SCS ENGINEERS

Collins Pine Company Greenhouse Gas Verification Report Verification Report 2010

Presented to:
Collins Pine Company
500 Main Street
Chester, California 96020

Presented by:

SCS ENGINEERS
3900 Kilroy Airport Way, Suite 100
Long Beach, CA 90806
(562) 426-9544

December 2011
File No. 01207128.50

Offices Nationwide
www.scsengineers.com

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This Greenhouse Gas Verification Report was prepared in accordance with The Climate Registry's Verification Protocol, Version 2.0, June 2010. This report developed for the Collins Pine Company facilities located in North America, dated December 2011, was prepared and reviewed by the following:

John Henkelman
Staff Verifier
Project Professional

Cassandra Drotman
Lead Verifier
Project Professional

Raymond H. Huff, R.E.A.
Senior Internal Reviewer
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Project Director
Senior Vice President

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1.0 INTRODUCTION

The Collins Pine Company (CPC) retained SCS Engineers (SCS) to perform Greenhouse Gas (GHG) verification activities for its North America facilities during the 2010 calendar year. This verification report (Report) was produced in accordance with The Climate Registry (Registry or TCR) Verification Protocol, Version 2.0, June 2010 (GVP). SCS is a Registry-approved verifier and is fully qualified to perform GHG verification activities for CPC.

1.1 SCOPE OF VERIFICATION PROCESS

CPC is a wood products manufacturer. The facilities include sawmills, particleboard manufacturing, hardboard manufacturing, retail stores, and other associated facilities. CPC emission sources include a cogeneration facility, stationary combustion, mobile combustion, and indirect emissions.

1.1.1 Criteria

Criteria against which the verification assessment was undertaken are:

- Registry's *General Reporting Protocol* (GRP), version 1.1, dated May 2008 (including the updates and clarification through July 15, 2011).
- Registry *GVP*, version 2.0, dated June 2010 (including the updated and clarification dated May 31, 2011).
- SCS *Greenhouse Gas Validation and Verification Program Manual* (V/V Manual), version 1.8, dated October 2011.
- Proposal to Provide Greenhouse Gas Emissions Inventory Verification (Proposal), dated July 13, 2011.

1.1.2 Level of Assurance

SCS adheres to the ISO 14064-3:2006 concept of two levels of assurance that a GHG verification process can provide; "reasonable," and "limited." A "reasonable" level of assurance provides a reasonable, but not absolute level of assurance.

As a member of the Registry, CPC is seeking a level of assurance in the verification process that is consistent with the requirements of the Registry under the GRP. In accordance with these requirements, in order for SCS to verify CPC's GHG emissions reports, a sample of the report data must be free of material misstatement. This goal constitutes a "reasonable level of assurance" for the proposed verification activities. Refer to the Verification Plan included as ***Appendix A*** for more information on level of assurance.

1.1.3 Scope

CPC has requested verification of their nationwide 2010 Entity Emissions Report (EER). The scope of this document covers the verification of the 2010 EER, which include the following components:

- Geographic boundary – North America emissions
- Reporter Type – Full
- Reporting Sector – General (GRP only)
- Reporting Sector Eligibility – No specialized protocols apply to reporter
- Organizational boundary – Operational Criteria
- Reporting Year – 1st (5th year of reporting overall, CPC previously reported their California only emissions for four previous calendar years to the Climate Action Reserve (CAR), formerly the California Climate Action Registry)
- Greenhouse gases included in inventory – All six "Kyoto gases"
    - Carbon dioxide (CO_2)
    - Methane (CH_4)
    - Nitrous oxide (N_2O)
    - Hydrofluorocarbons (HFCs)
    - Polyfluorocarbons (PFCs)
    - Sulfur hexafluoride (SF_6)
- Level of Assurance – Reasonable
- Materiality Threshold – 5 percent
- SCS Verification Year – 2nd
- GHG Sources –
    - Indirect emissions (Scope 2)
        - Purchased and consumed electricity
    - Direct emissions (Scope 1)
        - Stationary combustion
        - Mobile combustion
- Time period
    - Current – Calendar year 2010
- Number of Facilities – 8 facilities
    - Chester Sawmill, Chester, California
    - Builders Supply and other ancillary company facilities, Chester, California
    - Collins Products, Klamath Falls, Oregon
    - Kane Sawmill, Kane, Pennsylvania
    - Lakeview Sawmill, Lakeview, Oregon
    - Office, Portland, Oregon
    - Richwood Sawmill, Richwood, West Virginia
    - Upper Columbia Mill, Boardman, Oregon

1.1.4 Verification Process Overview

This document contains the findings of the verification process for the 2009 EER for CPC. As such, SCS has performed the following activities in accordance with the Registry GVP:

- **Task 1.** Submittal of the information necessary to comply with the Conflict of Interest (COI-A) form (***Appendix B***).

  This task was completed on August 8, 2011.

- **Task 2.** Submittal of the information necessary to comply with the Notification of Planned Facility Visits (NPFV) form (***Appendix C***).

  This task was completed on October 6, 2011.

- **Task 3.** Conduct on-site visits to two of the facilities and:

  -Evaluate whether CPC has a GHG emissions reporting program consistent with the Registry Protocol.

  -Evaluate the reasonableness of the data CPC has submitted to Registry for the 2010 calendar year.

  -Compare the inventory against the calculations methods recommended in the GRP, as well as any other relevant protocols.

  -Check and verify the accuracy of the calculations.

  This task was completed on November 1, 2011.

- **Task 4.** Prepare and submit to CPC an initial verification findings log (***Appendix D***). Prepare a draft Verification Report, and Standard Registry Verification Report (***Appendix E***), which contains the evaluations performed in Tasks 1 through 3.

  This task was completed on November 15, 2011.

- **Task 5.** Discuss with CPC staff, via email and phone, the Verification Report and Statement. SCS to complete one re-review of the inventory if changes are made.

  This task was completed throughout November and December, 2011.

- **Task 6.** Complete verification activities and the Verification Activity Checklist (***Appendix E***), Verification Statement (see ***Appendix F***), and submit Verification Statement to the Registry.

  This task was completed on December 14, 2011.

Each of these tasks is discussed in detail in the following sections.

1.2 STANDARDS USED TO VERIFY GHG EMISSIONS

CPC has stated that their 2010 EER was completed using the May 2008 (Version 1.1) GRP, and associated clarifications and modifications; SCS has used this document to evaluate the EER.

CPC has submitted their GHG emissions using the Climate Registry Information System (CRIS). Standards used to evaluate GHG emissions by SCS were performed in accordance with the GVP.

2.0 PRE-VERIFICATION ACTIVITIES

2.1 CONFLICT OF INTEREST DETERMINATION

The GVP requires that the Registry make a determination of whether or not a COI exists between the verifier and the participant. This is done in order to ensure an objective review of a participant's EER by the verifier. In accordance with these requirements, on August 8, 2011 *Form COI-A: Case-Specific Conflict of Interest Assessment Form* (COI form) was submitted to the Registry.

On August 18, 2010, SCS received a COI determination from the Registry. The Registry determined that there was no pre-existing relationship between SCS and CPC, and that therefore the potential for COI was low. A copy of the submitted COI form and the COI determination letter is included in ***Appendix B***.

2.2 NOTIFICATION OF PLANNED VERIFICATION ACTIVITIES

In addition to the COI, the GVP requires a NPFV to be submitted to the Registry during years where site visits are conducted. The NPFV provides the Registry with a notification of planned verification activities at least 15 business days prior to the beginning of verification activities. The notification includes scheduling and site selection information. The intent of this requirement is to allow the Registry the opportunity to accompany the verifier on the site visit.

In accordance with the GVP and TCR approval, the notification of planned verification activities stated an intended date for the start of verification activities past October13th, 2011. A copy of the submitted NPFV form is included in ***Appendix B***.

