



Soil Enrichment Protocol V2.0 Update Workgroup Meeting Notes and Takeaways

Workgroup Meeting Date: 7/9/2024

Workgroup Members in attendance:

Name	Organization	Present (P)/Absent (A)
Lincoln Day	AgriCapture	P
Matt Campbell	Aster Global Environmental Solutions, Inc.	P
Sami Osman	ATOA Carbon	P
George Burba	Water for Food Global Institute/LI-COR Biosciences	P
Jocelyn Lavallee	Environmental Defense Fund	P
Henk Mooiweer	Grassroots Carbon Public Benefit LLC	P
Max DuBuisson	Indigo Ag	P
Ryan Pape (Alternate)	Indigo Ag	P
Meredith Varie	Land O'Lakes Truterra	P
Jennifer Nelligan	National Association of Conservation Districts	A
Michael Nassry	Nutrien	P
Mike Gill (Alternate)	Nutrien	A
Lucia von Reusner	Regrow Ag	P
Robert Parkhurst	Sierra View Solutions	P
Jason Ackerson	Soil Health Institute	P
Negar Tafti	The Nature Conservancy	A
Brian McConkey	Viresco Solutions Inc.	P
Karen Haugen-Kozyra (Alternate)	Viresco Solutions Inc.	P



Agenda:

- **Additionality**

- **Performance Standard Test** – The SEP includes a negative list which lists eligibility of certain practices by county. The practices included in this list are cover crops, no-till, reduced tillage, and rotation or intensive grazing. During initial protocol development these practices were assessed as the only practices for which sufficient data was available to estimate adoption rates. A field that includes one of these practice changes passes the PST if that county it is located in is deemed to have less than 50% adoption of the given practice. Currently the protocol notes that if a practice is not on this list, then it is automatically eligible. Discussions needed around this topic include whether the negative list is sufficient or whether it can/should be updated. Broader discussions around how to assess additionality and whether a different metric should be used for SEP projects is also being discussed.
- **Ecosystems Payment Stacking** – The Reserve does not prohibit payment or credit stacking unless payments or credits are specifically delineated per tCO₂. However, the project owner must disclose any conservation or ecosystem service payment received for activities on the project area and guidance and approval must be sought from the Reserve. Given that the Reserve currently reserves these payments on a case-by-case basis, more discussion is needed around streamlining this process as well as creating a process to assess payments as programs are created. The Reserve is currently considering creating a decision tree style guide to include in the SEP to facilitate this assessment, and is seeking guidance on what parameters may be included.

- **Permanence**

- **Requirements – Section 3.5**
 - The Reserve requires that credited reversible GHG reductions and removals be effectively “permanent” in order to serve as valid offset credits. Stored carbon is considered permanent if it is stored for at least 100 years following issuance. A reversal occurs if stored carbon is actually released through a disturbance of the project area or is deemed to be released through the termination of the project or a portion of the project. However, regardless of whether the reversal happened on the entire project area or just a portion, permanence is assessed at the project level, not the individual field level. Individual fields may have reversals of stored carbon, but this is not deemed a reversal as long as the SOC pool for the entire project is stable or increasing. More discussions is needed for how to account for permanence at the field level, especially in cases when a field leaves a project.
- **Monitoring – Section 6.2**
 - Section 6.2 provides further guidance on monitoring for permanence. However additional guidance may be needed in this section to specify how permanence may be monitored at the field level and what activities may be considered a reversal for a field’s stored carbon.
- **Reporting & Verification – Section 7.6**
 - Section 7.6 provides guidance on reporting and verification of permanence. Further discussion is needed on what activities may constitute evidence of reversal, specifically as it relates to tillage.

- **Technical Task Force**

- We’ve put together a technical task force that will meet separately to provide guidance on updates to the soil sampling and model guidance document. Members represent technical staff from workgroup organizations or were nominated by workgroup organizations to provide technical expertise. More information on member

details can be found in the slide deck. The first meeting will be Wednesday, July 31 from 9 – 11 am PT. Observers may also attend the meeting and a registration link is provided on the SEP development website. The meeting will also be recorded and publicly available. The agenda for the first meeting is still being developed and will be sent out to the technical task force prior to the meeting.

