As such, fields with “excessive” CSNT results shall receive further follow up, in the form of site visits, interviews, additional information requests, etc., as necessary.

Category	Nitrate-N Concentration	Interpretation
Excessive	>2000 ppm	High probability that N availability was greater than N demand
Optimal	700-2000 ppm	High probability that N availability was within the optimal range needed to maximize profitability for the producer
Marginal	250 – 700 ppm	Indicated that N availability was very close to the minimal crop demand
Low	<250 ppm	High probability that greater N availability would have resulted in increased yields

Source: Iowa State University Extension Service.<sup>96</sup>

<sup>96</sup> Blackmer, A.M., & Mallarino, A.P., 1996.

### 8.3.2 Verification Schedule for Small Aggregates

#### 8.3.2.1 Site Visit Verification Schedule for Small Aggregates

Site visit verifications must be conducted on a schedule such that:

1. Each field in the aggregate must successfully complete a minimum of one site visit verification per crediting period.
2. A minimum of 20 percent of the fields in the aggregate shall be site verified in any given year, selected first by a risk-based approach informed by CSNT results, and then selected at random, until 20 percent has been reached.

#### 8.3.2.2 Desktop Verification Schedule for Small Aggregates

In any given year, a number of desktop verifications of field data must be conducted, with the number inversely related to the number of fields undergoing a site visit that year. Specifically, the number of desktop verifications,  $D$ , shall equal 50 percent of the number of fields,  $n$ , in the aggregate that will not receive a site visit that year, rounding up in the case of an uneven number of fields. In other words,

$D = \frac{(n - S)}{2}$ <p>Where,</p> <p><math>n</math> = Number of fields in the aggregate</p> <p><math>S</math> = Number of site visits</p> <p><math>D</math> = Number of desktop verifications</p>
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Fields shall not be selected for a desktop verification in years that the field is undergoing a site visit. If a site visit is planned for a field randomly selected for a desktop verification, the verification body will continue randomly drawing additional fields until the total number selected for a desktop verification reaches the value of  $D$  per the equation above.

### 8.3.3 Verification Schedule for Large Single-Participant Aggregates

In contrast to small aggregates, it is possible that a field in a large aggregate is never verified, either via site visit or desktop verification, during its entire crediting period. Therefore, a combination of risk-based and random sampling is a particularly important component of enforcement.

#### 8.3.3.1 Sampling for Site Visit Verification for Large Single-Participant Aggregates

The verification body determines the number of enrolled fields that must be selected for site visit verification in a given year. The required number of site visits,  $S$ , shall equal the square root of the total number of eligible fields,  $n$  (e.g. those growing an eligible crop over the reporting period), enrolled in the large single-participant aggregate that year (i.e.  $S = \sqrt{n}$  rounded up to the nearest whole number). Verifiers shall select fields for site visits first through the risk-based approach informed by CSNT results, and then by selecting additional fields at random, until the required number of site visits,  $S$ , has been reached.

### **8.3.3.2 Sampling for Desktop Verification for Large Single-Participant Aggregates**

In addition to site visit verifications, verification bodies shall randomly select a sample of fields to undergo a desktop verification,  $D$ , equal to two times the square root of the total number of fields in the aggregate.

Fields shall not be selected for a desktop verification in years that the field is undergoing a site visit. If a site visit is planned for a field randomly selected for a desktop verification, the verification body will continue randomly drawing additional fields until the total number selected for a desktop verification reaches the square root of the total number of fields in the aggregate.

### **8.3.4 Verification Schedule for Large Multi-Participant Aggregates**

In contrast to small aggregates, it is possible that a field in a large aggregate is never verified, either via site visit or desktop verification, during its entire crediting period. Therefore, a combination of risk-based and random sampling is a particularly important component of the enforcement mechanism. The sampling methodology for large multi-participant aggregates shall take place in three steps. Site visit sampling shall be informed in step one by a risk-based sampling approach and in step two by random sampling. The third step shall inform desktop verification based on random sampling.

A minimum of 5 percent of the total number of eligible fields in the aggregate (e.g. only fields growing eligible crops in the reporting period to be verified) must be site visited. The verification body shall be allowed to vary the number of site visits performed, based on levels of perceived risk identified during verification, up to a maximum of 15 percent of eligible fields in a given year. Specific risks identified during the verification could include: the incidence of CSNT results within the “excessive” range, fields generating large proportions of the emission reductions of the aggregate, and/or demonstrated poor communication of N-reduction strategies and implementation between aggregators and participants.

Each verification report must contain a description of the sampling methodology, number of site visits, and justification for higher levels of sampling (e.g. due to higher levels of risk).

#### **8.3.4.1 Sampling for Site Visit Verification for Large Multi-Participant Aggregates**

1. First, verifiers shall select fields for site visits first through a risk-based approach informed by CSNT results
2. Once the verifier has selected fields for site visits through the risk-based approach, additional fields shall be selected at random. The verification body shall randomly select additional fields until the number of site visits meets this minimum requirement of at least 5 percent (or the verifier’s chosen percentage, based on higher risk)

#### **8.3.4.2 Sampling for Desktop Verification for Large Multi-Participant Aggregates**

In addition to site visit verifications, each year verification bodies shall also randomly select fields to undergo a desktop verification of their field data. Verification bodies shall randomly select a sample of fields to undergo a desktop verification equal to two times the square root of the total number of fields in the aggregate (rounded up to the next whole number).

Fields shall not be selected for a desk-audit in years that the field is undergoing a site visit. If a site visit is planned for a field randomly selected for a desktop verification, the verification body will continue randomly drawing additional fields until the total number selected for a desktop verification reaches the square root of the total number of fields in the aggregate.

## 8.4 Standard of Verification

The Reserve's standard of verification for nitrogen management projects is the Nitrogen Management Project Protocol (this document) and the Reserve Program Manual and Verification Program Manual. To verify a nitrogen management aggregate, verification bodies apply the guidance in the Verification Program Manual and this section of the protocol to the standards described in Sections 2 through 7 of this protocol. Sections 2 through 7 provide eligibility rules, methods to calculate emission reductions, performance monitoring instructions and requirements, and procedures for reporting project information to the Reserve.

## 8.5 Monitoring Plan

The Aggregate Monitoring Plan (AMP) and Field Monitoring Plan (FMP) serve as the basis for verification bodies to confirm that the monitoring and reporting requirements in Section 6 and Section 7 have been met, and that consistent, rigorous monitoring and recordkeeping is ongoing by the aggregator and all enrolled fields. Verification bodies shall confirm that the Monitoring Plan covers all aspects of monitoring and reporting contained in this protocol and specifies how data for all relevant parameters in Table 6.1 are collected and recorded.

### 8.5.1 Annual Reports

The single-field project's project developer must annually submit field data for single-field projects to the Reserve. The Single-Field Report will consist of a \*.csv file and attachments, as described in Section 7.2.1. Verification bodies must review the Single-Field Report to confirm project information and data collected according to the SFMP.

The aggregate must annually submit an Aggregate Report to the Reserve. The report will consist of a \*.csv file and attachments, as described in Section 7.2.2. Verification bodies must review the Aggregate Report to confirm project information and data collected according to the AMP.

The verification body will need to review field data during desktop verifications of randomly selected fields in an aggregate. The field data must be made available to the verification body in order to confirm field-level information collected according to the FMP.

## 8.6 Verifying Eligibility at the Field Level

Verification bodies must affirm each project field's eligibility during site visit and/or desktop verifications according to the rules described in this protocol. The table below outlines the eligibility criteria for each project field. This table does not present all criteria for determining eligibility comprehensively; verification bodies must also look to Section 3 and the verification items list in Table 8.3.

**Table 8.1.** Summary of Field-level Eligibility Criteria for a Nitrogen Management Project

Eligibility Rule	Eligibility Criteria	Frequency of Rule Application
Start Date	The first day of the cultivation cycle, which begins immediately after completion of the previous crop's harvest, in which the approved project activity is adopted at the field.  For 12 months following the Effective Date of this protocol, a pre-existing field with a start date on or after June 27, 2010 may be submitted for listing; after this 12 month period, projects must be submitted for listing within six months of the project start date	Once during first verification
Location and Crop Type	The field is located in an approved area of the U.S. and U.S. tribal areas and contains a corresponding eligible crop, according to Table 3.1	Every verification
Performance Standard	The field passes the Performance Standard Test for its respective state-crop combination according to Section 3.5.1.1).  Fields previously in a non-eligible year must also demonstrate that N loading has not occurred since the last verification to pass the Performance Standard Test	Every verification
Legal Requirement Test	Signed Attestation of Voluntary Implementation form and monitoring procedures for ascertaining and demonstrating that the project passes the Legal Requirement Test	Every verification
Legal Title to CRTs	Signed Aggregator Attestation of Title or Attestation of Title and monitoring procedures for ascertaining and demonstrating legal title to the CRTs	Every verification
Regulatory Compliance	Signed Attestation of Regulatory Compliance form and disclosure of all legal violations to verification body; project activities and project fields must not cause material violations of applicable laws.  In particular, no violations to the Safe Drinking Water Act or Clean Water Act, due to agricultural discharges	Every verification
Land with no previous cropping history	Fields with no cropping history prior to June 27, 2010 are not eligible.	Once during first verification
HEL classification	If the project area includes land classified as HEL, that land must meet the Highly Erodible Land Conservation provisions to be eligible	Once during first verification
Wetland classification	If the project area includes land classified as wetlands that land must meet the Wetlands Conservation (or "swampbuster") provisions to be eligible	Once during first verification
Applicability Conditions	Verify that all applicability conditions in Section 5.1 have been met	Every verification

## 8.7 Core Verification Activities

The NMPP provides explicit requirements and guidance for quantifying the GHG reductions associated with the implementation of approved nitrogen management practice changes on project fields. The Verification Program Manual describes the core verification activities that shall be performed by verification bodies for all project verifications. They are summarized

below in the context of a nitrogen management project, but verification bodies must also follow the general guidance in the Verification Program Manual.

Verification is a risk assessment and data sampling effort designed to ensure that the risk of reporting error is assessed and addressed through appropriate sampling, testing, and review. The three core verification activities are:

1. Identifying emission sources, sinks, and reservoirs
2. Reviewing GHG management systems and estimation methodologies
3. Verifying emission reduction estimates

### **Identifying emission sources, sinks, and reservoirs for each field**

The verification body reviews for completeness the sources, sinks, and reservoirs identified for a single-field project or aggregate, ensuring that all relevant secondary effect SSRs for each field are identified.

### **Reviewing GHG management systems and estimation methodologies at the field level**

The verification body reviews and assesses the appropriateness of the methodologies and management systems that are used to gather data and calculate baseline and project emissions for each field.

### **Reviewing GHG management systems and estimation methodologies at the aggregate level**

The verification body reviews and assesses the appropriateness of the methodologies and management systems that the project aggregator uses to gather data and calculate baseline and project emissions on the aggregate level.

### **Verifying emission reduction estimates at the field level**

The verification body further investigates areas that have the greatest potential for material misstatements and confirms whether or not material misstatements have occurred for all fields undergoing verification. This involves site visits to a random sample of project fields, according to the sampling methodology outlined in Section 8.3.3.1, to ensure systems on the ground correspond to and are consistent with data provided to the verification body, combined with a random sample of desktop verifications of remaining project fields according to Section 8.3.3.2. In addition, the verification body recalculates a representative sample of the performance or emissions data from fields for comparison with data reported by the project aggregator in order to confirm calculations of GHG emission reductions.

### **Verifying emission reduction estimates at the aggregate level**

The verification body further investigates areas that have the greatest potential for material misstatements at the aggregate level, including whether the appropriate structural uncertainty factors (Section 5.3.4) and yield-loss statistical tests (Section 5.4.2) have been performed for the aggregate.

## **8.8 Project Type Verification Items**

The following tables provide lists of items that a verification body needs to address while verifying a nitrogen management project. The tables include references to the section in the protocol where requirements are further specified. The table also identifies items for which a verification body is expected to apply professional judgment during the verification process. Verification bodies are expected to use their professional judgment to confirm that protocol

requirements have been met in instances where the protocol does not provide (sufficiently) prescriptive guidance. Supplemental monitoring data and records (noted in Sections 6.4 and 7.3.3) are not included in the tables below. However, any supplemental information made available to the verifier by the project participant may be used to raise the verifier's level of assurance that the project activity occurred.

For more information on the Reserve's verification process and professional judgment, please see the Verification Program Manual.

**Note: These tables shall not be viewed as a comprehensive list or plan for verification activities, but rather guidance on areas specific to nitrogen management projects that must be addressed during verification.**

### 8.8.1 Project Eligibility and CRT Issuance

Table 8.2 lists the criteria for reasonable assurance with respect to eligibility and CRT issuance for nitrogen management aggregates. These requirements determine if the aggregate is eligible to register with the Reserve and/or have CRTs issued for the reporting period. If any one requirement is not met, either for one or more fields, then the entire aggregate may be determined ineligible or the GHG reductions from the reporting period may be ineligible for issuance of CRTs, as specified in Section 3.

**Table 8.2.** Eligibility Verification Items

Protocol Section	Eligibility Qualification Item	Apply Professional Judgment?
2.2	Verify that all verified fields meet the definition of a nitrogen management project	No
2.2.1	Verify that all verified fields meet the field boundary definition	Yes
2.2.2	Verify that all verified fields meet the definition of cultivation cycle	No
2.3	Verify ownership of the reductions by reviewing Aggregator Attestation of Title	No
2.3	Verify ownership of the reductions by reviewing Letters of Notification and contracts between aggregators, project participants, and land owners	No
2.4	Verify that no fields within the aggregate are simultaneously enrolled in another aggregate	No
2.4	Verify that any fields previously enrolled in another aggregate have followed the proper procedures to enter the new aggregate and leave the old aggregate	Yes
2.4.1	Verify that all fields within a project aggregate are within individual size limits	No
3.1	Verify that all fields are comprised of eligible state-crop combinations	No
3.2	Verify the project start date for all fields	No
3.2	Verify accuracy of project start date for all verified fields based on operational records	Yes
3.3	Verify that each field is within the 10-year crediting period and five eligible crop years within that crediting period	No
3.4	Verify that project is not located on fields that were not cropped prior to June 27, 2010	No
3.4	Verify whether the project is located on fields that are classified as Highly Erodible Land or wetlands. If HEL or wetlands are included, verify that the required conservation compliance standards are being met	No



Protocol Section	Eligibility Qualification Item	Apply Professional Judgment?
3.4	Verify that sufficient management records of historical practices are available	No
3.5.1	Verify that each field meets the Performance Standard Test	No
3.5.1	Verify that each field previously in a non-eligible year applied no more than the permissible N rate range over the non-eligible crop year	Yes
3.5.2	Confirm execution of the Attestation of Voluntary Implementation form to support demonstration of eligibility under the Legal Requirement Test	No
3.5.3	Verify that any ecosystem service payment or credit received for activities on a project field has been disclosed and is allowed to be stacked	No
3.6	Verify that the project activities at all verified fields comply with applicable laws, particularly water quality laws, by reviewing any instances of non-compliance provided by the aggregator and performing a risk-based assessment to confirm the statements made by the project developer in the Attestation of Regulatory Compliance form	Yes
5.1	Verify that the project area does not contain any organic soils and/or histosols	No
5.1	Verify that the project area is located within a county (or counties) with mean annual precipitation between 600 mm and 1200 mm according to Figure 5.2	No
5.1	Verify that the project does not include irrigated corn cropping systems. If irrigation was used, verify that emergency irrigation was justifiable	Yes
5.1	Verify whether the project includes tile-drained fields	No
5.1	Verify that the total annual N rate decreased below baseline levels	No
6.1, 6.2, 6.2.2	Verify that the project Monitoring Plan contains a mechanism for ascertaining and demonstrating that all fields pass the Legal Requirement Test at all times	No
6.1, 6.2.2, 6.3	Verify that field-level and aggregate-level monitoring meets the requirements of the protocol. If it does not, verify that a variance has been approved for monitoring variations	No

### 8.8.2 Quantification

Table 8.3 lists the items that verification bodies shall include in their risk assessment and re-calculation of the GHG emission reductions. These quantification items inform any determination as to whether there are material and/or immaterial misstatements in the aggregate GHG emission reduction calculations. If there are material misstatements, the calculations must be revised before CRTs are issued.

**Table 8.3.** Quantification Verification Items

Protocol Section	Quantification Item	Apply Professional Judgment?
4	Verify that all SSRs in the GHG Assessment Boundary are accounted for	No
5.2	For each field, ensure that the annual baseline and annual project N rates have been determined correctly	No
5.3, 5.4	For each field, verify that input parameters for both the baseline and the project are represented by the appropriate data and the calculations are accurate for the baseline and the project emissions calculations. In	Yes

Protocol Section	Quantification Item	Apply Professional Judgment?
	particular, verify that the proper $Frac_{LEACH}$ and UAF values have been applied.	
5.3	For each field, verify that N rate has been properly quantified, particularly that any changes in organic N rate are properly accounted for	No
5.3.4	For the aggregate, verify that all field emission reductions are summed correctly, and that the structural uncertainty factor is properly applied	No
5.4.1	For the aggregate, verify that the project developer correctly monitored, quantified and aggregated fossil fuel use changes	Yes
5.4.2	For the aggregate, verify that the statistical test for reduced yield is properly performed, and that increased emissions outside the project boundary are properly quantified for significant yield losses	No

### 8.8.3 Risk Assessment

Verification bodies will review the following items in Table 8.4 to guide and prioritize their assessment of data used in determining eligibility and quantifying GHG emission reductions.

**Table 8.4.** Risk Assessment Verification Items

Protocol Section	Item that Informs Risk Assessment	Apply Professional Judgment?
6	Verify that all contractors are qualified to perform the duties expected. Verify that there is internal oversight to assure the quality of the contractor's work	Yes
6.1, 6.2	Verify that the project has documented and implemented the Single-Field Monitoring Plan or Aggregate Monitoring Plan, and all necessary Field Monitoring Plans	No
6.1, 6.2	Verify that the project monitoring plans are sufficiently rigorous to support the requirements of the protocol and proper operation of the project	Yes
6.3	Verify that appropriate monitoring data is measured or referenced accurately	No
6, 7	Verify that the individual or team responsible for managing and reporting project activities are qualified to perform this function	Yes
6,7,8	Verify CSNT results of all fields and use these results to inform risk-based sampling for site visit selection	Yes
6, 7	Verify that onsite personnel performing CSNT sampling are appropriately trained to perform such activities, and that sampling has been properly performed	Yes
6, 7	Verify that appropriate training was provided to personnel assigned to GHG reporting duties	Yes
7.2	Verify that the Single-Field Report or Aggregate Report was uploaded to the Reserve software	No
7.2, 7.3	Verify that field data has been gathered by project participants and made available to the aggregator	No
7.3	Verify that all required records have been retained by the project participant and aggregator, respectively	No

## 8.9 Successful and Unsuccessful Verifications

Successful verification of each field in the sample of fields selected for site visit and desktop verifications results in the crediting of all fields participating in the entire aggregate, as calculated by the aggregator according to the quantification methodology in Section 5.

Verification may uncover any number of material and immaterial errors at the field, project participant or aggregate level, and the extent to which an error was propagated through the aggregate can affect whether a verification is determined to be “unsuccessful.”

### 8.9.1 Field-Level and Project Participant-Level Errors

If material issues arise during verification of a participating field, verification bodies shall issue Corrective Action Requests, as needed. The aggregator will need to work with the project participant to independently address the issues and required corrective actions using the same process taken with standalone projects. These are described in the verification guidance of this protocol and the Reserve Verification Program Manual. If the error can be corrected at the field level and is the type of error which will not be propagated across an individual participant's fields or the entire aggregate, then the error shall be corrected and the field verification shall be considered successful. Errors shall be considered immaterial at the field level if they result in a discrepancy that is less than 5 percent of the total emission reductions quantified for that field.

If verification of a field reveals material non-compliance with the protocol, and no corrective action is possible, that field shall receive a negative verification and no CRTs shall be issued for that field, effectively removing the field from the aggregate for that year. When verification is unsuccessful for a participating field, the verification body must verify additional fields until the total number of successful verifications reaches the required number (as described in Section 8.2), starting with fields managed by the same participant, as follows. If the project participant managing the unsuccessfully verified field also manages other fields enrolled in the aggregate, the verification body shall site visit a minimum of two additional fields or 50 percent of the remaining unverified fields, whichever is larger, that are managed by that project participant. If the verification of the additional fields is also unsuccessful, no CRTs shall be issued for any of the fields managed by the project participant.

Deliberate non-compliance may result in disqualification of the project participant including all of their enrolled fields. Additionally, if the project participant failing verification and their negatively verified fields re-enter the aggregate the following year, each of the fields that failed verification the previous year shall be required to undergo a site visit, in addition to the minimum sampling requirements in Section 8.2.

Whenever a project participant receives a negative verification for all of their enrolled fields, the verification body shall use their professional judgment and a risk-based assessment to determine whether sampling additional project participants for site visit verification, beyond the minimum requirements of this protocol, is necessary to verify the entire aggregate to a reasonable level of assurance.

#### 8.9.1.1 Cumulative Field-Level Error of Sampled Fields

Total errors and/or non-compliance shall be determined for the sampled fields and the offset issuance for those fields corrected, as required, by the Verification Program Manual. Should the aggregated error and/or non-compliance rate for the sampled fields be less than 5 percent, CRT issuance for fields not subjected to site visit or desktop verification shall be equal to the amount reported by the aggregator. However, if the aggregated percent error and/or non-compliance

rate (i.e. the percentage of verified fields failing verification) for sampled fields is greater than 5 percent, CRT issuance for fields not subjected to site visit or desktop verification shall be reduced by the total amount of aggregated percent error or non-compliance rate.

### **8.9.2 Aggregate-Level Errors**

If verification reveals a potential systemic error, which may be propagated out to the aggregate level (e.g. a qualitative error with regard to the input parameters or a quantitative error repeated in multiple field-level calculations), the verification body shall use their professional judgment to sample additional fields, as necessary, to determine whether the error is truly systemic. Systemic errors must be corrected at the aggregate level.

## **8.10 Completing Verification**

The Verification Program Manual provides detailed information and instructions for verification bodies to finalize the verification process. It describes completing a Verification Report, preparing a Verification Statement, submitting the necessary documents to the Reserve, and notifying the Reserve of the project's verified status.

## 9 Glossary of Terms

Accredited verifier	A verification firm approved by the Climate Action Reserve to provide verification services for project developers.
Additionality	Project activities that are above and beyond business-as-usual operation, exceed the baseline characterization, and are not mandated by regulation.
Aggregate	A project comprised of two or more fields. An aggregate does not need to be comprised of contiguous fields, and can encompass fields located on one farming operation or distributed amongst different farms and/or producers. See Section 2.4 for further definition.
Aggregator	A project developer who represents one or more fields participating in a project (e.g. an aggregate). See Sections 2.3 and 2.4 for further definition.
Anthropogenic emissions	GHG emissions resultant from human activity that are considered to be an unnatural component of the Carbon Cycle (i.e. fossil fuel destruction, deforestation, etc.).
Baseline look-back period	The period immediately prior to a field's start date, used to quantify a field's baseline. Comprised of all eligible crop years over the five years prior to a field's start date, at minimum, but extended until at least three eligible crop years are included. See Section 5.2.1 for further definition.
Biogenic CO <sub>2</sub> emissions	CO <sub>2</sub> emissions resulting from the destruction and/or aerobic decomposition of organic matter. Biogenic emissions are considered to be a natural part of the carbon cycle, as opposed to anthropogenic emissions.
Carbon dioxide (CO <sub>2</sub> )	The most common of the six primary greenhouse gases, consisting of a single carbon atom and two oxygen atoms.
CO <sub>2</sub> equivalent (CO <sub>2</sub> e)	The quantity of a given GHG multiplied by its total global warming potential. This is the standard unit for comparing the degree of warming which can be caused by different GHGs.
Crediting period	The period of time during which a project can generate CRTs. In this protocol, defined as five eligible crop years, which may occur over a period of up to ten years. See Section 3.3 for further definition.
Cultivation cycle	The period starting immediately after harvest of one primary crop and ending after the next primary planted crop is harvested the following calendar year (e.g. 365 days). See Section 2.2.2 for further definition.
Effective Date	The date of adoption of NMPP Version 1.0 by the Reserve Board.

Eligible crop year	One complete cultivation cycle (e.g. 365 days) in which an eligible crop (see Table 3.1) is grown. Eligible crop years are not required to be consecutive.
Emergency irrigation	Irrigation permitted during the growing season on project fields located in a county that has received a USDA Secretarial disaster designation due to severe drought in that growing season in the baseline and/or project. See Section 5.1 for further definition.
Emission factor (EF)	A unique value for determining an amount of a GHG emitted for a given quantity of activity data (e.g. metric tons of carbon dioxide emitted per barrel of fossil fuel burned).
Field	The project site, upon which the project activity is implemented. The field must be under the direct management control of a single entity, continuous, with homogenous management within the field boundary. See Section 2.2.1 for additional specifications.
Fossil fuel	A fuel such as coal, oil, and natural gas, produced by the decomposition of ancient (fossilized) plants and animals.
Greenhouse gas (GHG)	Carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), sulfur hexafluoride (SF <sub>6</sub> ), hydrofluorocarbons (HFCs), or perfluorocarbons (PFCs).
GHG reservoir	A physical unit or component of the biosphere, geosphere, or hydrosphere with the capability to store or accumulate a GHG that has been removed from the atmosphere by a GHG sink or a GHG captured from a GHG source.
GHG sink	A physical unit or process that removes GHG from the atmosphere.
GHG source	A physical unit or process that releases GHG into the atmosphere.
Global Warming Potential (GWP)	The ratio of radiative forcing (degree of warming to the atmosphere) that would result from the emission of one unit of a given GHG compared to one unit of CO <sub>2</sub> .
Highly erodible land (HEL)	Land that has an erodibility index of eight, as defined in Title 7 of the Code of Federal Regulations, Subpart A, Part 12.2. Part 12.21 further outlines how HEL is identified and how the erodibility index is calculated. Must implement HEL Conservation provisions to be eligible. See Section 3.4 for details.
Indirect emissions	Reductions in GHG emissions that occur at a location other than where the reduction activity is implemented, and/or at sources not owned or controlled by project participants.
Megagram (Mg)	One megagram is equal to one metric ton (MT, or tonne). Metric ton is a common international measurement for the quantity of GHG emissions, equivalent to about 2204.6 pounds or 1.1 short tons.
Methane (CH <sub>4</sub> )	A potent GHG with a GWP of 21, consisting of a single carbon atom and four hydrogen atoms.

MMBtu	One million British thermal units.
Primary crop	Defined as the main production crop grown on a field in a given year (e.g. corn is a primary crop and may be grown on its own or with a cover crop).
Project baseline	A “business as usual” GHG emission assessment against which GHG emission reductions from a specific GHG reduction activity are measured.
Project developer	An entity that undertakes a GHG project, as identified in this protocol, Section 2.3.
Project participant	An individual (e.g. a farmer) who has the authority to make cultivation management decisions on their fields and enrolls in an aggregate.
Technical Service Provider (TSP)	Technical Service Providers are individuals or businesses that have technical expertise in conservation planning and design for a variety of conservation activities. TSPs may be hired by farmers, ranchers, private businesses, nonprofit organizations, or public agencies to provide these services on behalf of the NRCS. TSPs must be certified by NRCS. See Section 3.4.
Verification	The process used to ensure that a given participant’s GHG emissions or emission reductions have met the minimum quality standard and complied with the Reserve’s procedures and protocols for calculating and reporting GHG emissions and emission reductions.
Verification body	A Reserve-approved firm that is able to render a verification statement and provide verification services for operators subject to reporting under this protocol.
Wetland	Wetlands generally have a predominance of hydric soil and are inundated or saturated by surface or groundwater for various durations over the year. See Title 7 of the Code of Federal Regulations, Subpart A, Part 12.2 for the definition of wetlands. Must implement the Wetland Conservation provisions to be eligible. See Section 3.4 for details.

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World Business Council on Sustainable Development / World Resources Institute. (2005). The Greenhouse Gas Protocol for Project Accounting. *World Resources Institute*. Washington, DC. Available at <http://www.ghgprotocol.org>.

## Appendix A Summary of Performance Standard Development

This appendix summarizes performance standard development and research into industry trends in nitrogen management practices in crop cultivation that have the potential to reduce nitrous oxide emissions. This appendix primarily lays out the background and rationale for the Performance Standard Test for the approved project activity of reducing nitrogen application rate (N rate), which was identified in other methodologies<sup>97</sup> and by the Reserve's Science Advisory Committee (SAC, see Appendix B) as a practice with consistent N<sub>2</sub>O emission reduction potential.

### A.1 Practices and Data Availability

While nine N<sub>2</sub>O mitigation practices were prioritized for consideration in the NMPP, the lack of comprehensive datasets on “business as usual” nitrogen management practices hindered the development of performance standards for a number of these practices, as shown in Table A.1.<sup>98</sup>

The USDA Agricultural Resource Management Survey (ARMS) datasets, discussed further below, were used to analyze common practice nitrogen management, and where sufficient data were available, research outcomes informed development of a performance standard. The only complete performance standard currently included in the NMPP is for N rate reduction projects for corn in the North Central Region; this appendix primarily addresses that performance standard and its development.

Section A.7 summarizes the preliminary performance standard research done on other priority nitrogen management practices for which data were available, namely switching from fall to spring application and using nitrification inhibitors (or using both nitrification and urease inhibitors), which may be included as approved project activities under a future version of this protocol. Section A.6 summarizes the preliminary performance standard research done on N rate reduction projects for other crops and regions, which also may be included under a future version of this protocol.

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<sup>97</sup> Millar et al., 2010.

<sup>98</sup> The Background Paper on Quantification of N<sub>2</sub>O Mitigation Options, prepared by Terra Global Capital for the Reserve provides an extensive review of datasets considered for use in developing the performance standard (available at <http://www.climateactionreserve.org/how/protocols/nitrogen-management/dev/>). Only the most promising and comprehensive of datasets are discussed here.

**Table A.1.** Priority List of Practices and Data Availability

Priority List of Practices to Include in NMPP (Based on SAC Report)	Are comprehensive data available to develop performance standard (USDA ARMS)?
Reduce N Applied w/out Going Below N Demand	Yes
Use of Nitrification and Urease Inhibitors	Yes <sup>99</sup>
Use of Nitrification Inhibitors (only)	Yes
Switch from Anhydrous Ammonia to Urea	No
Switch from Fall to Spring Application	Yes
Change to Slow Release Fertilizer	No
Change to Fertigation	No
Apply N Closer to Roots	No <sup>100</sup>
Add N Scavenging Cover Crops	No

## A.2 Nitrogen Cycling and Nitrogen Use Efficiency

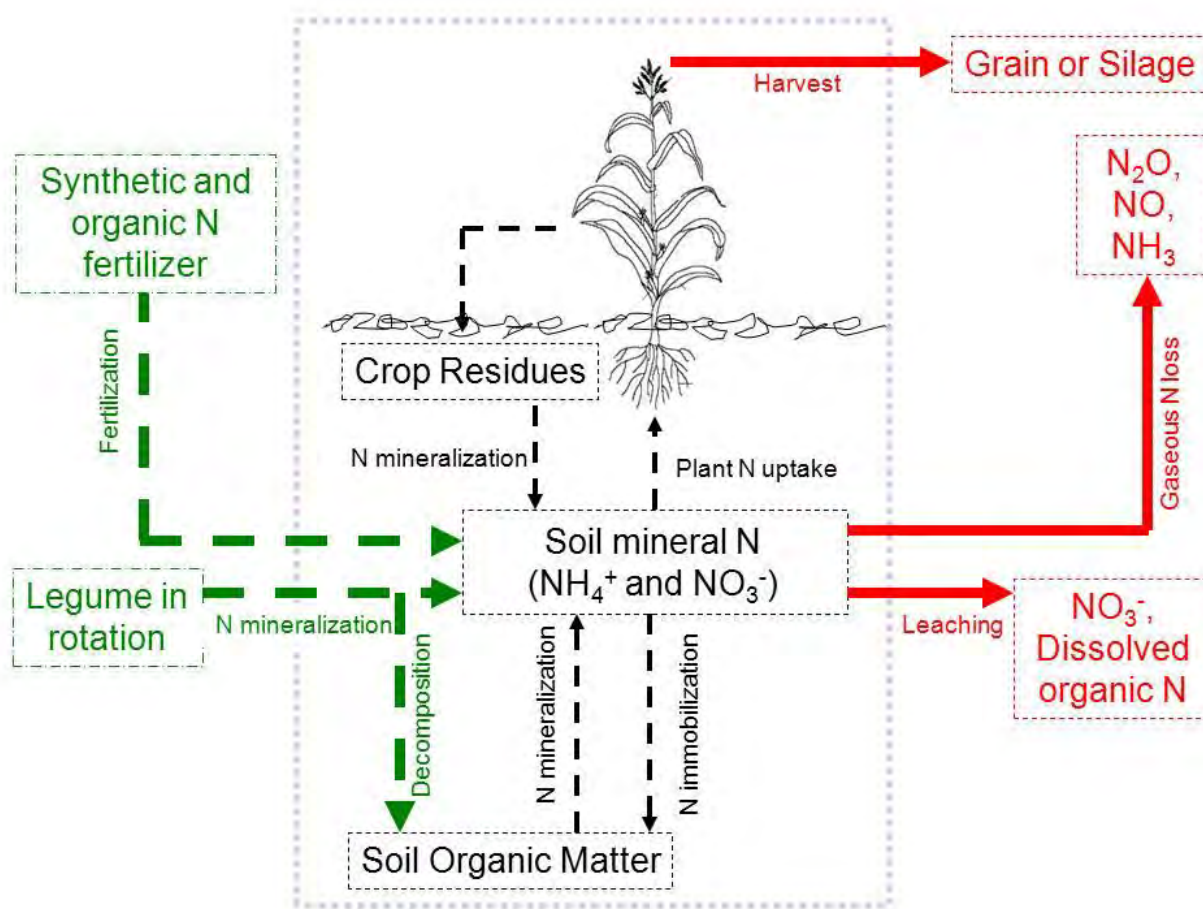
Metrics to set a performance standard threshold must be simple and consistent. Though the annual N fertilization rate may seem like a straightforward metric for setting a performance threshold, particularly for practices that reduce nitrogen rates, it is not a consistent metric. More specifically, fields that receive an equal amount of N fertilizer can vary drastically in terms of yield, how much N crops take up, how much N is lost, and how much residual N remains after crop uptake, all of which influence the quantity of N available for processes that lead to N<sub>2</sub>O emissions. This difference in efficiency across sites can be understood if one considers the nitrogen cycle.

Nitrogen cycles through cropland systems in a way that is influenced by a wide range of site-specific variables such as soil type, climate, cropping system and previous and current nitrogen management. A simplified diagram of the N cycle is depicted in Figure A.1 below.

N inputs in most agricultural systems consist of synthetic N fertilizer (e.g. anhydrous ammonia or urea), organic fertilizer (e.g. manure, compost, or sewage sludge), or carryover from legumes in the rotation. N can also become available through mineralization of organic matter or residual soil N carried over from one season to the next. Major N losses include leaching, NH<sub>3</sub> volatilization or emission of NO, N<sub>2</sub>O or N<sub>2</sub>. Finally, N is also removed from the system through harvest, with the amount of N removed by harvest depending on the crop type and crop usage (e.g. corn for grain versus silage). As a consequence, the most appropriate N rate for a given field will vary drastically across and within cropping systems and regions, due to differences in climates, soil types and crop physiologies.

<sup>99</sup> The USDA ARMS data includes only penetration data for nitrification inhibitors, not urease inhibitors. This data set may still potentially be used to inform penetration rates for this practice, as the subset of farmers using both types of inhibitors will be smaller than those using just nitrification inhibitors, and as such, the penetration rate will also be lower.

<sup>100</sup> Though some N placement data is available through ARMS, the Reserve does not believe this data is sufficient to develop a performance standard for changing N placement, at this time.



**Figure A.1.** Nitrogen Sources, Cycling, and Losses in Agricultural Systems<sup>101</sup>

Wide red arrows represent losses from the system, wide dashed green arrows external inputs and narrow dashed arrows internal recycling. The purple dotted line marks the accounting boundary.

The most comprehensive evaluations of N budgets and N cycling in the system take into account all N inputs, losses and internal N cycling. A commonly used metric in the industry to characterize N budgets of cropland systems is nitrogen use efficiency (NUE). The NUE takes the form of a ratio that considers an output (e.g. crop biomass at harvest or economic yield) as the numerator and input (N supply) as the denominator.<sup>102</sup> The crop biomass at harvest (i.e. the “biological yield”) can include either total aboveground plant dry matter or total plant N, whereas the economic yield includes either grain yield or total grain N.<sup>103</sup> The N supply can be from soil (N mineralization, carryover of residual N, N credit from legumes), fertilizer (organic or inorganic), or soil plus fertilizer.<sup>104</sup> Consequently, various working definitions and methodologies to measure and calculate NUE are in circulation, each of which finds their use in answering particular agronomic, ecological or economic questions. NUE can be used at various geographic scales, from studying and fine-tuning the N budget of a single field to evaluating

<sup>101</sup> Drawing of corn plant was obtained from [www.inra.fr](http://www.inra.fr) with N Cycle added.

<sup>102</sup> Ladha, J.K., Pathak, H., Krupnik, T.J., et al., 2005.

<sup>103</sup> Ibid.