3.0 CORE VERIFICATION ACTIVITIES

Verification activities included: two site visits, interviews with CPC staff (in person, email, and phone calls), collection and review of emissions data (SCS collected bills, continuous emission monitoring system [CEMS] data, and database records from CPC), and verification of records with calculations and CRIS entries. The Verification Activities Log was completed (see ***Appendix D***).

3.1 DETERMINATION OF APPROPRIATE VERIFICATION ACTIVITIES

In accordance with the GVP, SCS assessed CPC's conformance with the Registry's requirements, completeness of the EER, performed a risk assessment, developed Verification and Sampling Plans, and evaluated CPC's GHG information systems and controls in order to perform the GHG verification activities. The risk assessment, documented in the Sampling Plan (see ***Appendix A***), was based on an assessment of any apparent the incompleteness, inaccuracy, inconsistency, and data management/control weaknesses of CPC EER. Due to the size and complexity of CPC's operations and types of emissions sources identified and experience reporting emissions, CPC is considered a medium-low risk.

3.2 VERIFICATION CYCLE

For participants whose emissions do not change significantly, verification activities are designed around a three-year cycle. Generally, the first year of EER verification activities consists of a detailed review of emissions sources, a review of management systems, and an independent verification of emissions estimates. In the subsequent years of the cycle, a streamlined verification process may be used in subsequent years if the emissions estimates have not changed significantly.

As stated above, CPC has requested verification of their 2010 EER. Verification of the 2010 EER will put CPC into the first year of a new verification cycle and second year of verification with SCS. Thus, a full review of emissions sources, management systems, and verification of emissions estimates was conducted for the 2010 EER.

3.3 VERIFICATION ACTIVITIES

3.3.1 Initial Verification Review

As part of our scope of services for this process, SCS conducted an initial verification review of CPC's EER for 2010. The findings of our review were presented to CPC in a log dated November 15, 2011, which contained the initial verification finding for CPC. The initial review identified material and immaterial misstatements.

In November and December, CPC updated its EER for verification. As such, this section addresses the final emissions report for CPC. Details on the initial verification findings are contained in the November 15, 2011 verification findings/issues log, which is provided in ***Appendix D***.

3.3.2 Assessment of Changes in Geographical and Organizational Boundaries

CPC previously reported its 2009 calendar year GHG emissions to the California Climate Action Reserve (CCAR). The boundaries for the 2010 reporting year have not changed from the 2009 boundaries reported to CCAR, however the each reporting organization has a different format and set of requirements which will change how emissions are reported.

3.3.3 Identification of Emissions Sources

In accordance with the GRP, CPC reported all of their single facility as a single entity. On October 13th, and November 1, 2011, SCS preformed a site visits to the two CPC facilities listed below:

1. Chester Sawmill
2. Portland Headquarters

The purpose of the on-site inspection was to ensure that all emission sources (e.g., facility, source, and fuel) were identified by CPC and reported in their EER. Since the EER for CPC

reported all six Registry recognized GHG emissions, emissions sources capable of producing CO_2, CH_4, N_2O, HFCs, PFC, and SF_6 were included in the emissions source review. Discussions of the emission sources identified by CPC are presented below in ***Table 1***.

3.3.3.1 CPC Emission Sources

CPC identified the following emissions sources in the 2010 EERs:

Table 1. 2010 Emission Sources

Registry Emission Source Classification	Description of Emission Source
DIRECT	
Stationary Combustion	-Natural gas in boilers, comfort heating, and other sources -Diesel in generators and other sources -Propane for comfort heating and other sources -Acetylene in welding operations
Mobile Combustion	-Diesel -Gasoline -Propane
Process	-None
Fugitive	-Fugitive emissions of high global warming potential (GWP) gases from air conditioners -Fugitive emissions from landfill
INDIRECT	
Purchased Electricity	-Purchased electricity from multiple utility providers -Purchased steam
OPTIONAL	-None

During the site visits, SCS confirmed that there are no additional emissions sources that exist for this facility that were not included in the inventory.

3.3.4 Review of Methodologies and Management Systems

In accordance with the GVP, SCS evaluated CPC's methodologies and management systems for preparing the GHG emission reports. The site contact, Mr. Terry Collins, Forester, was responsible for compiling and submitting the CPC's entity-wide EER to the Registry. Mr. Collins supervised the compilation of CPC emissions using spreadsheets which contained records of electricity usage, natural gas usage, fuel purchase records, and other sources for the 2010 reporting period being evaluated in this document.

Documentation of electricity usage, natural gas usage, fuel consumption, and other related activities are retained in a manner appropriate for accurate GHG reporting. Documentation is retained through spreadsheets, internal databases, invoicing databases, purchase records, CEMS reports, and other similar methods. CPC used the default emission factors and standardized estimation methods in the GRP when available.

CPC's GHG management program is formally documented and adequate for the sources identified in each emission source category as well as for the GHGs reported.

3.3.4.1 Sampling Techniques and Risk Assessment Methodologies

SCS performed random data sampling, combined with weighted GHG emissions risk assessment in order to ensure that no material sources are excluded and that the risk of error is assessed and addressed through the appropriate sampling and review. During this assessment, SCS determined that the 2010 inventory of GHG emissions as well as all of the emissions factors used were consistent with the GRP or approved by the Registry. The Verification Plan and Sampling Plan may be found in ***Appendix A***.

3.3.5 Verification of Emissions Estimates

SCS conducted a desktop review of emissions and backup documentation. In addition, based on CPC's identified emission sources, management systems, and corresponding risk profile of GHG emissions, SCS selected the following emissions estimates for verification review:

- Stationary combustion of wood and wood residuals at the Chester Sawmill,
- Stationary combustion of natural gas at Collins Products,
- Scope 2 emissions from purchased electricity at Chester Products,
- Scope 2 emissions from purchased steam at Chester Products.

A discussion of the verification process for each of these emissions sources is presented below.

3.3.5.1 Review of CEMS Records

SCS collected CEMS calibration and emission data from the combustion of wood and wood residuals at the Chester Sawmill. The records were provided by CPC and are maintained for air permit compliance. SCS confirmed that the calculations were correct and that monitoring is adequate for emissions reported to the Registry.

3.3.5.2 Stationary Combustion of Natural Gas at Collins Products

Natural gas data for the Collins Products facility were collected and reviewed by SCS for the 2010 reporting year that CPC used to calculate direct and indirect emissions. The records contain the natural gas use provided by the utility providers for the CPC accounts.

3.3.5.3 Scope 2 Emissions from Purchased Electricity

Electricity purchase data for the Collins Products facility were collected and reviewed by SCS for the 2010 reporting year that CPC used to calculate direct and indirect emissions. The records contain the natural gas use provided by the utility providers for the CPC accounts.

3.3.5.4 Scope 2 Emissions from Purchased Electricity

Steam purchase data for the Collins Products facility were collected and reviewed by SCS for the 2010 reporting year that CPC used to calculate direct and indirect emissions. The records contain the natural gas use provided by the neighboring generation facility and are used for settlements.

3.4 REVIEW AND RECALCULATION OF GHG EMISSIONS

In accordance with the GVP, SCS targeted larger and more uncertain emissions for re-calculation. SCS preformed independent calculations of these sources and compared the calculations to the emission levels reported by CPC for the 2010 reporting year. Note that the GVP restricts the verifier from providing detailed recalculation notes in this report.

A summation of the direct, indirect, and total emissions performed by SCS, with a comparison to the original emissions totals as reported by CPC can be found below in ***Table 2***. This comparison of emissions calculations is used to determine if there is a large difference (defined as greater than 5% difference of the total emissions) in calculations performed by SCS and CPC.