Main Points of Discussion in Meeting:

- Additionality – Performance Standard Test
 - o Given that the performance standard test is based on assessing prevalence of adoption of practices at the county level, the point was raised that dis-adoption is also high for many practices, making assessments of additionality challenging. For example, there may be cases where a farmer who had previously implemented a certain practice no longer does but would like to join a carbon program and is in a county where usage of cover crops is high, but this particular farmer may need extra incentives to continue their use of this practice given their history of disadoption.
 - Two papers were shared that discuss this topic further:
 - Wallender, S., Smith, D., Bowman, M., & Claassen, R. (2021, February). Cover Crop Trends, Programs, and Practices in the United States. Retrieved from USDA: <https://www.ers.usda.gov/publications/pub-details/?pubid=100550>
 - Sawadgo, W., & Plastina, A. (2022). The Invisible Elephant: Disadoption of Conservation Practices in the United States. *Choices*, 37(1), 1–13.
 - o There are also practices that are not on the negative list that projects are implementing, and currently if a practice is not accounted for on the list it is automatically assumed to be additional. One example is water management in rice systems. While data does exist for usage of improved water management in rice, it is limited so may not be available for every county where rice is produced which would be a barrier for adding this practice to a standardized list by county.
 - One workgroup member noted that a first step to address this however could be to add language in the protocol that when usage data is available at the county level, the project must show that all fields in those counties pass the adoption threshold.
 - o A point was raised on whether the PST should be done at the farm level rather than regional basis to account for the unique factors for every farm which influence adoption decisions. There was agreement that this would be the most accurate assessment of additionality.
 - o There have also been cases where a farmer's fields may cross into multiple counties, where in one county a practice may be deemed additional whereas the other county it is not. Need to add language possibly to address these specific cases.
 - o One rationale for the limited practices included on the negative list is that these practices have more detailed data at the county level because they are the top practices that the government is prioritizing and investing in, therefore require extra additionality assessments.
 - o Concern was raised around the 50% threshold that the SEP implements for additionality. Some believe this 50% is arbitrary and leaves out farmers in high adoption counties that may still be deemed additional. Others pointed out that the SEP's 50% threshold is the most generous threshold compared to other protocols.
 - Whatever number is used should be justified and based on reasoning around adoption dynamics for a specific practice.
 - Points were raised that any number assigned for a threshold may be

- insufficient – given the unique context of adoption in agriculture and the social and cultural barriers that come into play.
- Another point was that often with environmental issues a small minority using detrimental practices can have a large impact – however with even a 50% threshold those minority would not be targeted for incentives that could make a large impact.
 - Overall, the point was made that regardless of the perceived suitability of a PST in agriculture, additionality is a global tenet for carbon credits and the SEP must adhere to these tenets to be considered high integrity by the ICVCM and other quality metrics. It's unclear if a project-specific approach would align with these tenets.
 - One additional note on this was that Verra's VM0042 is moving away from a general additionality test and towards project specific assessment. Will continue to monitor this to see what approaches are updated.
 - **Additionality – Ecosystems Services Payment Stacking**
 - A note was made that any assessment of eligibility for these payments should not include farm level financials, given the difficulty in getting this information from farmers and the evolving nature of this metric.
 - Instead financial considerations may be more on timing of payments – whether their a funding source that continues long term or a one time payment.
 - One challenge with these payments is communication gaps with farmers – farmers often disclose payments to the project developer, but it can be hard for the project developer to initially assess whether these additional payments are related to carbon incentives or not.
 - There's also a challenge in getting the necessary background information on other payment programs – either from a bandwidth issue of not having the staff resources to sufficiently track down this payment information as well as programs themselves can be reluctant to provide additional information on their payment conditions to other project developers.
 - A point was made that financial additionality should be unnecessary – argument that dollar incentives do not drive adoption, but more socio-cultural factors, so payment stacking should be allowed as long as double counting is not an issue.
 - A study was provided that highlights this point:
https://soilhealthinstitute.org/app/uploads/2022/01/100-Farm-Fact-Sheet_9-23-2021.pdf
 - Should continue to draw a line at whether programs hand out financial incentives based on tCO₂e.
 - However, for example the climate smart commodities program does require reporting tCO₂e numbers per field enrolled, so can be unclear whether this would be considered double counting.
 - Another workgroup member familiar with this program felt that the accounting aspect of the program wouldn't be a problem, but more what the money is going towards.
 - A suggestion was made to look into the U.S.'s NDC plan to see what payments they will be using to report emissions – if payments aren't part of this (or even more broadly if agriculture is not included), then there would be a strong case that payment stacking is not going to be considered double counting.
 - A note was made that this may not be that straightforward – this would be more of a broader issue beyond just the Reserve and SEP.
 - **Permanence**