<sup>104</sup> Ibid.

nitrogen balances at a watershed or landscape scale. In a recent USDA report on N use,<sup>105</sup> BMP N rates for a particular field were defined as N rates applied at less than 40 percent excess of N removed by harvest. At a landscape scale, NUE has been used by the International Plant Nutrition Institute,<sup>106</sup> the Agricultural Sustainability Institute at UC Davis, and other entities as an important indicator to evaluate the sustainability and performance of various agricultural regions and cropping systems.<sup>107</sup> Regardless of the definition used for NUE, higher values for NUE generally reflect improved utilization of N by the crop, often decreasing the risk for harmful loss of N to the environment, such as N<sub>2</sub>O emissions.

A performance standard threshold that is solely based on N fertilizer rates will be insufficient to deduce performance consistently across sites, due to the inability to account for site-specific factors. A high N rate threshold may be appropriate for high-yielding fields, but not for marginal fields within the same geographic region. A performance metric based on nitrogen use efficiency rather than absolute N rate can overcome this issue. NUE-based performance metrics reflect nitrogen management that limits N losses and maximizes N use by crops.

### **A.3 Ratio of Removed to Available Nitrogen (RTA) as Performance Standard Threshold**

In the previous section, it was explained how a performance threshold for reducing N rates shall be based on some measure of NUE. Ideally, all inputs, losses (including N removed by harvest), and internal recycling should be considered when characterizing cropland NUE. However, in practice, such data is lacking, both in terms of regional data sets needed to set a threshold, as well as site-specific data that would be needed to compare a field's performance against the threshold. The only data readily available to assess these respective NUE values and set NUE thresholds is limited to synthetic and organic fertilizer N inputs and cropping yields, which can be used to calculate the N removed by harvest. Though more comprehensive NUE metrics, which include many additional variables, may approximate NUE more accurately in theory, these more comprehensive metrics can become rather complicated and opaque, making their use less desirable in the context of an offset protocol. For testing additionality, the focus should be on metrics for which sufficient data is available to define the common practice and that can be calculated for individual fields using historic data that is readily available to the grower. Metrics that reflect the system's N budget to its fullest extent will require additional data gathering and field sampling that are likely prohibitive to conduct at a field scale due to practical and financial constraints.

This protocol uses a simplified NUE metric, defined as the "ratio of removed to applied N" (RTA). The terminology "RTA" rather than "NUE" was selected to avoid confusion with more complicated definitions of NUE used in the industry and to acknowledge that RTA as it is used in the protocol does not necessarily provide the most precise quantification of the cropping system's N balance. The RTA metric is calculated in Equation 3.1 as the ratio of N removed by harvest to N applied, where N removed by harvest is determined by multiplying yield by a crop-specific default factor for N concentration.<sup>108</sup> Therefore, RTA values increase when yield increases or N rate decreases. If a large number of producers in a specific state apply relatively low N rates because they account for potential residual N at the beginning of the growing season or legume N credits, the state-average RTA will be relatively large. Vice versa, if the

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<sup>105</sup> Ribaudo et al., 2011.

<sup>106</sup> NuGIS, Fixen, 2010.

<sup>107</sup> Fixen, 2010; Ladha et al., 2005; Rosenstock et al., In Review.

<sup>108</sup> Default N concentrations for corn are derived from Ribaudo et al., 2011.

selection of an appropriate N rate is not commonly discounted for residual N or N credit from legumes, the state-average RTA will be relatively large. Therefore, simple state-average RTA values implicitly take into account the adoption of best management practices with respect to N rate, and state-specific threshold values can be used to ensure additionality and promote environmental integrity.

It should be noted that the RTA is a kind of intensity-based metric that normalizes N rates by using cropping yields. However, it is important to note that while the performance standard is based on an intensity-based approach, quantification of N<sub>2</sub>O emission reductions in the NMPP is not intensity-based, but rather based on total reductions quantified for a given project area.

The RTA equation<sup>109</sup> is used to calculate average state-level RTAs for developing performance standard thresholds (see Section A.5), as well as used to determine baseline and project RTAs, based on project participants' crop production management records as described in Section 3.5.1.1.

Calculation of the RTA, both at the project-level and for the regional threshold, relies on the use of default values for N concentration of crops, as included in Equation 3.1, which are adopted from the USDA N use report.<sup>110</sup> Default values for N concentration are used to allow for a more straightforward comparison of state-specific and field-specific RTAs, particularly because data on field-specific crop N concentrations are not typically collected and doing so can be somewhat cost-prohibitive. The average N concentration in corn grain may decrease in future years as more N-efficient corn hybrids are developed. The Reserve will monitor changes in average N concentration of crops over time and plans to update default values as appropriate.

In theory, the ratio of N removed by harvest to available N is expected to be close to one if a system is in balance. However, because the simplified RTA calculated in this protocol only considers applied N and does not take into account all available N sources, RTAs above one may be observed. Specifically, in cases where an N credit from leguminous crops in the rotation or from residual soil N contribute to the total plant N requirements and are taken into account by the growers, RTA values will likely be higher than one. In addition, RTA as defined in this protocol is sensitive to uncertainty around crop N concentration as well as the uncertainty around manure N concentration. Actual crop N concentration can be affected by various variables including weather, agronomic practices and crop hybrid, and overestimation of crop N concentration will lead to overestimation of the RTA. Likewise, while standard N concentrations for different sources of manure were used to calculate N application rates from manure, actual manure N concentrations can vary significantly even within a specific manure source. Given these assumptions and limitations associated with RTA calculations, RTA values larger than one do not necessarily indicate soil N mining. Moreover, while it is possible that some corn cropping systems in the NCR mine soil N, it is unlikely that reducing N rate will cause a drastic increase in N mining if yields are maintained. Significant N mining would have a strong impact on yields.

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<sup>109</sup> The equation used to calculate the state average RTAs included in Table A.7 is identical to Equation 3.1, with the exception that the yield and N rate values are state average values from a given survey year.

<sup>110</sup> Ribaudo et al., 2011.



**Table A.2.** Default Values for Average Fertilizer N Concentration and Fertilizer Weights

<i>Synthetic Fertilizer N Contents and Weights</i>			
Fertilizer Type	Form	N (%)	Weight (lb/gallon)
Ammonia	dry/liquid	80	NA
Ammonium superphosphate	dry	12-17	--
Ammonium metaphosphate	dry	12	--
Ammonium nitrate	dry	32-34	--
Ammonium phosphate	dry	11-18	--
Ammonium phosphate nitrate	dry	27-30	--
Ammonium phosphate sulfate (APS)	dry	13-16	--
Ammonium polyphosphate (APP)	liquid	10-11	11.65
Ammonium polysulfide (Ammonium sulfate)	liquid	20-21	NA
Ammonium sulfate nitrate	dry	20-30	
Ammonium thiosulfate solution	liquid	12	11.00
Anhydrous ammonia	liquid/gas	82	NA
Aqua ammonia (ammonium hydroxide)	liquid	16-25	NA
Bone meal	dry	0-2	--
Calcium nitrate	dry	15-16	--
Diammonium phosphate sulfur	dry	15-16	--
Diammonium phosphate (DAP)	dry	16-21	--
Monoammonium phosphate (MAP)	dry	11-13	--
Natralene	dry/liquid	40	NA
Nitrogen solutions	liquid	7-58	7-21-7: 11.00 9-18-9: 11.11 12-0-0: 11.00
Nitric phosphate	dry	12-17	--
Potassium nitrate	dry	13	--
Potassium sodium nitrate	dry	15	--
Sodium nitrate (nitrate of soda)	dry	15-16	--
Urea	dry	45-46	--
Urea, sulfur coated	dry	36-38	--
Urea ammonium phosphate	dry	25-58	--
Urea ammonium nitrate (UAN)	liquid	28-32	28%: 11.66 32%: 11.06
Urea phosphate	dry	17	--
<i>Organic Fertilizer N Contents and Weights</i>			
Manure Type	NC (lb N/ton)	Weight (ton/gallon)	
Beef cattle	8.5	8.5	
Dairy cattle	6.1	8.4	
Hog	11.3	8.4	
Poultry	26.9	8.3	

Source: Synthetic fertilizer N contents, fertilizer weights, and unit conversion factors are adopted from USDA NRCS Minnesota, Planning – Nutrient Management, Conversion Factors and Tables, Factors and Tables Useful When Planning. Available at <http://www.mn.nrcs.usda.gov/technical/ecs/nutrient/planning/planning.htm>. Organic fertilizer weights per unit of volume are adopted from: Lorimor, J., A. Sutton, & Powers, W. (2004). Manure Characteristics. *MWPS-18*. Section 1. Second Edition. Ames, IA: Midwest Plan Service. Default manure N contents are consistent with Edmonds et al. (2003) cited in U.S. Environmental Protection Agency. (2011). Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2009. *EPA 430-R-11-005*. Washington, D.C.

## A.4 Analysis of Grower Decision-Making to Determine N Rates

This section summarizes research into how farmers decide on the N application rate, as further background to the performance standard threshold. In particular, the use of recommended N rates as a proxy for common practice was investigated for corn cropping systems in selected states in the North Central Region. More information is available in a background paper prepared for the Reserve by Terra Global Capital,<sup>111</sup> which evaluated a regional N rate calculator using the “maximum return to N” (MRTN) approach and N application rates based on N use surveys; the analysis of those methods will be discussed further below.

In the background paper analysis, recommended N rates were determined using the Iowa State University Corn Nitrogen Rate Calculator.<sup>112</sup> This calculator provides a regional (Corn Belt) approach to N rate guidelines and finds the MRTN, which is the N rate where the economic net return to N application is greatest given current prices for fertilizer N and projected corn grain prices. The calculator was calibrated for several states and for specific regions within some of the states, using corn yield data from N response trials.<sup>113</sup> The MRTN approach to decide on N fertilizer rate is more commonly used today than the yield-goal approach,<sup>114</sup> which was the dominant approach to determine N rates for corn throughout the last four decades. MRTN-based recommended N rates are often lower than yield-goal based N rates. To assess the suitability of MRTN as a proxy for common practice, MRTN-based recommended N rates for selected N-to-corn grain price ratios were compared with state-average N rates from USDA ARMS (Table A.3). Price ratios were selected assuming that 50 percent of fertilizer use consists of urea and 50 percent consists of anhydrous ammonia, and based on the observation that price ratios fluctuated between 0.07 and 0.14 with an average of 0.10 over the period 1999-2011.<sup>115</sup>

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<sup>111</sup> Background Paper: Quantification of Emission Reductions (December 22, 2011). Available on the Reserve website at <http://www.climateactionreserve.org/how/protocols/nitrogen-management/dev/>.

<sup>112</sup> Sawyer et al., 2006. Available at <http://extension.agron.iastate.edu/soilfertility/nrate.aspx>.

<sup>113</sup> Ibid.

<sup>114</sup> The yield-goal approach recommends that N rates be determined by multiplying the expected yield by a factor that expresses N requirements in function of expected yields.

<sup>115</sup> See NMPP background paper for more details at <http://www.climateactionreserve.org/how/protocols/nitrogen-management/dev/>.

**Table A.3.** Actual and Recommended N Rates for Corn in Selected States in the North Central Region

States	Actual Corn N Fertilization Rate		Region Within State	Recommended N Rate - MRTN at Different Price Ratios [lb N/acre]					
	[lb N/acre]			Average Price Ratio (0.10)		Low Price Ratio ~2010 (0.07)		High Price Ratio ~2005 (0.14)	
	2005	2010		SC	CC	SC	CC	SC	CC
Illinois	146	167	North	145	185	157	201	132	167
			Central	168	185	183	200	152	169
			South	172	188	190	205	155	171
Indiana	147	178	West & Northwest	169	NA	177	NA	156	NA
			East and Central	202	NA	214	NA	191	NA
			Remainder	176	NA	189	NA	161	NA
Iowa	141	142	State	133	190	145	199	120	176
Michigan	128	122	State	131	NA	141	NA	122	NA
Minnesota	139	125	State	109	148	120	154	103	144
Ohio	161	141	State	175	197	190	214	158	182
Wisconsin	107	92	VH/HYP	125	151	131	160	107	139
			M/LYP	94	109	107	118	89	94
			Irr. Sands	209	209	209	209	197	197
			Non-Irr. Sands	130	130	130	130	122	122

Red cells indicate MRTN N rates that are greater than the actual corn N fertilization rate at a specific year. Green cells indicate MRTN N rates that are less than the actual corn fertilization rate at a specific year. SC = Soy-corn rotation, CC = Continuous corn, NA = not available, VH/HYP = very high and high yield potential, M/LYP = medium to low yield potential, Irr. = irrigate, Non-Irr. = non-irrigated.

For continuous corn systems, the recommended MRTN rates were generally greater than the actual corn N fertilization rates at average and low price ratios. However, the N rate did fluctuate somewhat based on the price ratio. When the price ratio was small, as in 2010, the actual N fertilization rate tended to be lower than the recommended rates for soybean-corn systems in more states compared to when the price ratio was large, as in 2005. Consequently, whether the actual N rate is above or below the recommended N rate depends greatly on the crop rotation and price ratio. In agreement with Snyder et al. (2011), the outcomes of the comparison suggest that the average farmer in leading corn-producing states does not commonly apply more N than the recommended N rate based on the corn N rate calculator. Because the recommended N rate does not always compare well with the state-averaged N rates and does not capture potential variability in N rates between farmers within a state or geographic region, the Reserve deemed recommended N rates unsuitable as a proxy for common practice in this protocol. This is further supported by the low percentage of farmers (17.3 percent in 2005) reporting that the cost of nitrogen and/or expected commodity price was the driving factor in determining their N rates, as reported in a recent USDA N use report by Ribaud et al. (2011) and presented in Table A.4, below.

Lastly, the suitability of historic or “routine practice” N rates (e.g. simply basing this year’s N rate decision on previous years’ historic N rates) as a proxy for common practice was investigated. A historic N rate has the advantage of taking into account site-specific variables that influence growers’ management decisions, including soil fertility, soil N retention and previous management. Furthermore, survey data presented by Ribaud et al. (2011) indicate that over 70 percent of growers base N rates on their routine practice (Table A.4). Consequently, historic

or routine practice N rate is likely a sensible proxy for common practice on a particular site. As such, the Reserve determined that historic N rate shall be used to set the project's baseline under this protocol.

**Table A.4.** Factors Influencing Farmers' N Rate Decision

Application Used	2001	2005
	<b>Percent of Farmers</b>	
Soil or tissue test	18.8	27.0*
Crop consultant recommendation	13	17.6*
Fertilizer dealer recommendation	28.7	41.2*
Extension service recommendation	3.2	4.6*
Cost of nitrogen and/or expected commodity price	11.4	17.3*
Routine practice	70.9	71.7*
	<b>Number</b>	
Observations	1,646	1,344

\* Statistically different from 2001 at the 1 percent level, based on pairwise two-tailed delete-a-group Jackknife t-test (Dubman, 2000). Source: Adapted from Ribaudo et al., 2011.

In most cases, recommended N rates are underpinned by results from N response trials, where the relationship between N rate and yield is assessed. Recommended N rates are designed to maximize yield or profit, but are not specifically optimized to minimize harmful N losses.<sup>116</sup> Similarly, an N rate survey in Minnesota indicated that average N fertilizer use by Minnesota corn farmers was generally consistent with University of Minnesota Extension nitrogen management guidelines.<sup>117</sup>

## A.5 Setting the Performance Standard RTA Threshold

This section examines the current and historic trends of state RTAs and justifies the setting of an RTA threshold above which fields implementing N rate reduction projects are additional. The RTA metric is used as a proxy for nitrogen use efficiency. The nitrogen use efficiency is different per crop and state, and consequently the calculated average RTA, both in a given year and over time, varies across crops and states, as well. Ideally, the average state RTA would be calculated by calculating the RTA across a large number of individual fields within a state and cropping system and averaging these field-specific RTAs. Unfortunately, insufficient data are publically available to calculate the RTA values of individual fields, and, hence, the true distribution of RTAs within a state and cropping system in a robust manner. Therefore, the average RTA per state was calculated using readily available data in USDA datasets. More specifically, statewide crop-specific average yields are available from survey and census data from the USDA NASS. Statewide average N rates from processed fertilizers (e.g. synthetic N, as well as some processed organics) for selected crops and states are available from USDA ARMS. Note that the calculation of the RTA requires total N rates, including synthetic and all organic N. Therefore, the N input from unprocessed organics, such as manure, must be added to the synthetic N rates. Quantities of unprocessed manure inputs are available from USDA ARMS. Estimates of the manure N inputs were based on quantities of unprocessed manure applied per treated acre, the percentage of corn acres treated with manure, the total number of acres planted with corn, and the animal source of the manure, consistent with the USDA N use report.<sup>118</sup>

<sup>116</sup> Ribaudo et al., 2011.

<sup>117</sup> Bierman et al., 2011.

<sup>118</sup> Ribaudo et al., 2011.

After collecting the state average yields and N rates for a number of years, average state RTA values were computed and trends in average state RTA values over time were assessed. In case RTA values would be upward trending, it is assumed likely that increasing nitrogen use efficiency will occur to some extent in the future in the absence of a carbon market. Conversely, if no significant trend in RTA over time exists, the rationale is that because NUE has remained constant over time, the chances are that it will remain constant into the future. As a consequence, the presence of strong trends of the RTA would justify setting the RTA at a different value than the current average to reflect future values of RTA values. A summary of the historic RTA and N rate trends for each NCR state is included in Table A.5 and Table A.6, respectively, below. Notably, only Missouri had a significant increasing trend for RTA, and only Missouri and Kansas had significant decreasing trends for N rate. In all of these cases, the trend, albeit significant, was either minor or caused by spikes in yields and N rates during a specific year, and hence not robust (Figure A.2). As a consequence, it was decided to set the RTA threshold for all states at the state-average RTA.

Table A.7 below summarizes state N rate averages and RTAs for a number of variations of corn rotations in the NCR. The table shows more complete state RTA and N rate averages for a number of variations of corn rotations in all states for which ARMS data is available and shall serve as the look-up table for the RTA performance threshold (Section 3.5.1.1).

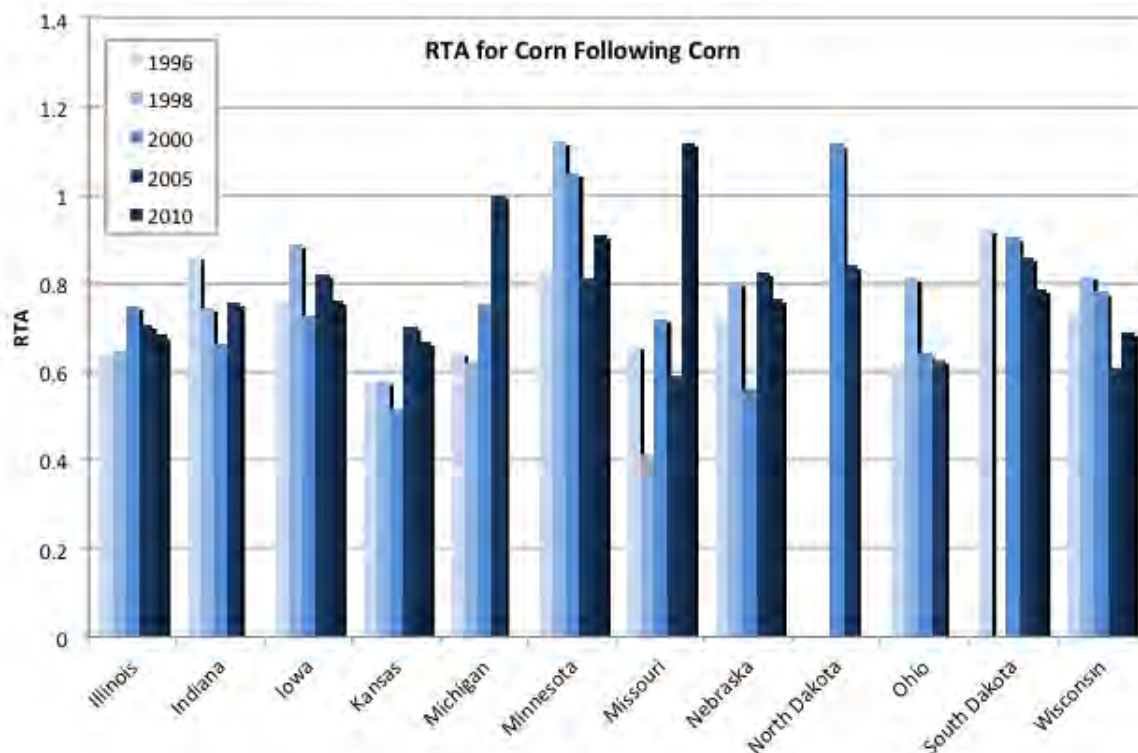
**Table A.5.** Summary of State RTA Trends Over Time Based on USDA ARMS Data

State	Trends in RTA Over Time	
	Corn Grain	Corn Silage
Illinois	No significant trend over time	No significant trend over time
Indiana	No significant trend over time	No significant trend over time
Iowa	No significant trend over time	No significant trend over time
Kansas	No significant trend over time	No significant trend over time
Michigan	No significant trend over time	No significant trend over time
Minnesota	No significant trend over time	No significant trend over time
Missouri	Significant increase over time	Significant increase over time
Nebraska	No significant trend over time	No significant trend over time
North Dakota	No significant trend over time	No significant trend over time
Ohio	No significant trend over time	No significant trend over time
South Dakota	No significant trend over time	No significant trend over time
Wisconsin	No significant trend over time	No significant trend over time

**Table A.6.** Summary of State N Rate Trends Over Time Based on USDA ARMS Data

State	Trends in N Rate Over Time	
	Corn Grain	Corn Silage
Illinois	No significant trend over time	No significant trend over time
Indiana	No significant trend over time	No significant trend over time
Iowa	No significant trend over time	No significant trend over time
Kansas	Significant decrease over time	Significant decrease over time
Michigan	No significant trend over time	No significant trend over time
Minnesota	Significant increase over time	Significant increase over time
Missouri	Significant decrease over time	Significant decrease over time
Nebraska	No significant trend over time	No significant trend over time
North Dakota	No significant trend over time	No significant trend over time
Ohio	No significant trend over time	No significant trend over time
South Dakota	No significant trend over time	No significant trend over time
Wisconsin	Significant increase over time	Significant increase over time

The trend in RTA over time for corn-following-corn is also shown in the graph in Figure A.2 below.

**Figure A.2.** RTA for Corn Following Corn in the North Central Region Based on USDA ARMS Data

**Table A.7.** State N Rate and RTA Data for Corn in the North Central Region Based on USDA ARMS Data and Yield Data from USDA NASS<sup>119</sup>

State	Crop	Previous Crop	Most Recent Survey Year	Average N Rate (lb/acre)	Average Yield (bushels/acre for grain; tons/acre for silage)	Average RTA
Illinois	corn grain	corn	2010	184	157	0.68
		soybean	2010	179		0.7
	corn silage	corn	2010	184	18	0.69
		soybean	2010	179		0.71
Indiana	corn grain	corn	2005	163	154 (for 2005)	0.75
		soybean	2010	165	157 (for 2010)	0.76
	corn silage	corn	2005	163	20 (for 2005)	0.87
		soybean	2010	165	21 (for 2010)	0.9
Iowa	corn grain	corn	2010	173	165	0.76
		soybean	2010	162		0.82
	corn silage	corn	2010	173	21.5	0.88
		soybean	2010	162		0.94
Kansas	corn grain	corn	2010	150	125	0.67
		soybean	2010	136		0.74
	corn silage	corn	2010	150	14	0.66
		soybean	2010	136		0.73
Michigan	corn grain	corn	2005	114	143 (for 2005)	1
		soybean	2010	148	150 (for 2010)	0.81
	corn silage	corn	2005	114	17.5 (for 2005)	1.09
		soybean	2010	148	18.5 (for 2010)	0.89
Minnesota	corn grain	corn	2010	156	177	0.91
		soybean	2010	155		0.91
	corn silage	corn	2010	156	20	0.91
		soybean	2010	155		0.91
Missouri	corn grain	corn	2010	88	123	1.12
		soybean	2010	130		0.76
	corn silage	corn	2010	88	15	1.21
		soybean	2010	130		0.82
Nebraska	corn grain	corn	2010	173	166	0.77
		soybean	2010	156		0.85
	corn silage	corn	2010	173	18.5	0.76
		soybean	2010	156		0.84
North Dakota	corn grain	corn	2005	123	129 (for 2005)	0.84
		soybean	2010	142	132 (for 2010)	0.74
	corn silage	corn	2005	123	11 (for 2005)	0.63
		soybean	2010	142	14 (for 2010)	0.7
Ohio	corn grain	corn	2005	183	143 (for 2005)	0.62
		soybean	2010	158	163 (for 2010)	0.82
	corn silage	corn	2005	183	17	0.66
		soybean	2010	158		0.76
South Dakota	corn grain	corn	2010	137	135	0.79
		soybean	2010	143		0.75
	corn silage	corn	2010	137	13.5	0.7
		soybean	2010	143		0.67
Wisconsin	corn grain	corn	2010	188	162	0.69
		soybean	2010	202		0.64
	corn silage	corn	2010	188	19	0.72
		soybean	2010	202		0.67

<sup>119</sup> No yield data were available from USDA NASS to distinguish yields between corn systems following cultivation of corn, and corn systems following cultivation of soybeans. In case the survey year for N rates for corn systems following cultivation of corn was different from the survey year for N rates for corn systems following cultivation of soybeans, yields for both survey years were included.

## A.6 Discussion of Performance Standard Research for N Rate Reductions in Other Regions

### A.6.1 Preliminary Work on RTAs for Other Crops and Regions

Average RTA values have been developed for corn cropping systems outside of the North Central Region where USDA ARMS data on N rates for synthetic fertilizer and manure were available. Note that data distributions for N rate are not available. Therefore, only state-average RTA values could be investigated for performance standard tests. For calculating RTAs, crop yield data are required in addition to N rates. Crop yield data are not available from the USDA ARMS, but can be downloaded from USDA NASS Quickstats.<sup>120</sup> Yield data for a large variety of crops are available at the state level. Within some state, agricultural district or county-averaged crop yields are available. No standard errors or distributions are available for yield data.

**Table A.8.** State N Rate and RTA Data for Corn *outside* the North Central Region Based on USDA ARMS Data<sup>121</sup>

State	Crop	Previous Crop	Most Recent Survey Year	Average N Rate <sup>122</sup> (lb/acre)	Average Yield (bushels/acre for grain; tons/acre for silage)	Average RTA
Colorado	corn grain	corn	2010	378	151	0.32
		soybean	2010	NA		NA
	corn silage	corn	2010	378	24.5	0.46
		soybean	2010	NA		NA
Georgia	corn grain	corn	2005	166	128	0.62
		soybean	2005	115		0.89
	corn silage	corn	2005	166	19	0.81
		soybean	2005	115		1.17
Kentucky	corn grain	corn	2005	182	132 (for 2005)	0.58
		soybean	2010	159	124 (for 2010)	0.63
	corn silage	corn	2005	182	15 (for 2005)	0.58
		soybean	2010	159	18.5 (for 2010)	0.83
New York	corn grain	corn	2010	151	150	0.79
		soybean	2010	154		0.78
	corn silage	corn	2010	151	19	0.89
		soybean	2010	154		0.87
North Carolina	corn grain	corn	2010	117	91	0.62
		soybean	2010	149		0.49
	corn silage	corn	2010	117	13	0.79
		soybean	2010	149		0.62
Pennsylvania	corn grain	corn	2010	186	128 (for 2005)	0.55
		soybean	2005	181	122 (for 2010)	0.54
	corn silage	corn	2010	186	18	0.68
		soybean	2005	181		0.70
South Carolina	corn grain	corn	1996	107	79	0.59
		soybean	1996	122		0.52
	corn silage	corn	1996	107	12.5	0.83
		soybean	1996	122		0.73
Texas	corn grain	corn	2010	132	145 (for 2005)	0.88
		soybean	1998	103	100 (for 2010)	0.78
	corn silage	corn	2010	132	18 (for 2005)	0.97
		soybean	1998	103	19 (for 2010)	1.31

<sup>120</sup> <http://quickstats.nass.usda.gov/>

<sup>121</sup> No data was available to distinguish yields between corn systems following cultivation of corn, and corn systems following cultivation of soybeans. In case the survey year for N rates for corn systems following cultivation of corn was different from the survey year for N rates for corn systems following cultivation of soybeans, yields for both survey years were included.

<sup>122</sup> Includes synthetic and manure N. N rates are based on USDA ARMS data on synthetic N application per acre, manure N applied per treated acre, total corn acreage and the percentage of corn acreage receiving manure inputs.



Average RTA values will be determined for other crops as well. Table A.9 summarizes states and crops for which N rate data is available with the most recent data collection in 2000 or later.

**Table A.9.** States and Crops for which USDA ARMS Data on N Rate are Available with Data Collected in 2000 or More Recent

	Apples	Cotton	Soybeans	Durum wheat	Spring wheat	Winter wheat	Peanuts	Sugarbeets	Oats	Barley	Sorghum
Alabama		✓					✓				
Arizona		✓									
Arkansas		✓	✓			✓					
California	✓	✓						✓		✓	
Colorado					✓	✓		✓			✓
Florida							✓				
Georgia		✓					✓				
Idaho				✓	✓	✓		✓		✓	
Illinois			✓			✓			✓		
Indiana			✓								
Iowa			✓						✓		
Kansas			✓			✓			✓		✓
Kentucky			✓			✓					
Louisiana		✓	✓								
Maryland			✓								
Michigan	✓		✓			✓		✓	✓		
Minnesota			✓		✓	✓		✓	✓	✓	
Mississippi		✓	✓								
New York	✓								✓		
Missouri		✓	✓			✓					✓
Montana				✓	✓	✓		✓		✓	
Nebraska			✓			✓		✓	✓		✓
North Carolina	✓	✓	✓			✓	✓				
North Dakota			✓	✓	✓	✓		✓	✓	✓	
Ohio			✓			✓					
Oklahoma						✓					✓
Oregon	✓				✓	✓		✓			
Pennsylvania	✓								✓	✓	
South Carolina		✓									
South Dakota			✓	✓	✓	✓			✓	✓	✓
Tennessee		✓	✓						✓		✓
Texas		✓				✓	✓				

Virginia			✓								
Washington	✓				✓	✓		✓		✓	
Wisconsin			✓						✓	✓	
Wyoming								✓		✓	

### A.6.2 Preliminary Work on California RTAs

The state of California is included in the ARMS data for some crops, such as wheat. However, due to the large variety of crops grown in California, most of which are specialty crops, the ARMS data are not particularly helpful. Alternatively, N rates and yields for various cropping systems in California can be found in the forthcoming California Nitrogen Assessment performed by the Agricultural Sustainability Institute at UC Davis. This will likely be the most comprehensive resource on nitrogen management in California. N rates reported in the California Nitrogen Assessment are derived from expert opinions taken from the most recent UC Davis Agricultural & Resource Economics Current Cost and Return Studies (2000 to present)<sup>123</sup> and from growers surveys included in the USDA Chemical Usage Reports between 1999 and 2009. Grower survey data is the preferred data source for developing performance standard tests, especially given that experts likely overestimate N application rates.<sup>124</sup> However, some crops are not included in the USDA Chemical Usage Reports.<sup>125</sup> Adoption rates for other nitrogen management practices are currently not publicly available. Surveys of extension specialists could be considered for developing performance standard test for eligible project activities.

<sup>123</sup> Available at <http://coststudies.ucdavis.edu/current.php>.

<sup>124</sup> Rosenstock et al., In Review.

<sup>125</sup> USDA NASS, Agricultural Chemical Usage. Available at <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1561>.

**Table A.10.** N Rates for Selected Crops in California

Crop	Average N Rate (lb/acre) <sup>126</sup>	Average Yield (lb/acre)	Moisture (%)	N content (%)	Average RTA <sup>127</sup>
Almond	NA	1882	4.42	3.34	NA
Avocado	116	6592	72.56	1.23	0.19
Broccoli	216	14900	89.7	5.65	0.40
Carrot	180	32040	88	1.51	0.32
Celery	344	71300	94.55	2.42	0.27
Corn - Grain	NA	9544	13.52	1.64	NA
Cotton	123	1397	9	0.2	0.02
Grapes - Wine	33	13388	80.28	0.57	0.46
Lemons	152	34772	87.2	1.51	0.44
Lettuce - Head	200	37000	94.8	3.81	0.37
Melons - Honeydew	58	20900	88.33	0.91	0.38
Oranges	85	23238	86.81	1.25	0.45
Peach - Freestone	122	22364	87.83	0.98	0.22
Pepper - Bell	283	36500	92.5	2.18	0.21
Plums - Dried	130	3596	85.2	0.85	0.03
Potato	NA	35720	77.2	1.61	NA
Rice	124	7912	11.33	1.39	0.79
Strawberry	215	60600	91.28	1.24	0.30
Tomato - Processing	188	75328	94	2.56	0.62
Walnut	NA	3116	3.65	2.37	NA

Source: California Nitrogen Assessment (<http://asi.ucdavis.edu/research/nitrogen/n-science/nitrogen-use-efficiency>).

## A.7 Discussion of Performance Standard Research for Other Practices

Preliminary performance standard research for other practices has been undertaken by the Reserve, with the aim of eventually developing practice-based positive lists. The Reserve is looking at both absolute levels of and temporal trends in penetration rates of project activities as a decision criterion for including project activities on a positive list (i.e. activities on the positive list are automatically considered additional). Preliminary data for the project activities “changing N timing” and “use of N inhibitors,” the only two priority practices for which USDA ARMS datasets are available, are presented in Sections A.7.2 and A.7.3 of this appendix, respectively. If quantification methodologies for these practices become available, the Reserve will complete

<sup>126</sup> Survey data from USDA Chemical Usage Reports. Available at <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1561>.

<sup>127</sup> RTA is calculated as in Equation 3.1. Because available N content data for crops in Table A.10 is expressed on a dry matter basis, yield needs to be corrected for moisture content before multiplying with the N content:  $RTA = (yield \times (100 - \%moisture) / 100 \times \%N / 100) / N\_rate$ .

work on the positive list, with the hopes of expanding the protocol to include these new practices. The Reserve will also continue to evaluate, on an ongoing basis, additional datasets for the other priority practices, to determine whether there may be enough data for those practices to develop a performance standard, as discussed further below.

### A.7.1 Data Available Using the USDA ARMS Dataset

Crop practice categories and crops for which data is readily downloadable from the USDA ARMS dataset are listed in Table A.11. Note that only a selected subset of the survey data is available to download.

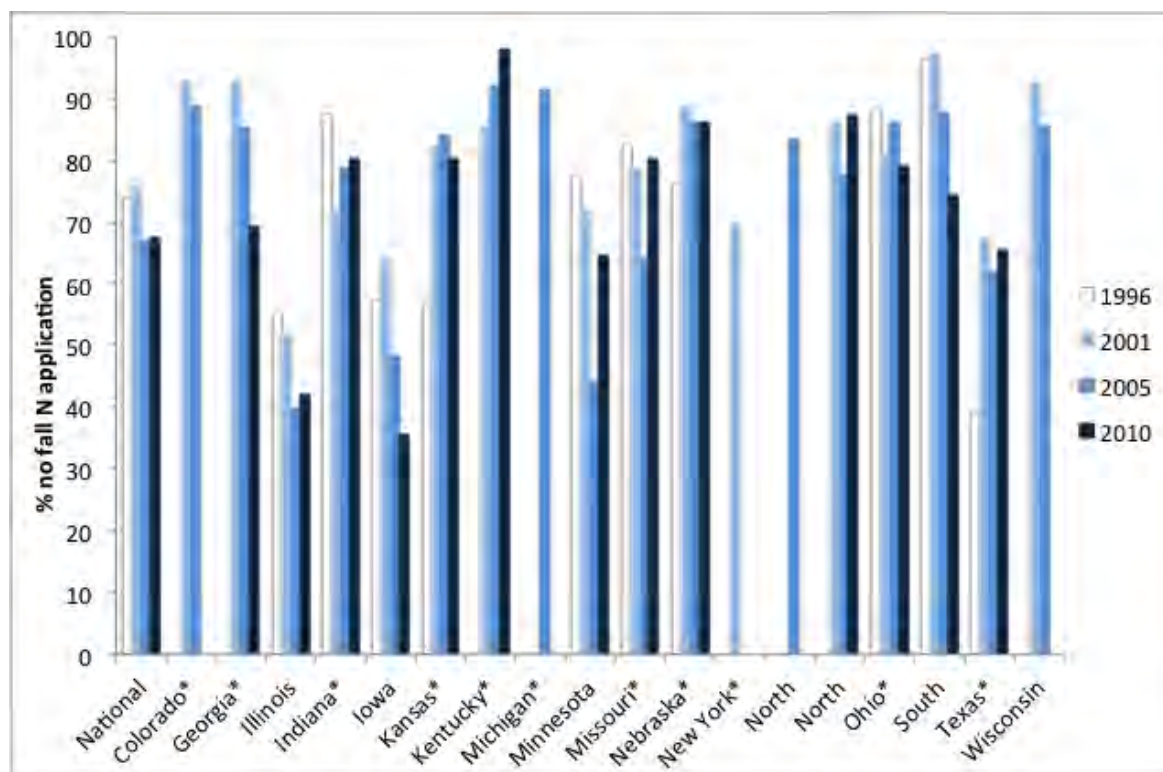
**Table A.11.** Crops and Crop Practices Available from USDA ARMS Data<sup>128</sup>

Crops	Subgroups	Manure Table
Corn	Farm production region	Manure type
Soybean	Irrigation system	Manure application method
Cotton	Highly erodible land	Manure application timing
Rice	Previous crop harvested	Distance to manure production site
Spring wheat	Tillage system	Tillage system
Sorghum	Ownership status	Ownership status
Oats		
Peanuts		
Barley feed		
Barley malt		
Nutrient Use and Management	Nutrient Use by Application Method	Synthetic N Application Timing
N rate	no N broadcast	N in fall before planting
Manure applied	All N broadcast with incorporation	N in spring before planting
Compost applied	All N broadcast without incorporation	N at planting
Soil and/or plant tissue N test	Mixed N application method, with incorporation	N after planting
Nitrification inhibitor used	Mixed N application method, without incorporation	

### A.7.2 Preliminary Analysis for N Timing (Switching from Fall to Spring Application)

Survey data on rates for those who already do *not* apply N in fall in corn cropping systems was obtained from USDA ARMS to evaluate the trends in switching from fall to spring. Both penetration rates and trends in penetration rate over time differ across states (Figure A.3, Table A.12). For a large number of states, not enough data are available for trend analysis. In states where enough data were available, no trends over time were observed. Across all states and years, the greatest observed penetration rate was 98 percent (Kentucky 2010) and the lowest 36 percent (Iowa 2010).