Table 2. Summary of 2010 GHG Emissions

Emission Source Classification	CO_2e Emissions (metric tons/yr) (as reported CPC)	CO_2e Emissions (metric tons/yr) (as calculated by SCS)	Comparison of CO_2e emissions <5%? (free of material misstatement)
NORTH AMERICA			
Scope 1 – Direct	13,655	13,665	YES (<0.1%)
Scope 2 – Indirect	45,820	45,820	YES (<0.1%)
Biogenic	127,470	128,551	YES (<0.1%)
TOTAL	186,945	188,036	YES (<0.1%)

3.5 ESTIMATED EMISSIONS

Estimated emissions are defined by the Registry as GHG emissions of one or more gases which, when summed, equal less than 5 percent of an organization's total emissions. CPC's 2010 EDR included SEM for fugitive emissions from cooling equipment. SEM emissions total 173 metric tons of CO_2 equivalent ($MTCO_2e$), which is less than 0.1 percent of the CPC's total emissions.

3.6 IDENTIFICATION OF MATERIAL/IMMATERIAL MISSTATEMENTS

In accordance with the GVP, for SCS to verify a GHG emission report, a sample of data must be free of material misstatement. As defined by the Registry, material misstatements may be comprised of:

1) Emissions sources that are not reported, i.e., missed in the participant's inventory;

2) Use of inappropriate emissions factors;

3) An identified discrepancy which results in a difference between the verifier and the participant's calculated total emission of more than 5%. Note that a difference is considered immaterial if this difference is less than 5%;

4) Inconstant records (e.g. fuel use does not match fuel purchased);

5) Exclusion of material GHG emissions;

6) Unresolved significant differences between current and prior year's EERs;

7) Other issues/items identified by the verifier during verification process.

As shown in ***Table 2***, SCS's total combined (indirect and direct) emissions were within 5 percent of SCS's combined calculated emissions (excluding Scope 3 emissions). From this information as well as other components of our review, it can be concluded that no material misstatements exist.

4.0 FINDINGS

Based on the verification activities conducted by SCS, it has been determined that CPC's North America GHG EERs for the 2010 calendar reporting year are free of material misstatement and verified to a reasonable level of assurance without qualification. Please see ***Appendix E*** for completed Verification Statements.

APPENDIX A

Verification Plan

Environmental Consultants
and Contractors

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SCS ENGINEERS

August 4, 2011
File No. 01207128.50

Mr. Terry Collins
Forester
Collins Pine Company
500 Main Street
Chester, California 96020

SUBJECT: Verification Plan for 2010 Collins Pine Company Greenhouse Gas Emissions Reporting Under The Climate Registry

Dear Mr. Collins:

This letter serves as SCS Engineers' (SCS') Verification Plan to perform Greenhouse Gas (GHG) verification activities for the Collins Pine Company (CPC). CPC is a member of The Climate Registry (TCR), and has contracted with SCS, a registry-approved verifier, for the verification of your 2010 emissions.

This Verification Plan was produced in accordance with the following:

- TCR *General Reporting Protocol* (GRP), version 1.1, dated May 2008, (including updates and clarifications dated July 15, 2011).
- TCR *General Verification Protocol* (GVP), version 2.0, dated June 2010, (including updates and clarifications dated May 31, 2011).
- SCS *Greenhouse Gas Validation and Verification Program Manual* (V/V Manual), version 1.7, dated December 2010.
- SCS *Proposal to Provide Greenhouse Gas Emissions Verification* (Proposal).

The intended result is project is to verify that CPC's emissions have been reported in compliance with the key principles of Completeness, Consistency, Relevance, Accuracy, and Transparency.

LEVEL OF ASSURANCE

SCS adheres to the ISO 14064-3:2006 concept of two levels of assurance that a GHG verification process can provide; "reasonable," and "limited." A "reasonable" level of assurance provides a reasonable, but not absolute, level of assurance that CPC's GHG assertions are

1. Materially[1] correct and a fair representation of the GHG data and information, and

2. Prepared in accordance with the GRP.

A "limited" level of assurance provides a more limited/"qualified" level of assurance as compared to a reasonable level of assurance due to less emphasis on detailed GHG data testing and supporting information.

As a member of TCR, CPC is seeking a level of assurance in the verification process that is consistent with the requirements of TCR under the GRP and GVP. In accordance with these requirements, in order for SCS to verify CPC's GHG emissions reports, a sample of the report data must be free of material misstatement. This goal constitutes a "reasonable level of assurance" for the proposed verification activities.

OBJECTIVE

The objective of this verification project is to establish CPC's conformance with applicable verification criteria, including principles and requirements of relevant standards and the GHG program within the scope of the verification as outlined below.

CRITERIA

Criteria against which the verification assessment is undertaken are:

- TCR GRP version 1.1
- TCR GVP version 2.0

SCOPE

The scope of this project encompasses the verification of CPC's calendar year 2010 TCR-reported GHG emissions, which include the following components:

- Geographic boundary – North American emissions only
- Reporter Type – Full
- Greenhouse gases included in inventory – all 6 GHG's
    - Carbon dioxide (CO_2)
    - Methane (CH_4)
    - Nitrous oxide (N_2O)
    - Hydrofluorocarbons (HFCs)
    - Perfluorocarbons (PFCs)
    - Sulfur hexafluoride (SF_6)
- Organizational boundary – Equity Share
- Level of Assurance – Reasonable
- Materiality – 5%

[1] Under TCR, materiality is defined as a discrepancy of overall reported emissions (both direct and indirect) that differs from the verifier's estimated emissions by more than 5%.

- Reporting Year – 1st (previously reported four emission inventories to the Climate Action Reserve)
- GHG Sources
  - Indirect emissions
    - purchased and consumed electricity
    - purchased and consumed steam
    - purchased and consumed district heating or cooling
  - Direct emissions
    - stationary combustion of fossil fuels
    - mobile combustion
    - process emissions
    - fugitive emissions
- Time period
  - Calendar year 2010
- Number of Facilities – 8 total
  - Chester Sawmill, Chester, California
  - Builders Supply and other ancillary company facilities, Chester, California
  - Collins Products, Klamath Falls, Oregon
  - Kane Sawmill, Kane, Pennsylvania
  - Lakeview Sawmill, Lakeview, Oregon
  - Office, Portland, Oregon
  - Richwood Sawmill, Richwood, West Virginia
  - Upper Columbia Mill, Boardman, Oregon
- TCR optional reporting of additional data and scopes under the GRP

MATERIALITY

In accordance with the required level of assurance, the needs of CPC, and TCR's GVP, a materiality threshold of 5% will be applied to this verification project.

VERIFICATION ACTIVITIES

The verification activities to be performed for this project are customized to address CPC's specific emissions sources and management system. The following steps outline the verification activities to be conducted.

- **Step 1.** Once SCS has been selected to provide validation or verification services, we will first complete a conflict of interest analysis to ensure that any existing relationships with CPC will not preclude us from completing the work. Following the registry proscribed procedure, we will disclose, and resolve, all potential conflicts of interest.

- **Step 2.** Assuming the potential conflicts of interest have been resolved and proper notification to TCR is provided, SCS will begin the validation or verification process through the completion of pre-verification preparation. In this step, we will compile background information on CPC and its operations and complete research on the types of sources and GHG emissions we expect to see. This is done through independent research

as well as interaction with knowledgeable CPC officials. This is done prior to completing any actual review of the GHG emission information, and allows us to get "up-to-speed" on the client we are validating or verifying. Under this step, we will also scope and plan the subsequent steps to the verification process. The result of this step is the creation of a sampling plan. A copy of the sampling plan for this project is included in **Attachment A**.

- **Step 3.** Once the pre-verification review is completed, SCS will begin the actual verification process. This process will follow TCR's verification protocols, as well as ISO 14064-3:2006 and 14065 standards. This step will begin with a preliminary review of all data. Based on this review, an outline of the client's GHG report will be created including a listing of sources, individual GHG pollutants reported, comparative amounts of GHG between sources and ranking of sources, methodologies used for estimates, and management systems in place. This is completed for the primary entity and any sub-entities that are reported. The result of this step is a detailed understanding of the participant's characteristics so that the necessary level of effort for the verification can be determined based on the complexities of the entity.