- One issue that was raised was that the SEP does not distinguish between fields that are in their crediting period and fields that are not part of the current crediting period (i.e. those that have left the project and therefore entered their permanence period).
 - The Reserve notes that Section 3.5.4 of the protocol does provide guidance for how to account for a field leaving a project before it's crediting period ends. Further discussion will need to address whether changes to Section 3.5.4 are required.
 - In general more guidance around fields that have left the project may need to be developed.
- A question was raised with this approach of assessing permanence at the project level – if an unavoidable reversal occurred on only a portion of fields in a project, would the project be able to pull from the buffer pool or would it still have to compensate for these credits from within the project if there are still crediting fields?
- A question was raised whether a change in practices on a field that would potentially result in a loss of SOC would require a change in determining the baseline?
 - The Reserve notes that in this case where a field is still in a project and providing management data but has a change in practices applied would not necessitate a change in determining the baseline.
- Another situation was posed where if a field leaves a project and then re-enters, would they need to re-establish their baseline
 - This would depend on whether that field requires a new start date – if a field left a project and then came back and was able to provide management data for the years where they had left, then they could maintain their start date and keep their original baseline. However, if they are not able to account for management data during the years they left, then a new start date would need to be generated and a new baseline established the included the most recent years of management.
- Monitoring for reversals during permanence period –
 - Need more guidance on how to monitor fields that have left the project and are in their permanence period. Currently projects have just been given individual guidance on what evidence constitutes a reversal in fields that are in their permanence period, but this needs to be incorporated into the SEP with additional clarifications.
 - Further clarification is also needed on how to quantify the amount of CRTs that need to be accounted for when a reversal event is detected on a field in it's permanence period.
 - Section 7.6 does not provide sufficient guidance on how this applies to field level reversals.
 - Since CRTs are issued as the difference between the baseline and project SOC, what amount of CRTs should be accounted for following a reversal event?
 - This discussion may also be included in the technical task force meetings to discuss – specifically looking for guidance from this group on what quantification methods would be allowable to calculate quantity of reversed CRTs that is conservative but would allow for more nuance than simply requiring all field's CRTs to be considered lost.
 - For example, using a machine learning algorithm built from inputs and outputs from a project's model could be used to estimate the magnitude of CRTs lost from a field with no farmer provided management data.

- Beyond the modeling, more thought is also needed into what needs to be quantified after a reversal is detected – given the CRTs issued to a field are based on the difference between the baseline and project activities, unclear how this comparison should be made during the permanence period to calculate reversals.
- Further this may be more of a policy issue that the Reserve will consider for potential clarifications, especially clarifying if there are other mechanisms a project may use to account for reversed CRTs.
- The Reserve is also considering whether changes will be made to which credits are allowed to be used to account for reversed CRTs – currently the SEP requires reversed credits to only be subtracted from other reversible credits, but the point was made that non-reversible credits may be more suitable.
 - The workgroup would like to discuss this issue further in a future meeting.

Action Items for the Reserve:

- Additionality
 - Look into expanding language in the PST for directing projects to use available adoption data for cases where practices are not already on the negative list.
 - Review ICVCM guidance on additionality further to see if there's a pathway for project-specific additionality assessments.
 - Start drafting decision tree for assessing ecosystem payments at a high level.
- Permanence
 - Prioritize guidance around monitoring requirements for fields in their permanence period that are part of an active project.
 - Add permanence discussion to the technical task for meeting agenda to seek guidance on quantification methods.
 - Review reversal quantification language in the protocol further to identify language that needs to be clarified around what is being quantified during the case of reversals.
- Work Plan Timeline – Workgroup members expressed an interest in having a timeline outlining topics that have been and still need to be discussed for the update to better understand what further work is needed. The Reserve will work on drafting this and provide to workgroup members before the next meeting.