<sup>128</sup> The state and year combinations for which the data is available can be found at <http://www.ers.usda.gov/Data/ARMS/GlobalDocumentation.htm>



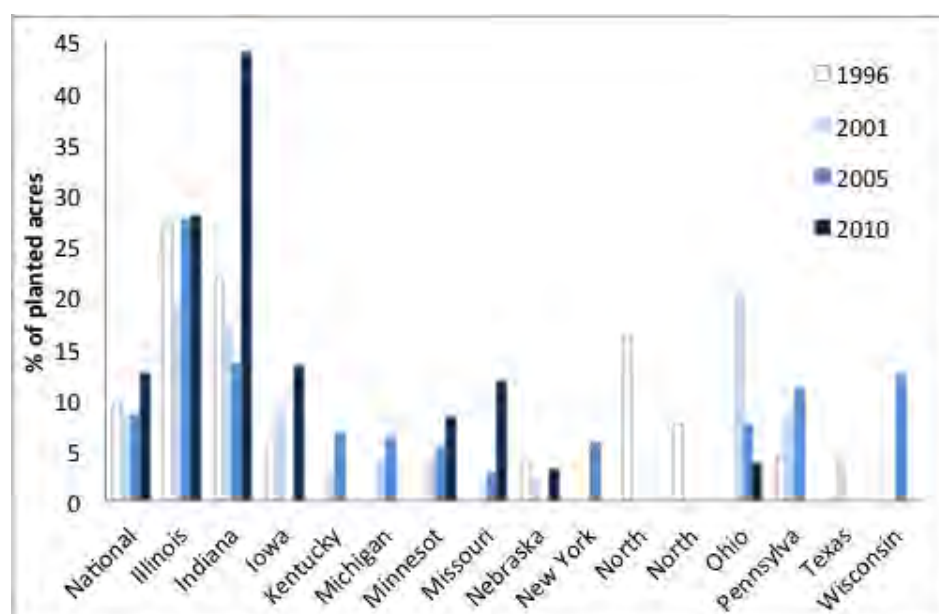
**Figure A.3.** Penetration Rate of those Not Applying N in Fall for Corn

**Table A.12.** Trends in Penetration Rate of those Not Applying N in Fall Over Time

State	Trend
Colorado	Insufficient data and no recent data
Georgia	Insufficient data but recent data is available
Georgia	Insufficient data but recent data is available
Illinois	No significant trend over time
Indiana	No significant trend over time
Iowa	No significant trend over time
Kansas	No significant trend over time
Kentucky	Insufficient data and no recent data
Michigan	Insufficient data and no recent data
Minnesota	No significant trend over time
Missouri	Insufficient data and no recent data
Nebraska	Insufficient data and no recent data
North Carolina	Insufficient data and no recent data
North Dakota	Insufficient data and no recent data
Ohio	Insufficient data and no recent data
Pennsylvania	Insufficient data and no recent data
South Dakota	Insufficient data and no recent data
Texas	No significant trend over time
Wisconsin	Insufficient data and no recent data
New York	Insufficient data and no recent data

### A.7.3 Preliminary Results for the Use of N Inhibitors

Data on adoption of N inhibitors in corn cropping systems was also obtained from USDA ARMS. It should be noted that 'N inhibitor' as defined in the USDA ARMS includes nitrification inhibitors, urease inhibitors and chemical coated (controlled release) fertilizers. Only aggregated data on penetration rates for N inhibitors are publicly available. However, the survey question was phrased in a manner that disaggregation per N inhibitor type should theoretically be possible. Because of the aggregation, penetration rates presented in Figure A.4 should be interpreted with caution. Both penetration rates and trends in penetration rate of N inhibitors over time differ across states (Figure A.4 and Table A.13). For a large number of states, not enough data are available for trend analysis. In states where enough data were available, no trends over time were observed. Across all states and years, the smallest observed penetration rate was two percent (Missouri and Nebraska 2001) and the largest rate 44 percent (Indiana 2010). Penetration rates in 2010 were lower than ten percent in Minnesota, Nebraska and Ohio.



**Figure A.4.** Penetration Rate of Use of N Inhibitors for Corn

**Table A.13.** Trends in Penetration Rate of Use of N Inhibitors Over Time

State	Trend
Iowa	No significant trend over time
Illinois	No significant trend over time
Indiana	No significant trend over time
Kentucky	No significant trend over time
Michigan	Insufficient data and no recent data
Minnesota	No significant trend over time
Missouri	No significant trend over time
Nebraska	No significant trend over time
New York	Insufficient data and no recent data
Ohio	No significant trend over time
Pennsylvania	No significant trend over time
South Dakota	Insufficient data and no recent data
Texas	Insufficient data and no recent data
Wisconsin	No significant trend over time

## **Appendix B Science Advisory Committee Process and Recommendations for Nitrogen Management Practices**

### **B.1 Committee Background**

The Reserve together with the Nicholas Institute of Duke University assembled a group of leading scientific experts on agricultural N<sub>2</sub>O emissions to form a Science Advisory Committee (SAC). The purpose of the SAC was to help the Reserve interpret and apply the best available science into the Nitrogen Management Project Protocol.

Committee membership was by invitation from the Reserve and the Nicholas Institute. SAC members were invited based on their involvement in the Technical Working Group on Agricultural Greenhouse Gases (T-AGG), a respected and well-established working group of agricultural scientists led by the Nicholas Institute, with relevant scientific expertise, knowledge of GHG offset protocol development issues, and an explicit interest in translating research into GHG mitigation policy applications for agriculture. In addition, scientists must have met the following criteria to be eligible to participate in the committee: a PhD in soil science or related field, 10+ years of experience in research, with a research emphasis directly relevant to agricultural nitrogen management and N<sub>2</sub>O emissions, and multiple publications in soil science, ecosystem science, agronomy or related fields. A list of SAC members is available in the Acknowledgements section of this protocol.

The SAC has provided invaluable guidance on interpreting the most up-to-date science and has provided input throughout the protocol development process. Most importantly, the SAC provided recommendations on which nitrogen management practices were well studied with consistent results that should be prioritized for development, informed on boundaries for accurate and conservative GHG accounting, and weighed considerations of scientifically valid and economically practical quantification methods (e.g. comparing Tier 1, 2, and 3 methods). A summary of the SAC effort is presented in this appendix.

### **B.2 Potential Nitrogen Management Practices**

The SAC evaluated a list of nitrogen management practices identified by T-AGG that result in significant N<sub>2</sub>O emission reduction potential. The SAC assessed the practices based on criteria such as the available number of field studies (particularly side-by-side comparisons) showing measured N<sub>2</sub>O emission reductions in the field, whether these studies consistently showed emission reductions across a range of variables (including precipitation, temperature, soil texture, soil organic carbon), and whether N<sub>2</sub>O emission reductions were direct or indirect. SAC members rated the practices and made a recommendation on which practices should be prioritized for development, i.e. which had the highest potential of being incorporated into a project protocol based on best available science. Summaries of the priority list of practices recommended by the SAC are provided below.

#### **B.2.1 Reducing the Amount of Nitrogen Applied**

This practice involves reducing the total amount of nitrogen applied to a field (i.e. reducing the “N application rate”). The SAC recommended this practice for inclusion in an offset protocol on the condition that N rate reductions are not implemented at the expense of crop yield. Consequently, the Reserve has defined the project activity so that N rate reductions must occur

without going below the nitrogen uptake demand of crops. This practice is the most well studied of the practices considered, with the most consistent N<sub>2</sub>O reductions (e.g. most directional certainty). The SAC recommended that there should be a focus on improved nitrogen use efficiency rather than nitrogen application rate reductions because site variability and different management systems have different agronomic optimum nitrogen application rates, which affect how much nitrogen can be reduced on a given field before exhibiting yield effects.

The relationship between N<sub>2</sub>O emissions and nitrogen application rate can be linear or non-linear depending on characteristics of specific crops and regions. However, these relationships can be described with the development of system-specific (as opposed to generic) emission factors. This practice was recommended for consideration in all regions of the U.S.

### **B.2.2 Using Nitrification Inhibitors and/or Urease Inhibitors**

The SAC recommended applying nitrification inhibitors, as well as applying nitrification inhibitors with urease inhibitors, as practices that demonstrated promise for inclusion in the NMPP because they have been well studied and showed consistent emission reductions in certain U.S. regions; however, more research is needed to quantify emission reduction potential.

An extensive and recent literature review by Akiyama et al. (2010)<sup>129</sup> showed emission reduction potential for the use of nitrification inhibitors and nitrification inhibitors combined with urease inhibitors in certain regions. However, Akiyama et al. (2010) include relatively few North American sites, and other studies on U.S. sites show no effects or inconsistent effects; therefore, more studies are needed to develop a quantification methodology for this practice. Nevertheless, the practice could enable lower N rates, which would be eligible under the current NMPP but, in some studies, and particularly if not used properly by growers, nitrification inhibitors could have the adverse effect of decreasing yield potential and increasing residual soil nitrogen by maintaining immobile ammonia (NH<sub>3</sub>) in the soil during the critical crop development stage.

The SAC was also concerned about regional variability in the effect of this practice on N<sub>2</sub>O emissions, particularly due to the lack of U.S. studies in the Akiyama meta-analysis. The practice consistently reduces emissions in drier climates, where water is intensively managed, such as the western U.S. Results in rain fed regions are inconsistent, however, particularly for nitrification inhibitors by themselves. In the mid-southern U.S., due to the types of soils, the activity could potentially increase nitrogen losses, including N<sub>2</sub>O emissions. As well, the SAC did not recommend the use of urease inhibitors on their own, due to inconsistent results and emission increases in some studies.

### **B.2.3 Using Slow-Release Fertilizer**

The SAC believed that using slow-release fertilizer was a practice with promise for inclusion in the NMPP, but noted that more research is needed.

High N<sub>2</sub>O emissions may occur when slow-release fertilizer application is followed by significant precipitation events. However, GHG reductions are assessed relative to a project's "business as usual" baseline in which the precipitation event also would have happened. Therefore, if the precipitation effect can be factored into the baseline *and* project emission estimates, a net N<sub>2</sub>O reduction is possible when slow-release fertilizer is applied.

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<sup>129</sup> Akiyama, H., Yan, X.Y., & Yagi, K., 2010.



It should be noted that the use of slow-release fertilizer could have an adverse effect of decreasing yield potential and increasing residual soil nitrogen, if the activity limits available nitrogen in the soil during the critical crop development stage.

This practice results in less consistent emission reductions in wetter regions due to greater volatilization. Slow-release fertilizers are more consistent at reducing emissions in a no till system compared to a conventional till system.

#### **B.2.4 Changing Fertilizer Composition**

This practice shows potential for certain fertilizer sources, particularly switching from anhydrous ammonia to urea. The effects are mostly consistent, but depend on the application rate (before and after switch). The practice change will have less N<sub>2</sub>O emission reduction effect at lower nitrogen rates than at higher nitrogen rates.

Production of urea fertilizer results in significantly more emissions than production of anhydrous ammonia, so the difference in production emissions may need to be considered for conservativeness. Switching to urea from anhydrous ammonia may also increase nitric oxide emissions, an issue that would need to be addressed from an environmental impact perspective.

There was consistent directional certainty (e.g. that a switch in fertilizer would consistently reduce N<sub>2</sub>O emissions) regardless of region. However, results from Canada showed no difference in N<sub>2</sub>O emissions between Aqua Ammonia and urea, demonstrating potential regional differences.

Other fertilizer source switching may have potential, but were not directly addressed by the SAC.

#### **B.2.5 Synchronizing Plant Nitrogen Uptake with Nitrogen Application**

##### **B.2.5.1 Increasing the Number of Applications**

This practice showed possible potential for fertigation only. There are not enough studies that show consistent direct N<sub>2</sub>O emission reductions; some studies have yielded conflicting results and may have simultaneously tested other management changes. The results of this practice are highly dependent on water management, placement of the increased number of applications, and how the applications are delivered. In some cases, the practice could increase emissions as a result of a pulsing response (i.e. bursts of N<sub>2</sub>O emissions associated with the application). However, more applications over a season with fertigation (i.e. applying nitrogen through sprinkler and drip irrigation systems) generally would be expected to reduce nitrogen losses and N<sub>2</sub>O emissions; though, it is not entirely known whether fertigation alone or the change in irrigation cause the effects.

Also, by providing nitrogen to crops in a manner more synchronous to crop nitrogen uptake, it helps to limit the pool of nitrogen available at any given time. Generally, this will reduce nitrate

runoff and leaching, leading to indirect N<sub>2</sub>O emission reductions.<sup>130</sup> In regions with a deep water table, the amount of nitrogen leached is generally less.

There may be potential for N<sub>2</sub>O emission reductions from increasing the number of nitrogen applications delivered via fertigation in irrigated western regions. However, rain fed systems would require further study, as results are unpredictable.

#### **B.2.5.2 Switching from Fall to Spring Application**

This practice could have significant potential, particularly in regions with winter freeze or spring thaw but the number of studies is limited, with some conflicting results. Additional research is needed for spring-planted crops before strong conclusions can be drawn.

This practice generally results in reduced nitrate leaching, leading to indirect emission reductions. In regions with a deep water table, there is usually less leached nitrogen. There is likely to be regional variability in potential for this practice with the largest consistent reductions in northern and Corn Belt regions of the U.S. where there is typically a spring thaw.

#### **B.2.6 Applying Nitrogen Closer to the Root System**

This practice showed possible potential when changing the placement of fertilizer. There are conflicting results from studies in different regions, but there may be limited potential in dry regions with irrigated systems, where reductions have been observed. The potential of this practice in rain fed systems in humid climates (i.e. defined as greater than 500 mm growing season precipitation) is less predictable. However, some studies have also shown that banding applications will increase N<sub>2</sub>O emissions.

#### **B.2.7 Adding Nitrogen Scavenging Cover Crops**

Emission reduction potential of this practice is highly dependent on cover crop mixture and fertilizer management. However, if managed properly, there is potential to reduce N<sub>2</sub>O emissions and increase yield, although studies show no or small reductions in indirect N<sub>2</sub>O emissions. The practice may enable a nitrogen rate reduction and reduce nitrate leaching.

### **B.3 Practices Not Currently Eligible for Nitrogen Management**

The following table outlines nitrogen management practices that were considered by the SAC but deemed not eligible for inclusion in the protocol due to lack of scientific data and/or consistent and reliable reductions in N<sub>2</sub>O. See the table below for assessments of the specific practices.

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<sup>130</sup> In Appendix B, the SAC refers to IPCC terminology of “indirect N<sub>2</sub>O emissions” rather than this protocol’s use of “LVRO” to represent the N<sub>2</sub>O emissions from leaching, volatilization, and runoff.

Practice	Assessment
Variable Rate (VR) technologies and precision farming	VR technology may result in N rate reductions. However, no studies in North America quantify specifically how implementation of VR affects N <sub>2</sub> O. May consider this as a technology that enables N rate reductions, but not necessarily an N <sub>2</sub> O-reduction practice in and of itself.
Use of urease inhibitors (stand-alone)	Akiyama et al. (2010) showed no significant effect of urease inhibitors, except for one (hydroquinone) that reduced N <sub>2</sub> O emissions. The article did not show a significant increase in N <sub>2</sub> O emissions with other urease inhibitors, but a high degree of variability in data used.
Supplying N in organic form through manure application	<p>Most studies show an increase or no change in N<sub>2</sub>O emissions with manure application. However, direct N<sub>2</sub>O emissions are highly dependent on manure type and application method. If soil carbon storage were the primary intended GHG effect, then manure application could lead to a net GHG benefit.</p> <p>The net or landscape scale GHG effects should be considered, to ensure that emissions and sequestration are not simply being moved from one part of the landscape to another. Net reductions from soil carbon stock changes would occur when readily oxidized organic matter under “business as usual” is converted to or replaced by resistant organic matter through the project activity.</p> <p>By providing N in the form of organic material (manure) instead of fertilizer, residual mineral N in the soil can be reduced, thus having potential to reduce indirect N<sub>2</sub>O emissions. However, available N during critical crop development stage may also be lowered (and insufficient), reducing yield and making such systems less desirable.</p>
Supplying N in organic form through legume incorporation	<p>Leguminous cover crops may reduce N<sub>2</sub>O, but only if properly managed with cover crop varieties and changes in irrigation. Over time, these practices can increase soil fertility, which may enable an N rate reduction.</p> <p>However, leguminous cover crops can also potentially result in no change or an increase in emissions. Emissions also depend on how far cover crops are allowed to mature. Not enough research or consistent results are available to include the practice at this time.</p>
Supplying N in organic form through composting	Not enough studies are available at this time to indicate that consistent N <sub>2</sub> O reductions occur. According to available studies, the practice could potentially reduce or increase emissions, depending on soil type, management methods, and the composition of composted materials. However, even in cases where N <sub>2</sub> O may increase, if soil carbon sequestration is the intended primary GHG effect, there could be net GHG reductions due to increased soil carbon sequestration. As with manure, a life cycle or landscape-scale analysis of the net GHG emissions from the compost may be necessary. Studies are underway for this practice and should be reexamined once more research results are published.
Adding deep rooting plants to the rotation	Effects of this practice are currently unknown and there is not enough data available. Indirect N <sub>2</sub> O emissions are likely to be consistently reduced, but baseline management is hard to establish as well as the potential leakage implications.

## B.4 GHG Assessment Boundary for Nitrogen Management

The SAC briefly discussed which GHG sources, sinks, and reservoirs (SSRs) must be quantified to accurately and conservatively assess the net effect of a change in nitrogen management.

Direct N<sub>2</sub>O emissions from soil are the primary GHG source intended for quantifying GHG reductions. Some practices may also incidentally reduce indirect N<sub>2</sub>O emissions from leaching, runoff, and volatilization (LVRO), which the SAC recommended for consideration as a primary GHG source, although more uncertainty is associated with its quantification (see below). While there may be soil carbon benefit from some practices, all of the practices recommended for inclusion in the protocol should primarily have the potential to reduce direct N<sub>2</sub>O emissions. Soil carbon impacts would need to be included in the GHG accounting boundary, but only for practices that decrease soil carbon stocks and generate higher CO<sub>2</sub> emissions.<sup>131</sup>

Notwithstanding the potential of some practices to increase soil carbon sequestration, it is conservative to exclude the soil carbon pool from the quantification methodology. While some practices (e.g. cover crops) have the potential to both decrease N<sub>2</sub>O emissions and increase soil carbon sequestration, none of the practices are likely to substantially *decrease* soil carbon stocks or sequestration rates as a result of project activities.<sup>132</sup>

The majority of SAC members agreed that it is important to include indirect N<sub>2</sub>O emissions from volatilization, leaching, and runoff in the GHG accounting boundary for completeness. Further, SAC members recommended it should be a source directly targeted by the project activity (e.g. primary source). Indirect N<sub>2</sub>O emissions result from the transport of nitrogen away from the project site via air or water (surface and groundwater) and eventual conversion to N<sub>2</sub>O elsewhere. The ability to directly monitor the movement of nitrogen and the eventual indirect N<sub>2</sub>O emissions is fairly limited. Therefore, the SAC felt the IPCC methodology for estimating indirect N<sub>2</sub>O emissions for national GHG inventory reporting purposes was sufficient and is the best available option for capturing these effects.

## B.5 Quantification Approach by Tier

Nitrogen management quantification approaches considered for this protocol were divided into tiers based on the IPCC Tier 1, Tier 2, and Tier 3 method definitions. The table below provides a brief summary of the tiered approach referenced in this protocol.

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<sup>131</sup> The effect on soil carbon stocks and CO<sub>2</sub> emissions was a concern when assessing the application of manure in reducing N<sub>2</sub>O emissions (see Section B.3) and contributed to the decision to exclude the practice at this time.

<sup>132</sup> Studies show inconsistent results for N<sub>2</sub>O impacts of cover crops and leguminous cover crops may actually increase N<sub>2</sub>O emissions.

	Definition and Examples
<b>Tier 1</b>	A general emission factor developed for broad scales. For example, an emission factor recommended on a national scale for GHG inventories, such the IPCC emission factors.
<b>Tier 2</b>	A regionally specific emission factor or simplified multivariate statistical model, derived from field data or biogeochemical process model runs based on changes in project activities. For example, a model to quantify N <sub>2</sub> O emissions from N rate reduction derived from field studies in one state and potentially applicable to crop rotations throughout an entire region of the U.S.
<b>Tier 3</b>	A biogeochemical process model with site-specific inputs or site-specific measurement of emissions. For example, the use of the DNDC model with field-level quantification of N <sub>2</sub> O emission reductions.
<b>Combination of Tiers</b>	The MSU-EPRI protocol, referenced throughout the NMPP, uses a Tier 2 methodology for corn systems in the North Central Region, derived from empirical field measurements in Michigan, and a Tier 1 (IPCC emission factor) methodology for all other crops and regions in the US.

## B.6 Quantifying GHG Reductions from Nitrogen Management Practices

The SAC discussed scientifically valid, economically practical, and verifiable approaches to quantifying GHG reductions from nitrogen management projects. This section summarizes their conclusions about prioritizing quantification approaches.

1. It is advisable to use the most accurate quantification methods possible that meet a minimum data standard. Ideally, additional costs of using more accurate methodologies are balanced by the value of being able to more accurately estimate reductions.
2. It is believed that not enough practice-based trials have been conducted to develop biogeochemical process models (Tier 3), such as DNDC, with site-specific inputs or site-specific measurement of N<sub>2</sub>O emissions (the latter of which is too costly given current technology and too time consuming, and therefore impractical for offset projects) into a comprehensive protocol methodology at this point in protocol development. However, there may be potential for using DNDC to develop regionally-specific emission factors (Tier 2) based on biogeochemical process model results, in circumstances where the model is known to perform well.
3. Regionally-specific emission factors (Tier 2) or simplified multivariate statistical models (Tier 2), derived from field data or biogeochemical process model runs, are ideal as a quantification method at this point in time. Data are available to develop models for nitrogen rate reduction accounting for soils and climate as well as other practices like inhibitors, fall to spring, and formulation.
4. General emission factors (Tier 1) may be appropriate, especially at regional and national scales and when regionally-specific emission factors (Tier 2) are not available (e.g. for indirect emission quantification). However, they should be used with care and it is preferable to work towards developing regionally-specific approaches.

**B.6.1 Quantifying Aggregated Projects**

The SAC established that allowing for unlimited numbers of fields to join together in an aggregate and act as a single project would generate improved accuracy of GHG reduction estimates at the aggregate scale. They noted that a key consideration is making sure the fields within the aggregate represent a diversity of situations so as to avoid propagating systematic biases in estimation methods, which would skew the aggregate total. It was suggested that if aggregates were made up of a variety of climates and practices, this particular risk could be addressed. The SAC discussed how a minimum aggregate size could be constructed from rough estimates of what is an economically viable quantity of GHG emission reduction credits for a project.

## **Appendix C Overview of Water Quality Regulations: Impacts on Legal Requirements and Regulatory Compliance**

No federal laws exist that regulate the composition or efficacy of fertilizers. State-level laws addressing composition and/or efficacy are discussed further below. Numerous regulations exist, including at the federal level, concerning the production of fertilizer. However, as fertilizer production is outside the GHG project boundary of this protocol, regulations on fertilizer production are not addressed here. Regulations concerning the use and disposal of hazardous materials, such as fertilizer, and regulations protecting against the contamination of drinking and surface water and air pollution (related indirectly to the land application of fertilizers) are addressed further discussed below.

### **C.1 Clean Water Act**

Though the Reserve could identify no existing federal regulation that explicitly requires implementation of the approved project activity, state or local implementation of the federal Clean Water Act may result in direct and indirect requirements for nutrient management.

The Clean Water Act (CWA) is the federal law regulating water quality for surface waters in the United States. It establishes a comprehensive federal system for regulating the discharge of pollutants into navigable water bodies, while restoring and maintaining the health of the nation's surface waters.<sup>133</sup> The CWA meets these objectives by authorizing water quality standards, requiring and issuing permits for point source discharges (the National Pollution Discharge Elimination System, NPDES), assisting with the funding of municipal sewage treatment plant construction, and helping with planning to manage nonpoint source pollution. The CWA authorizes EPA as the primary agency tasked with implementation and enforcement, but in practice, most implementation is through state environmental agencies and state-level regulations, and as such state-level implementation can be highly variable. States have the authority to set their own water quality standards, so long as they meet or exceed EPA's minimum requirements.

Though the CWA explicitly defines "point sources" (e.g. industrial or sewage treatment plants, Concentrated Animal Feeding Operations, CAFOs), it defines nonpoint sources (e.g. agricultural runoff, urban runoff) as anything not considered a point source by the CWA or EPA regulation. The CWA makes it unlawful for point sources to discharge any pollutant into navigable waters without a permit (specifically an NPDES permit). Nonpoint source (NPS) pollution, however, comes from many diffuse sources and is caused by runoff from rainfall or snowmelt moving over and through the ground, picking up pollutants and eventually depositing them in water bodies. When watersheds are successfully meeting the CWA's water quality standards, nonpoint sources are generally unregulated and, in fact, agricultural stormwater discharges and return flows from irrigated agriculture are specifically exempt under the CWA.<sup>134</sup> However, in polluted

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<sup>133</sup> The Clean Water Act (CWA) was formerly known as the Federal Water Pollution Control Act (FWPCA), which was first enacted in 1948. Following its significant reorganization and amendments in 1972 and 1977, the FWPCA came to be known by its current name, the CWA. The CWA can be found in 33 U.S.C. §§ 1251-1387.

<sup>134</sup> King, Ephraim, "Nutrients: A National Overview Need for Strong Partnerships & Joint Accountability," U.S. EPA, Office of Science and Technology, Presented at "Nutrient Summit" Springfield, Illinois, 13 September 2010. Available at: [http://www.epa.state.il.us/water/nutrient/presentations/ephraim\\_king.pdf](http://www.epa.state.il.us/water/nutrient/presentations/ephraim_king.pdf).

watersheds that are not attaining the proper water quality standards (i.e. “impaired” waters), nonpoint sources may come under regulation as part of efforts to restore water quality.

States are responsible for monitoring water quality of surface waters within their jurisdiction, and biennially, states are required to provide an inventory of the condition of state water bodies and progress toward CWA goals (305(b)) as well as to identify which waters are “impaired” (i.e. not currently meeting water quality standards) or “threatened” (i.e. believed likely to become “impaired” by the time the next “303(d) List” is due).<sup>135</sup> Subsequent to listing waters on the 303(d) List, states are required to prioritize restoration of these waters based on the severity of pollution and begin developing Total Maximum Daily Loads (TMDLs)<sup>136</sup> for these waters. In practice, once a TMDL is established, the state implements a concrete plan to reach this limit through a combination of regulations and voluntary incentives that reduce NPS pollution. EPA funding is typically available to help states implement their nonpoint source management programs.<sup>137</sup> If runoff from agricultural sources is determined to be contributing to the impairment, the TMDL implementation plan typically will include some degree of agricultural best management practices (BMPs). Typically, voluntary incentive payments are the preferred policy mechanism for agricultural sources, as has been the strategy for Maryland, where the state is working towards its Chesapeake Bay TMDL goals through incentive payments which have significantly increased the acres of farmland voluntarily planting cover crops. However, states may also chose to legally require conservation or nutrient management plans, as has recently become the case in California, where the Central Coast Water Board adopted new stringent regulations on March 15, 2012.<sup>138</sup> Particularly relevant to the NMPP, if agriculture is determined to be the source of impairment, and the water body is impaired by high levels of nitrogen (in any of its forms, e.g. nitrate, nitrite, etc.), agricultural BMPs related to nitrogen management are likely to become part of the TMDL.

Circumstances exist where the agricultural producer has significant flexibility for meeting its TMDL obligations. Producers often self-select what best management practices will become part of their legally required pollution reduction strategy, typically in the form of Conservation Management Plans, which address a variety of conservation management practices, or in the form of Nutrient Management Plans (NMPs), which focus more nutrient management practices. As noted in Section 3.5.2, once a practice is self-selected as part of an NPS pollution obligation, the Reserve considers that practice non-voluntary, as continued implementation of that practice is required by law, and that practice is no longer considered an eligible project activity for that farm.

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<sup>135</sup>These reports contribute to the “National Water Quality Inventory” (Part 305(b) of CWA) and the “Impaired or Threatened Waters List” or the “303(d) List” (Part 303(d) of the CWA), respectively. Once identified as impaired or threatened, these waters will appear on the “303(d) List.” As this list is updated frequently, project developers and verifiers should refer to the U.S. EPA website for the most up-to-date list of impaired watersheds:

[http://iaspub.epa.gov/waters10/attains\\_nation\\_cv.control?p\\_report\\_type=T](http://iaspub.epa.gov/waters10/attains_nation_cv.control?p_report_type=T).

<sup>136</sup> Total Maximum Daily Load (TMDL) is a calculation of the maximum amount of a pollutant, such as nitrate, that a given water body can receive without violating water quality standards. The term TMDL, however, is often used to refer to the whole process of establishing a TMDL, including all aspects of TMDL implementation and monitoring.

<sup>137</sup> Specifically, EPA funding is available through CWA Section 319(h) grants specifically for nonpoint source management, while states can also participate in the Clean Water State Revolving Fund (CWSRF) program, in which EPA to provide grants to states to establish loan funds which then provides low-cost financing to third parties (municipalities, non-profits, businesses) to implement water quality infrastructure projects.

<sup>138</sup> Additional information can be found on California’s State Water Resources Control Board’s Irrigated Lands Regulatory Program website ([http://www.waterboards.ca.gov/water\\_issues/programs/agriculture/](http://www.waterboards.ca.gov/water_issues/programs/agriculture/)), as well as the Central Coast Regional Water Quality Control Board’s respective program website ([http://www.waterboards.ca.gov/centralcoast/water\\_issues/programs/ag\\_waivers/](http://www.waterboards.ca.gov/centralcoast/water_issues/programs/ag_waivers/)).



## C.4 Coastal Zone Management Act

The Coastal Zone Management Act (CZMA) encourages states/tribes to preserve, protect, restore or enhance natural coastal areas, including wetlands, floodplains, estuaries, beaches, and dunes. Eligible areas border the Atlantic, Pacific, and Arctic Oceans, Gulf of Mexico, Long Island Sound, and Great Lakes. Participation is completely voluntary. To encourage states/tribes to participate, the act makes federal financial assistance available to develop and implement a comprehensive coastal management program. Most eligible states/tribes participate in the program. Section 6217 of the CZMA, administered jointly by EPA and the National Oceanic and Atmospheric Administration (NOAA), specifically supports states to develop and implement nonpoint pollution control programs for coastal areas.<sup>139</sup> Within a guiding document specifying typical measures to control nonpoint source pollution published by the EPA<sup>140</sup> in 1993, commercial N fertilizer is identified as a pollutant to coastal areas. Management measures to reduce pollution include development and implementation of a nutrient management plan focusing on (1) applying nutrients at rates necessary to achieve realistic crop yields, (2) improving the timing of nutrient application, and (3) using agronomic crop production technology to increase nutrient use efficiency. In 2003, EPA updated and expanded the 1993 coastal nonpoint source manual to address the control of agricultural nonpoint source pollution for the entire United States.<sup>141</sup> *National Management Measures to Control Nonpoint Source Pollution from Agriculture* highlights best available, economically achievable means of combating nonpoint source pollution, and discusses monitoring techniques, load estimation techniques, and watershed approaches.

As participation is voluntary, assistance received through CZMA does not affect field eligibility. Any financial assistance received by project participants shall be disclosed to the project verifier and Reserve per Section 3.5.3.

## C.5 Safe Drinking Water Act

The Safe Drinking Water Act (SDWA), the main federal law to ensure drinking water quality, requires actions to prevent the contamination of surface and ground sources of drinking water (e.g. rivers, lakes, reservoirs, springs, ground water wells, but not private wells, serving less than 25 people). Although EPA is primarily responsible for enforcement of the federal SDWA, states may apply to EPA for the authority to implement the SDWA and its enforcement within their jurisdictions (e.g. “primacy”), so long as they can demonstrate that state standards will be at least as stringent as the national standards and that state water systems meet these standards.

The SDWA authorizes EPA to set national health-based standards limiting the amount of contaminants, such as nitrates and nitrites, in drinking water. In practice, these health-based standards are legally enforceable limits, called maximum contaminant levels (MCLs). The SDWA includes MCLs for both nitrates and nitrites, for which fertilizer runoff and leaching from agriculture is the major source in drinking water. The MCL for nitrate is set at 10 mg/L or 10 ppm, while the MCL for nitrite is set at 1 mg/L or 1 ppm, both of which are measured in nitrogen.

The SDWA requires states and water suppliers to conduct assessments of potential contamination of water sources, and states are required to implement measures to protect water

<sup>139</sup> See <http://coastalmanagement.noaa.gov/nonpoint/welcome.html>

<sup>140</sup> Available at [http://water.epa.gov/polwaste/nps/czara/MMGI\\_index.cfm](http://water.epa.gov/polwaste/nps/czara/MMGI_index.cfm)

<sup>141</sup> Available at [http://water.epa.gov/polwaste/nps/agriculture/agmm\\_index.cfm](http://water.epa.gov/polwaste/nps/agriculture/agmm_index.cfm)

sources through voluntary incentive programs (to encourage agricultural BMPs) or legal enforcement actions, such as Notices of Violations (NOVs). Any individual discharger could, in theory, be found to be causing levels of nitrate or nitrite to exceed the MCL and receive a Notice of Violation. However, due to the nonpoint source nature of agricultural discharges, it is relatively difficult to identify one agricultural discharger as the source of an impairment and, as such, NOVs are typically only issued against agricultural discharges when the discharge is particularly egregious.

Though one of the main tools to limit agriculture's effect on drinking water quality are agricultural BMPs, to our knowledge, there is no legal requirement within the context of the SDWA to require best nitrogen management practices. However, any case of regulatory non-compliance, such as a NOV due to a violation of the SDWA, must be reported to the verifier, who will determine if the violation is material to the project.

## **C.6 Fertilizer Content Labeling Laws**

There are no federal laws regulating the composition or efficacy of fertilizer in the U.S., but most states have developed their own fertilizer regulatory programs, which are generally administered by their respective departments of agriculture. These regulatory programs typically address efficacy claims and composition statements of the active ingredients displayed on labels for commercially available fertilizer.

The Association of American Plant Food Control Officials, tasked with making regulation among states uniform, stated that metals in N fertilizer generally do not pose harm to the environment as long as the metal concentration in fertilizer is below a specific threshold.<sup>142</sup> In addition to trace metal composition testing, state fertilizer laws generally require product registration, licensing and efficacy testing to assure that statements made on the label are correct. Also, at the state level, fertilizer is primarily regulated for quality, as for any manufactured good. These regulations are usually administered through the state's department of agriculture.

None of these laws should impact additionality or the eligibility of particular fertilizers.

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<sup>142</sup> See <http://www.aapfco.org/rules.html> for the specific heavy metal threshold concentrations.

## **Appendix D Minimum Data Standard for Consideration in Quantification Methodology Development**

### **D.1 Introduction**

As noted throughout the NMPP, the Reserve plans to expand the list of project activities under this protocol as new data and quantification methodologies become available. The lack of field data on N<sub>2</sub>O emissions for different regions, crops, and nitrogen management practices has been a significant limitation in the development of further quantification approaches, particularly a lack of data from “pairwise” or “side-by-side” comparisons (e.g. comparisons of baseline and project treatments on the same field in a given year). As such, this appendix provides general guidelines for establishing field experiments to develop reference data sets which can be used to develop and/or calibrate and validate standardized quantification methodologies. These guidelines are referred to throughout the protocol as “minimum data standards.”

#### **D.1.1 Methodologies and Priorities for Future Protocol Expansion**

The Reserve encourages field experiments and the development of reference data sets to support a variety of quantification approaches. Though the NMPP includes a Tier 2 quantification methodology (e.g. using standardized region-specific emission factors to quantify emission reductions from the project activity<sup>143</sup>), the NMPP’s current Tier 2 approach does not necessarily set precedent for future expansions of the NMPP. The Reserve has not made a determination of preference between Tier 2 and Tier 3 methods (e.g. higher order quantification methods, such as validated biogeochemical models or comprehensive field sampling<sup>143</sup>). Robust yet simple regional Tier 2 emission factors may be better suited for cropping systems that cover large areas, have management practices that are fairly homogenous, and that are grown in relatively simple rotations. Examples of such cropping systems are rain fed corn systems (included in Version 1.0 of the NMPP), irrigated corn systems, or wheat cropping systems. Tier 3 approaches, including validated biogeochemical models, may be preferred for specialty crops for which the management is often varying and that are grown in more complex rotations. Examples of such cropping systems are vegetable or fruit cropping systems.