- **Step 4.** Using the outline, SCS will assign internal staff to review specific portions of the inventory based on the matching expertise and knowledge of the SCS staff as well as the complexities of the client. This ensures that the best qualified person is reviewing a specific portion of the GHG inventory. The assigned staff will complete a detailed review of each defined emissions source and the methods used for calculation of GHG emissions. This will result in a data request to the participant identifying specific additional data needs that will be necessary to verify emission estimates.

- **Step 5.** With the data compiled in Step 4 and confirmation that emissions sources have been correctly identified and reported, SCS staff will review the methodologies for emission calculations as well as review the entity's management systems for GHG reporting. The methodologies will be reviewed against relevant validation or verification registry protocol and any industry sector protocols that are relevant as well as state-of-the-art practices for emissions estimate of each type. A determination will be made as to the adequacy of management systems, including personnel and internal programs, for compliance and providing data that are accurate with an appropriate level of comfort. We will also ensure that all backup documentation is adequate. A risk and uncertainty analysis will be conducted to arrive at a conclusion regarding whether the estimates are likely accurate within the acceptable level of risk.

- **Step 6.** Under Step 6, calculations will be checked and verified as accurate through the use of "spot-checking" of a representative number of each calculation type. In addition, the staff will arrange for and complete site visits where necessary to confirm the information reported. The goal will not be to visit every operating location for the entity but rather to complete a representative sampling of unique and significant types of facilities to confirm the information provided and to help in the verification process. A sampling plan will be used to take into account the complexity and intensity of reporting, amount and type of evidence necessary to achieve the agreed level of assurance,

methodologies for determining representative samples, and risks of potential errors, omissions, or misrepresentations.

- **Step 7.** The overall information reported and procedures used will be compared against the GHG emissions in the relevant protocols. The emission estimates and reports must not only be generally accurate but must also conform to the validation or verification registry's protocols in order to be verifiable. SCS validation or verification staff will review the information provided by the staff and make a final determination as to whether a positive verification can be made, and if not, where the problems lie.

- **Step 8.** Based on the completion of Steps 1-7 above, SCS will complete a Validation or Verification Report and Draft Validation or Verification Opinion and provide a copy to the applicant. We will then meet with the applicant to discuss our findings and resolve any discrepancies or misstatements. SCS will work with the applicant to resolve any problem areas so that the verification can proceed with the positive opinion. The participant will be allowed to revise its GHG report and re-file it so that the revisions can be reviewed and approved. One set of revisions is anticipated for this contract.

- **Step 9.** If Step 8 results in a positive validation or verification, SCS will complete its final Verification Report and Opinion and provide it to the applicant. We will also post the required Verification Forms via the appropriate program or system. A negative validation or verification decision can also be posted if appropriate.

PROPOSED SCHEDULE

Based on previous delays with contract execution, SCS is proposing the following schedule for completion of the verification project.

Exhibit 1
Project Schedule

Scope Item	Est. Completion Date
1. Submittal of required information to complete Registry Forms	August 4th
2. COI determination by TCR (3 week)	August 25th
3. NPFV submittal to TCR	August 25th
4. NPFV determination by TCR (1 week)	September 1st
5. Evaluation of 2010 GHG report/site inspections (3 weeks)	September 22nd
6. Preparation of Verification Findings Log (1week)	September 29th
7. Verification report review by CPC (1 week)	October 6th
8.Meeting with CPC staff to discuss deliverable	October 6th
8. Final verification report and submittal of information to TCR (1 week)	October 13th

These dates should be considered approximate and subject to change based on the findings of the site visits and data review. Note that this schedule does not incorporate iterative GHG report reviews.

If you have further comments or requests regarding the proposed investigation, please contact the undersigned at (562) 426-9544.

Sincerely,

Cassandra Drotman
Staff Professional
Lead Verifier
SCS ENGINEERS

Raymond H. Huff, R.E.A.
Senior Project Manager

ATTACHMENT A

SAMPLING PLAN

INTRODUCTION

This Sampling Plan for Verification (SPV) of the Collins Pine Company's (CPC's) 2010 greenhouse gas (GHG) emissions report for The Climate Registry (TCR) was prepared by SCS Engineers (SCS) based on the following:

- TCR *General Reporting Protocol* (GRP), version 1.1, dated May 2008, (including updates and clarifications dated July 15, 2011).
- TCR *General Verification Protocol* (GVP), version 2.0, dated June 2010, (including updates and clarifications dated May 31, 2011).
- SCS *Greenhouse Gas Validation and Verification Program Manual* (V/V Manual), version 1.7, dated December 2010.
- SCS *Proposal to Provide Greenhouse Gas Emissions Verification* (Proposal).
- CPC's preliminary GHG emissions data.

LEVEL OF ASSURANCE

SCS adheres to the ISO 14064-3:2006 concept of two levels of assurance that a GHG verification process can provide; "reasonable," and "limited." A "reasonable" level of assurance provides a reasonable, but not absolute, level of assurance that CPC's GHG assertions are

3. Materially[2] correct and a fair representation of the GHG data and information, and
4. Prepared in accordance with the GRP.

A "limited" level of assurance provides a more limited/"qualified" level of assurance as compared to a reasonable level of assurance due to less emphasis on detailed GHG data testing and supporting information.

As a member of TCR, CPC is seeking a level of assurance in the verification process that is consistent with the requirements of TCR under the GRP and GVP. In accordance with these requirements, in order for SCS to verify the University's GHG emissions reports, a sample of the report data must be free of material misstatement. This goal constitutes a "reasonable level of assurance" for the proposed verification activities.

SCOPE

The scope of this project encompasses the verification of CPC's calendar year 2010 TCR-reported GHG emissions, which include the following components:

[2] Under TCR, materiality is defined as a discrepancy of overall reported emissions (both direct and indirect) that differs from the verifier's estimated emissions by more than 5%.

- Geographic boundary – North American emissions only
- Reporter Type – Full
- Greenhouse gases included in inventory – all 6 GHG's
    - Carbon dioxide (CO_2)
    - Methane (CH_4)
    - Nitrous oxide (N_2O)
    - Hydrofluorocarbons (HFCs)
    - Perfluorocarbons (PFCs)
    - Sulfur hexafluoride (SF_6)
- Organizational boundary – Equity Share
- Level of Assurance – Reasonable
- Materiality – 5%
- Reporting Year – 1st (previously reported four emission inventories to the California Climate Action Reserve [CCAR])
- GHG Sources
    - Indirect emissions
        - purchased and consumed electricity
        - purchased and consumed steam
        - purchased and consumed district heating or cooling
    - Direct emissions
        - stationary combustion of fossil fuels
        - mobile combustion
        - process emissions
        - fugitive emissions
- Time period
    - Calendar year 2010
- Number of Facilities – 8 total
    - Chester Sawmill, Chester, California
    - Builders Supply and other ancillary company facilities, Chester, California
    - Collins Products, Klamath Falls, Oregon
    - Kane Sawmill, Kane, Pennsylvania
    - Lakeview Sawmill, Lakeview, Oregon
    - Office, Portland, Oregon
    - Richwood Sawmill, Richwood, West Virginia
    - Upper Columbia Mill, Boardman, Oregon
- TCR optional reporting of additional data and scopes under the GRP

CRITERIA

Criteria against which the verification assessment is undertaken are:

- TCR GRP version 1.1
- TCR GVP version 2.0

REQUIRED EVIDENCE

In order to obtain a **reasonable** level of assurance of the GHG assertions contained in CPC's GHG reports, for each facility included in the sample plan, SCS will require confirmation of the base-level GHG inputs (fuel usage, kilowatt-hours, natural gas usage, etc.) through review of quantitative data from sources outside of CPC. For example, the electricity usage input into TCR's Online Reporting Information System (CRIS) from a given CPC facility, must have back-up documentation of the raw values from a non-CPC source (power company, power broker, etc.). Some qualitative data (estimated electricity usage based on square footage, etc.) will be allowed, so long as it meets the requirements of both the GRP and GVP. However, it should be noted that there are tiered levels of accuracy associated with the calculation and reporting of emissions. Direct measurement is always preferred over estimates based on actual usage data and emission factors, which are preferred over estimates alone. Thus, the amount of qualitative estimates utilized in a GHG assertion report, should be considered a component of the materiality of the assertion report.