Reference data sets will be reviewed by the Reserve to determine whether the data is appropriate for developing a Tier 2 methodology, for calibrating and validating a Tier 3 methodology (e.g. DNDC), or for further validating a previously accepted NMPP methodology. In addition to the data sets themselves, stakeholders are encouraged to develop and submit new Tier 2 or Tier 3 quantification methodologies, developed from these reference data sets, including justification of why the selected methodology is most appropriate for that specific crop/state/practice combination.

#### **D.1.2 Process for Future Protocol Expansion**

The minimum data standards presented in this appendix will serve as internal guidance for the Reserve in determining whether reference data are sufficiently robust. The Reserve will also maintain a Nitrogen Management Science Advisory Committee (SAC) into the future, and the Reserve will consult the SAC, as needed, when making determinations about the quality of proposed methodologies, their underlying reference datasets, and independent reference datasets.

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<sup>143</sup> As defined by the Volume 4 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Stakeholders are encouraged to submit new reference datasets and quantification methodologies to the Reserve at any time. Information on this submittal process is available on the Nitrogen Management Project Protocol webpage. Stakeholders should complete an NMPP New Data Submittal Form, which will be used to assess whether the dataset meets the minimum data standards included in this appendix. The stakeholder submitting data is also asked to provide recommendations for data sources on adoption rates of a given practice to be used for performance standard development. The Reserve will review new data submittals on an ongoing basis. The Reserve will periodically consult the SAC to determine whether a given data set or proposed quantification methodology should be prioritized for further development and inclusion in the protocol. Criteria to be considered include:

- a) The existence of baseline N<sub>2</sub>O emission measurements for the practice, region, and/or cropping system considered;
- b) The total acreage and intensity of use of nitrogen fertilizer for the cropping system in question;
- c) Whether sufficient data exists to develop a performance standard and preliminary assessments show a project activity is likely to be additional; and
- d) The economic and technical feasibility, as well as the mitigation potential, of the management practice that reduces N<sub>2</sub>O emission under consideration.

Once the Reserve identifies specific protocol expansions, the Reserve may decide to contract for additional expertise and/or reconvene a stakeholder workgroup to support the protocol revision. As with any new project type, once the new project type has been developed and included in the protocol, the protocol will be released for a 30-day public comment period before the revision is considered for adoption by the Reserve Board.

## D.2 Minimum Data Standards for Field Experiments

The minimum data standards apply to the reference data collected in field experiments and used for developing and/or validating new N<sub>2</sub>O quantification approaches, and/or validating existing N<sub>2</sub>O quantification approaches using independent data.<sup>144</sup> Reference data can be new source data generated during new measuring campaigns or existing data from, *inter alia*, the following sources, so long as the data requirements included in this appendix are met: scientific and technical articles in books, journals and reports; universities and extension services; United States Department of Agriculture; sectoral experts, commodity and stakeholder organizations, and industry groups. A reference to the source of the data must be provided for existing data. For the Reserve to approve reference data for use in a new quantification method, it should comply with the minimum data standards described below.

### D.2.1 Method of Data Collection

Reference data should be collected using either chamber-based or tower-based (micrometeorological) methods.<sup>145</sup> Chamber-based methods are currently the least expensive option for measuring N<sub>2</sub>O emissions from agricultural fields, as the materials required for

<sup>144</sup> The minimum data standard applies for reference data used for the development of statistical models as well as for the calibration and validation of process-based biogeochemical models proposed for the quantification of N<sub>2</sub>O emission reductions.

<sup>145</sup> Tower-based methods (micrometeorological techniques) to measure N<sub>2</sub>O emissions have been developed and have the advantage of being non-intrusive while providing continuous time series. Nevertheless, high investment costs make their use in replicated experiments currently less attractive.

building the chambers are very affordable, and analytical tools used for N<sub>2</sub>O concentration measurements, such as gas chromatography, have become omnipresent in analytical laboratories.

Since methodologies to measure N<sub>2</sub>O emissions are continuously improving, specific guidelines for sampling methods are not listed in this protocol. The Reserve will only review datasets for which sample collection methods comply with the most recent peer-reviewed guidelines available for the adopted method at the start of the experiments that yielded the reference data. A brief description of the chamber design, sample collection and handling, gas analysis and data analysis should be provided. For chamber-based measurements, the Reserve recommends following guidelines from the USDA Agricultural Research Service (ARS) GRACEnet Chamber-based Trace Gas Flux Measurement Protocol.<sup>146</sup> Measurements taken through tower-based methods should be consistent with methodologies currently in use in peer-reviewed scientific literature.

## **D.2.2 Intensity of Data Collection**

Due to the high spatial and temporal variability of N<sub>2</sub>O emissions, accurate N<sub>2</sub>O quantification necessitates a minimum temporal and spatial intensity of data collection.

### **D.2.2.1 Temporal Frequency and Scale of Data Collection**

Flux measurements should take place at least once per week (every seven days). However, it is strongly advised to increase the measurement frequency following agronomic or environmental events known to be associated with major N<sub>2</sub>O fluxes (i.e. tillage, fertilization, irrigation, rain, or harvest). Daily flux measurements after such events should continue until N<sub>2</sub>O emissions return to pre-event levels. Note that N<sub>2</sub>O responses to such events may not appear until several weeks after the event. This lag effect should be incorporated in the sampling design. It is recognized that due to unforeseeable weather conditions, issues with measurement devices, and other challenges, some gaps in the data set are unavoidable. Guidelines on how to handle outlying values are included in Section D.2.3.

Measurements also should represent the daily variations in N<sub>2</sub>O fluxes. Multiple flux measurements could be made during one day. However, one flux measurement taken per day is acceptable, so long as it is taken at a time that corresponds to the daily average temperature (e.g. mid-morning or early evening).

Flux measurements should be taken at a minimum over the complete growing season, but year round flux data is preferable. Reference data should extend over at least two consecutive growing seasons. Flux measurements over additional growing seasons may be necessary if the two consecutive growing seasons for which measurements were taken exhibited anomalous weather conditions, with respect to that region.

### **D.2.2.2 Spatial Frequency and Scale of Data Collection**

N<sub>2</sub>O emissions are not only variable over time, but are also subject to high spatial variability. This spatial variability reveals itself at multiple geographic scales, including variability within a field, variability across fields within the same landscape, and across landscapes (e.g. a Land Resource Region or a Major Land Resource Area). In this section, guidelines are provided to ensure that the reference data accounts for spatial variability at those different scales. Note that

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<sup>146</sup> Parkin, T.B., & Venterea, R.T., 2010. Available at [www.ars.usda.gov/research/GRACEnet](http://www.ars.usda.gov/research/GRACEnet).

the terminology for “field” in the NMPP, as defined in Section 2.2.1, is different from the terminology used in the design of agricultural experiments, in which a field represents a random variable and may encompass multiple plots with different treatments. In these guidelines, the Reserve uses “replicate plot” to refer to the smallest experimental unit and “field” to designate a greater unit with multiple replicate plots. In other words, a replicate plot corresponds to a field as defined in the NMPP.

The spatial frequency and scale of data collection should adhere to the following guidelines:

1. **The dimensions of the flux chambers:** The surface area covered by the flux chamber should be large enough to capture small-scale variability in N<sub>2</sub>O fluxes (e.g. due to the number of fertilizer granules present in the chamber, the presence of decomposing crop residues, etc.). Chamber surface areas typically cover between ~300 and ~3000 cm<sup>2</sup>.
2. **The number of flux chambers per functional locations within a replicate plot:** In many cropland systems, multiple functional locations with different soil moisture conditions, soil temperature and N concentration can be identified within a replicate plot (For example: middle of the berm, side of the berm, the furrow in annual row crops, tree row versus tractor row in orchards, etc.). It is recommended that flux chambers be strategically placed in multiple functional locations so as to represent the variety within the field appropriately. A minimum of two flux chambers per functional location within a replicate plot is recommended.
3. **The number of replicate plots per field:** The reference data should cover a minimum of 3 replicate plots per treatment (i.e. management practice) and per field. Usually, for a side-by-side (“pairwise”) comparison, there will be at least two treatments, with one treatment representing the baseline scenario and one treatment representing the project scenario. However, implementing and monitoring more than one potential project treatment is encouraged, so as to collect data on a wider variety of project activities. Any number of potential project activities could be implemented together as the “project treatment” on a given field (e.g. add nitrogen inhibitors, add a cover crop, trial of different N rates, or N rate reduction with the addition of cover crops).
4. **The number of fields:** The field(s) should be representative for the conditions within the area in which the reference data sets will be used. Therefore, multiple fields are to be used that are located at different sites and geographic locations (e.g. different counties, different states). Ideally, the fields (and replicate plots within fields) are also chosen to represent some of the most commonly occurring soil types in a region. However, it is recognized that having multiple fields may be challenging.

### D.2.3 Outliers

When experimental data are collected, it is very likely that some samples will have values that are considerably larger or smaller compared to replicate samples. Such samples are often referred to as outliers, and can be spatial, temporal or analytical in nature. Analytical outliers can be caused by inadequate closure of flux chambers, leaky sampling vials, errors in sample collection or analysis, etc. and labs can remove analytical outliers in a routine and standardized fashion. However, as N<sub>2</sub>O fluxes are known to be very variable in space and time, spatial and temporal outliers are often merely a reflection of the variable nature of the process and should be handled as real data. As such, removal of temporal and spatial outliers is strongly discouraged; the Reserve prefers that submitted reference data include any observed temporal

or spatial outliers, with notations as to which outliers were flagged for removal by lab analysis. In some cases, there is a real reason for removing temporally or spatially anomalous data. Examples include local flooding due to a leak in a drip line, enhanced N<sub>2</sub>O fluxes due to undesired animal excretions in the flux chamber, etc. Under such situations, temporal and spatial outliers may be removed by the Reserve prior to methodology development, if the outliers were properly identified and a justification is provided with the data set submittal. The extent to which inclusion/exclusion of this value affects the mean should be discussed in this justification.

### **D.3 Applicability of Field Experiment to a Region**

Stakeholders will be asked to propose and justify a geographic applicability region over which a data set (or the subsequently developed quantification methodology) may be extrapolated. It is recommended that the justification includes a comparison of weather and climate, soil characteristics, and management practices between the study sites and the geographic applicability region.

Summaries of growing season and experimental conditions during the field trials should be included along with a discussion of whether representative conditions (e.g. temperature, precipitation, etc.) were “typical” or “average” for that region. For example, a comparison of the experimental growing season(s)’s mean annual temperature and precipitation data to data collected over the preceding ten year period could indicate whether N<sub>2</sub>O emissions measured for the period are representative of a “typical” year, or rather a cold, hot, wet or dry year.

Further, “typical” soil type, soil texture, soil water holding capacity, soil organic carbon levels, etc., for a given region should be considered when selecting replicate plots and fields for inclusion in an experiment. Sites should be chosen for their widest applicability to multiple soil types, etc., within the region. Likewise, the management practices executed on the field trials should be selected so that they represent the overall management within the region.

### **D.4 Independent Validation and Quantifying Uncertainty**

Large uncertainty around field measurements leads to uncertainty around predicted emission reductions for any quantification approach. Therefore, the quantification approach must be robust in situations with high uncertainty. Even though a quantification methodology may ensure that projects meet minimum standards through eligibility and applicability conditions (e.g. conditions for which the model was calibrated), a significant amount of uncertainty may remain, which must be accounted for through an uncertainty deduction mechanism.

According to C-AGG’s white paper on uncertainty, analyses of both structural and input uncertainty related to their use must be completed so as to use and apply models appropriately.<sup>147</sup> Input uncertainty for an empirical model is subject to less uncertainty than a biogeochemical model, simply because there are significantly fewer critical inputs. Quantification approaches based on biogeochemical models, and quantification approaches for which the input variables are associated with a significant amount of uncertainty, require a Monte Carlo simulation to assess the effect of uncertainty around input variables on projects’ N<sub>2</sub>O emissions reduction estimates, as is done in the Reserve’s Rice Cultivation Project Protocol (RCPP). In addition, all quantification approaches that are using a biogeochemical process model must include how to parameterize every input parameter to the model. More

<sup>147</sup> C-AGG, Executive Summary: Uncertainty in Models and Agricultural Offset Protocols. Discussion draft, 2012.

specifically, for every input parameter, it must be explained if the parameter has to be set using field measurements, look-up tables, default values, or internal calibration. If internal calibration is used to set certain parameters, the procedures for calibration must be clearly explained, as is done in the RCPP.

Structural uncertainty (termed  $\mu_{\text{struct},f}$  in the RCPP and NMPP) represents how well the model performs against measured emissions, regardless of whether that model is an empirical model or a biogeochemical model. To estimate structural uncertainty in the RCPP, for example, independent emissions measurement data (e.g. data that were not used to build the model) for California rice fields were used to “validate” the DNDC model by comparing measured and modeled data.

In the case of this protocol, in which an adaptation of the MSU-EPRI methodology is included (see Section 5), no additional field emissions measurement datasets for N rate trials are currently available for the North Central Region, other than MSU-EPRI’s robust data set. This makes it more challenging to validate the methodology and estimate structural uncertainty. However, the developers of the original MSU-EPRI methodology performed a “leave-one-out” cross-validation analysis<sup>148</sup> to approximate the structural uncertainty and found that the uncertainty increased about 2 to 4 percent compared to an uncertainty analysis using non-independent data. The uncertainty quantified using a leave-one-out cross-validation is certainly applicable for areas similar in characteristics to the study sites. However, the uncertainty is likely greater for areas far away from the study sites. As a consequence, the “leave-one-out” approach’s 2 to 4 percent increase in uncertainty was considered acceptable by the Reserve for the state of Michigan, where all of the study sites used to develop the MSU-EPRI quantification approach are located. However, an additional 15 percent uncertainty deduction is taken for other states in the NCR to avoid underestimating the structural uncertainty on sites that are far away from the field measurement locations.

When independent data becomes available to validate the model and quantify the structural uncertainty explicitly for the various NCR states, the Reserve plans to adjust the structural uncertainty deduction currently included in the NMPP.<sup>149</sup> This independent reference data should be gathered from a sufficient number of different data points so that the reference data can be divided into separate calibration and validation data sets. If calibration data are taken primarily from one area within a larger region (such as a Land Resource Region), an extensive validation data set, including data points from other areas within the region collected from a number of sources, might allow validation of the model for a much larger geographic area than the model was otherwise developed and calibrated for. It is worth noting that while the MSU-EPRI methodology was adapted and included in the NMPP before independent data was available, this decision is not precedent-setting. The Reserve prefers a full structural uncertainty assessment using validation data that is representative for the geographic applicability region over the leave-one-out approach.

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<sup>148</sup> Generally, the goal of a cross-validation analysis is to evaluate the fit of a model to a data set that is independent of the data that were used to train the model. A leave-one-out cross-validation analysis estimates the structural uncertainty by comparing a single observation from the original sample to the outcome predicted by a model that was calibrated using the remaining observations.

<sup>149</sup> The Reserve anticipates that market drivers will try and reduce this uncertainty deduction as soon as possible, hopefully within the next five years.



## Appendix E Methodology for Determining $\text{Frac}_{\text{LEACH}}$ Values

As discussed in Section 5.3.2,  $\text{Frac}_{\text{LEACH}}$  refers to the fraction of N inputs that is lost through leaching and runoff. This parameter is relevant to calculating  $\text{N}_2\text{O}$  emissions associated with LVRO emissions in both the baseline and project scenarios (see Equation 5.14 and Equation 5.15). This appendix contains the methodology for determining  $\text{Frac}_{\text{LEACH}}$  values. As noted in Box 5.1, the  $\text{Frac}_{\text{LEACH}}$  value calculated from project year climatological data shall be used for both the baseline and project emissions equations to conservatively quantify the emission reductions due to the project activity in a given year. The methodology for determination of  $\text{Frac}_{\text{LEACH}}$  values is adapted from the IPCC and MSU-EPRI methodologies.<sup>150</sup>

The project developer shall calculate the  $\text{Frac}_{\text{LEACH}}$  value for their project field on an annual basis, based on the USGS hydrologic year of October 1 to September 30.<sup>151</sup> Project developers shall calculate their  $\text{Frac}_{\text{LEACH}}$  value using precipitation and evaporation data from the closest weather station available (preferably within 20 miles). If no weather station within 100 miles has both precipitation and evaporation data available, the project developer may use the monthly U.S. Evaporation and Precipitation maps published by the Climate Prediction Center at NOAA.<sup>152</sup> The project developer shall then convert evaporation data to evapotranspiration, by multiplying each month of data by the following conversion factors from Shaw, R.H. (1982).<sup>153</sup>

**Table E.1.** Evapotranspiration Conversion Factors

Month	Conversion Factor
January	1
February	1
March	1
April	1
May	1.375
June	1.475
July	1.725
August	1.75
September	1.55
October	1
November	1
December	1

<sup>150</sup> The most significant difference is with regards to the time period over which  $\text{Frac}_{\text{LEACH}}$  is calculated. The IPCC methodology uses the time period of the “rainy season,” defined as “the period(s) when rainfall > (0.5\*PanEvaporation)”, while the MSU-EPRI methodology considers the growing season. However, as the dates of the rainy season, and the growing seasons will vary greatly across the NCR, as well as from year to year, and for the purposes of standardizing this methodology for project implementation, the hydrological year is used here. Additionally, the MSU-EPRI methodology uses the FAO Penman-Monteith equation for estimating potential evapotranspiration and calculating  $\text{Frac}_{\text{LEACH}}$ , while the IPCC uses potential evaporation for the calculation.

<sup>151</sup> This time period also corresponds with a typical corn cultivation cycle in the NCR and is expected to match the reporting period for most projects.

<sup>152</sup> Monthly evaporation available at: [http://www.cpc.ncep.noaa.gov/cgi-bin/US\\_Evaporation-Monthly.sh](http://www.cpc.ncep.noaa.gov/cgi-bin/US_Evaporation-Monthly.sh) and Monthly precipitation available at: [http://www.cpc.ncep.noaa.gov/cgi-bin/US\\_Precipitation-Monthly.sh](http://www.cpc.ncep.noaa.gov/cgi-bin/US_Precipitation-Monthly.sh)

<sup>153</sup> Available at <http://www.ipm.iastate.edu/ipm/icm/2000/5-29-2000/wateruse.html>.

Once all monthly precipitation and evapotranspiration data have been collected, monthly data should be totaled for the hydrological year,  $t$ , October 1 to September 30, and  $\text{Frac}_{\text{LEACH}}$  calculated according to the following equations:

If $\frac{\text{Annual Precipitation}}{\text{Annual Potential Evapotranspiration}} \geq 1.00$ ,	$\text{Frac}_{\text{LEACH}} = 0.3$
If $\frac{\text{Annual Precipitation}}{\text{Annual Potential Evapotranspiration}} < 1.00$ ,	$\text{Frac}_{\text{LEACH}} = 0$



## Policy Memorandum

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To: **ALL PROJECT DEVELOPERS AND VERIFICATION BODIES**  
Date: **JANUARY 14, 2015**  
Re: **EFFECT OF NEW WASTE DIVERSION MANDATES ON RESERVE PROJECTS (CITY OF SEATTLE & STATE OF CALIFORNIA)**

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The Reserve's Organic Waste Diversion (OWD) and Organic Waste Composting (OWC) Project Protocols consider municipal solid waste (MSW) food waste and food soiled paper waste eligible to generate carbon offset credits, where such wastes are voluntarily diverted from landfills. Newly enacted waste diversion mandates in the City of Seattle and the State of California will affect projects that accept such waste originating from these locations moving forward.

### Background

Both the OWD and OWC protocols give credit for the diversion of non-industrial food waste and co-mingled food soiled paper from landfill.<sup>1</sup> Both of these protocols assume a baseline or "business as usual" practice of sending such waste streams to a landfill, where it produces methane emissions as it degrades. By appropriately documenting that such waste streams are being sent to the project, projects generate offset credits for the emission reductions associated with such diversion. Though slightly different in their application, both the OWD and OWC protocols contain provisions to exclude from eligibility previously eligible waste streams if the diversion of such waste streams becomes mandated by State or local law.

### California Waste Diversion Mandate<sup>2</sup>

On September 30, 2014, Governor Jerry Brown signed into law AB 1826, a mandate to reduce the amount of organic waste going to landfills.

The measure is set to be enacted on April 1, 2016, at which time any California "business" (defined as a commercial or public entity or a multi-family dwelling of 5 units or more) that generates more than eight cubic yards of "organic waste" per week must arrange for recycling services for that waste. "Organic waste" is defined fairly broadly to include food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food soiled paper waste that is mixed with food waste. On January 1, 2017, that threshold drops to four cubic yards of organic waste per week.

On January 1, 2019, businesses that generate four cubic yards or more of "commercial solid waste" will need to arrange for recycling of the relevant waste. "Commercial solid waste" is essentially defined as a catch-all, including all solid waste, meaning from this point on, once any business generates four cubic yards of any solid waste per week, all such waste will become subject to this mandate. There is also provision for this commercial solid waste threshold to drop to two cubic yards per week, if waste diversion targets have not yet been met.

There are a number of potential exemptions (such as rural counties that opt out) and for multi-family dwellings, there is no requirement to recycle food waste regardless of how much other organic waste they generate.

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<sup>1</sup> Note that the OWD protocol also credits for the digestion of wastewater, though that is not relevant to this memo.

<sup>2</sup> A copy of the mandate can be found here: [http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab\\_1801-1850/ab\\_1826\\_bill\\_20140928\\_chaptered.htm](http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_1801-1850/ab_1826_bill_20140928_chaptered.htm).

Businesses that are subject to this mandate have the flexibility to choose their own recycling method, as long as it meets all local laws/regulations and at a minimum they take at least one of the following actions:

- source separate organics and subscribe to some recycling service that includes collection/recycling of that waste
- recycle their own organics on-site
- subscribe to a mixed waste recycling service that specifically recycles organics
- other arrangements consistent with the law

In order to assist California businesses to meet these requirements, each jurisdiction must implement an organics recycling program by January 1, 2016. This requirement is quite comprehensive, extending to an obligation to explore all existing facilities, potential further opportunities, barriers to implementing new facilities, other “non-disposal” opportunities and markets, permitting requirements, incentives, education and outreach, etc.

### **Relevance of California Waste Diversion Mandate for OWC and OWD Projects**

OWC or OWD projects will not be able to be credited for waste streams once they become subject to this new mandate. Starting April 1, 2016, any waste stream originating from California commercial or public entities that generate eight (or more) cubic yards of organic waste per week will no longer be considered an eligible waste stream. Similarly, from April 1, 2016, any food soiled paper waste coming from multi-family dwellings of five units or more will not be considered an eligible waste stream. As the mandate threshold decreases in subsequent years, those waste streams newly captured by the mandate will no longer be eligible.

It is not yet clear how each jurisdiction will identify businesses that are subject to each stage of the mandate or how exemptions will be granted. Once that becomes clearer, it will inform how eligible and ineligible waste streams can be identified for the purposes of OWC and OWD projects.

### **City of Seattle Waste Diversion Mandate<sup>3</sup>**

**Council Bill Number: 118195, Ordinance Number: 124582**

In September of 2014, the City of Seattle passed into law a new waste diversion mandate. Starting on January 1, 2015, all “commercial establishments”<sup>4</sup> and residences (single/multi-family and mixed used buildings) are required to divert all of their food and paper waste away from landfill to recycling centers.

### **Relevance of Seattle Waste Diversion Mandate for Reserve OWC and OWD Projects**

This mandate effectively covers all MSW (food and paper) waste streams that are currently eligible for OWC and OWD projects receiving waste from the City of Seattle. Starting January 1, 2015, no such waste streams will be eligible at any OWC or OWD projects, unless it is a new project implemented no more than six months from the date the mandate was passed into law, or it is an OWC project which commenced no more than 5 years before the mandate was passed into law. This means that unless a new project is *implemented* by the end of March 2015, OWC and OWD projects will no longer be able to accept any City of Seattle MSW paper/food waste.

### **Relevance of Waste Diversion Mandates for Reserve Landfill Projects**

In contrast to the OWC and OWD protocols, which essentially give credit for the GHG benefits of the diversion of organic waste from the MSW system, the Landfill Project Protocol gives credit for the

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<sup>3</sup> A copy of the mandate can be found here: <http://clerk.seattle.gov/~scripts/nph-brs.exe?s1=food+waste&Sect4=AND&I=MAX&Sect1=IMAGE&Sect2=THESON&Sect3=PLURON&Sect5=LEGI2&Sect6=HI TOFF&d=LEGA&p=1&u=http://clerk.seattle.gov/~public/legisearch.htm&r=2&f=G>.

<sup>4</sup> Not specifically defined in the Ordinance.

capture and destruction of landfill gas emanating from the landfill itself. The Landfill Project Protocol encourages parties to use or destroy the methane produced by waste that is already in landfills. As such, organic waste diversion mandates do not affect landfill projects directly. Long term, such mandates will eventually result in less methane being emitted by landfills, as the organic content in affected landfills degrades and the organic waste that would have replaced it is diverted away from landfills by such mandates.



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# Organic Waste Composting Project Protocol V1.1

## Protocol Summary

### Project Definition

The composting of one or more eligible waste streams (food waste and non-recyclable food soiled paper) at a single aerobic composting operation, where the waste is processed in a system that complies with best management practices (BMPs) as defined in the protocol. A composting operation may include multiple facilities involved in a single composting process. The protocol allows for both forced aeration and turned windrow composting technologies.

### Project Eligibility Requirements

**Location:** Project (and waste sources) must be within the U.S. or U.S. tribal lands.

**Start Date:** Projects must be submitted for listing before or no more than six months after the project start date.

#### Performance Standard Test:

- ⌘ Eligible waste streams: non-industrial food waste and co-mingled non-recyclable food soiled paper
- ⌘ Eligible grocery store waste streams: waste streams that were not diverted to a composting facility prior to the project start date

**Legal Requirement Test:** The project developer attests that the project exceeds any diversions that would have occurred as a result of compliance with federal, state or local regulations and must sign the Attestation of Voluntary Implementation. The legal requirement test is applied to each eligible waste stream. All organic waste composting (OWC) projects are subject to a review of the legal requirement test for each reporting period.

**Regulatory Compliance:** Project must be in compliance with all federal, state and local regulations relevant to the project activities that are necessary for the composting of eligible waste streams. Project developer must sign the Attestation of Regulatory Compliance for each reporting period.

**Crediting Period:** Project is eligible to receive credits for 10 years from the start date or until the project activity is required by law. Project may apply for a second 10-year crediting period.

**Reporting and Verification Schedule:** Annual or sub-annual accounting with a minimum one verification per year.

#### Other Eligibility Requirements:

- ⌘ Demonstration of BMPs addressing time, temperature, turning, mixing and covering frequency
- ⌘ Demonstration of baseline waste management for grocery store waste
- ⌘ Clear ownership of the greenhouse gas (GHG) emissions reductions
- ⌘ Project must not double register emissions reductions with any other registry system
- ⌘ Proper accounting and monitoring

### Project Exclusions:

- ⌘ Any organic waste diversion required by regulation unless the project was started in conjunction with a local mandate (see protocol for details and exceptions)
- ⌘ Other ineligible organic waste streams such as industrial food waste or yard waste
- ⌘ Food waste streams from grocery stores that were composted prior to the project start date
- ⌘ Composting systems that cannot meet BMPs such as passive pile composting or backyard/unmanaged composting

*Important Note: This is a summary of the protocol. Please read the full protocol for a complete description of project requirements.*



# **Organic Waste Composting Project Protocol Version 1.1 ERRATA AND CLARIFICATIONS**

The Climate Action Reserve (Reserve) published its Organic Waste Composting Project Protocol Version 1.1 (OWC V1.1) in July 2013. While the Reserve intends for the OWC V1.1 to be a complete, transparent document, it recognizes that correction of errors and clarifications will be necessary as the protocol is implemented and issues are identified. This document is an official record of all errata and clarifications applicable to the OWC V1.1.<sup>1</sup>

Per the Reserve's Program Manual, both errata and clarifications are considered effective on the date they are first posted on the Reserve website. The effective date of each erratum or clarification is clearly designated below. All listed and registered OWC projects must incorporate and adhere to these errata and clarifications when they undergo verification. The Reserve will incorporate both errata and clarifications into future versions of the OWC.

All project developers and verification bodies must refer to this document to ensure that the most current guidance is adhered to in project design and verification. Verification bodies shall refer to this document immediately prior to uploading any Verification Statement to assure all issues are properly addressed and incorporated into verification activities.

If you have any questions about the updates or clarifications in this document, please contact Policy at: [policy@climateactionreserve.org](mailto:policy@climateactionreserve.org) or (213) 891-1444 x3.

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<sup>1</sup> See Section 4.3.4 of the Climate Action Reserve Program Manual for an explanation of the Reserve's policies on protocol errata and clarifications. "Errata" are issued to correct typographical errors. "Clarifications" are issued to ensure consistent interpretation and application of the protocol. For document management and program implementation purposes, both errata and clarifications to the OWC are contained in this single document.

## **Errata and Clarifications (arranged by protocol section)**

### **Section 3**

1. Food Wholesalers and Food Distributors (CLARIFICATION – August 27, 2014).....3



## Section 3

### 1. Food Wholesalers and Food Distributors (CLARIFICATION – August 27, 2014)

**Section:** 3.4.1 (The Performance Standard Test)

**Context:** This section defines eligible waste streams and a specific, additional set of requirements for food waste that is sourced from grocery stores. Food waste is only eligible if it is “non-industrial” in nature. Certain commercial facilities exist that do not process food but also do not provide it directly to consumers. It is not clear whether food waste from these facilities should be considered “industrial” and thus ineligible.

While not specifically addressed in the protocol, the Reserve believes that the intent is for food wholesalers and food distributors to be treated in the same manner as grocery stores. Food waste from food wholesalers and food distributors is therefore eligible, but must meet the documentation requirements applied to grocery stores.

If the activities of a particular food wholesaler or food distributor goes beyond the mere distribution of food products to the processing of food, and food that has undergone such processing then becomes waste, such waste is considered industrial in nature and ineligible. Facilities with multiple waste streams, some eligible and some ineligible, must be able to document the quantity of eligible waste separately from ineligible waste.

**Clarification:** Food waste originating from food wholesale and distribution facilities shall not necessarily be excluded as “industrial” per the first bullet of Section 3.4.1. The following text shall be added after the third paragraph on page 8:

“Food waste originating at food wholesale and food distribution facilities shall not be considered ‘industrial’ for the purposes of eligibility as long as this facility does not process the food in any way (i.e. output a food product that is materially different from the input food product), but simply serves as a link in the distribution of food to commercial customers or consumers. Such facilities are considered akin to grocery stores and subject to the requirements of this protocol applicable to that source category.”



## Policy Memorandum

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capture and destruction of landfill gas emanating from the landfill itself. The Landfill Project Protocol encourages parties to use or destroy the methane produced by waste that is already in landfills. As such, organic waste diversion mandates do not affect landfill projects directly. Long term, such mandates will eventually result in less methane being emitted by landfills, as the organic content in affected landfills degrades and the organic waste that would have replaced it is diverted away from landfills by such mandates.

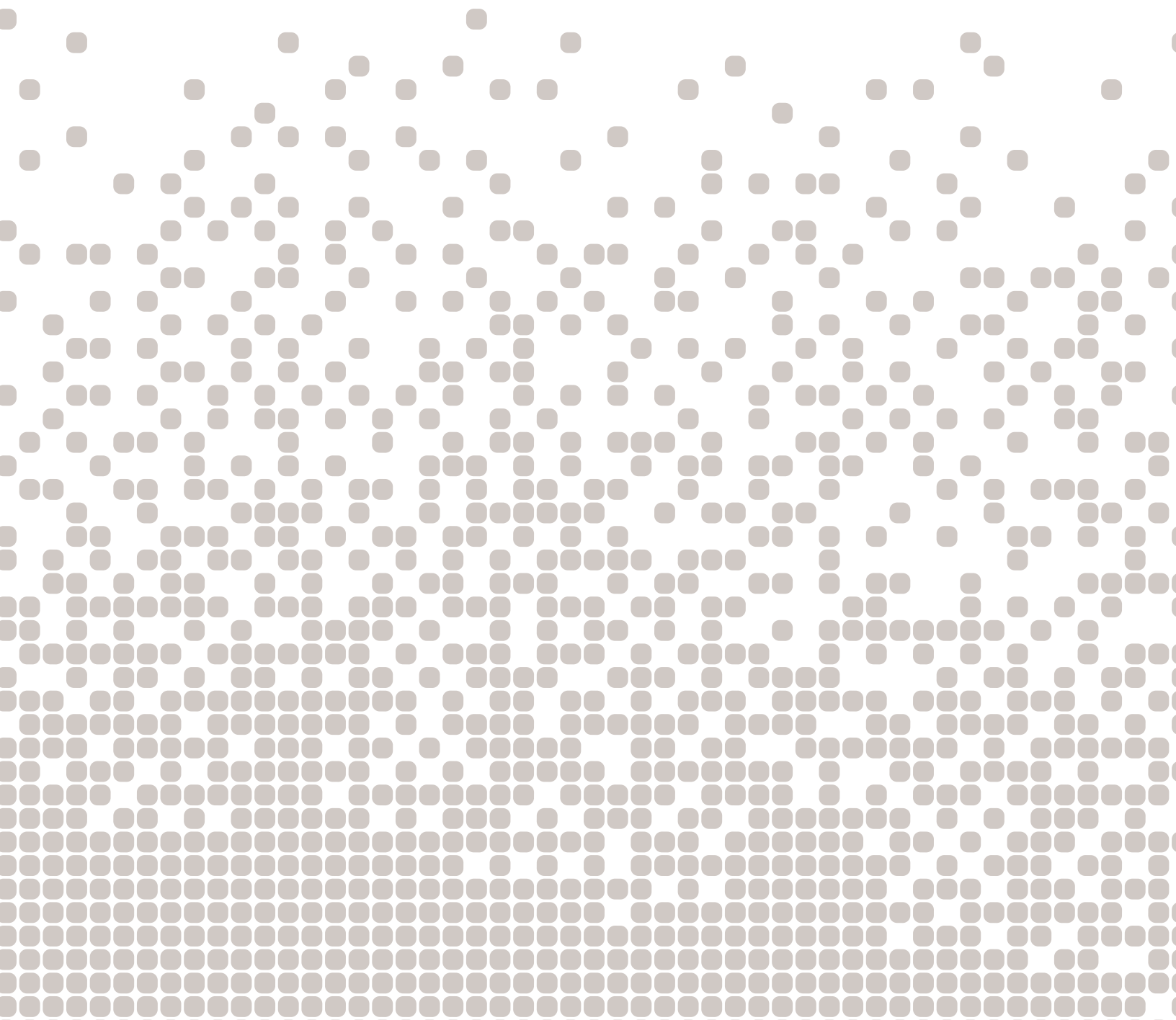


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Version 1.1 | July 29, 2013

# Organic Waste Composting

## Project Protocol



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## Abbreviations and Acronyms

ASP	Aerated static pile
BMP	Best management practice
CDM	Clean Development Mechanism
CH <sub>4</sub>	Methane
CO <sub>2</sub>	Carbon dioxide
CRT	Climate Reserve Tonne
EPA	Environmental Protection Agency
FOD	First Order Decay
FOG	Fats, oils, and greases
GHG	Greenhouse gas
ISO	International Organization for Standardization
lb	Pound
MRF	Materials Recovery Facility
MSW	Municipal solid waste
MT	Metric ton (or tonne)
N <sub>2</sub> O	Nitrous oxide
OPC	Optional process control
OWC	Organic waste composting
OWD	Organic waste digestion
Reserve	Climate Action Reserve
SSO	Source separated organics
SSRs	Sources, sinks, and reservoirs
UNFCCC	United Nations Framework Convention on Climate Change
WTE	Waste to Energy

# 1 Introduction

The Climate Action Reserve (Reserve) Organic Waste Composting Project Protocol provides guidance to account for, report, and verify greenhouse gas (GHG) emission reductions associated with the diversion of eligible organic wastes away from anaerobic landfill disposal systems and to composting operations where the material degrades in a controlled aerobic process.

The Climate Action Reserve is the most experienced, trusted and efficient offset registry to serve the California cap-and-trade program and the voluntary carbon market. With deep roots in California and a reach across North America, the Reserve encourages actions to reduce greenhouse gas emissions and works to ensure environmental benefit, integrity and transparency in market-based solutions to address global climate change. It operates the largest accredited registry for the California compliance market and has played an integral role in the development and administration of the state's cap-and-trade program. For the voluntary market, the Reserve establishes high quality standards for carbon offset projects, oversees independent third-party verification bodies and issues and tracks the transaction of carbon credits (Climate Reserve Tonnes) generated from such projects in a transparent, publicly-accessible system. The Reserve program promotes immediate environmental and health benefits to local communities and brings credibility and value to the carbon market. The Climate Action Reserve is a private 501(c)(3) nonprofit organization based in Los Angeles, California.

Project developers that initiate composting projects use this document to register GHG reductions with the Reserve. The protocol provides eligibility rules, methods to calculate reductions, performance-monitoring instructions, and procedures for reporting project information to the Reserve. Additionally, all project reports receive annual, independent verification by ISO-accredited and Reserve-approved verification bodies. Guidance for verification bodies to verify reductions is provided in the Reserve Verification Program Manual and Section 8 of this protocol.

This protocol is designed to ensure the complete, consistent, transparent, accurate, and conservative quantification and verification of GHG emission reductions associated with organic waste composting (OWC) projects.<sup>1</sup>

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<sup>1</sup> See the WRI/WBCSD GHG Protocol for Project Accounting (Part I, Chapter 4) for a description of GHG reduction project accounting principles.

## 2 The GHG Reduction Project

### 2.1 Background

Methane ( $\text{CH}_4$ ), a potent greenhouse gas (GHG), can be formed as a by-product of microbial respiration reactions that occur when organic materials decompose in the absence of oxygen (i.e. under anaerobic conditions). Organic waste deposited in municipal solid waste (MSW) landfills will decompose primarily under anaerobic conditions, producing significant quantities of methane gas and biogenic carbon dioxide ( $\text{CO}_2$ ), as well as other trace gases. The resulting  $\text{CH}_4$  component of the landfill gas, if not oxidized by landfill cover material or captured and destroyed by a gas collection system, will eventually be released to the atmosphere.

The rate at which  $\text{CH}_4$  production occurs in a landfill is governed by the decay rates of the specific types of waste that are deposited in the landfill. Although many landfills actively control LFG through gas collection and combustion systems, recent research indicates that typical landfill gas collection system efficiencies increase with time after initial waste burial as the collection system is installed and subsequently expanded.<sup>2</sup> Therefore, the fraction of  $\text{CH}_4$  that is collected from the decay of a certain type of waste will be inversely proportional to the decay rate of the waste type. For rapidly decaying organic waste streams such as food waste, a greater fraction of the  $\text{CH}_4$  produced from decay will go un-captured as compared to slowly degrading waste types.

When organic waste is composted, the material decomposes under primarily aerobic conditions. By diverting rapidly degrading food waste away from landfills to aerobic composting operations, significant emissions of  $\text{CH}_4$  to the atmosphere can be avoided. Biogenic  $\text{CO}_2$  is the primary decomposition byproduct from aerobic composting, although composting systems also emit nitrous oxide ( $\text{N}_2\text{O}$ ) and  $\text{CH}_4$  to the atmosphere. The degree to which  $\text{N}_2\text{O}$  and  $\text{CH}_4$  are released to the atmosphere depends on the environmental conditions under which the decomposition occurs at the composting facility.

$\text{CH}_4$  and  $\text{N}_2\text{O}$  formation primarily occurs when compost piles contain anaerobic pockets where oxygen levels are depleted. In order to achieve sufficient aeration and minimize the potential for anaerobic pockets within a composting system, wetter and denser composting feedstocks are generally mixed with drier materials that have some structural stability. This allows for airflow and allows aerobic conditions to be maintained. Commercial and municipal composting facilities in the U.S use a wide array of technologies from the relatively simple to the mechanically complex. The major classes of facilities are discussed in Table A.1 of Appendix A, however there are various iterations within and between the major classes of facilities. Because aerobic composting is a biologically mediated process, the fundamental biological principles are the same regardless of scale or technology. While technologies differ, commercial and municipal composting facilities are generally designed and operated in a manner that promotes aeration and minimizes the presence of anaerobic pockets, as anaerobic decomposition requires more time, results with lower temperatures inside the pile, and produces malodors.

### 2.2 Project Definition

For the purpose of this protocol, the GHG reduction project is defined as the composting of one or more eligible waste streams at an aerobic composting operation where the waste is

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<sup>2</sup> De la Cruz, F.B. and Barlaz, M. *Estimation of Waste Component Specific Landfill Decay Rates Using Laboratory-Scale Decomposition Data*. (2010).

processed in a system that complies with best management practices (BMPs), which ensure the composting process is operated under optimal conditions.<sup>3</sup> A “composting operation” is defined as a single facility, or a full complement of multiple facilities, necessary to process biodegradable organic solid waste components into a mature compost product. For the duration of the project, only a single composting operation may be utilized. In addition, any given composting operation may only be involved in a single project. A composting operation can be stand-alone, or may be incorporated into an existing landfill facility, Materials Recovery Facility (MRF) or other waste handling facility.

For the purposes of this protocol, a waste stream is defined as waste material originating from a specific facility (if commercial waste) or jurisdiction (if residential waste). An *eligible* waste stream is one that:

1. Consists of food waste and non-recyclable food soiled paper waste (referred to hereafter as food waste and soiled paper waste, respectively), as defined in Section 3.4.1; and
2. Continually passes the Legal Requirement Test criteria as outlined in Section 3.4.2.<sup>4</sup>

Fats, oils and greases (FOG) and any solids that are separated from FOG waste are not considered to be food waste and are not an eligible waste type.

To ensure optimal composting, the project composting operation must comply with the following BMPs:

1. Time, Temperature, and Turning Frequency BMP Requirements:
  - For Forced Aeration Systems (Aerated Static Pile (ASP) and/or enclosed, in-vessel, or in-building composting), the temperature of the compost is measured to be 55°C or greater for 3 or more consecutive days, or
  - For Turned Windrow Systems (non-forced aeration), the temperature of the compost is measured to be 55°C or greater for 15 or more days, during which time the windrow is turned a minimum of five times.<sup>5</sup>
2. Food Waste Handling BMP Requirements:
  - All waste stream deliveries containing food waste must be:
    - a. Mixed and incorporated into the composting process no more than 24 hours after delivery of the waste to the facility, or
    - b. Covered with a layer of high-carbon materials<sup>6</sup> or finished compost no more than 24 hours after delivery, and mixed and incorporated into the composting process no more than 72 hours after delivery, or
    - c. Placed in a building under negative air pressure, with exhaust gas vented through a biofilter (or otherwise placed in an enclosed environment with emission controls that are equivalent to a biofilter in their control of methane and nitrous oxide) no more than 24 hours after delivery.

<sup>3</sup> BMPs in this protocol are largely taken from the EPA Time and Temperature standards for pathogen reduction, available at:

[http://water.epa.gov/scitech/wastetech/biosolids/upload/2002\\_06\\_28\\_mtb\\_biosolids\\_503pe\\_503pe\\_5.pdf](http://water.epa.gov/scitech/wastetech/biosolids/upload/2002_06_28_mtb_biosolids_503pe_503pe_5.pdf)

<sup>4</sup> Each food waste stream must have documented the county or jurisdiction of origination in order to ensure the stream is eligible per the Legal Requirement Test.

<sup>5</sup> Project developers can use an alternative windrow turning frequency if it can be demonstrated that the frequency of turning complies with or conforms to state agency issued regulations or Best Management Practice guidelines.

<sup>6</sup> Wood chips, shredded yard waste, or similar high carbon organic materials.

Section 6.3 of this protocol provides the BMP monitoring requirements for a project operation per this protocol.

An operation that composts waste using non-aerated static or passive pile composting does not meet the BMP requirements per this protocol, and therefore does not meet the definition of an eligible project.

### **2.2.1 Project Activities**

Project activities are those activities that are necessary for the composting process, beginning with the initial receipt of waste through to the production of finished compost. For the purposes of this protocol, the following activities are considered project activities as long as their execution is related to eligible waste streams processed by the project's aerobic composting operation:

- Receipt of waste
- Waste pre-processing, including storage, handling, and mixing
- Movement and handling of waste onsite
- Composting activities, including formation of piles, operation of aeration and leachate collection systems, turning of windrows, and other activities that are necessary for, or related to, the composting of eligible waste
- Movement, handling, and storage of finished compost onsite
- Movement, handling, and storage of leachate
- Measurement and documentation of project parameters, including BMPs
- Other operations at the compost facility/facilities that are necessary for the activities listed above

## **2.3 The Project Developer**

The “project developer” is an entity that has an active account on the Reserve, submits a project for listing and registration with the Reserve, and is ultimately responsible for all project reporting and verification. Project developers may be compost facility operators, GHG project developers, or other entities such as municipalities, institutions, or waste management companies.

In all cases, the project developer must attest to the Reserve that they have exclusive claim to the GHG reductions – including indirect emission reductions – resulting from the project. Indirect emission reductions are reductions in GHG emissions that occur at a location other than where the reduction activity is implemented, and/or at sources not owned or controlled by project participants. A composting project will result in indirect emission reductions if eligible waste feedstocks are diverted away from landfills that are not located at the project site or that are not owned or controlled by project participants. Each time a project is verified, the project developer must attest that no other entities are reporting or claiming (e.g. for voluntary reporting or regulatory compliance purposes) the GHG reductions caused by the project.<sup>7</sup> The Reserve will not issue CRTs for GHG reductions that are reported or claimed by entities other than the project developer (e.g. waste generators, landfills, or municipalities not designated as the project developer).

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<sup>7</sup> This is done by signing the Reserve's Attestation of Title form, available at <http://www.climateactionreserve.org/how/program/documents/>.

### 3 Eligibility Rules

Projects must fully satisfy the following eligibility rules in order to register with the Reserve. The criteria only apply to projects that meet the definition of a GHG reduction project (Section 2.2).

<b>Eligibility Rule I:</b>	Location	→	<i>U.S. and its territories</i>
<b>Eligibility Rule II:</b>	Project Start Date	→	<i>No more than six months prior to project submission</i>
<b>Eligibility Rule III:</b>	Additionality	→	<i>Meet performance standard</i>
		→	<i>Exceed regulatory requirements</i>
<b>Eligibility Rule IV:</b>	Regulatory Compliance	→	<i>Compliance with all applicable laws</i>

#### 3.1 Location

Only projects located in the United States, or on U.S. tribal lands, are eligible to register reductions with the Reserve under this protocol. All eligible food waste streams composted by a project must originate within the United States. Under this protocol, reductions from international projects are not eligible to register with the Reserve.

#### 3.2 Project Start Date

The project start date for a composting project is to be chosen by the project developer, but must be on or subsequent to the date that the project developer has implemented and documented a Monitoring Plan ensuring compliance with the BMPs defined in Section 2.2 of this protocol, and has begun composting eligible waste.

To be eligible, the project must be submitted to the Reserve no more than six months after the project start date, except as specified below.<sup>8</sup> Projects may always be submitted for listing by the Reserve prior to their start date.

Projects may have a start date between June 30, 2008 and June 30, 2010 (inclusive) if the project was submitted no later than June 30, 2011.

#### 3.3 Project Crediting Period

The crediting period for projects under this protocol is ten years. At the end of a project's first crediting period, project developers may apply for eligibility under a second crediting period. However, the Reserve will cease to issue CRTs for GHG reductions associated with eligible food and/or soiled paper waste streams if at any point in the future, the diversion of those waste streams becomes legally required, as defined by the terms of the Legal Requirement Test (see Section 3.4.2). Thus, the Reserve will issue CRTs for GHG reductions quantified and verified according to this protocol for a maximum of two ten year crediting periods after the project start date, or until the project activity is required by law (based on the date that a legal mandate takes

<sup>8</sup> Projects are considered submitted when the project developer has fully completed and filed the appropriate Project Submittal Form, available on the Reserve's website.

effect), whichever comes first. Section 3.4.1 describes requirements for qualifying for a second crediting period.

### 3.4 Additionality

The Reserve strives to register only projects that yield surplus GHG reductions that are additional to what would have occurred in the absence of a carbon offset market.

Projects must satisfy the following tests to be considered additional:

1. The Performance Standard Test
2. The Legal Requirement Test

#### 3.4.1 The Performance Standard Test

Projects pass the Performance Standard Test by meeting a performance threshold, i.e. a standard of performance applicable to all composting projects, established by this protocol.

Compost facilities commonly process various feedstocks. The performance standard for this protocol defines compost feedstocks that the Reserve has determined are likely to be deposited in landfills under common practice or “business-as-usual” management practices.<sup>9</sup> Only projects that divert and compost eligible feedstocks are deemed to exceed common practice and are therefore eligible for registration under this protocol. Based upon the results of the performance standard research, food waste and co-mingled non-recyclable food soiled paper waste are the sole composting feedstocks deemed eligible per this protocol.<sup>10</sup> For the purposes of this protocol, food waste and food soiled paper are defined below:

- Food Waste: defined as non-industrial solid food waste commonly disposed of in a MSW system, consisting of uneaten food, food scraps, spoiled food and food preparation wastes from homes, restaurants, kitchens, grocery stores, campuses, cafeterias, or similar institutions. FOG and any solids that are separated from FOG waste, are not considered to be food waste and are not an eligible waste type.
- Food Soiled Paper Waste: non-recyclable paper items that are co-mingled with eligible food waste, consisting of paper napkins and tissues, paper plates, paper cups, fast food wrappers, used pizza boxes, wax-coated cardboard, and other similar paper or compostable packaging<sup>11</sup> items typically disposed of in an MSW system.

The Reserve’s performance standard research indicates that approximately 2.5% of the food waste generated in the U.S. is composted annually as common practice, and that this is limited mostly to food waste from grocery stores and supermarket diversion programs.<sup>12</sup> Therefore, food waste and soiled paper waste streams are not eligible if they are sourced from grocery

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<sup>9</sup> A summary of the study used to establish this list of feedstocks and define this protocol’s performance standard is provided in Appendix B.

<sup>10</sup> Non-recyclable (soiled) paper as a category was not separately addressed in the performance standard research or through national waste characterization studies, however residential and commercial non-recyclable paper waste is co-mingled with food waste in the MSW waste stream and would be expected to have a diversion rate similar to or less than the diversion rate of food waste due to the fact that the waste is non-recyclable. Source separated compostable waste streams are likely to include food waste co-mingled with some amount of soiled paper.

<sup>11</sup> Non-paper compostable packaging products such as polylactide polymer (PLA) may replace paper or plastic packaging on some food products, and are assumed to have similar properties to soiled paper.

<sup>12</sup> Based on composting data supplied by the stakeholder work group that advised development of this protocol, and evidence from compost experts.



stores and/or supermarkets that have historically diverted these waste streams from landfills. Additionally, all grocery store waste streams composted by the project operation prior to the project start date are not eligible.

Projects must demonstrate the eligibility of each new grocery store waste stream composted by the project by documenting that the food and soiled paper component of the grocery store waste was being disposed of in a landfill for a period of at least 36 months prior to the date that the grocery store waste was first delivered to the project composting operation, or documenting that the grocery store waste stream was previously deemed to be an eligible waste stream at another OWC or organic waste digestion (OWD) project that is registered with the Reserve. If the grocery store has been in operation for less than 36 months prior to first delivery of organic waste to the project operation, then the project must demonstrate that the waste stream was being disposed of in a landfill for the entire history of the store.

Waste streams originating from new grocery store facilities are deemed eligible. Section 6.2 provides requirements for documenting the pre-project disposal of grocery store waste. All other food and soiled paper waste sources described above are eligible.

Eligible waste streams at the time a project is registered shall remain eligible throughout a project's first crediting period, regardless of changes in any future versions of this protocol. However, projects must demonstrate the eligibility of all new grocery store waste streams composted by the project operation according to the requirements above.

If a project developer wishes to apply for a second crediting period, the project must meet the eligibility requirements of the most current version of this protocol, including any updates to the Performance Standard Test.

### **3.4.2 The Legal Requirement Test**

All projects are subject to a Legal Requirement Test to ensure that the GHG reductions achieved by a project would not otherwise have occurred due to federal, state, or local regulations, or other legally binding mandates. For composting projects, the Legal Requirement Test is applied to each eligible waste stream composted by the project. A food waste and/or soiled paper stream passes the Legal Requirement Test when:

1. There are no laws, statutes, regulations, court orders, environmental mitigation agreements, permitting conditions, or other legally binding mandates that require the diversion of the eligible waste stream from landfills, and/or that require the aerobic treatment of the waste stream (see Sections 3.4.2.1 below, for further guidance on regulations affecting organic solid waste); or
2. A legally binding local mandate requiring diversion and aerobic treatment of the waste stream is enacted in conjunction with the project, as specified in Section 3.4.2.2.

To satisfy the Legal Requirement Test, project developers must submit a signed Attestation of Voluntary Implementation form<sup>13</sup> prior to the commencement of verification activities each time the project is verified (see Section 8). In addition, the project's Monitoring Plan (Section 6) must include procedures that the project developer will follow to ascertain and demonstrate that the project at all times passes the Legal Requirement Test.

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<sup>13</sup> Form available at <http://www.climateactionreserve.org/how/program/documents/>.

If a project composts an eligible food waste stream that later becomes subject to a legal mandate requiring its diversion and/or aerobic treatment, the waste stream will remain eligible up until the date that the legal mandate takes effect. The project may continue to report GHG reductions to the Reserve associated with other eligible waste streams that are not subject to such mandates. The Reserve will continue to issue CRTs for the avoidance of methane associated with the composting of eligible waste streams that are not legally required to be diverted or aerobically treated.

### **3.4.2.1 Guidance on Solid Organic Waste Regulations**

There are various state and local regulations, ordinances, and mandatory diversion targets that may obligate waste source producers or waste management entities to divert organic wastes away from landfills. An organic solid waste stream that is banned from landfilling, or for which a strong regulatory incentive exists to manage the waste stream in a system other than a landfill, fails the Legal Requirement Test.

#### **State Regulations**

States may have mandatory landfill diversion targets that require a percentage of waste generated be diverted from landfills to alternative management systems. Although waste diversion targets may not specify a reduction or percentage of diversion that must be met from *food* waste, these targets nevertheless provide strong regulatory incentives to divert all wastes (including food wastes) from landfills. Thus, food waste originating from a jurisdiction that is not in compliance with a mandated landfill diversion target does not pass the Legal Requirement Test until the date at which the jurisdiction comes into compliance with the mandated landfill diversion target.

Mandatory state diversion targets are not to be confused with state diversion goals. Should a state adopt a statewide waste diversion goal that does not impose penalties on jurisdictions for failing to meet diversion targets, then this state goal would not result in a failure of the Legal Requirement Test.

#### **Local and Municipal Regulations and Ordinances**

Local jurisdictions may have bans on certain types of waste going to landfill, or may have mandatory ordinances that require the diversion of organic solid wastes from landfills. If a local jurisdiction has established a mandatory ban on food waste disposal at landfills, or otherwise has enacted food waste diversion mandates, food waste streams originating from regulated sources within the jurisdiction fail the Legal Requirement Test.

### **3.4.2.2 Local Food Waste Diversion Mandates Enacted in Conjunction with a Composting Project**

A food waste stream subject to a local food waste diversion mandate passes the Legal Requirement Test if (and only if):

1. The project composting the local food waste stream has an operational start date prior to, but no more than 5 years before, the date that the food waste diversion mandate is passed into law by the local jurisdiction; or
2. The project is *implemented* subsequent to, but no more than 6 months after, the date of passage into law of the local food waste mandate.

For the purposes of this protocol, the date of project implementation may be defined with respect to the date at which the project first broke ground, purchased food waste composting equipment, or began the permitting process to compost food waste at the facility/facilities.

All food waste streams must continue to pass the Legal Requirement Test on the state and federal level in order to be considered eligible per the Legal Requirement Test.

### **3.5 Regulatory Compliance**

As a final eligibility requirement, project developers must attest that project activities do not cause material violations of applicable laws (e.g. air, water quality, safety, etc.). To satisfy this requirement, project developers must submit a signed Attestation of Regulatory Compliance form<sup>14</sup> prior to the commencement of verification activities each time the project is verified. Project developers are also required to disclose in writing to the verifier any and all instances of legal violations – material or otherwise – caused by the project activities.

A violation should be considered to be “caused” by project activities if it can be reasonably argued that the violation would not have occurred in the absence of the project activities. If there is any question of causality, the project developer shall disclose the violation to the verifier.

If a verifier finds that project activities have caused a material violation, then CRTs will not be issued for GHG reductions that occurred during the period(s) when the violation occurred. Individual violations due to administrative or reporting issues, or due to “acts of nature,” are not considered material and will not affect CRT crediting. However, recurrent administrative violations directly related to project activities may affect crediting. Verifiers must determine if recurrent violations rise to the level of materiality. If the verifier is unable to assess the materiality of the violation, then the verifier shall consult with the Reserve.

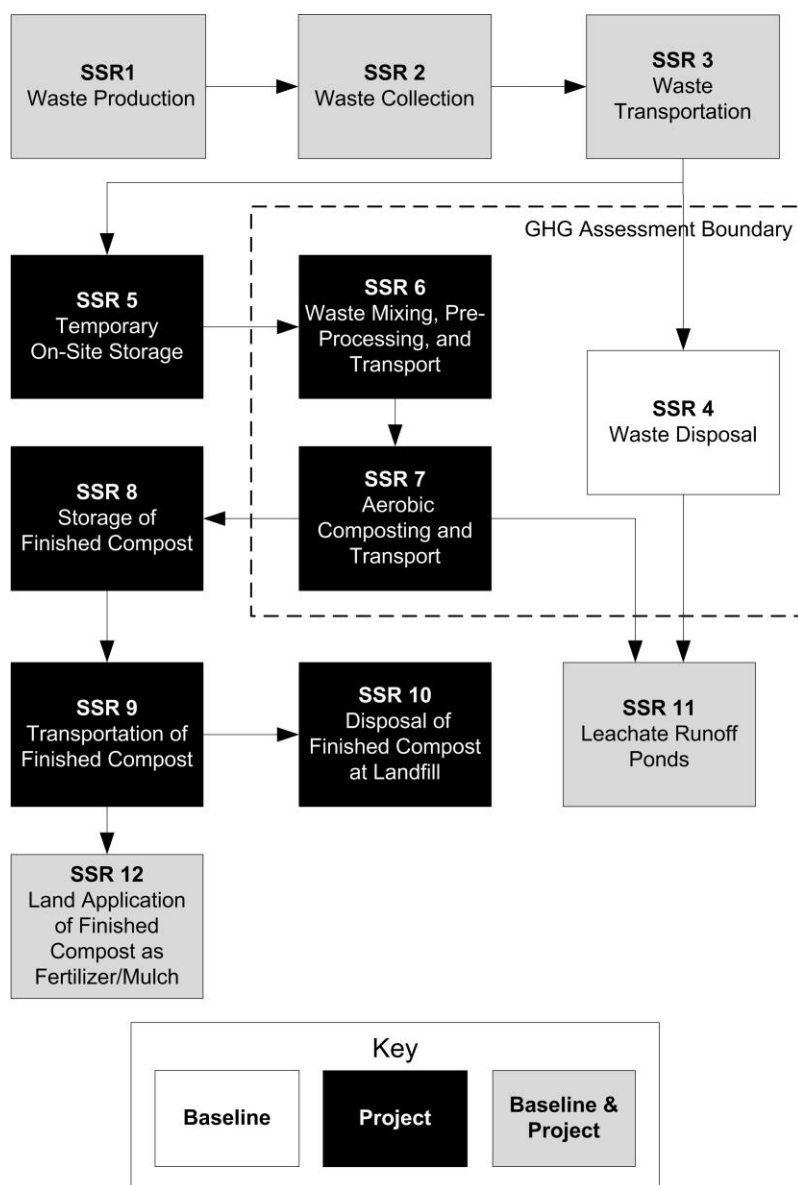
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<sup>14</sup> Attestation forms are available at <http://www.climateactionreserve.org/how/program/documents/>.

## 4 The GHG Assessment Boundary

The GHG Assessment Boundary delineates the GHG sources, sinks, and reservoirs (SSRs) that must be assessed by project developers in order to determine the net change in emissions caused by a food waste composting project.<sup>15</sup> Figure 4.1 illustrates all relevant GHG SSRs associated with the management of eligible waste streams and delineates the GHG Assessment Boundary.

Table 4.1 provides greater detail on each SSR and justification for the inclusion or exclusion of certain SSRs and gases from the GHG Assessment Boundary.



**Figure 4.1.** General Illustration of the GHG Assessment Boundary

<sup>15</sup> The definition and assessment of SSRs is consistent with ISO 14064-2 guidance.

**Table 4.1.** Description of All Sources, Sinks, and Reservoirs

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
1. Waste Production	Fossil fuel emissions associated with the generation of waste	CO <sub>2</sub>	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
		CH <sub>4</sub>	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
		N <sub>2</sub> O	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
2. Waste Collection	Fossil fuel emissions from mechanical systems used to collect, handle, and/or process waste prior to transportation	CO <sub>2</sub>	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
		CH <sub>4</sub>	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
		N <sub>2</sub> O	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
3. Waste Transportation	Fossil Fuel emissions from transport of waste to final disposal/treatment system (e.g. garbage trucks, hauling trucks, etc.)	CO <sub>2</sub>	E	N/A	Excluded. Emissions from project activity will in most instances be of comparable magnitude to baseline transportation emissions <sup>16</sup> The difference between project and baseline waste transportation distance can be large without significantly affecting a project's total net GHG reductions.
		CH <sub>4</sub>	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
		N <sub>2</sub> O	E	N/A	Excluded. Project activity is unlikely to affect emissions relative to baseline activity.
4. Waste Disposal at Landfill	Emissions resulting from landfill equipment, and anaerobic decay of food and food soiled paper waste disposed of at a landfill	CO <sub>2</sub>	Fossil: E Biogenic: E	N/A	Fossil fuel emissions from landfill equipment excluded, as they are expected to decrease relative to baseline activity.  Biogenic emissions are excluded.
		CH <sub>4</sub>	I	Baseline: Modeled w/ FOD model based on site-specific measurement of quantity of food waste diverted, waste specific characteristic factors, and local climate Project: N/A	This is a primary source of GHG emissions that may be avoided by an OWC project.

<sup>16</sup> SAIC, Methane Avoidance from Composting Issue Paper (2009).

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
		N <sub>2</sub> O	E	N/A	Excluded for conservativeness. <sup>17</sup>
5. Temporary Onsite Storage	GHG emissions may result if waste is stored for long periods of time under anaerobic conditions prior to active composting	CO <sub>2</sub>	E	N/A	Biogenic emissions are excluded.
		CH <sub>4</sub>	E	N/A	Excluded, as projects are required to utilize waste handling BMP requirements that minimize emissions from waste storage. Thus, CH <sub>4</sub> emissions are likely to be very small.
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small. N <sub>2</sub> O is unlikely to be produced until later stages of the active composting cycle.
6. Waste Mixing, Pre-Processing, and Transport	Emissions resulting from the use of fossil fuels or grid delivered electricity for pre-processing equipment used for processing/mixing eligible waste materials	CO <sub>2</sub>	I	Baseline: N/A Project: Estimated using fossil fuel use or electricity use data and appropriate emission factors	Depending on the specifics of project waste pre-processing practices, increases in GHG emissions from this source could be significant. In cases where multiple facilities are engaged in a single compost process, fossil fuel emissions from transport between such facilities shall be included.
		CH <sub>4</sub>	E	N/A	Excluded, as this emission source is assumed to be very small.
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small.
7. Aerobic Composting and Transport	Emissions resulting from the composting process, including active composting and curing of eligible waste at project facilities	CO <sub>2</sub>	Fossil: I Biogenic: E	Baseline: N/A Project: Estimated using fossil fuel use or electricity use data and appropriate emission factors	Project CO <sub>2</sub> emissions resulting from onsite fossil fuel use and/or grid delivered electricity may be significant. In cases where multiple facilities are engaged in a single compost process, fossil fuel emissions from transport between such facilities shall be included.  Biogenic CO <sub>2</sub> emissions from aerobic processing are excluded.
		CH <sub>4</sub>	I	Baseline: N/A Project: Estimated using emission factors adjusted for project-specific composting practices	Project CH <sub>4</sub> emissions depend on the type of composting as well as the management of the composting process. Projects are required to account for emissions based on project-specific composting practices.
		N <sub>2</sub> O	I	Baseline: N/A Project: Estimated using emission factors adjusted for project-specific composting practices	Project N <sub>2</sub> O emissions depend on the type of composting as well as the management of the composting process. Projects are required to account for potential emissions based on project-specific composting practices.

<sup>17</sup> The Reserve will continue to follow scientific research regarding N<sub>2</sub>O emissions from landfills. It is conservative to exclude N<sub>2</sub>O from the landfill baseline emissions quantification.

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
8. Storage of Finished Compost	Emissions from the continued decay of stored finished compost	CO <sub>2</sub>	E	N/A	Biogenic emissions are excluded.
		CH <sub>4</sub>	E	N/A	Excluded because the CH <sub>4</sub> potential of the waste is largely depleted within the first four weeks of the aerobic composting treatment, thus this emission source is assumed to be very small. <sup>18</sup>
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small.
9. Transportation of Finished Compost	Fossil fuel emissions from the transport of the finished compost to the site of end-use	CO <sub>2</sub>	E	N/A	Excluded, as transportation distance can be large without significantly affecting a project's total net GHG reductions. It is expected that the majority of compost users are located in close proximity to the compost supplier. <sup>18</sup>
		CH <sub>4</sub>	E	N/A	Excluded, as this emission source is assumed to be very small.
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small.
10. Disposal of Finished Compost at Landfill	Emissions from the disposal of finished compost at a landfill or other anaerobic disposal system	CO <sub>2</sub>	E	N/A	Biogenic emissions are excluded.
		CH <sub>4</sub>	E	N/A	Excluded because this practice is not common, and the biodegradable components of the waste have largely decayed. Emissions are likely to be very small.
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small.
11. Leachate Run-Off Ponds	Emissions from anaerobic storage and treatment of food and soiled paper leachate run-off	CO <sub>2</sub>	E	N/A	Biogenic emissions are excluded.
		CH <sub>4</sub>	E	N/A	Excluded. This is a small source, and leachate from food and soiled paper waste is likely treated similarly at landfills and at composting facilities, therefore project activity is unlikely to affect emissions relative to baseline activity.
		N <sub>2</sub> O	E	N/A	Excluded, as this emission source is assumed to be very small.
12. Land Application	Emissions and sequestration related to the land application of fertilizers and finished compost.	CO <sub>2</sub>	E	N/A	Excluded, as project activity is unlikely to increase emissions relative to baseline fertilizer application. Furthermore, the application of finished
		CH <sub>4</sub>	E	N/A	

<sup>18</sup> SAIC, Methane Avoidance from Composting Issue Paper (2009).

SSR	Source Description	Gas	Included (I) or Excluded (E)	Quantification Method	Justification/Explanation
		N <sub>2</sub> O	E	N/A	compost as soil amendment or mulch on agricultural lands has been shown to result in significant GHG benefits due to avoided fossil based fertilizer use, increased carbon sequestration, increased water retention in soils, and other impacts. This protocol does not address the GHG benefits of compost end-use, which is considered a complementary and separate activity.



## 5 Quantifying GHG Emission Reductions

GHG emission reductions from a composting project are quantified by comparing actual project emissions to the calculated baseline emissions. Baseline emissions are an estimate of the GHG emissions from sources within the GHG Assessment Boundary (see Section 4) that would have occurred in the absence of the project. Project emissions are actual GHG emissions that occur at sources within the GHG Assessment Boundary as a result of the project. Project emissions must be subtracted from the baseline emissions to quantify the project's total net GHG emission reductions (Equation 5.1). GHG emission reductions must be quantified and verified on at least an annual basis. Project developers may choose to quantify and verify GHG emission reductions on a more frequent basis if they desire. The length of time over which GHG emission reductions are periodically quantified and verified is called the "reporting period."

**Equation 5.1.** Calculating GHG Emission Reductions

<b><math>ER = BE - PE</math></b>		
<i>Where,</i>		<u>Units</u>
ER	=	Total emission reductions for the reporting period
BE	=	Total baseline emissions for the reporting period, from all SSRs in the GHG Assessment Boundary (as calculated in Section 5.1)
PE	=	Total project emissions for the reporting period, from all SSRs in the GHG Assessment Boundary (as calculated in Section 5.2)
		MTCO <sub>2</sub> e
		MTCO <sub>2</sub> e
		MTCO <sub>2</sub> e

### 5.1 Quantifying Baseline Emissions

Total baseline emissions for the reporting period are estimated by calculating and summing the emissions from all relevant baseline SSRs that are included in the GHG assessment boundary. As indicated in Table 4.1, total baseline emissions are equivalent to the emissions of methane that would have occurred had eligible food and food soiled paper waste streams been disposed of at a MSW landfill (SSR 4).

The baseline calculation assumes that the quantity of eligible food and soiled paper waste that is composted by the project would otherwise have been disposed of at a landfill or waste incineration plant in the absence of the project.<sup>19</sup> While the majority of non-recovered organic MSW in the U.S. is disposed of at landfills, a small percentage of waste is also incinerated at Waste to Energy (WTE) facilities.<sup>20</sup> Organic wastes that are landfilled will degrade primarily under anaerobic conditions and will release methane to the atmosphere, whereas waste that is combusted will produce insignificant emissions of methane to the atmosphere. The baseline calculation for eligible food waste streams assumes that the food waste is landfilled, however the baseline methane emissions are adjusted to reflect that some of the waste would have gone to WTE facilities. The percentage of food and soiled paper waste that is assumed to be incinerated in the baseline is equal to the waste incineration rate for the U.S. state where the project is located, as specified in Table A.4 of Appendix A.

Equations 5.2, 5.3, and 5.4 below must be used to calculate the baseline methane emissions from the eligible food and soiled paper waste streams that are composted by the project during

<sup>19</sup> U.S. EPA, Municipal Solid Waste in the United States, 2007 Facts and Figures. (2007).

<sup>20</sup> Biocycle Magazine, State of Garbage (2006)

the reporting period. These equations are based on a First Order Decay (FOD) model.<sup>21</sup> The FOD model estimates the methane emissions that would have been emitted to the atmosphere over a period of ten years had the food and soiled paper waste been disposed of in a landfill instead of being composted by the project. The ten-year emission estimate is summed and applied to the total baseline emissions for the current reporting period.

Equations 5.3 and 5.4 represent the FOD model calculations that must be used to estimate baseline emissions for both the food waste component and the soiled paper component of the eligible waste that is composted by the project. For the calculation, the total weight of the food and soiled paper waste from each eligible waste stream must be aggregated over the reporting period. The inputs to the FOD model include:

- The State Waste Incineration (WTE) rate – the percentage of the waste that would have gone to a waste incineration plant instead of a landfill on a state-by-state basis
- The Landfill Gas Collection Efficiency (LCE) – the percentage of landfill gas that is captured and controlled due to the presence of a landfill gas collection and control system (see Box 5.1 for further information on the LCE parameter)
- The waste-specific fraction of total Degradable Organic Carbon (DOC<sub>S</sub>), and fraction of DOC<sub>S</sub> that is degradable under anaerobic conditions (DOC<sub>f</sub>)
- The decay rate of the waste, *k*, which is a function of both the type of waste and external climate of the region where the waste would have been landfilled

**Equation 5.2. Calculating Baseline Methane Emissions for Food Waste Streams**

$BE = \sum_S BE_{CH_4,S}$		
Where,		
BE	=	Total sum of the baseline emissions during the reporting period
BE <sub>CH<sub>4</sub>,S</sub>	=	Baseline methane emissions from composted waste stream 'S' during the reporting period
Units		
		MTCO <sub>2</sub> e
		MTCO <sub>2</sub> e
$BE_{CH_4,S} = BE_{FW,S} + BE_{SP,S}$		
Where,		
BE <sub>FW,S</sub>	=	Baseline methane emissions from the food waste component of eligible waste stream 'S' that is composted during the reporting period
BE <sub>SP,S</sub>	=	Baseline methane emissions from the soiled paper component of eligible waste stream 'S' that is composted during the reporting period
		MTCO <sub>2</sub> e
		MTCO <sub>2</sub> e

<sup>21</sup> The FOD model used in Equation 5.3 and 5.4 is referenced from the UNFCCC Clean Development Mechanism (CDM) approved methodology for calculating avoided methane emissions from waste diversion (Tool to determine methane emissions avoided from dumping waste at a SWDS (V4.0)). The model is adapted in order to quantify and sum the emissions over a ten year horizon of waste degradation rather than quantifying the annually distributed emissions. Due to model uncertainty, it is conservative to limit the calculation time frame to ten years, although waste would likely continue to break down in a landfill for a much longer period.

**Equation 5.3.** Baseline Methane Emissions from Eligible Food Waste, by Waste Stream

<b><math>BE_{FW,S} = 0.9 \times W_{FW,S} \times (1 - WTE_S) \times 128 \times \rho \times FE_{FW,S} \times 21</math></b>		
<b>Where,</b>		<b><u>Units</u></b>
$BE_{FW,S}$	= Baseline methane emissions from the food waste component of eligible waste stream 'S' that is composted during the reporting period	MTCO <sub>2</sub> e
0.9	= Model correction factor to account for model and waste composition uncertainties related to waste composition and waste characteristics <sup>22</sup>	fraction
$W_{FW,S}$	= Aggregated weight of eligible food waste (measured on a wet basis) from eligible waste stream 'S' that is composted by the project during the reporting period. See Section 5.1.1 for guidance on determining the weight of eligible food waste	MT food waste (wet weight)
$WTE_S$	= Fraction of waste from eligible waste stream 'S' that would have been incinerated at a Waste to Energy plant in lieu of being landfilled. This fraction is equal to the state-specific fraction of total generated waste that is incinerated. Referenced by waste origination State from Table A.4 in Appendix A	fraction
128	= Methane potential of food waste (measured on a wet basis) from eligible waste stream 'S'. Projects must use this value for all food waste streams <sup>23</sup>	m <sup>3</sup> CH <sub>4</sub> /MT food waste (wet weight)
$\rho$	= Density of methane, equal to <b>0.000674</b>	MTCH <sub>4</sub> /m <sup>3</sup>
$FE_{FW,S}$	= Fraction of methane generated from eligible waste stream 'S' that is emitted to the atmosphere over a ten year time horizon, as calculated using the First Order Decay function. The fraction emitted to the atmosphere is a function of the decay rates of food waste, the landfill gas collection assumptions (see Box 5.1), and the amount of methane generated that is oxidized in the cover soil	fraction
21	= Global warming potential of methane	MTCO <sub>2</sub> e / MTCH <sub>4</sub>

<sup>22</sup> As per CDM Annex 10 – Tool to determine methane emissions avoided from dumping waste at a SWDS (V4.0) [http://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-04-v4.pdf/history\\_view](http://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-04-v4.pdf/history_view).

<sup>23</sup> U.S. EPA Inventory of Greenhouse Gas Emissions and Sinks, 1990-2008. Annex 3, Ch. 3.14, pg. A-295.