METHODOLOGY

In accordance with ISO 14064-3:2006, SCS has developed this sampling plan using a risk-based approach, allowing SCS to adequately collect evidence to support the expected level of assurance.

Risk Assessment

In order to determine which facilities to include in the initial sampling, SCS evaluated the key reporting and control risks. Our assessment of each of these risks is presented below.

- **Incompleteness.** Incompleteness may include omitted sources, incorrectly identified boundaries and/or leakage effects.

  Based on the number and diversity of CPC facilities, there is a significant potential for emissions sources to be omitted from the assessment. However, this potential is offset to a large degree since this is CPC's fourth year of GHG reporting (three years under CAR and first year under TCR).

  Therefore, SCS considers that the risk for incompleteness of the inventory is **low**.

- **Inaccuracy.** Inaccuracy may include double counting, significant manual transfer of data, or inappropriate use of emissions factors.

  Based on our initial review of the data, the majority of CPC's emissions come from indirect emissions associated with the purchase of electricity and natural gas. For each metered address, the power provider provided spreadsheet reports, which significantly reduce the potential for manual entry errors.

  With regard to emission factors utilized, initial review of the data indicate that the emissions factors utilized are accurate. Further, CPC utilized the integrated calculation

tools with in TCR's Climate Registry Information System (CRIS), which required only the input of the usage data. This further reduces the potential for calculation error.

Therefore, SCS considers that the risk for inaccuracy of the inventory to be **low**.

- **Inconsistency.** Inconsistency may include non-documented year-to-year methodological changes in GHG calculations.

  CPC has chosen to have their 2010 emissions verified. The inventory was prepared by Mr. Fed Bockmiller, Principal Engineer, with the cooperation of the Facilities Management Department, and preformed a QA/QC review of the data. By preparing the reports and performing a review a separate review of the inventory, CPC has minimized its chances for inconsistencies with reporting methodologies. However, since this is only CPC's first year reporting to TCR, there is potential for modification of methodologies and procedures in order to "create a better inventory."

  Therefore, SCS considers that the risk for inconsistency of the inventory to be **medium**.

- **Data Management and Control Weaknesses.** Data management and control weaknesses may include insufficient checking of manual data transfers, absence of an internal audit, and/or inconsistent monitoring.

  Since CPC is in their fourth year of GHG reporting, there is a lower inherent risk of missing portions of data (utility bills, changes in vendor, etc.). However, it is their first year reporting to TCR under a new methodology and by having different individuals' complete, data calculation, storage, gathering, and reporting, CPC has minimized its chances for insufficient checking of manual data transfers and absence of an internal audit.

  Therefore, SCS considers that the risk for inconsistency of the inventory to be **medium**.

SCS preferentially selects sites based on their assessed reporting and control risks, as well as other factors including unique and significant GHG sources. Based on this assessment, SCS will place particular emphasis on sampling sites and accounting that focuses on incompleteness as well as data management and control weakness.

REPRESENTATIVE SAMPLE SELECTION

Number of Facilities

The number of facilities to visit for this verification project was produced in accordance with risk assessment and site visit sample size guidance contained in the GVP. The GVP provides a recommendation that the verifier should conduct site visits to a representative sample of facilities. Based on data provided by CPC in the 2010, CPC has 8 facilities.

CPC aggregated there facilities into four main categories: Central Campus, Student Housing, Medical School, and University Extension and Alumni House. CPC considered how many

facilities they had by determining how many buildings they had. Then they aggregated them into the aforementioned categories.

Based on the available information provided by Collins Pine Company (CPC) and SCS' previous CCAR verification, the inventory includes eight facilities located throughout the United States. SCS has been informed that CPC's GHG data system for these facilities is managed primarily at the headquarters office and Chester Sawmill. Therefore, based on this assumption, the verification scope will include a visit to the headquarters and Chester Sawmill, but will ultimately be guided by TCR's site visitation requirements as well as SCS' own risk assessment process. SCS will alter the proposed number of facility visits if something arises during the risk assessment/verification process to meet the requirements of TCR's GVP.

Using the GVP guidance, TCR required visitation to at least two facilities. For the initial sampling, based on this guideline and the low to medium risks associated with the GHG reporting, SCS will visit two of CPC's facilities. Note that this number may be changed based on the results of initial sampling.

Facility Selection

The following three facilities were selected for site visitation and sampling. Each of these facilities is listed below along with rationale for their inclusion in the sampling plan.

Chester Sawmill
Portland Headquarters

We will review the selection of these facilities at our kick-off meeting scheduled October 2011.

APPENDIX B

COI Form

COI-A: Case-Specific
Conflict of Interest Assessment Form

The Climate Registry

All accredited Verification Bodies must complete this form prior to conducting any verification activities for a Member. The Registry will screen all COI Assessments for completeness and evaluate submitted Assessment Forms within 15 business days. Periodically, the Registry will select assessment forms for a more thorough review. In this instance, The Registry will inform the Verification Body of the additional review. The Registry will provide its finding to the Verification Body within an additional 15 business days.

Please submit this completed form as a pdf file to COI@theclimateregistry.org.

Date:	8/8/2011
Member Name:	The Collins Pine Company
Parent Company Name:	N/A
Member Contact Name:	Terry Collins
Title:	Forester
Telephone:	530-258-4441
E-mail:	TCollins@collinsco.com
Mailing address:	500 Main Street, Chester, CA 96020

Verification Body Name:	SCS Engineers
Parent Company Name:	N/A
Verification Body Contact Name:	Cassandra Drotman
Title:	Project Professional
Telephone:	562-426-9544
E-mail:	CDrotman@scsengineers.com
Mailing address:	3900 Kilroy Airport Way, Long Beach, CA 90803

To the best of my knowledge, I Cassandra Drotman **attest that the information provided in support of this assessment is true and complete and that I have complied with the Registry's Conflict of Interest policies as described in its *General Verification Protocol*.**

(Authorized signature)

☒ For digital signature: By checking the "Digital Signature Acknowledgement" box, I agree that this Conflict of Interest Assessment Form shall be deemed to be "in writing" and to have been "signed" for all purposes and that any electronic record will be deemed to be in "writing." I will not contest the legally binding nature, validity, or enforceability of this Conflict of Interest Assessment Form and any corresponding documents based on the fact that they were entered and executed electronically, and expressly waive any and all rights I may have to assert any such claim.

Based on the information provided in the following pages, we believe that our risk of COI is:
☐ High ☐ Medium ☒ Low

Please respond fully and in detail to all of the following questions. If you are using subcontractors to complete the proposed verification activities or if the Member used a technical assistance provider to prepare their GHG inventory, you must also provide this information for all subcontractors and technical assistance providers.

For the purposes of this form, all references to the Verification Body/Entity mean the Verification Body and all related entities, including the parent company and all companies that share the common parent company. All references to the Member/Entity mean the Member and all related entities, including the parent company and all companies that share the common parent company.

If you have no prior relationship with the Member, you may answer "No" or "Does Not Apply" to many of the following questions, but you must answer every question.

All confidential information should be so designated, and will be kept confidential by The Registry.

1. Has your Verification Body/Entity ever provided GHG verification services for this Member/Entity (excluding the current proposed services)?

   ☒ YES ☐ NO

   If yes, Emissions Year(s) verified: 2009 CCAR
   Dates of service *(month/date to month/date)*: 6/11 to 11/10

2. Has your Verification Body/Entity at any time provided any GHG Consultancy Services or other High COI Non-Verification Services[1] to the Member/Entity?