**Equation 5.3.** (Continued)

$FE_{FW,S} = \sum_{x=1}^{10} [e^{-k_{FW,S}(x-1)} \times (1 - e^{-k_{FW,S}}) \times (1 - (GC_S \times LCE_x))] \times (1 - 0.1)$		
<i>Where,</i>		<u>Units</u>
e	= Mathematical constant, approximately equal to 2.71828	
k <sub>FW,S</sub>	= Decay rate for eligible food waste stream 'S'. The decay rate is a function of the climatological characteristics of the region where the waste is landfilled. Referenced from Table A.2 by waste origination county climate category, which is referenced from Figure A.2	yr <sup>-1</sup>
x	= Placeholder for the iterative calculation. The FOD equation calculates emissions out over a period of ten years (x = 1 to 10) following the year in which the waste is initially diverted to the compost operation. The ten year calculation is summed and applied to the total baseline emissions for the current reporting period	
GC <sub>S</sub>	= Gas collection factor for eligible waste stream 'S'. The gas collection factor is equal to the fraction of waste disposed at landfills utilizing gas collection for the state from which the waste stream 'S' originates. Referenced by state from Table A.3 in Appendix A	fraction
LCE <sub>x</sub>	= Fraction of methane that would be captured and destroyed by LFG collection systems in the year x, starting with the year that the waste is diverted to the project (x =1) and ending with year x = 10. All projects shall use a value of ' <b>0.0</b> ' for the first two years of calculated waste decay (x=1 to 2), a value of ' <b>0.5</b> ' for the third year (x=3), a value of ' <b>0.75</b> ' for years 4 to 7 (x=4 to 7), and a value of ' <b>0.95</b> ' for the remaining years of decay until the end of the calculation period (x =8 to 10). See Box 5.1 for a discussion of LCE assumptions <sup>24</sup>	fraction
0.1	= Factor for the oxidation of methane by cover soil bacteria <sup>25</sup>	fraction

<sup>24</sup> The Reserve will periodically re-assess the LCE default parameters in order to ensure that landfill gas collection assumptions remain conservative and accurate.

<sup>25</sup> As per the Reserve Landfill Project Protocol V4.0, CDM Annex 10 – Tool to determine methane emissions avoided from dumping waste at a SWDS (V4.0), and U.S. EPA *Solid Waste Management and Greenhouse Gases: A Lifecycle Assessment of Emissions and Sinks*, Chapter 6, Pg. 87, fnt27.

**Equation 5.4.** Baseline Methane Emissions from Eligible Soiled Paper Waste, by Waste Stream

<b><math>BE_{SP,S} = 0.9 \times W_{SP,S} \times (1 - WTE_S) \times 310 \times \rho \times FE_{SP,S} \times 21</math></b>		
<i>Where,</i>		<u>Units</u>
$BE_{SP,S}$	= Baseline methane emissions from the soiled paper component of eligible waste stream 'S' that is composted during the reporting period	MTCO <sub>2</sub> e
0.9	= Model correction factor to account for model and waste composition uncertainties related to waste composition and waste characteristics <sup>26</sup>	fraction
$W_{SP,S}$	= Aggregated weight of eligible soiled paper waste (measured on a wet basis) from eligible waste stream 'S' that is composted by the project during the reporting period. See Section 5.1.1 for guidance on determining the weight of eligible food waste	MT soiled paper (wet weight)
$WTE_S$	= Fraction of waste from eligible waste stream 'S' that would have been incinerated at a Waste to Energy plant in lieu of being landfilled. This fraction is equal to the state-specific fraction of total generated waste that is incinerated. Referenced by waste origination State from Table A.4 in Appendix A	fraction
310	= Methane potential of soiled paper waste (measured on a wet basis) from eligible waste stream 'S'. Projects must use this value for all soiled paper waste streams <sup>27</sup>	m <sup>3</sup> CH <sub>4</sub> /MT food waste (wet weight)
$\rho$	= Density of methane, equal to <b>0.000674</b>	MTCH <sub>4</sub> /m <sup>3</sup>
$FE_{SP,S}$	= Fraction of methane generated from eligible waste stream 'S' that is emitted to the atmosphere over a ten year time horizon, as calculated using the First Order Decay function. The fraction emitted to the atmosphere is a function of the decay rates of soiled paper waste, the landfill gas collection assumptions (see Box 5.1), and the amount of methane generated that is oxidized in the cover soil	fraction
21	= Global warming potential of methane	MTCO <sub>2</sub> e / MTCH <sub>4</sub>

<sup>26</sup> As per CDM Annex 10 – Tool to determine methane emissions avoided from dumping waste at a SWDS (V4.0) [http://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-04-v4.pdf/history\\_view](http://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-04-v4.pdf/history_view).

<sup>27</sup> U.S. EPA *Solid Waste Management and Greenhouse Gases: A Lifecycle Assessment of Emissions and Sinks*, Chapter 6, Exhibit 6-3. The Value represents the methane potential of 'office paper'.

**Equation 5.4.** (Continued)

$FE_{SP,S} = \sum_{x=1}^{10} [e^{-k_{SP,S}(x-1)} \times (1 - e^{-k_{SP,S}}) \times (1 - (GC_S \times LCE_x))] \times (1 - 0.1)$		
<i>Where,</i>		<u>Units</u>
e	= Mathematical constant, approximately equal to 2.71828	
$k_{SP,S}$	= Decay rate for eligible soiled paper waste stream 'S'. The decay rate is a function of the climatological characteristics of the region where the waste is landfilled. Referenced from Table A.2 by waste origination county climate category, which is referenced from Figure A.2	yr <sup>-1</sup>
x	= Placeholder for the iterative calculation. The FOD equation calculates emissions out over a period of ten years (x = 1 to 10) following the year in which the waste is initially diverted to the compost operation. The ten year calculation is summed and applied to the total baseline emissions for the current reporting period	
$GC_S$	= Gas collection factor for eligible waste stream 'S'. The gas collection factor is equal to the fraction of waste disposed at landfills utilizing gas collection for the state from which the waste stream 'S' originates. Referenced by state from Table A.3 in Appendix A	fraction
$LCE_x$	= Fraction of methane that would be captured and destroyed by LFG collection systems in the year x, starting with the year that the waste is diverted to the project (x =1) and ending with year x = 10. All projects shall use a value of '0.0' for the first two years of calculated waste decay (x=1 to 2), a value of '0.5' for the third year (x=3), a value of 0.75 for years 4-7 (x=4 to 7), and a value of 0.95 for the remaining years of decay until the end of the calculation period (x =8 to 10). See Box 5.1 for a discussion on LCE assumptions <sup>28</sup>	fraction
0.1	= Factor for the oxidation of methane by cover soil bacteria <sup>29</sup>	fraction

<sup>28</sup> The Reserve will periodically re-assess the LCE default parameters in order to ensure that landfill gas collection assumptions remain conservative and accurate.

<sup>29</sup> As per the Reserve Landfill Project Protocol V4.0, CDM Annex 10 – Tool to determine methane emissions avoided from dumping waste at a SWDS (V4.0), and U.S. EPA *Solid Waste Management and Greenhouse Gases: A Lifecycle Assessment of Emissions and Sinks*, Chapter 6, Pg. 87, fnt27.

**Box 5.1. Organic Waste Composting Protocol Treatment of Landfill Gas Collection Systems****Landfill Gas Collection System Assumptions**

The baseline emission calculation excludes methane that would have otherwise been captured and controlled by an active landfill gas collection system. The Reserve acknowledges that many landfills have active gas collection and control systems in operation, of which the majority are in place due to federal, state, or local regulations.<sup>30</sup> Due to the uncertainty and difficulty associated with tracking and verifying pre-project waste disposal activities on a project-by-project basis, this protocol utilizes a conservative and highly standardized approach to determining the landfill gas collection efficiency (LCE) parameter for eligible waste baseline emission calculations that incorporates the most up-to-date scientific understanding of landfill gas collection efficiencies and state-specific landfill gas collection practices.

Specifically, the baseline calculation reflects the following assumptions:

1. The fraction of each eligible waste stream composted by the project that would have been disposed at a landfill with a collection system in the absence of the project is equal to the fraction of total disposed waste that is accepted at landfills with known or potential landfill gas collection systems on a state-specific basis. The state-specific gas collection fraction ( $GC_S$ ), is referenced from Table A.3 in Appendix A based on where each eligible waste stream composted by the project originated.<sup>31</sup> The fraction of each eligible waste stream composted by the project that would have been disposed at a landfill without gas collection ( $1-GC_S$ ) is assumed to have a landfill gas collection efficiency of 0%.
2. The Landfill Gas Collection Efficiency (LCE) parameter assumes landfills with gas collection will have a phased gas collection efficiency consistent with common landfill gas management.<sup>32</sup> The  $LCE_x$  parameter in Equations 5.3 and 5.4 shall be equal to zero for a period of two full years following the diversion and composting of the waste, followed by 50% collection efficiency in the third year, 75% collection in years 4 to 7, and 95% collection for years 8 to 10.

**5.1.1 Determining the Weight of Eligible Wastes**

Eligible waste is likely to be delivered to the project composting operation mixed with varying quantities and types of ineligible organic and/or inorganic materials. The type and quantity of eligible and ineligible waste contained in each delivery will depend primarily on the waste generation source where the material originates, and the methods by which organics are separated, or not, from the upstream waste. Depending on the operational design of the compost facility/facilities, the project might accept non-source separated MSW streams (mixed MSW) and/or various types of source separated organics (SSO) streams.

The project must track delivery of waste from each eligible waste stream and determine the percentages of food waste and soiled paper in each eligible waste stream according to Equation 5.5 below.

<sup>30</sup> Per the Performance Standard Analysis conducted for the Reserve's Landfill Project Protocol, V 2.0. See Appendix C of the Reserve's Landfill Project Protocol.

<sup>31</sup> The  $GC_S$  fraction was determined using data from the 2008 U.S. EPA Landfill Methane Outreach Program (LMOP) database.

<sup>32</sup> M. Barlaz et al. Memorandum to Jennifer Brady, Office of Resource Conservation and Recovery, US EPA: *WARM Component-Specific Decay Rate Methods*. (2009).

**Equation 5.5. Determining Weight of Eligible Food and Soiled Paper Waste**

$W_{FW,S} = W_{T,S} \times FC_S \times F_{FW,S}$		
<i>Where,</i>		<u>Units</u>
$W_{FW,S}$	= Aggregated weight of eligible food waste (measured on a wet basis) from eligible waste stream 'S' that is composted by the project during the reporting period	MT food waste
$W_{T,S}$	= Aggregated total weight of waste (measured on a wet basis) from eligible waste stream 'S' that is delivered to the operation during the reporting period	MT
$FC_S$	= Fraction of eligible waste stream 'S' that is composted during the reporting period	fraction
$F_{FW,S}$	= Food waste fraction of eligible waste stream 'S'. The fraction must be determined based on the corresponding methods described in Sections 5.1.1.1 and 5.1.1.2 below, according to the type of waste delivered to the site	fraction
$W_{SP,S} = W_{T,S} \times FC_S \times F_{SP,S}$		
<i>Where,</i>		<u>Units</u>
$W_{SP,S}$	= Aggregated weight of eligible soiled paper waste (measured on a wet basis) from eligible waste stream 'S' that is composted by the project during the reporting period	MT soiled paper
$F_{SP,S}$	= Soiled paper waste fraction of eligible waste stream 'S'. The fraction must be determined based on the corresponding methods described in Sections 5.1.1.1 and 5.1.1.2 and Equation 5.6 and Equation 5.7 below, according to the type of waste delivered to the site	fraction

**5.1.1.1 Determining the Fraction of Eligible Waste in a Mixed MSW Waste Stream (Non-Source Separated)**

If a composting project is receiving a mixed MSW stream, the weight of food waste must be determined using one of the four options detailed below. The first two options are applicable for all mixed MSW waste streams, the third is applicable only to MRF fines and the fourth is applicable only to non-SSO (mixed) organics-rich MSW from a single MRF.

**Option 1:**

The first option is to determine the weight of food waste using a national default factor of 20% of the total measured weight of the mixed MSW.<sup>33</sup>

**Option 2:**

The second option is to determine the weight of food waste using a food waste composition factor based on a published state, regional or municipal waste characterization study. If this option is chosen, the project must be sourcing a majority of the relevant waste stream from within the geographic boundaries of the study. The waste characterization study must have been conducted no more than 5 years prior to the current project reporting year.

<sup>33</sup> Based on the EPA's *Municipal Solid Waste Generation, Recycling, and Disposal in the United States, Tables and Figures for 2010*. Figure 13, pg. 45. (2011)



**Option 3:**

The third option, applicable only to MRF fines, allows project developers to conduct site-specific waste sampling for the MSW fines composted at the operation according to the following procedure:

- All sampling events shall use at least a 100 lb sample of the organic fine material that has recently passed through the final stage of the screening process
- Material particles larger than approximately two inches in diameter shall be physically sorted or screened, and weighed. The remaining fines fraction shall be collected and weighed in its entirety. The remaining fines must be mixed and shoveled into a radially symmetrical pile, and divided into quarters using perpendicular boards. One quarter of the remaining fines must be collected and chosen for hand sampling, and used as a basis for the composition of all fines in that sample
- The mixed waste quarter-sample shall be sorted into the following categories: food waste, soiled paper, other ineligible material

Each sampling event must quantify and record the proportional weight of food waste and of soiled paper as compared to the total weight of the sample:

- To determine the characterization for the 100 lb (or greater) sample, the project developer must recombine the composition result analytically and determine the weighted average based on the relative amounts of fines, as well as the larger (greater than two inch) particles sampled. Using Equation 5.6, the project developer shall quantify the mean food waste proportional weight ( $F_{FW,S}$ ) and soiled paper proportional weight ( $F_{SP,S}$ ). The  $F_{FW,S}$  and  $F_{SP,S}$  values shall then be used in Equation 5.5 for MRF fines waste streams
- Photo documentation and calculations must be recorded and retained for verification purposes, clearly showing the waste stream from which the sample is taken, the waste sample itself, the quartered sample pre-sorting, and the separated categories of waste following the hand-sorting

Each waste stream for which this procedure is applied shall have a minimum of eight sampling events (two per calendar quarter) for the first year that the stream is composted at the operation, followed by four sampling events every year thereafter (one per calendar quarter). The sampling events will produce single values for  $F_{FW,S}$  and  $F_{SP,S}$  for each calendar quarter. During a quarter with two sampling events, the values for that quarter shall be equal to an average of the respective values determined at each of the two events.

**Option 4:**

The fourth option is applicable only to organics-rich shipments of non-SSO (mixed) MSW that are sorted, but not processed (as opposed to MRF fines, which are a byproduct of waste processing activities), at a single MRF. This option allows project developers to conduct site-specific waste sampling for the waste stream according to the following procedure:

- A load of organics-rich mixed-MSW from a single MRF shall be divided into a grid of at least 8 cells, and then at least 4 of those cells shall be selected for sampling using a systematic, random sampling approach (e.g. construct a 4x2 grid and use a coin toss to

select one cell from each pair). The person undertaking the sampling has discretion as to the grid's design, for instance, by depositing the whole load onto the floor, after which a grid is superimposed onto the pile, or by drawing a grid on the floor before depositing the load onto the grid. The particular cells to be sampled shall be chosen anew with each sampling event

- All hand-sorting events shall use at least a 150 lb sample of the organic material from each cell that has been selected using the random sampling approach (i.e. at least four samples per event)
- Each sample shall be sorted into the following categories: food waste, soiled paper, other ineligible material
- Each sampling event must quantify and record the proportional weight of food waste and of soiled paper as compared to the total weight of the sample. The values for  $F_{FW,S}$  and  $F_{SP,S}$  shall be equal to the arithmetic mean of their respective sample results (Equation 5.7)
- Photo documentation and calculations must be recorded and retained for verification purposes, clearly showing the waste stream from which the sample is taken, the grid used for sampling (where possible) and the waste contained in each cell of the grid, the sample pre-sorting, and the separated categories of waste following the hand sorting

Each waste stream for which this procedure is applied shall have a minimum of eight sampling events (two per calendar quarter) for the first year that the stream is composted at the operation, followed by four sampling events every year thereafter (one per calendar quarter). The sampling events will produce single values for  $F_{FW,S}$  and  $F_{SP,S}$  for each calendar quarter. During a quarter with two sampling events, the values for that quarter shall be equal to an average of the respective values determined at each of the two events.

**Equation 5.6.** Determining the Fraction of Eligible Waste in a Mixed-MSW MRF Fines Waste Stream

$F_{i,S} = \frac{(W_{HS} \times F_{i,HS}) + (W_{PR} \times F_{i,QS})}{W_{sample}}$		
Where,		<u>Units</u>
$F_{i,S}$	= Fraction of waste category $i$ (food waste or soiled paper waste) in eligible MRF fines waste stream 'S' (representing $F_{FW,S}$ for food waste and $F_{SP,S}$ for soiled paper waste)	fraction
$W_{HS}$	= Weight of sample taken in large (>2") preliminary hand sort	lbs
$F_{i,HS}$	= Fraction of waste category $i$ in large (>2") preliminary hand sort	fraction
$W_{PR}$	= Weight of total sample after large (>2") particles removed	lbs
$F_{i,QS}$	= Fraction of waste category $i$ in quarter sample	fraction
$W_{sample}$	= Weight of total sample prior to hand sort (100 lb minimum) ( <i>Note that</i> $W_{sample} = W_{HS} + W_{PR}$ )	lbs

**Equation 5.7.** Determining the Fraction of Eligible Waste in a Mixed-MSW Waste Stream from a Single MRF

$F_{i,S} = \frac{\sum W_{i,sample,y}}{\sum W_{sample,y}}$		
Where,		
		<u>Units</u>
$F_{i,S}$	= Fraction of waste category $i$ in the mixed MSW single-MRF eligible waste stream 'S'	fraction
$W_{i,sample,y}$	= Weight of waste category $i$ for sample $y$	fraction
$W_{sample,y}$	= Total weight of sample $y$ prior to hand sort (150 lb minimum)	lbs

### 5.1.1.2 Determining the Fraction of Eligible Waste in a Source Separated Organics Waste Stream

SSO waste is generated by both the commercial and residential sectors. Residential food waste collection programs are likely to produce a waste stream that is a combination of yard waste, food waste, and soiled paper. In certain regions and/or seasons, residential SSO may have limited yard waste material and may be primarily food and soiled paper. Commercial sector waste generators are broken down further into separate categories (Table 5.1). The types of commercial generators listed in Table 5.1 will primarily produce waste streams that consist of food waste and soiled paper in varying proportions.

#### 5.1.1.2.1 Residential SSO Waste Stream Characterization

In order to determine the percent of food and soiled paper waste in a residential SSO waste stream, projects must use local or site-specific waste characterization data to determine the average fraction of food waste and soiled paper waste by weight collected by the residential diversion program. If available, projects may use local municipal waste characterization data provided by the local jurisdiction or a representative entity to quantify the proportion by weight of both food waste and soiled paper in the residential SSO waste stream. The project must be located within – or predominantly sourcing the waste stream being characterized from – the relevant municipality. If local data are not available, projects must conduct site-specific waste sampling for each residential waste stream composted at the operation.

The site-specific waste sampling shall be done according to the following requirements:

- All hand-sorting events shall use at least a 100 lb sample from a recent delivery of the residential SSO stream in question prior to mixing with other waste streams
- The SSO waste sample shall be sorted into the following categories: food waste, soiled paper, other ineligible material
- Each sampling event must quantify and record the proportional weight of food waste and of soiled paper as compared to the total weight of the sample
- The project must quantify the mean food waste proportional weight and soiled paper proportional weight ( $F_{FW,S}$  and  $F_{SP,S}$ ), respectively, for each quarter of the calendar year. For each waste category, the weight of the sorted material shall be divided by the weight of the total sample to determine the proportional weight
- Photo documentation must be recorded and retained for verification purposes, clearly showing the waste stream from which the sample is taken, the waste sample itself, and the separated categories of waste following the hand sorting

Each residential SSO stream shall have a minimum of eight sampling events (two per calendar quarter) for the first year that the stream is composted at the operation, followed by four sampling events every year thereafter for SSO stream (one per calendar quarter). The sampling events will produce single values for  $F_{FW,S}$  and  $F_{SP,S}$  for each calendar quarter. During a quarter with two sampling events, the values for that quarter shall be equal to an average of the respective values determined at each of the two events.

#### 5.1.1.2.2 Commercial SSO Waste Stream Characterization

Commercial SSO waste is primarily food and food soiled paper waste (excluding corrugated cardboard, which would be an ineligible waste type). By volume, commercial waste streams would likely contain a high proportion of soiled paper wastes to food waste, however on a weight basis it would be expected that the paper component of the waste stream would constitute a much smaller proportion due to the fact that food waste is very high in moisture, whereas paper material would be much less dense with a much lower moisture content. In order to quantify the proportional weight of food waste and soiled paper waste in a commercial stream, projects may apply the default factors in Table 5.1 or may use a waste sampling approach that meets the requirements for site-specific waste sampling as described above in Section 5.1.1.2.1.<sup>34</sup> Waste sampling events may occur onsite or at the commercial waste generation facility.

**Table 5.1.** Waste Generator Categories and Default Food and Soiled Paper Fractions by Weight

Waste Generator Category	Fraction of Food Waste by Weight	Fraction of Soiled Paper by Weight
Restaurants/Cafeterias/Dining Halls/Other Food Service	0.80	0.10
Super Markets and Grocery Stores	0.80	0.10
Food Wholesale Distributors	0.70	0.20
Special Events and Public Venues	0.60	0.30
Other Commercial (hotels, office buildings, wholesale distributors)	0.50	0.40

## 5.2 Quantifying Project Emissions

Project emissions are actual GHG emissions that occur within the GHG Assessment Boundary as a result of the project activity. Project emissions must be quantified every reporting period on an *ex-post* basis.

As shown in Equation 5.8, project emissions equal:

- Carbon dioxide emissions from mobile and stationary combustion of fossil fuels and/or the use of grid delivered electricity (SSRs 6, 7), plus
- Methane emissions produced during the composting process (SSR 7), plus
- Nitrous oxide emissions produced during the composting process (SSR 7)

<sup>34</sup> Default values are developed by determining the ratio of Misc. Paper and Composite Paper to Food Waste generated within each waste generator category. Each category assumes 10% ineligible feedstock by weight as a conservativeness factor. The composition data is taken from California's Targeted Statewide Waste Characterization Study: Waste Disposal and Diversion Findings for Selected Industry (Cascadia Consulting Group), 2006. The data is specific to California, however the types and proportions of material generated within a category would be expected to be relatively independent of region.

**Equation 5.8. Total Project Emissions**

<b><math>PE = PE_{CO_2} + PE_{CH_4,C} + PE_{N_2O,C}</math></b>		
<i>Where,</i>		<u>Units</u>
PE	= Total project emissions for the reporting period, from all SSRs within the GHG Assessment Boundary	MTCO <sub>2</sub> e
PE <sub>CO<sub>2</sub></sub>	= Project carbon dioxide emissions for the reporting period from fossil fuel and grid electricity sources included in the GHG Assessment Boundary (SSR 6, 7)	MTCO <sub>2</sub> e
PE <sub>CH<sub>4</sub>,C</sub>	= Project methane emissions for the reporting period from the composting of eligible waste (SSR 7)	MTCO <sub>2</sub> e
PE <sub>N<sub>2</sub>O,C</sub>	= Project nitrous oxide emissions for the reporting period from the composting of eligible waste (SSR 7)	MTCO <sub>2</sub> e

**5.2.1 Project Emissions from Onsite Fossil Fuel Combustion and Grid Delivered Electricity**

Included in the GHG Assessment Boundary are carbon dioxide emissions resulting from fossil fuel combustion and/or the use of grid delivered electricity for onsite equipment that is used for:

- Sorting and pre-processing of eligible waste, including stationary and mobile emission sources (SSR 6)
- Composting eligible waste materials, including stationary and mobile emission sources (SSR 7)

If the project utilizes fossil fuel or grid electricity to power equipment necessary for performing the above processes, the resulting project carbon dioxide emissions shall be calculated per Equation 5.9 below. In cases where multiple facilities are engaged in a single compost process (see Section 2.2), fossil fuel emissions from the transport of waste or compost between such facilities must also be included.

**Equation 5.9. Project Carbon Dioxide Emissions from Fossil Fuel and Grid Electricity**

$PE_{CO_2} = PE_{CO_2,FF} + PE_{CO_2,GE}$		
<i>Where,</i>		<u>Units</u>
$PE_{CO_2}$	= Total project carbon dioxide emissions from fossil fuel and electricity sources	MTCO <sub>2</sub>
$PE_{CO_2,FF}$	= Carbon dioxide emissions from the destruction of fossil fuel during the reporting period	MTCO <sub>2</sub>
$PE_{CO_2,GE}$	= Indirect carbon dioxide emissions from the consumption of electricity from the grid during the reporting period	MTCO <sub>2</sub>
$PE_{CO_2,FF} = \frac{\sum_i (FF_{PR,i} \times EF_{FF,i})}{1000}$		
<i>Where,</i>		<u>Units</u>
$FF_{PR,i}$	= Total fossil fuel consumed by project activities during the reporting period, by fuel type <i>i</i>	volume fossil fuel
$EF_{FF,i}$	= Fuel specific emission factor, reference from Appendix A	kgCO <sub>2</sub> /volume fossil fuel
1000	= Kilograms per tonne	kgCO <sub>2</sub> /MTCO <sub>2</sub>
$PE_{CO_2,GE} = (EL_{PR} \times EF_{EL})$		
<i>Where,</i>		<u>Units</u>
$EL_{PR}$	= Total electricity consumed by project operations during the reporting period	MWh
$EF_{EL}$	= Carbon emission factor for electricity used <sup>35</sup>	MTCO <sub>2</sub> /MWh

**5.2.2 Project Emissions from the Food Waste Composting Process**

Project emissions from the aerobic composting process consist of both CH<sub>4</sub> and N<sub>2</sub>O. Both gases are formed during the composting process largely as a result of depleted oxygen levels in the piles/windrows. The degree to which emissions of CH<sub>4</sub> and N<sub>2</sub>O occur at a compost facility depend primarily on two controllable factors: the extent to which the composting system achieves and maintains sufficient aeration and promotes aerobic decomposition throughout the entire pile/windrow, and the extent to which the GHGs that may have formed in the pile/windrow are oxidized prior to venting to the atmosphere. Typically, adequate aeration can be ensured by controlling the moisture content and porosity of the compost, ensuring proper turning frequency in windrow systems, and/or utilizing forced aeration either with positive or negative pressure blower systems. Additionally, there are certain controls that can be implemented that result with higher oxidation rates in active compost systems. For turned windrow and static pile systems, applying a layer of finished compost to the windrow/pile during the initial composting phase has been shown to greatly increase the rate at which GHGs are oxidized, while venting air through a bio-filter system (such as wood chips) also results with higher oxidation rates.<sup>36</sup>

<sup>35</sup> To find the appropriate emission factor for grid-delivered electricity, refer to the version of the U.S. EPA eGRID most closely corresponding to the time period during which the electricity was used. Projects shall use the annual total output emission rates for the subregion where the project is located, not the annual non-baseload output emission rates. The eGRID tables are available from the U.S. EPA website: <http://www.epa.gov/cleanenergy/energy-resources/egrid/index.html>

<sup>36</sup> Summary of compost GHG control options based off of information obtained from: Brown et al. *Greenhouse Gas Balance for Composting Operations* (2008).

Because different composting technologies utilize varying levels of operational controls, it is to be expected that emissions of both CH<sub>4</sub> and N<sub>2</sub>O will vary depending on the technology used, as well as the various process controls utilized at the project facility/facilities. The project composting operation may use one or more of the classes of compost technologies described in Table A.1 in Appendix A, or may use hybrid systems that incorporate components from more than one composting class. The composting systems are grouped into two main categories for quantifying GHG emissions: turned (non-forced aeration) systems, and forced aeration systems. Should a composting operation utilize more than one category of composting technology, the project must quantify the emissions from each category based on the amount of eligible waste composted by each system. All composting projects must quantify the emissions for each reporting period in accordance with Section 5.2.2.1 and Section 5.2.2.2, respectively.

### 5.2.2.1 Methane Emissions from the Composting Treatment System

CH<sub>4</sub> emission factors are selected based on the site-specific composting technologies and controls implemented and monitored at the project facility/facilities to reflect the fact that some composting systems have a lower risk of emitting CH<sub>4</sub> to the atmosphere.

Projects must use Equation 5.10 to calculate the project CH<sub>4</sub> emissions from the composting of all eligible food and soiled paper waste at the project facility/facilities.

Project developers must use the emission factor in Table 5.2 corresponding to the category of composting technology implemented and monitored at the facility/facilities.

#### Equation 5.10. Methane Emissions from Composting

$PE_{CH_4,C} = \sum_T [W_{C,T} \times EF_{CH_4,T}]$		
Where,		<u>Units</u>
PE <sub>CH<sub>4</sub>,C</sub>	= Total project emissions of CH <sub>4</sub> from the composting of eligible wastes at the project operation	MTCO <sub>2</sub> e
W <sub>C,T</sub>	= Aggregated weight of eligible food and soiled paper waste from all eligible waste streams composted during the reporting period in composting system category 'T'	MT
EF <sub>CH<sub>4</sub>,T</sub>	= Methane emission factor for the composting treatment system category 'T', taken from Table 5.2	MTCO <sub>2</sub> e/MT eligible waste
$W_{C,T} = (W_{FW} + W_{SP}) \times F_{EW,T}$		
Where,		<u>Units</u>
W <sub>FW</sub>	= Aggregated weight of eligible food waste from all eligible waste streams composted during the reporting period at the operation (measured on a wet basis)	MT food waste
W <sub>SP</sub>	= Aggregated weight of eligible soiled paper waste from all eligible waste streams composted during the reporting period at the operation (measured on a wet basis)	MT soiled paper waste
F <sub>EW,T</sub>	= Fraction of eligible waste that is treated in each composting system category 'T' during the reporting period	fraction

**Table 5.2.** Methane and Nitrous Oxide Emission Factors

Composting Category 'T'	Optional Process Controls (OPCs)	OPC Monitoring Requirements	CH <sub>4</sub> Emission Factor (MTCO <sub>2</sub> e/MT of eligible waste)*	N <sub>2</sub> O Emission Factor (MTCO <sub>2</sub> e/MT of eligible waste)*
Turned Systems (Non-forced aeration turned windrows or piles)	None	N/A	0.09	0.09
	Windrows covered with 15 cm or more of finished compost or other carbonaceous material for first 3 weeks of composting cycle	Section 6.4.1	0.06	
Forced Aeration Systems (ASP or other forced aeration system)	None	N/A	0.06	0.06
	ASP systems using synthetic covers	Section 6.4.1	0.03	
	Positive Aeration – piles covered with 15 cm or more of finished compost or other carbonaceous material for first 2 weeks of composting cycle	Section 6.4.1	0.03	
	Negative Aeration – exhaust gas directed through a control system consisting of wood chips or other biofilter	Section 6.4.2	0.03	

\*Bounds for emissions of CH<sub>4</sub> were developed based upon estimates taken from the following sources: 2006 IPCC Guidelines for National GHG Inventories, U.S. EPA Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks (2006), CDM AM0025 V.10, and Brown et al. *Greenhouse Gas Balance for Composting Operations* (2008). All Emission Factors are within the range of emission factors prescribed by the IPCC. The default value for windrow systems (0.09 MT CO<sub>2</sub>e/MT waste) is equivalent to the IPCC default emission factor for composting.

### 5.2.2.2 Nitrous Oxide Emissions from the Composting Treatment System

N<sub>2</sub>O emission factors are selected based on the site-specific composting technologies used at the project facility/facilities to reflect the fact that some composting systems have a lower risk of emitting N<sub>2</sub>O to the atmosphere.

Projects must use Equation 5.11 to calculate the project N<sub>2</sub>O emissions from the composting of food waste at the project facility/facilities. Project developers must use the emission factor in



Table 5.2 above corresponding to the category or categories of composting technology used onsite.

**Equation 5.11.** N<sub>2</sub>O Emissions from Composting

$PE_{N_2O,C} = \sum_T [W_{C,T} \times EF_{N_2O,T}]$		
Where,		<u>Units</u>
PE <sub>N<sub>2</sub>O,C</sub>	= Project nitrous oxide emissions from the composting of eligible wastes	MTCO <sub>2</sub> e
W <sub>C,T</sub>	= Aggregated weight of eligible food and soiled paper waste from all eligible waste streams composted during the reporting period in composting system category 'T'	MT
EF <sub>N<sub>2</sub>O,T</sub>	= Nitrous oxide emission factor for the composting treatment system 'T', taken from Table 5.2	MTCO <sub>2</sub> e/MT eligible waste

## 6 Project Monitoring

The Reserve requires a Monitoring Plan to be established for all monitoring and reporting activities associated with the project. The Monitoring Plan will serve as the basis for verifiers to confirm that the monitoring and reporting requirements in this section and Section 7 have been and will continue to be met, and that consistent, rigorous monitoring and record-keeping is ongoing at the project site. The Monitoring Plan must cover all aspects of monitoring and reporting contained in this protocol and must specify how data for all relevant parameters in Table 6.1 will be collected and recorded.

At a minimum the Monitoring Plan shall stipulate the frequency of data acquisition; a record keeping plan (see Section 7.2 for minimum record keeping requirements); the frequency of instrument calibration activities; the role of individuals performing each specific monitoring activity; and a detailed project diagram. The Monitoring Plan should include QA/QC provisions to ensure that data acquisition is carried out consistently and with precision.

The Monitoring Plan must include detailed monitoring procedures that the project developer will follow to demonstrate that the project waste handling and composting methods continually comply with the BMPs outlined in Section 2.2.

Finally, the Monitoring Plan must include procedures that the project developer will follow to ascertain and demonstrate that the project at all times passes the Legal Requirement Test and the Regulatory Compliance Test (Section 3.4.2 and 3.5, respectively).

Project developers are responsible for monitoring the performance of the project and ensuring that the operation of all project-related equipment is consistent with the manufacturer's recommendations.

### 6.1 Monitoring Incoming Eligible Waste Streams

In order to quantify the GHG reductions from a composting project, the project must accurately measure the quantity of incoming waste delivered to the composting operation, by waste stream. All projects must monitor and record each shipment of waste delivered to the operation using onsite scales and/or commercial receipts. The compost operation must keep a daily log showing:

- Date and time of all deliveries of material to the operation
- The weight of each delivered incoming waste stream
- The source of each delivered incoming waste stream

In addition, the project must retain all weigh scale receipts generated either on or offsite indicating the weight and source of all delivered material to the operation. This information is necessary to aggregate the weight of eligible food and soiled paper waste delivered to the site from each eligible waste stream according to the guidance provided in Section 5.1.1 and to verify eligibility of food waste from grocery store sources.

A QA/QC procedure for the inspection and calibration of weigh scales must be included in the Monitoring Plan. All weigh scales that are not used for commercial activities must be inspected and calibrated in accordance with manufacturer's specifications. The project may document incoming waste weight using commercial receipts from on or offsite scales.

## 6.2 Monitoring and Documenting Pre-Project Waste Disposal for Grocery Store Waste Streams

Waste streams originating from grocery stores or supermarkets are eligible if, and only if, the project developer can document that:

- For a continuous period of at least 36 months prior to the date that waste sourced from the grocery store was first composted at the project composting operation, food and soiled paper waste generated by the grocery store was sent to a landfill, or
- Food and/or soiled paper waste originating from the grocery store was deemed as eligible waste at an OWC project registered with the Reserve, or
- The grocery store from which the waste originated is a new facility

In order to document the eligibility of the grocery store waste stream, projects must monitor the following information for each grocery store waste stream:

- The initial date the waste stream is delivered to the project composting operation, for all new grocery store waste streams
- The origin of the new grocery store waste stream (by facility)
- The previous waste disposal methods used by the grocery store waste generator, for each new grocery store waste stream
- The opening date of any new grocery store facilities supplying waste to the project

Additionally, documentation demonstrating that grocery store waste was sent to landfill(s) prior to diversion to the project composting operation or that the grocery store is a new facility should be collected and retained by the project for verification purposes. Acceptable documentation includes, but is not limited to:

- Landfill tipping receipts from the grocery store and/or contracted waste haulers
- Waste hauler contracts
- Internal memoranda and/or employee training documents detailing waste handling and/or organics separation procedures, goals, and timelines
- Media or marketing campaigns detailing dates related to the grocery store waste diversion program
- Internal documentation, store leasing documents, or media or marketing campaigns announcing the opening date of the grocery store facility

## 6.3 Required Compost BMP Monitoring

Composting projects must include detailed monitoring procedures in the Monitoring Plan to monitor and document that the project waste handling and composting methods continually comply with the BMPs outlined in Section 2.2.

### 6.3.1 Time, Temperature, and Turning Frequency BMP Monitoring

To demonstrate compliance with the Time, Temperature, and Turning Frequency BMP requirements specified in Section 2.2, projects must monitor:

- Temperature: At a minimum, temperature shall be monitored and recorded at least once a day during the period that the temperature is required to be maintained at or above 55°C.<sup>37</sup> Temperature shall be measured as follows:
  - For Turned Windrow Systems: At a minimum, each operation shall monitor and record a temperature measurement for every 150 feet of windrow. The temperature shall be measured no more than 24 inches below the pile surface or below the point where the insulating layer meets the pile surface, if employing a layer of finished compost or other carbonaceous material.
  - For ASP or other Forced Aeration Systems: At a minimum, each operation shall monitor and record a temperature measurement for every 200 cubic yards of active compost. The temperature shall be measured no more than 18 inches below the surface, or below the point where the cover meets the active compost pile, if using a synthetic or insulating cover.
  - Alternative for Regulated Systems: If the operation where active composting occurs has obtained regulatory approval from a local, state, regional or federal agency for its composting system, as installed, and such approval includes written confirmation that it is sufficient to ensure aerobic activity of the compost, then that operation may implement the monitoring arrangement specified therein. The project must demonstrate compliance with the BMP requirements in Section 2.2. If regulatory records are insufficient to meet the requirements of this option, then one of the two above options must be employed, depending upon the type of system.
- Turning Frequency (Turned Windrow Systems only): At a minimum, each operation shall monitor and record all turning events for every 150 feet of windrow. The turning record must include, for each turning event, the calendar date and day of the composting cycle on which the turning event occurred. Turning event monitoring and recording shall commence at the start of the active composting cycle, and conclude when the temperature falls below 55°C upon completion of the time and temperature requirements.

The temperature and turning frequency records shall be used to establish the rate of compliance with the Time, Temperature, and Turning Frequency BMP requirements from Section 2.2. The project must have records to demonstrate the total number of 150 ft. windrow sections and/or 200 cubic yard piles that were formed over the reporting period, and must demonstrate that at least 90% of the windrow sections and/or piles were composted in compliance with the relevant Time, Temperature, and Turning Frequency requirements.

Should a project fail to achieve a 90% compliance rate due to missing or inadequate data, or due to failure of a portion of the system to meet Time, Temperature, and Turning Frequency BMP requirements, the project shall discount the baseline calculation by a percentage equal to the actual rate of compliance as demonstrated by the available data over the reporting period in question.

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<sup>37</sup> Daily temperature readings may have gaps due to site closure. Data gaps not exceeding 3 days are permitted if the measurements prior to and subsequent to the data gap indicate that the pile/windrow reached and maintained 55°C or higher for the required length of time.

### 6.3.2 Waste Handling BMP Monitoring

To demonstrate compliance with the Waste Handling BMP requirements specified in Section 2.2, projects must record, as part of the daily log:

- The date and time that each delivered waste stream is mixed and incorporated into the composting process
- The type of carbonaceous material applied to the waste delivered to the operation (if any)
- The date and time that carbonaceous cover material is applied to the waste delivered to the operation (if applicable)

## 6.4 Monitoring Requirements for Optional Process Controls

For each Optional Process Control (OPC) implemented at the operation, all parameters must be monitored as specified in the corresponding monitoring section. For periods where monitoring is insufficient or is lacking data, the project developer must assume the OPC was not implemented and use default emission factors specified in Table 5.2.

### 6.4.1 Monitoring Requirements for Application of Finished Compost to Pile/Windrow Surface and Synthetic Covers

Composting projects that select CH<sub>4</sub> emission factors based on the practice of applying a layer of finished compost to the piles/windrows for the initial phase of the active composting cycle must monitor and record the following data:

- Turned Windrow Systems: For the first 3 weeks of the active composting cycle, the project must monitor and record for every 150 feet of windrow (a) the days on which finished compost or other carbonaceous material is applied and (b) the depth of each application.
- Positive ASP Systems: For the first 2 weeks of the active compost cycle, the project must monitor and record for every 200 cubic yards of active compost (a) the days on which finished compost or other carbonaceous material is applied and (b) the depth of each application.

Composting projects that select CH<sub>4</sub> emission factors based on the utilization of ASP systems with synthetic breathable covers must demonstrate that the pile is appropriately covered during the first two weeks of the active composting phase by monitoring and recording the following data:

- All ASP systems: For the first 2 weeks of the active compost cycle, the project must monitor and record for every 200 cubic yards of active compost (a) the days on which the pile is covered with the synthetic cover (b) the days on which the cover is removed from the pile, and (c) the type of cover applied

Additionally, projects utilizing synthetic covers must do so in a manner consistent with manufacturer specifications.

#### **6.4.2 Monitoring Requirements for Documenting Use of Biofilter Exhaust Gas Control Systems**

Composting projects that select CH<sub>4</sub> emission factors based on the practice of venting exhaust gas from a negative ASP composting system through a biofilter gas control system must document and record the following data:

- The type of material or material mixture used as the biofilter media
- The area and depth of the biofilter media
- The ventilation rate of the designed system
- The designed residence time of the exhaust gas in the biofilter media<sup>38</sup>

The above documentation is used to provide evidence during verification that the biofilter system is designed and operated to ensure oxidation of the methane component of the exhaust gas. If the residence time of exhaust gas in the media is not known or is less than 4 seconds, the project may not assume methane oxidation and therefore must use an alternate emission factor from Table 5.2.

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<sup>38</sup> Residence time is determined by dividing the volume of the biofilter bed by the airflow rate through the bed.

## 6.5 Monitoring Parameters

Prescribed monitoring parameters necessary to calculate baseline and project emissions are provided in Table 6.1.

**Table 6.1.** Organic Waste Composting Project Monitoring Parameters

Eq. #	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference (r) Operating Records (o)	Measurement Frequency	Comment
<b>General Project Parameters</b>						
	Regulations	Project developer attestation of compliance with regulatory requirements relating to the composting project	Environmental regulations	n/a	Each verification cycle	Information used to: 1) To demonstrate ability to meet the Legal Requirement Test – where regulation would require the diversion of food waste from landfills. 2) To demonstrate compliance with associated environmental rules, e.g. criteria pollutant wastewater discharge, etc.
<b>Baseline Calculation Parameters</b>						
5.2	BE <sub>CH<sub>4</sub>,S</sub>	Baseline methane emissions from composted waste stream 'S'	MTCO <sub>2</sub> e	c	Each reporting period	
5.2	BE <sub>FW,S</sub>	Baseline methane emissions from the food waste component of eligible waste stream 'S'	MTCO <sub>2</sub> e	c	Each reporting period	
5.2	BE <sub>SP,S</sub>	Baseline methane emissions from the soiled paper component of eligible waste stream 'S'	MTCO <sub>2</sub> e	c	Each reporting period	
5.3	Origin of the Food Waste	The facility (if commercial) or jurisdiction where the food waste originates	Facility or jurisdiction (municipality or county)	n/a	For each shipment of inbound waste	This information is necessary to track eligible food waste streams and ineligible food waste streams that are composted by the project, as well as to determine appropriate decay rates (k values) to use in the calculation.

Eq. #	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference (r) Operating Records (o)	Measurement Frequency	Comment
5.3, 5.5	$W_{FW,S}$	The wet weight of each eligible food waste stream composted by the project	MT of waste	m, c	For each shipment of inbound waste for each waste stream 'S'	Total weight must be measured for each delivery of waste, and the proportional weight of food waste determined for each source and aggregated over the reporting period.
5.3, 5.4	$WTE_S$	The fraction of waste from eligible waste stream 'S' that would have been incinerated in the absence of the project	Fraction by weight	r	Each reporting period	Referenced for each waste stream from Appendix A by state of origin of the waste stream.
5.3	$FE_{FW,S}$	Fraction of methane generated that is emitted to the atmosphere over a ten year time horizon	Fraction	c	Each reporting period	Calculated using the First Order Decay function.
5.3	$k_{FW,S}$	Decay rate of food waste, by waste stream 'S'	$yr^{-1}$	r	Each reporting period	Referenced from Appendix A, Figure A.2. The appropriate k value shall be chosen based on the k value applicable to the county-specific climate where the waste originated.
5.3, 5.4	$GC_S$	The state-specific gas collection fraction	Fraction	r	Each reporting period	Equal to the fraction of total waste that is disposed at open landfills with known or potential LFG collection systems. Referenced from Appendix A, Table A.3.
5.3	$LCE_x$	Fraction of methane that would be captured and destroyed by LFG collection systems in year x	Fraction	r	Each reporting period	All projects shall use a value of 0.0 for the first two years of calculated waste decay ( $x=1$ to 2), a value of 0.5 for the third year ( $x=3$ ), a value of 0.75 for years 4 to 7 ( $x=4$ to 7), and a value of 0.95 for the remaining years of decay until the end of the calculation period ( $x=8$ to 10). See Box 5.1 for a discussion of LCE assumptions.



Eq. #	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference (r) Operating Records (o)	Measurement Frequency	Comment
5.4, 5.5	$W_{SP,S}$	The wet weight of each eligible soiled paper waste stream composted by the project	MT of waste	m, c	For each shipment of inbound waste for each waste stream 'S'	Total weight must be measured for each delivery of waste, and the proportional weight of soiled paper waste determined for each source and aggregated over the reporting period.
5.4	$FE_{SP,S}$	Fraction of methane generated that is emitted to the atmosphere over a ten year time horizon	Fraction	c	Each reporting period	Calculated using the First Order Decay function.
5.4	$k_{SP,S}$	Decay rate of soiled paper waste, by waste stream 'S'	$yr^{-1}$	r	Each reporting period	Referenced from Appendix A, Figure A.2. The appropriate k value shall be chosen based on the k value applicable to the county-specific climate where the waste originated.
5.5	$W_{T,S}$	The aggregated total wet weight of waste delivered to the site from eligible waste stream 'S'	MT of waste	m	For each shipment of inbound waste for each waste stream 'S'	Total weight must be measured for each delivery of waste in order to determine the weight of eligible food and soiled paper waste from each waste stream that is composted by the operation during the reporting period.
5.5	$FC_S$	Fraction of eligible waste stream 'S' composted by the project	Fraction	c	Each reporting period	

Eq. #	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference (r) Operating Records (o)	Measurement Frequency	Comment
5.5, 5.6	$F_{FW,S}$	The food waste fraction by wet weight of eligible waste stream 'S'	Fraction by weight	m, c	Quarterly or each reporting period	<p>The fraction of food waste must be determined for each waste stream 'S'. The fraction is determined according to Sections 5.1.1.1 or 5.1.1.2.</p> <p>For Residential SSO waste, measured quarterly or referenced from local data each reporting period.</p> <p>For Commercial SSO waste, referenced for each reporting period.</p> <p>For mixed MSW, measured quarterly or referenced for each reporting period.</p>
5.5, 5.7	$F_{SP,S}$	The soiled paper waste fraction by wet weight of eligible waste stream 'S'	Fraction by weight	m, c	Quarterly or each reporting period	<p>The fraction of soiled paper waste must be determined for each waste stream 'S'. The fraction is determined according to Sections 5.1.1.1 or 5.1.1.2.</p> <p>For Residential SSO waste, measured quarterly or referenced from local data each reporting period.</p> <p>For Commercial SSO waste, referenced for each reporting period.</p> <p>For mixed MSW, measured quarterly or referenced for each reporting period.</p>
5.6, 5.7	$F_{i,S}$	Fraction of waste category $i$ in MRF fines waste stream 'S'	Fraction	m, c	Twice per quarter for the first year that the waste stream is composted by the project and quarterly thereafter	The fraction of waste category $i$ must be determined for each waste stream 'S'. The fraction is determined according to Section 5.1.1.1.

Eq. #	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference (r) Operating Records (o)	Measurement Frequency	Comment
5.6	$W_{HS}$	Weight of sample taken in large preliminary hand sort	lb	m	Twice per quarter for the first year that the waste stream is composted by the project and quarterly thereafter	The total weight of all fines larger than approximately two inches in diameter sorted and screened during preliminary screen of sample.
5.6	$F_{i,HS}$	Fraction of waste category $i$ in large preliminary hand sort	Fraction	m, c	Twice per quarter for the first year that the waste stream is composted by the project and quarterly thereafter	The fraction of waste category $i$ must be determined for each large preliminary hand sort. The fraction is determined according to Section 5.1.1.1.
5.6	$W_{PR}$	Weight of total sample after large particles removed	lb	m	Twice per quarter for the first year that the waste stream is composted by the project and quarterly thereafter	The total weight of all fines equal to or smaller than approximately two inches in diameter that remain following preliminary screen of sample.
5.6	$F_{i,QS}$	Fraction of waste category $i$ in quarter sample	Fraction	m, c	Twice per quarter for the first year that the waste stream is composted by the project and quarterly thereafter	The fraction of waste category $i$ must be determined for each quarter sample. The fraction is determined according to Section 5.1.1.1.
5.6, 5.7	$W_{sample}$	Weight of total sample prior to hand sort	lb	m	Twice per quarter for the first year that the waste stream is composted by the project and quarterly thereafter	$W_{sample} = W_{HS} + W_{PR}$
<b>Project Calculation Parameters</b>						
5.8, 5.9	$PE_{CO_2}$	Total project carbon dioxide emissions from fossil fuel and grid electricity	MTCO <sub>2</sub> e	c	Each reporting period	
5.8, 5.10	$PE_{CH_4,C}$	Project methane emissions from composting eligible waste	MTCO <sub>2</sub> e	c	Each reporting period	

Eq. #	Parameter	Description	Data Unit	Calculated (c) Measured (m) Reference (r) Operating Records (o)	Measurement Frequency	Comment
5.8, 5.11	$PE_{N_2O,C}$	Project nitrous oxide emissions from composting eligible waste	MTCO <sub>2</sub> e	c	Each reporting period	
5.9	$FF_{PR,i}$	Total fossil fuel consumed by onsite combustion, by fuel type i	Volume	o	Each reporting period	Referenced from fuel use records or estimated based on miles traveled (for mobile combustion sources not owned or operated by the project developer).
5.9	$EF_{FF,i}$	Fuel-specific emission factor	kgCO <sub>2</sub> / volume	r	Each reporting period	Referenced from Appendix A.
5.9	$EL_{PR}$	Total electricity consumed by project operations	MWh	o	Each reporting period	From electricity use records.
5.9	$EF_{EL}$	Carbon emission factor for electricity used	lbCO <sub>2</sub> / MWh	r	Each reporting period	Referenced from Appendix A.
5.10, 5.11	$W_{C,T}$	The aggregated wet weight of all eligible food and soiled paper waste composted in composting system 'T'	MT of waste	m	Each reporting period	Aggregated from the weight of food and soiled paper waste from all eligible waste streams delivered to the site.
5.10	$EF_{CH_4,T}$	The methane emission factor for composting system 'T'	MTCO <sub>2</sub> e / MT waste	r	Each reporting period	Referenced from Table 5.2 for each composting system.
5.10	$W_{FW}$	The aggregated wet weight of eligible food waste from all eligible waste streams delivered to the operation	MT of waste	m	Each reporting period	Aggregation of eligible waste streams only.
5.10	$W_{SP}$	The aggregated wet weight of eligible soiled paper waste from all eligible waste streams delivered to the operation	MT of waste	m	Each reporting period	Aggregation of eligible waste streams only.
5.10	$F_{EW,T}$	The fraction of eligible waste composted in system 'T'	Fraction by weight	o	Each reporting period	Based on the net volume of waste composted in each system 'T' at the operation.
5.11	$EF_{N_2O,T}$	The nitrous oxide emission factor for composting system 'T'	MTCO <sub>2</sub> e / MT waste	r	Each reporting period	Referenced from Table 5.2 for each composting system.

## 7 Reporting Parameters

This section provides requirements and guidance on reporting rules and procedures. A priority of the Reserve is to facilitate consistent and transparent information disclosure among project developers. Project developers must submit verified emission reduction reports to the Reserve annually at a minimum.

### 7.1 Project Submittal Documentation

Project developers must provide the following documentation to the Reserve in order to register a composting project.

- Project Submittal form
- Project diagram (including information on each eligible waste stream category processed at that composting operation, project activities, and BMP monitoring – see Appendix C)
- Signed Attestation of Title form
- Signed Attestation of Regulatory Compliance form
- Signed Attestation of Voluntary Implementation form
- Verification Report
- Verification Statement

Project developers must provide the following documentation each reporting period in order for the Reserve to issue CRTs for quantified GHG reductions.

- Verification Report
- Verification Statement
- Project diagram (if changed from previous reporting period)
- Signed Attestation of Title form
- Signed Attestation of Regulatory Compliance form
- Signed Attestation of Voluntary Implementation form

At a minimum, the above project documentation (except for the project diagram) will be available to the public via the Reserve's online registry. Further disclosure and other documentation may be made available on a voluntary basis through the Reserve. Project submittal forms can be found at <http://www.climateactionreserve.org/how/program/documents/>.

### 7.2 Record Keeping

For purposes of independent verification and historical documentation, project developers are required to keep all information outlined in this protocol for a period of 10 years after the information is generated or 7 years after the last verification. This information will not be publicly available, but may be requested by the verifier or the Reserve.

System information the project developer should retain includes:

- All data inputs for the calculation of the project emission reductions, including all required sampled data
- Copies of all permits, Notices of Violations (NOVs), and any relevant administrative or legal consent orders dating back at least 3 years prior to the project start date
- Executed Attestation of Title forms, Attestation of Regulatory Compliance forms and Attestation of Voluntary Implementation forms

- Onsite weigh station calibration results
- Waste delivery receipts and records
- Daily logs detailing weight and source of all incoming waste streams
- Grocery store waste stream pre-project waste handling documentation and monitoring records
- Results of all residential waste stream hand-sorting events
- Compost BMP and OPC monitoring data
- Onsite fossil fuel use records
- Onsite grid electricity use records
- Results of CO<sub>2</sub>e annual reduction calculations
- Initial and annual verification records and results
- All maintenance records relevant to the composting equipment and monitoring equipment

### **7.3 Reporting Period and Verification Cycle**

Project developers must report GHG reductions resulting from project activities during each reporting period. Although projects must be verified annually at a minimum, the Reserve will accept verified emission reduction reports on a sub-annual basis, should the project developer choose to have a sub-annual reporting period and verification schedule (e.g. monthly, quarterly, or semi-annually).

To meet the annual verification deadline, the project developer must have the required verification documentation submitted within 12 months of the end of each reporting period (see Section 7.1). A reporting period cannot exceed 12 months, and no more than 12 months of emission reductions can be verified at once, except during a project's initial verification. Although there is some flexibility in the length of the initial reporting period, the project developer must still meet the 12-month verification deadline.

## 8 Verification Guidance

This section provides verification bodies with guidance on verifying GHG emission reductions associated with the diversion of organic waste away from landfills to aerobic composting systems. This verification guidance supplements the Reserve's Verification Program Manual and describes verification activities specifically related to OWC projects.

Verification bodies trained to verify organic waste composting projects must be familiar with the following documents:

- Climate Action Reserve Program Manual
- Climate Action Reserve Verification Program Manual
- Climate Action Reserve Organic Waste Composting Project Protocol

The Reserve's Program Manual, Verification Program Manual, and project protocols are designed to be compatible with each other and are available on the Reserve's website at <http://www.climateactionreserve.org>.

Only ISO-accredited verification bodies trained by the Reserve for this project type are eligible to verify OWC project reports. Verification bodies approved under other project protocol types are not permitted to verify OWC projects. Information about verification body accreditation and Reserve project verification training can be found on the Reserve website at: <http://www.climateactionreserve.org>.

### 8.1 Standard of Verification

The Reserve's standard of verification for OWC projects is the OWC Project Protocol (this document), the Reserve Program Manual, and the Verification Program Manual. To verify an OWC project report, verification bodies apply the guidance in the Verification Program Manual and this section of the protocol to the standards described in Sections 2 through 7 of this protocol. Sections 2 through 7 provide eligibility rules, methods to calculate emission reductions, performance monitoring instructions and requirements, and procedures for reporting project information to the Reserve.

### 8.2 Monitoring Plan

The Monitoring Plan serves as the basis for verification bodies to confirm that the monitoring and reporting requirements in Section 6 and Section 7 have been met, that consistent, rigorous monitoring and record-keeping is ongoing at the project site, and that the project has implemented and is monitoring the BMPs prescribed in Section 2.2 of this protocol. Verification bodies shall confirm that the Monitoring Plan covers all aspects of monitoring and reporting contained in this protocol and specifies how data for all relevant parameters in Table 6.1 are collected and recorded.

### 8.3 Verifying Project Eligibility

Verification bodies must affirm an OWC project's eligibility according to the rules described in this protocol. The table below outlines the eligibility criteria for OWC projects. This table does not present all criteria for determining eligibility comprehensively; verification bodies must also look to Section 3 and the verification items list in Table 8.2.

**Table 8.1.** Summary of Eligibility Criteria for an Organic Waste Composting Project

Eligibility Rule	Eligibility Criteria	Frequency of Rule Application
Start Date	Projects must be submitted for listing no more than 6 months after the project start date	Once during first verification
Location	United States and its territories, and U.S. tribal areas	Once during first verification
Performance Standard	<p>The following eligible waste streams are aerobically composted at the project's composting operation:</p> <ul style="list-style-type: none"> <li>Food Waste: Food waste commonly disposed into a MSW system, consisting of uneaten food, food scraps, spoiled food and food preparation wastes</li> <li>Food Soiled Paper Waste: non-recyclable paper items that are co-mingled with food waste, consisting of paper napkins and tissues, paper plates, paper cups, fast food wrappers, used pizza boxes, and other similar paper items typically disposed of in an MSW system</li> <li>Food and soiled paper waste from grocery stores that historically sent food waste to landfills prior to sending food waste for composting at the project operation</li> <li>Food and soiled paper waste from new grocery store facilities</li> </ul>	Every verification
Legal Requirement Test	Signed Attestation of Voluntary Implementation form and monitoring procedures for ascertaining and demonstrating that the project passes the Legal Requirement Test	Every verification
Regulatory Compliance Test	Signed Attestation of Regulatory Compliance form and disclosure of non-compliance to verifier; project must be in material compliance with all applicable laws	Every verification

## 8.4 Core Verification Activities

The Organic Waste Composting Project Protocol provides explicit requirements and guidance for quantifying the GHG reductions associated with the diversion of organic waste away from landfills to aerobic composting. The Verification Program Manual describes the core verification activities that shall be performed by verification bodies for all project verifications. They are summarized below in the context of an OWC project, but verification bodies must also follow the general guidance in the Verification Program Manual.

Verification is a risk assessment and data sampling effort designed to ensure that the risk of reporting error is assessed and addressed through appropriate sampling, testing, and review. The three core verification activities are:

1. Identifying emissions sources, sinks, and reservoirs
2. Reviewing GHG management systems and estimation methodologies
3. Verifying emission reduction estimates



**Identifying emission sources, sinks, and reservoirs**

The verification body reviews for completeness the sources, sinks, and reservoirs identified for a project, such as, *inter alia*, food and soiled paper waste disposal at landfills, and onsite aerobic composting of food and soiled paper waste.

**Reviewing GHG management systems and estimation methodologies**

The verification body reviews and assesses the appropriateness of the methodologies and management systems that the OWC project operator uses to gather data and calculate baseline and project emissions.

**Verifying emission reduction estimates**

The verification body further investigates areas that have the greatest potential for material misstatements and then confirms whether or not material misstatements have occurred. This involves site visits to the project facility (or facilities if the project includes multiple facilities involved in a single compost process) to ensure the systems on the ground correspond to and are consistent with data provided to the verification body. In addition, the verification body recalculates a representative sample of the performance or emissions data for comparison with data reported by the project developer in order to double-check the calculations of GHG emission reductions.

**8.5 OWC Verification Items**

The following tables provide lists of items that a verification body needs to address while verifying an OWC project. The tables include references to the section in the protocol where requirements are further specified. The table also identifies items for which a verification body is expected to apply professional judgment during the verification process. Verification bodies are expected to use their professional judgment to confirm that protocol requirements have been met in instances where the protocol does not provide (sufficiently) prescriptive guidance. For more information on the Reserve's verification process and professional judgment, please see the Verification Program Manual.

***Note: These tables shall not be viewed as a comprehensive list or plan for verification activities, but rather guidance on areas specific to OWC projects that must be addressed during verification.***

**8.5.1 Project Eligibility and CRT Issuance**

Table 8.2 lists the criteria for reasonable assurance with respect to eligibility and CRT issuance for OWC projects. These requirements determine if a project is eligible to register with the Reserve and/or have CRTs issued for the reporting period. If any requirement is not met, either the project may be determined ineligible or the GHG reductions from the reporting period (or sub-set of the reporting period) may be ineligible for issuance of CRTs, as specified in Sections 2, 3, and 6.

**Table 8.2.** Eligibility Verification Items

Protocol Section	Eligibility Qualification Item	Apply Professional Judgment?
2.2	Verify that the project meets the definition of an OWC project	No
2.2	Verify that the project composting facility (or multiple facilities engaged in a single compost process) has implemented the required BMPs for composting	No
2.3	Verify ownership of the reductions by reviewing Attestation of Title	No
3.2	Verify project start date	No
3.2	Verify that the project has documented and implemented a Monitoring Plan that contains a mechanism to ensure compliance with the BMPs defined in Section 2.2 of this protocol	No
3.2	Verify accuracy of project start date based on operational records	Yes
3.3	Verify that project is within its 10 year crediting period	No
3.4.1	Verify that the project meets the Performance Standard Test	No
3.4.1	Verify that the project has documentation showing that all eligible waste streams originating from grocery stores or super markets were previously landfilled prior to the date that the waste is first delivered to the composting operation	Yes
3.4.2	Confirm execution of the Attestation of Voluntary Implementation form to demonstrate eligibility under the Legal Requirement Test	No
3.4.2	Verify that the project Monitoring Plan contains a mechanism for ascertaining and demonstrating that the project passes the Legal Requirement Test at all times	No
3.5	Verify that the project activities comply with applicable laws by reviewing any instances of non-compliance provided by the project developer and performing a risk-based assessment to confirm the statements made by the project developer in the Attestation of Regulatory Compliance form	Yes
6	Verify that monitoring meets the requirements of the protocol. If it does not, verify that variance has been approved for monitoring variations	No

### 8.5.2 Quantification

Table 8.3 lists the items that verification bodies shall include in their risk assessment and re-calculation of the project's GHG emission reductions. These quantification items inform any determination as to whether there are material and/or immaterial misstatements in the project's GHG emission reduction calculations. If there are material misstatements, the calculations must be revised before CRTs are issued.

**Table 8.3.** Quantification Verification Items

Protocol Section	Quantification Item	Apply Professional Judgment?
4	Verify that all SSRs in the GHG Assessment Boundary are accounted for	No
5.1	Verify that the baseline emissions from different eligible waste stream are properly aggregated	No
5.1.1	Verify that the correct k value is used for each food and soiled paper waste stream's baseline calculation	No
5.1	Verify that the FOD equation is used correctly for the food waste and soiled paper components of each eligible waste stream	No
5.1	Verify that baseline equation parameters, including referenced parameters, are applied correctly in the FOD equation	No
5.1.1	Verify that the proportional weight of food and soiled paper waste is determined for each eligible waste stream according to the requirements in Section 5.1.1.1 and/or 5.1.1.2	No
5.1.1.2.1	Verify that all Residential SSO waste streams have used either local jurisdiction waste characterization data or quarterly hand sorting to determine the proportion of food and soiled paper in the waste stream	No
5.1.1.2.2	Verify that all Commercial SSO waste streams have used either generator supplied waste characterization data or the sector-specific default values to determine the proportion of food and soiled paper in the waste stream	No
5.2	Verify that the project emissions calculations were calculated according to the protocol with the appropriate data	No
5.2.1	Verify that the project developer correctly monitored, quantified and aggregated electricity use	Yes
5.2.1	Verify that the project developer correctly monitored, quantified and aggregated fossil fuel use	Yes
5.2.1	Verify that the project developer applied the correct emission factors for fossil fuel combustion and grid-delivered electricity	No
5.2.2	Verify that the project developer has correctly categorized the onsite composting treatment systems as either 'Turned Systems' or 'Forced – Aeration Systems'	Yes
5.2.2.1	Verify that the project developer has correctly applied methane emission factors	No
5.2.2.1	If default methane emission factors are not used, verify that project specific emission factors are based on official source tested emissions data or are from an accredited source test service provider	No
5.2.2.1	Verify that the project developer has correctly documented and monitored all Optional Process Controls	Yes
5.2.2.2	Verify that the project developer correctly applied nitrous oxide emission factors	No
5.2.2.2	If default methane emission factors are not used, verify that project specific emission factors are based on official source tested emissions data or are from an accredited source test service provider	No

### 8.5.3 Risk Assessment

Verification bodies will review the following items in Table 8.4 to guide and prioritize their assessment of data used in determining eligibility and quantifying GHG emission reductions.

**Table 8.4.** Risk Assessment Verification Items

Protocol Section	Item that Informs Risk Assessment	Apply Professional Judgment?
6	Verify that the project Monitoring Plan is sufficiently rigorous to support the requirements of the protocol and proper operation of the project	Yes
6	Verify that the Composting system was operated and maintained according in a manner that would ensure that the BMPs in Section 2.2 are met	Yes
6	Verify that appropriate monitoring equipment is in place to meet the requirements of the protocol	No
6	Verify that the individual or team responsible for managing and reporting project activities are qualified to perform this function	Yes
6	Verify that appropriate training was provided to personnel assigned to greenhouse gas reporting duties	Yes
6	Verify that all contractors are qualified for managing and reporting greenhouse gas emissions if relied upon by the project developer. Verify that there is internal oversight to assure the quality of the contractor's work	Yes
7.2	Verify that all required records have been retained by the project developer	No

## 8.6 Completing Verification

The Verification Program Manual provides detailed information and instructions for verification bodies to finalize the verification process. It describes completing a Verification Report, preparing a Verification Statement, submitting the necessary documents to the Reserve, and notifying the Reserve of the project's verified status.

## 9 Glossary of Terms

Accredited verifier	A verification firm approved by the California Registry to provide verification services for project developers.
Additionality	Organic waste management practices that are above and beyond business-as-usual operation, exceed the baseline characterization, and are not mandated by regulation.
Aerobic	Requiring oxygen.
Anaerobic	Pertaining to or caused by the absence of oxygen.
Anthropogenic emissions	GHG emissions resultant from human activity that are considered to be an unnatural component of the Carbon Cycle (i.e. fossil fuel destruction, de-forestation, etc.).
Biogenic CO <sub>2</sub> emissions	CO <sub>2</sub> emissions resulting from the destruction and/or aerobic decomposition of organic matter. Biogenic emissions are considered to be a natural part of the Carbon Cycle, as opposed to anthropogenic emissions.
Carbon dioxide (CO <sub>2</sub> )	The most common of the six primary greenhouse gases, consisting of a single carbon atom and two oxygen atoms.
CO <sub>2</sub> equivalent (CO <sub>2</sub> e)	The quantity of a given GHG multiplied by its total global warming potential. This is the standard unit for comparing the degree of warming which can be caused by different GHGs.
Composting process	The collection of steps required to prepare and convert raw organic waste into finished compost.
Composting operation	A single facility, or a full complement of multiple facilities, necessary to process biodegradable organic solid waste components into a mature compost product.
Direct emissions	Greenhouse gas emissions from sources that are owned or controlled by the reporting entity.
Effective Date	The date of initial adoption of this protocol by the Reserve Board: June 30, 2010.
Emission factor (EF)	A unique value for determining an amount of a greenhouse gas emitted for a given quantity of activity data (e.g. metric tons of carbon dioxide emitted per barrel of fossil fuel burned).
First Order Decay model (FOD model)	A calculation developed to model the decay of waste under anaerobic conditions, based off of first-order kinetic equations.
Food waste	Non-industrial food waste commonly disposed into a MSW system, consisting of uneaten food, spoiled food and food preparation wastes from homes, restaurants, kitchens, grocery stores, campuses, cafeterias, and similar institutions.

Fossil fuel	A fuel, such as coal, oil, and natural gas, produced by the decomposition of ancient (fossilized) plants and animals.
Greenhouse gas (GHG)	Carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), sulfur hexafluoride (SF <sub>6</sub> ), hydrofluorocarbons (HFCs), or perfluorocarbons (PFCs).
Grocery store or supermarket	A grocery store is a store established primarily for the retailing of food. Large grocery stores that stock products other than food, such as clothing or household items, are referred to as supermarkets.
GHG reservoir	A physical unit or component of the biosphere, geosphere, or hydrosphere with the capability to store or accumulate a GHG that has been removed from the atmosphere by a GHG sink or a GHG captured from a GHG source.
GHG sink	A physical unit or process that removes GHG from the atmosphere.
GHG source	A physical unit or process that releases GHG into the atmosphere.
Global warming potential (GWP)	The ratio of radiative forcing (degree of warming to the atmosphere) that would result from the emission of one unit of a given GHG compared to one unit of CO <sub>2</sub> .
Indirect emissions	Reductions in GHG emissions that occur at a location other than where the reduction activity is implemented, and/or at sources not owned or controlled by project participants.
Landfill	A defined area of land or excavation that receives or has previously received waste that may include household waste, commercial solid waste, non-hazardous sludge and industrial solid waste.
Landfill gas (LFG)	Gas resulting from the decomposition of wastes placed in a landfill. Typically, landfill gas contains methane, carbon dioxide and other trace organic and inert gases.
Materials Recovery Facility (MRF)	A specialized plant that receives, sorts, and processes MSW in order to extract materials of value that would ordinarily otherwise go to landfill.
Metric ton or “tonne” (MT)	A common international measurement for the quantity of GHG emissions, equivalent to about 2204.6 pounds or 1.1 short tons.
Methane (CH <sub>4</sub> )	A potent GHG with a GWP of 21, consisting of a single carbon atom and four hydrogen atoms.
MMBtu	One million British thermal units.
Mobile combustion	Emissions from the transportation of materials, products, waste, and employees resulting from the combustion of fuels in company owned or controlled mobile combustion sources (e.g. cars, trucks, tractors, dozers, etc.).

Mixed MSW	Non-source separated waste consisting of organic and inorganic components, reflecting waste typically disposed of at a landfill.
MRF fines	Residual material from the processing of mixed MSW at a materials recovery facility, characterized by small particle size and relatively high organics content as compared to typical mixed MSW loads. This material is not source-separated.
National Emission Standards for Hazardous Air Pollutants (NESHAP)	Federal emission control standards codified in 40 CFR 63. Subpart AAAA of Part 63 prescribes emission limitations for MSW landfills.
New Source Performance Standards (NSPS)	Federal emission control standards codified in 40 CFR 60. Subpart WWW of Part 60 prescribes emission limitations for MSW landfills.
Project baseline	A business as usual GHG emission assessment against which GHG emission reductions from a specific GHG reduction activity are measured.
Project developer	An entity that undertakes a GHG project.
Resource Conservation and Recovery Act (RCRA)	Federal legislation under which solid and hazardous waste disposal facilities are regulated.
Soiled paper waste	Non-recyclable paper items that are co-mingled with food waste, consisting of paper napkins and tissues, paper plates, paper cups, fast food wrappers, used pizza boxes, and other similar paper items typically disposed of in an MSW system.
Stationary combustion source	A stationary source of emissions from the production of electricity, heat, or steam, resulting from combustion of fuels in boilers, furnaces, turbines, kilns, and other facility equipment.
Verification	The process used to ensure that a given participant's greenhouse gas emissions or emission reductions have met the minimum quality standard and complied with the Reserve's procedures and protocols for calculating and reporting GHG emissions and emission reductions.
Verification body	A Reserve approved firm that is able to render a verification opinion and provide verification services for operators subject to reporting under this protocol.
Waste stream	A supply of waste originating from a specific type of facility (if commercial waste) or jurisdiction (if residential waste). For the purpose of this protocol, eligible waste streams are further defined in Section 3.4.1.

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## Appendix A Data Lookup Tables

**Table A.1.** Composting System Descriptions

Composting System	Description	% of Market	Likely to Meet BMP Requirements
Passive Piles	Passive piles rely predominantly on natural convection, a function of the porosity (or free air space) of the material or mix being composted. Passive piles are often turned very infrequently and may not be suitable for all feedstocks. Passive piles are likely to contain anaerobic pockets. Temperatures in these piles may not heat up to regulatory requirements for pathogen destruction, one of the hallmarks of commercial and municipal composting. For these reasons, passive piles do not meet the BMP requirements per this protocol.	<5%	No
Turned windrows	The predominant method of composting in the US. Windrow composting involves making elongated trapezoidal piles, which are turned with either a tractor, front-end loader, or specialized turning equipment. There can be significant variation in windrow size (which typically depends on the equipment used to turn the pile), windrow length, and management intensity. Some facilities can make quality compost in 8 to 9 weeks or longer from start to finish. Windrow operations can easily reach temperatures required for pathogen destruction. In these systems, any anaerobic regions are concentrated at the bottom of the windrow. Heat from decomposition dries these piles and in many cases, additional water is added to maintain sufficient moisture for microbial decomposition	90%	Yes
Aerated Static Piles (uncontained and contained)	These systems use a blower to introduce air into the composting mass, either with positive or negative pressure. ASPs can be uncontained or contained using membrane cover, or contained in an enclosed (in-vessel) or in-building system. The advantage of negatively aerating a static pile is that the exhaust can be directed to a point source and put through a control system such as a biofilter.	<5%	Yes

**Table A.2.** Decay Rates (k) by Waste Type and Climate

Climatic Category	Food Waste Decay Rates $k_{FW,S}$ (yr-1)	Soiled Paper Decay Rate $k_{SP,S}$ (yr-1)*
Temperate, Dry	0.06	0.04
Temperate, Wet	0.185	0.06
Tropical, Dry	0.085	0.045
Tropical, Wet	0.4	0.07

Source: UNFCCC Clean Development Mechanism: Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site.

\* Soiled paper decay rate assumed to be equal to the decay rate of office paper, per communication with M. Barlaz.