   ☐ YES ☒ NO

   Please declare all of your Verification Body/Entity's previous, existing, and planned involvement with the Member/Entity's GHG monitoring, accounting, reporting, and reduction activities, regardless of date of service. For each activity, identify the group(s)/department(s) of the organizations involved, and a description of each activity. Please clearly define the links between organizations, in particular your company's business unit(s) that performs certification and verification services. You may attach additional pages to this form as needed to respond fully.

All GHG Consulting Services Performed for Member

GHG Consultancy Services	Dates of Service (mo/yr-mo/yr)	Verification Body		Member		Description of Activities
		Business Unit	Location	Business Unit	Location	
N/A						

[1] GHG Consultancy Services and High-COI Non-Verification Services are defined and described in Section 3.2.1 of the General Verification Protocol.

Please provide any other relevant information that explains or describes any involvement with the Member/Entity's GHG monitoring, accounting, reporting, and reduction activities, including a description of your firm's relationship with the Member's GHG inventory technical assistance provider, if one.

N/A

3. Does your Verification Body/Entity currently provide other non-GHG services to the Member/Entity?
☐ YES ☒ NO

Has your Verification Body/Entity done so in the past?
☐ YES ☒ NO

a. Please list and describe any contracts or arrangements to perform work, other than GHG Consultancy Services or GHG verification work, your Verification Body/Entity has, or had, with the Member/Entity in the past three years within North America. Please explain the purpose and nature of this work. Please also describe its geographic location and the business unit(s) within the organizational structure of the Member/Entity for which the services were performed. If no work has been performed, please fill in the field with "N/A."

Work Performed in the Previous Three Years

Non-GHG Services	Dates of Service (mo/year-mo/year)	Potential COI?	Verification Body		Member		Description of Activities
			Business Unit	Location	Business Unit	Location	
N/A		☐					
		☐					
		☐					
		☐					
		☐					
		☐					

Please provide any other relevant information that explains or describes any of these prior and existing relationships with the Member/Entity.

N/A

4. What is, or was, the nature of the relationship between any part of your Verification Body/Entity and the Member/Entity contracting for the work? Please describe.

N/A

a. Does your Verification Body/Entity hare any formal affiliation or management with the Member/Entity?

☐ YES ☒ NO If yes, please describe.

N/A

b. Is your Verification Body/Entity currently engaged in any joint ventures or partnerships with the Member/Entity

☐ YES ☒ NO If yes, please describe.

N/A

c. List each staff member that will contribute to the proposed verification activities, identifying any previous work these individuals have conducted for the Member/Entity in the past three years including while in the employment of other organizations.

Name:	Ray Huff
Telephone number:	562-426-9544
E-mail address:	RHuff@scsengineers.com
Business location (city, state):	Long Beach, CA
Previous work for Registry Member (description of services):	2009 CCAR GHG verification
Date of Services (month/year to month/year):	6/10-11/10
Employer at time of service:	SCS Engineers
Direct Financial Investment of >$5,000?	☐ YES ☒ NO
Role(s) for Proposed Verification:	☐ Lead Verifier ☐ Verifier ☒ Independent Peer Reviewer ☐ Technical Expert ☐ Subcontractor Responsibilities: Perform independent internal review and confirmation of verification findings. Review report and verification opinion.

Please copy and paste additional tables here as needed to identify all staff who will be assigned to the verification activities:

Name:	Patrick Sullivan
Telephone number:	916-361-1297
E-mail address:	PSullivan@scsengineers.com
Business location (city, state):	Sacramento, California
Previous work for Registry Member (description of services):	2009 CCAR GHG verification
Date of Services (month/year to month/year):	6/10-11/10
Employer at time of service:	SCS Engineers
Direct Financial Investment of >$5,000?	☐ YES ☐ NO
Role(s) for Proposed Verification:	☐ Lead Verifier ☒ Verifier ☐ Independent Peer Reviewer ☐ Technical Expert ☐ Subcontractor Responsibilities: Assist in verification process; evaluate and verify emissions calculations, site visit(s), and preparation of verification report, verification opinion, and checklist of verification activities.

Name:	Cassandra Drotman
Telephone number:	562-426-9544
E-mail address:	**CDrotman@scsengineers.com**
Business location (city, state):	Long Beach, CA
Previous work for Registry Member (description of services):	2009 CCAR GHG verification
Date of Services (month/year to month/year):	6/10-11/10
Employer at time of service:	SCS Engineers
Direct Financial Investment of >$5,000?	☐ YES ☐ NO
Role(s) for Proposed Verification:	☒ Lead Verifier ☐ Verifier ☐ Independent Peer Reviewer ☐ Technical Expert ☐ Subcontractor Responsibilities: Conduct and oversee verification process; evaluate and verify emissions calculations, site visit(s), and review and verification of verification report and verification opinion.

Name:	John Henkelman
Telephone number:	916-361-1297
E-mail address:	**jhenkelman@scsengineers.com**
Business location (city, state):	Sacramento, California
Previous work for Registry Member (description of services):	2009 CCAR GHG verification
Date of Services (month/year to month/year):	6/10-11/10
Employer at time of service:	SCS Engineers
Direct Financial Investment of >$5,000?	☐ YES ☐ NO
Role(s) for Proposed Verification:	☐ Lead Verifier ☒ Verifier ☐ Independent Peer Reviewer ☐ Technical Expert ☐ Subcontractor Responsibilities: Assist in verification process; evaluate and verify emissions calculations, site visit(s), and preparation of verification report, verification opinion, and checklist of verification activities.

5. Please complete the table below to answer questions about the financial magnitude of service agreements. Add space as needed to respond fully. All confidential information should be so designated, and will be kept confidential by The Registry

Financial Assessment of Related Services

Member Reporting Boundary:	☐ Transitional Boundary: Selected States/Provinces/Territories (specify) _____; GHGs (specify):_____ ☒ North America ☐ Worldwide
Duration of Proposed Registry Verification Services:	☒ 1 Calendar Year ☐ Multiple Calendar Years Emissions Year(s) (i.e. 2009, 2010): 2010
Expected Value of Proposed Registry Verification Services:	$8,000 for current emissions years; $_____ for all emissions years listed above

Prior Registry Verification Services for Member in Reporting Boundary (calendar year)	**Value of Prior Verification Services for Member**	**% of Your Total Revenue**	**Emissions Year(s) Verified**
2010	$ 9,000	<0.1	2009 CCAR
	$		
	$		

Other Prior Services for Member/Entity in Reporting Boundary (calendar year)	**Value of Other Services for Member**	**% of Your Revenue**	**Types of Services (excluding Registry Verification)**
N/A	$		
	$		
	$		
	$		

Value of Anticipated Future Services for the Member/Entity within the Reporting Boundary (excluding potential Registry Verification Services)			**Types of Services (excluding Registry Verification)**
Current Year: N/A	$		
	$		

Please provide any relevant information about any of these services. If you have provided any GHG Consulting Services, please describe those in detail, including dollar value of services and percent of your total revenue.

N/A

6. Are there any extenuating circumstances that might cause your proposed GHG Verification Services to be considered sensitive or highly visible? Would you or the Member be uncomfortable if the nature of your relationship were reported in the press, or received public attention?

   ☐ YES ☒ NO If yes, please describe

N/A

Please submit this completed form as a pdf file to COI@theclimateregistry.org.