**Table A.3.** Gas Collection Fractions, by State

Landfill State	Total Annual Waste Acceptance at Open Landfills (tons)				Fraction of Total Waste that is Accepted at Open Landfills with Known or Potential LFG Collection Systems	Gas Collection Fractions
	Landfills with No LFG Collection Systems	Landfills where LFG Collection Status is Unknown	Landfills with LFG Collection Systems	All Landfills		
AK	182,674	72,900	350,000	605,574	70%	0.70
AL	3,249,929	1,040,000	4,731,995	9,021,924	64%	0.64
AR	471,646		936,455	1,408,101	67%	0.67
AZ	387,105		4,064,059	4,451,164	91%	0.91
CA	1,397,403		35,968,060	37,365,463	96%	0.96
CO	1,474,132		4,810,118	6,284,250	77%	0.77
CT			158,164	158,164	100%	1.00
DE			830,741	830,741	100%	1.00
FL	2,132,545		14,359,416	16,491,961	87%	0.87
GA	1,170,878	166,567	10,390,734	11,728,179	90%	0.90
HI	249,249		578,335	827,584	70%	0.70
IA	1,152,713	71,272	1,491,316	2,715,301	58%	0.58
ID	548,261		763,791	1,312,052	58%	0.58
IL	434,737		13,667,105	14,101,842	97%	0.97
IN	1,831,127		8,889,583	10,720,710	83%	0.83
KS	1,401,161		2,548,150	3,949,311	65%	0.65
KY	1,124,893		5,238,221	6,363,114	82%	0.82
LA	473,833		4,368,346	4,842,179	90%	0.90
MA	900		2,184,392	2,185,292	100%	1.00
MD	453,344		1,785,180	2,238,524	80%	0.80
ME	26,355		851,679	878,034	97%	0.97
MI	456,335		16,258,806	16,715,141	97%	0.97
MN	139,398		1,631,572	1,770,970	92%	0.92
MO	255,400		2,424,101	2,679,501	90%	0.90
MS	842,731		2,402,865	3,245,596	74%	0.74
MT	179,576		603,515	783,091	77%	0.77
NC	1,527,569	50,802	5,380,169	6,958,540	78%	0.78
ND	197,579		140,000	337,579	41%	0.41

NE	438,116		1,715,057	2,153,173	80%	0.80
NH	153,449		1,783,857	1,937,306	92%	0.92
NJ			4,095,824	4,095,824	100%	1.00
NM	83,321		1,348,266	1,431,587	94%	0.94
NV	341,668		3,507,687	3,849,355	91%	0.91
NY	526,891		7,430,008	7,956,899	93%	0.93
OH	2,163,712		17,047,685	19,211,397	89%	0.89
OK	828,876		3,161,706	3,990,582	79%	0.79
OR	373,788		4,386,823	4,760,611	92%	0.92
PA	289,651		18,361,866	18,651,517	98%	0.98
PR	1,814,530		1,401,900	3,216,430	44%	0.44
RI	9,760		1,507,847	1,517,607	99%	0.99
SC	429,431		6,470,888	6,900,319	94%	0.94
SD	273,700		178,321	452,021	39%	0.39
TN	524,290		5,131,608	5,655,898	91%	0.91
TX	2,657,648	25,701	18,413,494	21,096,843	87%	0.87
UT	1,220,353		1,360,428	2,580,781	53%	0.53
VA	433,948	125,755	13,048,150	13,607,853	97%	0.97
VI			85,000	85,000	100%	1.00
VT	11,788		520,000	531,788	98%	0.98
WA	203,059		4,246,249	4,449,308	95%	0.95
WI	95,026		8,457,871	8,552,897	99%	0.99
WV	385,188	26,496	1,381,594	1,793,278	79%	0.79
WY	275,453			275,453	0%	0%
<b>Grand Total</b>	35,295,119	1,579,493	272,848,997	309,723,609	89%	N/A

Source: U.S. EPA Landfill Methane Outreach Program (LMOP) Database (2012).

**Table A.4.** Fraction of Waste Sent to Waste to Energy Facilities, by State

State	WTE <sub>s</sub> (Fraction)
ALABAMA	0.03
ALASKA	0.03
ARIZONA	0.00
ARKANSAS	0.01
CALIFORNIA	0.02
COLORADO	0.00
CONNECTICUT	0.65
DELAWARE	0.00
FLORIDA	0.25
GEORGIA	0.01
HAWAII	0.28
IDAHO	0.00
ILLINOIS	0.00
INDIANA	0.05
IOWA	0.01
KANSAS	0.00
KENTUCKY	0.00
LOUISIANA	0.04
MAINE	0.19
MARYLAND	0.20
MASSACHUSETTS	0.37
MICHIGAN	0.07
MINNESOTA	0.21
MISSISSIPPI	0.00
MISSOURI	0.01
MONTANA	0.01
NEBRASKA	0.00
NEVADA	0.00
NEW HAMPSHIRE	0.16
NEW JERSEY	0.15
NEW MEXICO	0.00
NEW YORK	0.20
NORTH CAROLINA	0.01
NORTH DAKOTA	0.00
OHIO	0.00
OKLAHOMA	0.08
OREGON	0.04
PENNSYLVANIA	0.19
RHODE ISLAND	0.00
SOUTH CAROLINA	0.05
SOUTH DAKOTA	0.00
TENNESSEE	0.00
TEXAS	0.00
UTAH	0.04
VERMONT	0.09
VIRGINIA	0.13
WASHINGTON	0.04
WEST VIRGINIA	0.00
WISCONSIN	0.03
WYOMING	0.00

Source: Biocycle State of Garbage Report (2006). Table 3. (<http://www.jgpress.com/images/art/0604/table3.gif> )

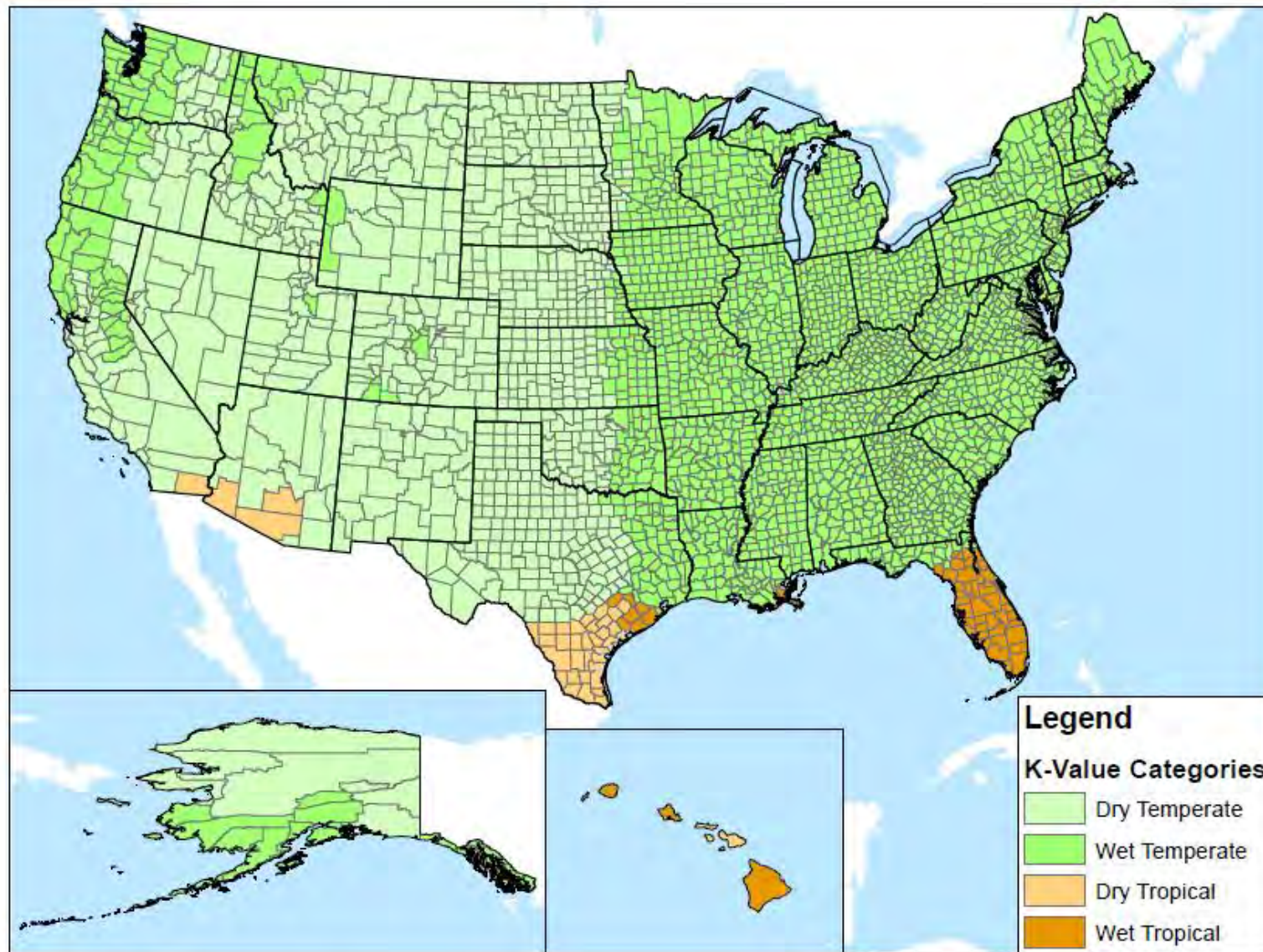
**Table A.5.** CO<sub>2</sub> Emission Factors for Fossil Fuel Use

Fuel Type	Heat Content	Carbon Content (Per Unit Energy)	Fraction Oxidized	CO <sub>2</sub> Emission Factor (Per Unit Energy)	CO <sub>2</sub> Emission Factor (Per Unit Mass or Volume)
<b>Coal and Coke</b>	<b>MMBtu / Short ton</b>	<b>kg C / MMBtu</b>		<b>kg CO<sub>2</sub> / MMBtu</b>	<b>kg CO<sub>2</sub> / Short ton</b>
Anthracite Coal	25.09	28.26	1.00	103.62	2,599.83
Bituminous Coal	24.93	25.49	1.00	93.46	2,330.04
Sub-bituminous Coal	17.25	26.48	1.00	97.09	1,674.86
Lignite	14.21	26.30	1.00	96.43	1,370.32
Unspecified (Residential/ Commercial)	22.05	26.00	1.00	95.33	2,102.29
Unspecified (Industrial Coking)	26.27	25.56	1.00	93.72	2,462.12
Unspecified (Other Industrial)	22.05	25.63	1.00	93.98	2,072.19
Unspecified (Electric Utility)	19.95	25.76	1.00	94.45	1,884.53
Coke	24.80	31.00	1.00	113.67	2,818.93
<b>Natural Gas (By Heat Content)</b>	<b>Btu / Standard cubic foot</b>	<b>kg C / MMBtu</b>		<b>kg CO<sub>2</sub> / MMBtu</b>	<b>kg CO<sub>2</sub> / Standard cub. ft.</b>
975 to 1,000 Btu / Std cubic foot	975 – 1,000	14.73	1.00	54.01	Varies
1,000 to 1,025 Btu / Std cubic foot	1,000 – 1,025	14.43	1.00	52.91	Varies
1,025 to 1,050 Btu / Std cubic foot	1,025 – 1,050	14.47	1.00	53.06	Varies
1,050 to 1,075 Btu / Std cubic foot	1,050 – 1,075	14.58	1.00	53.46	Varies
1,075 to 1,100 Btu / Std cubic foot	1,075 – 1,100	14.65	1.00	53.72	Varies
Greater than 1,100 Btu / Std cubic foot	> 1,100	14.92	1.00	54.71	Varies
Weighted U.S. Average	1,029	14.47	1.00	53.06	0.0546
<b>Petroleum Products</b>	<b>MMBtu / Barrel</b>	<b>kg C / MMBtu</b>		<b>kg CO<sub>2</sub> / MMBtu</b>	<b>kg CO<sub>2</sub> / gallon</b>
Asphalt & Road Oil	6.636	20.62	1.00	75.61	11.95
Aviation Gasoline	5.048	18.87	1.00	69.19	8.32
Distillate Fuel Oil (#1, 2 & 4)	5.825	19.95	1.00	73.15	10.15
Jet Fuel	5.670	19.33	1.00	70.88	9.57
Kerosene	5.670	19.72	1.00	72.31	9.76
LPG (average for fuel use)	3.849	17.23	1.00	63.16	5.79
Propane	3.824	17.20	1.00	63.07	5.74
Ethane	2.916	16.25	1.00	59.58	4.14
Isobutene	4.162	17.75	1.00	65.08	6.45
n-Butane	4.328	17.72	1.00	64.97	6.70
Lubricants	6.065	20.24	1.00	74.21	10.72
Motor Gasoline	5.218	19.33	1.00	70.88	8.81
Residual Fuel Oil (#5 & 6)	6.287	21.49	1.00	78.80	11.80
Crude Oil	5.800	20.33	1.00	74.54	10.29
Naphtha (<401 deg. F)	5.248	18.14	1.00	66.51	8.31
Natural Gasoline	4.620	18.24	1.00	66.88	7.36
Other Oil (>401 deg. F)	5.825	19.95	1.00	73.15	10.15
Pentanes Plus	4.620	18.24	1.00	66.88	7.36
Petrochemical Feedstocks	5.428	19.37	1.00	71.02	9.18
Petroleum Coke	6.024	27.85	1.00	102.12	14.65
Still Gas	6.000	17.51	1.00	64.20	9.17
Special Naphtha	5.248	19.86	1.00	72.82	9.10
Unfinished Oils	5.825	20.33	1.00	74.54	10.34
Waxes	5.537	19.81	1.00	72.64	9.58

Source: EPA Climate Leaders, Stationary Combustion Guidance (2007), Table B-2 except:

Default CO<sub>2</sub> emission factors (per unit energy) are calculated as: Carbon Content × Fraction Oxidized × 44/12.

Default CO<sub>2</sub> emission factors (per unit mass or volume) are calculated as: Heat Content × Carbon Content × Fraction Oxidized × 44/12 × Conversion Factor (if applicable). Heat content factors are based on higher heating values (HHV).



Source: USGS, Hydrologic landscape regions of the United States (2003).

**Figure A.1.** K-Value Categories in the U.S., by County



## Appendix B Summary of Performance Standard and Regulatory Research

The performance standard for the Organic Waste Composting Project Protocol was modified from the Organic Waste Digestion Project Protocol performance standard analysis and the Methane Avoidance from Composting issue paper completed by Science Applications International Corporation<sup>39</sup> (SAIC) in May 2009 and September 2009, respectively. The analysis culminated in two papers that provided performance standard options and recommendations to support the Reserve's protocol development process, which the Reserve has incorporated into the protocol's eligibility rules (see Section 3).

The purpose of a performance standard is to establish a threshold that is significantly better than common practice with regard to greenhouse gas (GHG) emissions for a specified service. If the threshold is voluntarily met or exceeded by a project developer, then the criterion for "additionality" is satisfied. The Reserve's project protocol focuses on the following emission reduction activity: the composting of organic food waste that was previously treated in MSW Landfills.

The analysis to establish the performance standard for the OWD protocol evaluated organic waste management practices in the specified categories of waste streams. The SAIC research for this study did not provide a detailed quantitative analysis of organic waste practices or volumes in the U.S. but rather provided a qualitative review of current practices and regulations for the identified waste categories. Ultimately, the analysis recommended for each waste category whether a performance standard to improve GHG emissions could be established. The Methane Avoidance from Composting issue paper completed subsequent to the OWD performance standard analysis largely confirmed the findings in regards to how the OWD protocol utilized the information in the OWD performance standard to define eligible vs. ineligible materials. The following sections summarize the methodology and key findings of the performance standard research.

### B.1 Selected Waste Generating Industries

As organic waste sources span across a range of different point sources and disposal locations, an industry-based approach was utilized to inform the performance standard. A list of 82 industries was identified using the North American Industry Classification System (NAICS), the standard used by federal statistical agencies in classifying business establishments.<sup>40</sup> The list of 82 industries was then shortlisted based on their organic waste generation and greenhouse gas emissions potential. Thirty-one industries were shortlisted for detailed analysis. These were organized under the two categories of organic waste relevant to composting projects:

- Food and food-processing solid waste sources
- Agricultural solid waste sources

Table B.1 shows the major organic waste generating industries considered in the paper.

<sup>39</sup> [http://www.climateactionreserve.org/wp-content/uploads/2009/11/Reserve\\_Composting\\_Issue\\_Paper\\_Final.pdf](http://www.climateactionreserve.org/wp-content/uploads/2009/11/Reserve_Composting_Issue_Paper_Final.pdf)

<sup>40</sup> <http://www.census.gov/eos/www/naics/>

**Table B.1.** Selected Organic Waste Source Industries Studied

Category	Industry	Organic Waste Source Categories		Primary Manufacturing	Secondary Manufacturing
		Food & Food Processing Solid Waste	Agricultural Solid Waste		
Grain Manufacturing	1. Rice Milling 2. Malt Manufacturing 3. Wet Corn Milling		X	X	
Oilseed Processing	4. Soybean Processing 5. Other Oilseed Processing		X	X	
Sugar Manufacturing	6. Sugarcane Mills 7. Cane Sugar Refining 8. Beet Sugar Manufacturing	X	X	X	X
Fruit and Vegetable Manufacturing	9. Frozen Fruit, Juice, and Vegetable Manufacturing 10. Fruit and Vegetable Canning	X		X	X
Pre-Cooked Foods	11. Frozen Specialty Food Manufacturing 12. Specialty Canning 13. Commercial Bakeries	X			X
Dairies	14. Fluid Milk Manufacturing 15. Creamery Butter Manufacturing 16. Cheese Manufacturing	X			X
Animal/ Seafood Processing	17. Animal (except Poultry) Slaughtering 18. Meat Processed from Carcasses 19. Rendering and Meat Byproduct Processing 20. Poultry Processing 21. Seafood Canning	X		X	X
Beverage Manufacturing	22. Soft Drink Manufacturing 23. Breweries 24. Wineries	X			X
Paper Milling	25. Paper (except Newsprint) Mills 26. Paperboard Mills 27. Cellulosic Organic Fiber Manufacturing	X*			X
Fertilizer Manufacturing	28. Nitrogenous Fertilizer Manufacturing 29. Phosphatic Fertilizer Manufacturing 30. Fertilizer (Mixing Only) Manufacturing + Compost Manufacturing	X*	X		X
Medicinal Manufacturing	31. Medicinal and Botanical Manufacturing	X*			X

\* Non-food industries that generate organic wastes (note, for the purposes of this study, these industries were grouped with the food processing for research, analysis and discussion).

Primary manufacturing is characterized by industries that process an agricultural or forestry product. These manufacturing plants or operations will generally be largest, and will produce the greatest quantities of waste per plant. Because of their large waste volumes and the producers' motivation to sell products to their highest use (and value), manufacturers will typically sell waste products to buyers who use them as feedstock for secondary products. Secondary manufacturing, on the other hand, is producing a more finished product from the primary manufacturing products.

In addition to these "pre-consumer" industries, SAIC also uncovered relevant information on "post-consumer" organic wastes from the Municipal Solid Waste streams in the U.S. such as food scraps and yard trimmings. Data was also obtained and analyzed for FOG wastes from pre and post-consumer sources.

## **B.2 Organic Waste Generation and Management and Composting Performance Standard Options**

SAIC looked at two categories of organic waste relevant to composting projects: 1) solid food waste and 2) agricultural solid waste. They determined the types of waste and industries associated with each category, as well as waste quantities for each type of the waste and any seasonal and geographical variations. SAIC then looked at waste management practices in the U.S. for each of the two categories and provided an overview of how waste emissions arise, the methane potential of the waste, how it is managed in a "business as usual" setting and alternative management technologies.

The gathered evidence showed that for the two categories there is a strong economic incentive to extract and recover solids from waste streams and convert these into by-products or to burn wastes for energy.<sup>41</sup> Thus, the common practices of activity for these waste streams are already those with very low GHG emission potentials.

However, there are a few industrial solid food wastes that cannot be reused as byproducts and inevitably end up in landfill. Some examples of landfilled solid food waste identified in the research include milk solids, condemned animal carcasses, meat scraps, and pomace wastes from winery. Further studies should be conducted to determine if these niche pre-consumer waste streams can be better characterized and included into a food waste offset methodology.

### **Non-Industrial Food Waste**

Studies by the U.S. EPA identified that 31.7 million tons of non-industrial food waste was generated in 2007, or 12.5% of total national MSW waste generated. In addition, studies by Biocycle Magazine estimate that just 0.8 million tons or 2.6% of this quantity was diverted from landfill to compost in 2007.<sup>42</sup> Since only 2.6% of this waste is currently being diverted, this would typically qualify as achieving significantly improved GHG performance and meeting a stringent performance threshold. Although not specifically addressed in the Biocycle Magazine estimate or EPA waste diversion estimates, the composting work group has supplied evidence that the majority of the non-industrial food waste that is currently composted in the U.S. is likely a result

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<sup>41</sup> The burning of agricultural solids generates biogenic carbon in the form of CO<sub>2</sub> and is therefore considered carbon neutral. However, open burning of these wastes is an incomplete combustion process and can generate soot, carbon monoxide, and other pollutants of concern. There could be some GHG benefits from reducing open burning by reducing carbon black formation and some N<sub>2</sub>O formed during incomplete combustion, since these would be considered anthropogenic. Further study would be needed to establish if GHG emissions from carbon black and N<sub>2</sub>O resulting from open burning are significant.

<sup>42</sup> As of 2010, this figure has remained largely unchanged, having risen to 2.8%.

of waste diversion programs implemented at super markets and grocery stores, particularly supermarkets that are part of large regional chains.

### **FOG Wastes**

FOG wastes (Fats, Oils, and Grease) were also studied for their generation and disposal practices. It was discovered that yellow grease is a valuable product which is almost always recycled into byproducts such as biofuels and rendered animal fats are also converted into valuable products such as soap and cosmetics. Brown grease (or grease trap grease) is mostly sent to Publicly Owned Treatment Works (POTWs) with some individual practices being identified which involve solids being separated and sent to landfill. However, this is estimated to be a very small amount and in leading states, reuse of brown grease as biofuel feedstock is becoming common, as well as hauling to rendering plants for extraction of valuable components for reuse. Common practice therefore recognizes FOG waste as a recyclable resource and only small quantities are being sent to landfill, so it is concluded that these waste types would not qualify as achieving significantly improved GHG performance through application in composting projects.

### **Yard Waste**

Another organic waste category studied was yard waste. An estimated 32.6 million tons of yard trimmings were generated in 2007, or 12.8% of total national MSW generated. Unlike the low diversion rate of post-consumer food waste, the EPA estimated 20.9 million tons of yard trimmings, or 64.1% of the total quantity, was diverted from landfill for composting or mulching in 2007.<sup>43</sup> This is therefore the common practice and for the same reasons as were given for pre-consumer solid waste, a performance standard showing significantly improved performance above common practice cannot be established for yard waste.

## **B.3 Regulatory Conditions and Regulatory Additionality Recommendations**

In order to properly credit emission reductions from organic waste composting projects, it is important to establish regulatory additionality that determines whether a project fulfills a regulatory obligation or if a project provides additional emission reductions beyond what is required by law. All GHG reduction projects are subject to a Legal Requirement Test to ensure that the emission reductions achieved by a project would not otherwise have occurred due to federal, state or local regulations.

In the study, SAIC found that there are no federal or state regulations currently in place that obligate waste source producers to divert waste to an aerobic composting facility. For landfills, Federal and State laws have long required methane collection systems. In California, starting in 2010, AB32 will also require any remaining uncontrolled MSW landfills to install emission control systems to manage methane emissions from the decomposition of organic matter.

Through AB939, California also calls for all municipalities to currently divert 50% of their waste stream from landfills. Thus, any municipality that has already achieved its landfill diversion goal would meet the Legal Requirement Test for additional landfill diversions of food wastes. Conversely, a municipality that has not yet met its landfill diversion target may not fulfill the Legal Requirement Test for additional landfill diversions (at least until the target is achieved). Other States such as North Carolina and Missouri have similar landfill diversion goals that are not mandated on the jurisdiction level, and therefore do not impact regulatory additionality.

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<sup>43</sup> As of 2010, this figure has decreased slightly, to 57.4%. This modest change does not affect the original conclusion.

With a myriad of regulations that wholly or partly apply to activities involved with organic waste disposal (e.g. air quality, water quality, compost management) and with a wide variety of industries that generate organic wastes, compost project owners need to ensure their diversion of organics to an aerobic composting facility continues to meet relevant regulatory requirements for disposal. This will most likely need to be done on a case by case basis depending on the location, quantity of waste, and the operation that is generating the waste in order to properly account for any additional emission reductions that occur beyond what is required by law.

### Relevant Regulations

SAIC conducted an evaluation of existing and pending state and national regulations related to composting activities to determine if they are or may be required by regulation. The following Table B.2 shows a summary of state recycling goals, landfill bans on yard trimmings, and the number of permitted composting facilities. Note that a goal implies a voluntary commitment, whereas a mandate requires a regulation in place.

**Table B.2.** Summary of Waste Regulations by State

State	State Recycling Goal/Mandate <sup>44,45</sup>	Yard Waste Ban <sup>46</sup> (Yes/No)	Estimated Number of Permitted Composting Facilities <sup>47</sup>
Alabama	25% goal in 1989 (the passing of HB 395 in '08 may up this rate)	No	Unknown
Alaska	25%	No	4
Arizona	No statewide recycling goal	No	10
Arkansas	50% goal by 2010	Yes	32
California	50% landfill diversion mandate	No	150
Colorado	Governor's challenge of 50% by 2000	No	29
Connecticut	40% goal by 2000	Yes	94
Delaware	70% goal by 2010	Yes (recent)	2
District of Columbia	45%		
Florida	75% goal by 2020	Yes	8
Georgia	25% goal by 1996	Yes	38
Hawaii	50% goal by 2000	No	5
Idaho	Non-binding resolution for 25% goal	No	5
Illinois	25% by 1996 (The Illinois Solid Waste Planning and Recycling Act (415 ILCS 15))	Yes	40
Indiana	50% by 2001	Yes	122 <sup>48</sup>
Iowa	50% by 2000	Yes	93
Kansas	No statewide goal	No	123
Kentucky	25% by 1997	*YW banned from some landfills	34
Louisiana	30%	No	?

<sup>44</sup> "Appendix 1, State Recycling Goals and Mandates" in "Processing and Marketing Recyclables in New York City May 2004" (Original source [www.afandpa.org](http://www.afandpa.org)), New York City Bureau of Waste Prevention, Reuse, & Recycling.

<sup>45</sup> Personal Communication, Justin Gast, Resource Recycling, 2009.

<sup>46</sup> BioCycle Magazine, State of Garbage in America 2008.

<sup>47</sup> Compiled from various site web sources and published reports including BioCycle (2008). The definition of what constitutes a "facility" varies state to state. Most states do not permit agricultural composting facilities.

<sup>48</sup> Indiana, Department of Environmental Management, Registered Yard Waste Composting Facilities, [www.in.gov/idem/5077.htm#composting](http://www.in.gov/idem/5077.htm#composting)

State	State Recycling Goal/Mandate <sup>44,45</sup>	Yard Waste Ban <sup>46</sup> (Yes/No)	Estimated Number of Permitted Composting Facilities <sup>47</sup>
Maine	50% by 1998	No	80
Maryland	40% goal (1999)	Yes	5
Massachusetts	46% by 2000	Yes	223
Michigan	1998 policy encourages SWM percentages, 30%	Yes	155
Minnesota	50% (TC metro) 35% state (1989)	Yes	80
Mississippi	25% by 1996 (SN2984, 1991)	No	11
Missouri	40% by 1998 (SB530, 1990)	Yes	93
Montana	25% by 1996 (1991)	No	22
Nebraska	50% by 2002 (1992)	Yes/(Changed)	9
Nevada	25% goal by 1995 (AB 320, 1991)	No	4
New Hampshire	40% by 2000 goal	Yes	12
New Jersey	60% by 1996 (1992) 65% by 2000	Yes	172
New Mexico	50% by 2000 goal (SB 2, 1990)	No	29
New York	50% by 1997 (1987 SWMP)	No	35
North Carolina	40% by 2001 (1991)	Yes	120
North Dakota	40% by 2000 (1991)	No	8
Ohio	50% by 2000	*Some disposal restrictions on YW	444 <sup>49</sup>
Oklahoma	Oklahoma State Recycling & Procurement Act	No	3
Oregon	50% by 2009 (1991)	No	44
Pennsylvania	35% goal by 2005	Yes	465
Rhode Island	70% (no deadline, 1989) SB 2797 (2008) sets municipal goals	No	13
South Carolina	35% by 1995(Bill 3927, 1999)	Yes	96
South Dakota	50% goal by 2001 (HB 1001)	Yes	128
Tennessee	25% by 2003 (HB 1252, 1991)	No	2
Texas	40% goal by 1994 (SB 1340, 1991)	No	108
Utah	None	No	19 <sup>50</sup>
Vermont	50% by 2005 Mandate?	No	12 BC
Virginia	25% by 1995 (1989)	No	30 <sup>51</sup>
Washington	50% goal by 1995 (Mandatory)	No	41 <sup>52</sup>
West Virginia	50% by 2010 (1991)	Yes	2
Wisconsin	40%	Yes	197 <sup>53</sup>
Wyoming	None	No	3

<sup>49</sup> Ohio EPA, Licensed Class I, Class II, Class III and Class IV Composting Facilities, [www.epa.ohio.gov/dsiwm/pages/comp\\_docs.aspx](http://www.epa.ohio.gov/dsiwm/pages/comp_docs.aspx)

<sup>50</sup> Utah Department of Environmental Quality, 2008 Utah Compost Facility Inventory (Calendar 2007 Data), [www.hazardouswaste.utah.gov/SWBranch/SWSection/PermittedSolidWasteLandfills.htm](http://www.hazardouswaste.utah.gov/SWBranch/SWSection/PermittedSolidWasteLandfills.htm)

<sup>51</sup> Mid Atlantic Composting Directory, Virginia Cooperative Extension, Publication 452-230, [www.pubs.ext.vt.edu/452/452-230/452-230.html](http://www.pubs.ext.vt.edu/452/452-230/452-230.html)

<sup>52</sup> Washington Department of Ecology, 2007 Compost Facilities, [www.ecy.wa.gov/programs/swfa/compost/](http://www.ecy.wa.gov/programs/swfa/compost/)

<sup>53</sup> Wisconsin Department of Natural Resources, Licensed Yard Waste Composting Facilities, [www.dnr.state.wi.us/org/aw/wm/recycle/issues/compost.htm](http://www.dnr.state.wi.us/org/aw/wm/recycle/issues/compost.htm)

As shown in Table B.2, 23 out of 50 of the U.S. states (or 46%) ban some form of yard trimmings from landfills. Other states have high recycling goals that perhaps serve a similar purpose (California, Washington) and some states appear to have been more effective at implementing municipal and commercial composting programs. However, there is little data on the effectiveness of a given state's ban. It is fair to say that most of the state bans were put into effect as a means of preserving landfill capacity. One study<sup>54</sup> makes the argument that states with bans have greater yard waste diversion, but each state tracks facilities and volumes differently enough to introduce some uncertainty at developing good, comparable per capita yard trimmings diversion numbers (also yard trimmings generation variances are not well understood-some states may generate more yard trimmings than others). In recent years there have been several attempts to overturn state landfill bans on yard trimmings. For example, these have occurred in Iowa, Illinois, Nebraska, Missouri and Georgia. All of these to date with the exception of Nebraska (LB 776, 2006) have been unsuccessful.

Food waste bans have only been implemented in a limited number of jurisdictions, but several other governments are contemplating adding mandatory food waste bans to existing landfill bans. While the methods and responsible agencies for implementation vary, most bans involve outreach and coordination with residences and businesses (as applicable), haulers, and the ability to perform waste audits to ensure compliance and identify areas for program reinforcement.

Table B.3 contains a summary of key regulations related to diversion of organic waste from landfills to composting facilities.

**Table B.3.** Landfill Organic Waste Diversion Regulations

Regulation	Waste Applicability	Overview Summary / Goals	Implementation/ Enforcement
Mandatory Recycling and Composting - San Francisco Passed 6/9/2009 (San Francisco Supervisors, 2009)	Applies to all compostable waste generated within the City and County of San Francisco	100% segregation of trash, recyclables and compostable waste within the city. Specific requirements for multi-family and commercial properties, food/event managers, and haulers/processing facilities are established.	Specified containers must be provided at specific locations/events. Upon pickup, containers with contaminated material must be tagged with written notice following. Numerous tags/notices on the same container(s) result in administrative penalties for repeated violations not to exceed \$100. Loads are available for inspection by the City.
Nova Scotia, effective 6/1/97 (Nova Scotia, 1996)	Compostable organic material - food waste, yard waste, soiled and non-recyclable paper	Nova Scotia is committed to achieving a national target of 50% waste diversion by the year 2000. Materials banned from landfill include beverage containers, corrugated cardboard, newsprint, scrap tires, used oil, lead-acid batteries, waste paint, automotive antifreeze, glass food containers, steel/tin cans,	Local municipalities given control over how to implement and enforce this regulation. Plans for each city must be provided to the Minister to ensure that the bans are implemented as described.

<sup>54</sup> DSM Environmental Services, 2004

Regulation	Waste Applicability	Overview Summary / Goals	Implementation/ Enforcement
		selected plastics and compostable organic materials.	
City of Seattle, WA table scrap recycling – effective April 2009 (City of Seattle, 2007 and Chan, 2007)	All single-family homes will be required to subscribe to food-waste recycling, a program that is now optional through the yard-waste collection program	Supporting the City of Seattle's Zero Waste Strategy and to help meet its goal of diverting 72% of its garbage from the landfill by 2025, all single-family homes in Seattle must sign up for table-scrap recycling. Recycling food waste will be voluntary for apartments, as well as for businesses. A future ban of all organics from single family garbage will be considered once the collection system has been fully established.	Single family home residents are required to obtain new containers for food waste and pay for service. The city will not check whether they are actually dumping food in the new separate bin. Recycling food waste is voluntary for apartments, as well as for businesses. If a ban is implemented, it will likely follow a similar structure to existing bans: violators are fined or their garbage doesn't get picked up.
Massachusetts – Pending (Commonwealth of Massachusetts, 2006 - 310 CMR 19.017, and Massachusetts Executive Office of Environmental Affairs. 2006)	Current landfill ban regulations apply to leaves, grass clippings, weeds, hedge clippings, and brush up to 1 inch in diameter from disposal	The 2006 Solid Waste Master Plan states they will consider amending the waste regulations to add food waste to the list of materials banned from disposal once an adequate in-state food waste diversion infrastructure is in place. Targeted sectors include: residential, supermarkets, hospitals and other health care facilities, hotels and convention centers, colleges and universities, and state institutions such as prisons.	Under development; Under existing waste bans, no person is allowed to dispose or contract for disposal of restricted materials. Where appropriate, Technical assistance and partnerships to stimulate market development are in place. Solid waste facilities, waste haulers and generators have a shared responsibility to comply with waste bans. MassDEP plans to conduct waste ban inspections at solid waste facilities. When haulers and generators of failed loads are identified, MassDEP will pursue enforcement against those entities.
Pennsylvania – Preliminary review (Hursh, 2007 and Pennsylvania Commodity Disposal Ban Review, 2008)	Source separated food waste only	Currently lack collection and management infrastructure to handle increased volume of food waste.	Under development.
Alameda County Ban on landfilling plant debris	All plant debris banned from landfill disposal within Alameda County (applies to two large landfills)	All plant debris.	Jurisdictions required to prepare compliance plans.



## **B.4 Barriers to Composting Project Implementation**

There are several barriers that currently prevent the diversion of food wastes to aerobic composting facilities absent GHG reduction project incentives.

### **Population Density**

In less populated areas there is less pressure to conserve landfill space and to separately collect recyclables and/or compostables.

### **Cost**

Composting involves more processing steps such as receiving and processing the material, and thus more operating costs, than disposing of it in a landfill.

One barrier is that to attract the waste stream, composters often charge less than the standard disposal rate (with hauling being equal). This need to underprice in order to get materials when in fact taking these materials results in higher operating and permit costs for a facility is a major disincentive for compost operations to accept food waste.

### **Site Permitting**

Composting facilities (like many solid waste handling sites) can be difficult to site. Odors, land use compatibility, and traffic impacts are the most difficult of the potential issues to overcome.

Food waste composting is most commonly done as an add-on to existing yard waste composting. However, many institutions (universities, correctional facilities, resorts) will start up a food waste composting only project, typically using some small-scale composting technology. However, the bulk of food waste composting is currently done at larger scale operations with food waste being one of the feedstocks that is composted. The primary feedstock at these facilities is likely to be yard waste although some sites will also accept municipal biosolids or other materials.

The first major barrier for food waste composting is getting permitted to take food waste at a yard waste site. Some states make it easier than others, e.g. by starting out with a quantity limitation, or by only allowing pre-consumer vegetative food waste (i.e. not meats, dairy). Very quickly, composters who want to take all types and quantity of food waste will require a solid waste facility permit. Pennsylvania has created a General Permit that makes this less onerous, but that process is still challenging. In Illinois, food waste was recently redefined so that it is no longer considered as solid waste. This was done to make it easier to establish composting facilities that accept food waste. In general, regulations and permitting are the largest hurdles to establishing a food waste composting site.

Accepting food waste will also increase operating costs for running the facility. As food waste requires near immediate processing, staff and equipment has to be onsite to accept and process materials when they are delivered. Appropriate process control and materials handling are critical to avoiding nuisance, odor, and vector problems.

### **Separate Collection**

In some cases, separate collection (especially for food scraps) may be difficult to justify. In a few communities, particularly on the West Coast, food scraps are being added to the existing yard trimmings containers. This has proven to be a cost-effective tool in minimizing collection costs. This does not work out as well in states where yard trimmings generation is seasonal (the East Coast and Mid West), but food scraps generation is constant.

## Appendix C Sample Project Diagram

### Generalized Organic Waste Composting Project System Diagram