APPENDIX C

NOVS Form

Notification of Planned Facility Visits Form

Date: 10/6/2011

VERIFICATION BODY INFORMATION:

Verification Body Name: SCS Engineers
Lead Verifier Name: Patrick Sullivan
Telephone: 916-361-1297
E-mail: psullivan@scsengineers.com

MEMBER INFORMATION:

Member Name: Collins Pine Co.
Member Contact Name: Terry Collins
Telephone: 530-258-4441
E-mail: TCollins@collinsco.com

Industry Sector: Commercial and Industrial (as specified in CRIS)
NAICS: 321113

Reporting for: ☐ Selected states/provinces/territories (specify):
GHGs (specify): 6 Kyoto Gases
☒ North America
☐ Worldwide

Reporting Protocol Used: ☒General Reporting Protocol
☐ Additional protocols (specify):

SCHEDULE OF ACTIVITIES:

For North America:

Within the Member's entity inventory, total number of:

Commercial Facilities:8
Non-Commercial Facilities:0

Number of North American facilities selected for visits during verification activities: 2

Percent of Scope 1 Emissions:
Covered by facility visits: 27% %
Covered by records sampled (not including emissions covered by facility visits): 80 %

Percent of Scope 2 Emissions:
Covered by facility visits: 1.7 %
Covered by records sampled (not including emissions covered by facility visits): 80 %

For non-North America:

Check this box if not applicable: ☒

Within the Member's entity inventory, total number of:

Commercial Facilities:
Non-Commercial Facilities:

Number of non-North American facilities selected for visits during verification activities:

Percent of Scope 1 Emissions:
Covered by facility visits: _____ %
Covered by records sampled (not including emissions covered by facility visits): _____ %

Percent of Scope 2 Emissions:
Covered by facility visits: _____ %
Covered by records sampled (not including emissions covered by facility visits): _____ %

Please confirm that the number of facilities selected for visits is greater or equal to the minimum number of facilities to be visited based on as the methodologies established in GVP v 2.0 Section 4.3.4?

☒Yes
☐ No (streamlined verification only)*

*Your verification plan must be in compliance with the facility visit requirements of GVP v. 2.0.

Number of facilities visited in previous verification work, if any (please specify the calendar year in which the facilities were visited): 0 ☆Please provide a list of facilities you plan to visit, including the facility address, facility contact, and anticipated date of visits. Please use the space provided below or attach a document.
10/13/11 Chester Sawmill, 500 Main Street, Chester CA 11/1/11 Portland Headquarters Office, 1618 SW First Avenue, #500, Portland Oregon 97201
Please indicate the date you anticipate completing all verification activities: 11/30/11 ☆Please provide your verification plan for the proposed verification services. Please use the space provided below or attach a document.
Please see attached.

MEMBER ACKNOWLEDGEMENT OF POTENTIAL ACCREDITATION BODY AND REGISTRY VISITS

I, the official named below, am authorized to represent the Member to the provision listed below.

Member (Organization to be verified)	*Verification Body Name (Printed)*
Collins Pine Company	SCS Engineers

By (Authorized Signature of Member Representative)

☒ For digital signature: By checking the "Digital Signature Acknowledgement" box, I agree that this acknowledgement shall be deemed to be "in writing" and to have been "signed" for all purposes and that any electronic record will be deemed to be in "writing." I will not contest the legally binding nature, validity, or enforceability of this acknowledgement and any corresponding documents based on the fact that they were entered and executed electronically, and expressly waive any and all rights I may have to assert any such claim.

Printed Name and Title of Person Signing
Terry Collins Terry D. Collins

Date
6 Oct 2011

I Terry Collins of Collins Pine Company have been informed by SCS Engineers that a representative from The Registry, the Accreditation Body, or their contractors may accompany the Verification Body to our facilities during their verification work, and may request to see information necessary to ascertain the reasonableness of our reported GHG emissions results and our compliance with The Registry's reporting requirements.

I understand that any information obtained by The Registry, the Accreditation Body, or their contractors will be used solely for purposes of evaluating the verification process, and will otherwise be kept confidential.

APPENDIX D

Findings/Issues Log

Initial Verification Findings Log

Collins Pine Company

TCR Reporting – 2010

This document presents a log of SCS 'findings from verification activities for the Collins Pine Company's (CP's) operation. These findings are numbered consecutively and coded based on the nature of the finding:

- **AIR = Additional Information Request**
  SCS is requesting additional 'raw' data, manufacture's specification, backup spreadsheets, or revised spreadsheets for review for review. This additional information will help SCS conduct their statistical sampling of your emissions report.

- **CAR = Corrective Action Request**
  SCS has identified material and immaterial misstatements in your emissions report. Corrective action is required to address discrepancies between calculations and/or emissions sources. If the participant does not feel any corrective action is necessary, please provide an explanation to SCS on the rationale behind the original CAR in question.

- **RFC = Request for Clarification**
  SCS is requesting clarification on the methods, reasoning, database, or etc. of your company's GHG management systems, calculations methodologies, emissions sources, or etc..

- **OBS = Observation**
  SCS has made an observation regarding your company's inventory, GHG management systems, calculations methodologies, or etc. which was immaterial to your company's annual emission report, but may provide an improved inventory.

Table 1 includes a description of the issue, its potential impact on emissions (either under- or over-estimate), a summary of action required to mitigate the issue, and a summary of the issue's impact on materiality. Note that seemingly immaterial misstatements, when aggregated, may result in a material misstatement in the event that the difference in the calculation of emissions is more than 5% of the total combined emissions from the emissions summary report. Table 2 is provided for use by the client to document corrective action taken.

Note that this list may be augmented as verification activities proceed based on the availability of new data (from AIRs) and/or review of corrective actions resulting from CAR responses.

Protocol: GRP 1.1

Date Submitted: November 15, 2011

Response Submitted: December 7, 2011

Table 1 - Verification Findings Summary

Issue Type and No.	Issue Date and Description	Potential Impact on Emissions Estimation	Materiality
CAR 1	11/15/11 The total emissions reported using Simplified Emission Methods (SEMs) are 68% of total emissions. TCR protocol limits the amount reported using SEM to 5% of total emissions. Please revise the report to use SEM for no more than 5% of total emissions.	None	Material
CAR 2	11/15/11 Utility bills have not been prorated to include only emissions from January 1 to December 31, 2010, and may include the last weeks of 2009 or first days of 2011. The TCR GRP states that January and December electricity bills must be prorated for the calendar year (page 101).	Unknown	Immaterial

Table 2 - Verification Findings Response Summary

Issue Type and No.	Issue Response	Respondent	Lead Verifier Comment	Additional Action Required?
CAR 1	12/7/11 The emissions for the generation facility at Chester are no longer considered SEM.	Terry Collins	12/7/11 The issue is resolved.	No
CAR 2	12/7/11 The emissions will continue to be reported using non-prorated bills due to the amount of work required to prorate the bills.	Terry Collins	12/7/11 The issue is immaterial and will not result in an adverse opinion.	No

APPENDIX E

Checklist and Standard Report

Standard Verification Report Template *(Optional)*

The Climate Registry

Section 1: Overview

Date of Verification Report: 12/13/11

Member Name: Collins Pine Company

Emissions Year Report Verified: 2010

Reporting Classification: ☐ Transitional ☒ Complete ☐ Historical

Member's Organizational Boundaries:

☒ Control Only: (☐ Financial **or** ☒ Operational)

☐ Equity Share and Control (☐ Financial **or** ☐ Operational)

Geographic Scope of Emissions Report:

☐ Transitional, specify geographic boundary:_____; specify GHGs:_____

☒ North American

☐ Worldwide (including North America) ☐ Worldwide (non-North America)

Verification Body Name: SCS Engineers

Verification Body Contact: John Henkelman
Title: Staff Verifier
Telephone: 916-361-1297
E-mail: jhenkelman@scsengineers.com

Subcontractors: none

Verification Team Members:
Lead Verifier: Cassandra Drotman
Other Verification Team Members: John Henkelman, Patrick S Sullivan
Independent Peer Reviewer: Ray Huff

Type of Verification: ☐ Batch ☐ Streamlined ☒ Full

GHG Reporting Protocols against which Verification was Conducted:

☒ The Climate Registry's *General Reporting Protocol Version 1.1*, dated May 2008

☒ The Climate Registry's GRP Updates and Clarifications document dated July 15, 2011

☐ Others (specify): _____

GHG Verification Protocols used to Conduct the Verification:

☒ The Climate Registry's *General Verification Protocol Version 2.0*, dated June 2010

☒ The Climate Registry's GVP Updates and Clarifications document dated May 31, 2011

☐ Others (specify): _____

Total Entity-Wide Emissions Verified:

Total Scope 1 Emissions: 13,655 CO_2-e

11,343 CO_2 10.0 CH_4 6.22 N_2O 173 HFCs 0 PFCs 0 SF_6

Total Scope 2 Emissions: 45,820 CO_2-e

45,645 CO_2 0.8 CH_4 0.51 N_2O

Biogenic CO_2: 127,470 tonnes CO_2

Summary of Verification Findings:

☒ Verified

☐ Unable to Verify (include reason, e.g., "due to data errors" or "due to non-compliance with The Registry's reporting requirements): _____

Comment: _____

Section 2: Verification Plan

Describe the verification plan, including the risk assessment methodologies employed and the sampling plan (either in the space below or attached separately):

Please see attached Verification Plan

Section 3: Identification of Emission Sources

List all facilities/emission sources/GHGs identified through verification activities within the geographic and organizational boundaries of the emissions report.

Facility Name/Identifier	Facility Location	Emission Source	GHG	Included in Emission Report?
Chester Sawmill	Chester, California	Stationary wood waste combustion	Biogenic carbon dioxide, methane, nitrous oxide	☒Yes ☐No
Chester Sawmill	Chester, California	Electricity use	carbon dioxide, methane, nitrous oxide	☒Yes ☐No
Collins Products	Klamath Falls, Oregon	Electricity use	carbon dioxide, methane, nitrous oxide	☒Yes ☐No
Collins Products	Klamath Falls, Oregon	Steam use	carbon dioxide, methane, nitrous oxide	☒Yes ☐No
All other facilities	North America	Electricity use	carbon dioxide, methane, nitrous oxide	☒Yes ☐No
All other facilities	North America	Small stationary and mobile combustion	carbon dioxide, methane, nitrous oxide	☒Yes ☐No
				☒Yes ☐No
				☐Yes ☐No
				☐Yes ☐No
				☐Yes ☐No

Section 4: Verification Activities Log and Evaluation of Compliance

Please see the attached Checklist.

Section 7: Findings

List all Scope 1 misstatements discovered during the verification and their magnitude at the entity level

Discrepancy	Magnitude as a Percent of Reported Scope 1 Entity-Level Emissions	Current Disposition of the Discrepancy
Please see the attached issues log		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected

Net sum of all Scope 1 discrepancies at the entity level: _____%

List all Scope 2 misstatements discovered during the verification and their magnitude at the entity level

Discrepancy	Magnitude as a Percent of Reported Scope 2 Entity-Level Emissions	Current Disposition of the Discrepancy
Please see the attached issues log		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected
		☐Corrected ☐Not Corrected

Guidance for Completing Verification Activities *(Optional)*

Verification Activities Check List			
Preparing for Verification	**Date Achieved**		
1. Bid on a Verification Contract	7/1/11		
2. Submit Case-Specific COI Assessment Form to Registry	8/8/11		
3. Negotiate Contract with Member	7/1/11		
4. Notify The Registry of Planned Verification Activities	10/6/11		
5. Conduct Kick-off Meeting With Member	10/13/11		
6. Develop Verification Plan	10/13/11		
Verification Activities Assessing Conformance with the Registry's Requirements	**Yes**	**No**	
7. Is the Member a legal entity under U.S., Canadian or Mexican law?	**X**		
8. Is the Member a subsidiary of any other company, and if so is the parent company also reporting to the Registry?		**X**	
9. If the Member is submitting a transitional report, is the Member eligible to do so?		**N/A**	
10. Are all emissions calculated using simplified estimation methodologies included in the inventory and documented as such?	**X**		
11. If the answer to Question 10 is yes, are the simplified methods used appropriate, and are the results reasonable?	**X**		
12. If the answer to Question 10 is yes, do the emissions estimated using these methods constitute 5% or less of the sum of an entity's Scope 1, Scope 2, and biogenic emissions from stationary and mobile combustion?	**X**		
13. Have any mergers, acquisitions, or divestitures occurred during the current emissions year?		**X**	
14. Have any activities been outsourced or insourced in the current year?		**X**	
15. Has the Member provided all required emissions data?	**X**		
16. Have you performed data triangulations where reasonable?	**X**		
17. Are any discrepancies between your emissions estimates and the Member's material? If so, has the Member addressed those discrepancies and corrected the data in CRIS?		**X**	
18. Has the Member assigned emissions from on-road mobile sources to the correct geographic location? (i.e. Has the Member assigned the emissions to a state/province, nation or country as opposed to a single facility location?)	**N/A**		
Verification Activities Assessing Completeness of Emission Report	**Date Achieved**		
19. Identify and list all Facilities in the Entity	10/13/11		
20. Identify and list all Emission Sources (of Scope 1 Mobile, Scope 1 Stationary, Scope 1 Process, Scope 1 Fugitive, Scope 2, Direct Biogenic CO_2 Mobile, and Direct Biogenic CO_2 Stationary Emissions)	10/13/11		
21. Identify and list all Fuel Types	10/13/11		
22. Rank All Sources by Magnitude on a CO_2-e Basis	10/13/11		
23. Assess Any Changes in Geographic and Organizational Boundaries	10/13/11		

	Yes	No
24. [For Member's using the equity share approach] Does the emission report include all processes and facilities for which the Member holds an equity share? If not, why?	N/A	
25. [For Member's using the financial control approach] Does the emission report include all processes and facilities under the financial control of the Member? If not, why?	N/A	
26. [For Member's using the operational control approach] Does the emission report include all processes and facilities under the operational control of the Member? If not, why?	X	
27. Does the report include all facilities and sources of GHG emissions within the geographic boundaries of the Member? Or, if the Member is a Transitional Member, does the report include all facilities and sources within the states, provinces, and or native sovereign nations that the Transitional Member has chosen?	X	
28. Does the report include all applicable types of GHGs from each facility and emission source within the geographic and organizational boundaries of the Member? Or, in the case of Transitional Members, does the report include all emissions of the GHGs that the Member has chosen to report (and, at a minimum, CO_2) from each facility and emission source within the geographic and organizational boundaries of the transitional Member?	X	
29. Has the reporting entity included all of its Scope 1 and Scope 2 emissions for each facility?	X	
30. Have the Scope 1 emissions been broken down by source type (stationary combustion, mobile combustion, fugitive and process)?	X	
31. Have biogenic CO_2 emissions been reported separately from the Scope 1 emissions?	X	
32. What type of records were used as the basis for calculating emissions, and were these records appropriate?	Utility bills, CEMS reports, maintenance logs. These are appropriate	
Performing Risk Assessment Based on Review of Information Systems and Controls	**Date Achieved**	
33. Evaluate Procedures and Systems for Preparing Emission Report	10/13/11	
34. Evaluate Personnel and Training - Does the Member's management system define what is "qualified" and what constitutes "appropriate training"?	10/13/11	
35. Assess if the uncertainty associated with methodologies and management systems is more than appropriate	10/13/11	
	Yes	**No**
36. Are the calculation methodologies/procedures used to compute GHG emissions at the source level among those described in the General Reporting Protocol? If not, why?	X	
37. If a non-GRP methodology has been used because the General Reporting Protocol does not provide any methodology for the particular source(s) in question, is the methodology that was used an industry standard for this source type(s)?	N/A	
38. If alternative emission factors were used, did the Member establish	N/A	

a basis for concluding that they were more accurate than the default factors?		
39. Are appropriate methods used to manage and implement entity-wide GHG emissions reporting programs? If the Member has more than one facility, is the emissions data correctly monitored?	X	
40. Is a qualified individual responsible for managing and reporting GHG emissions?	X	
41. Is appropriate training provided to personnel assigned to GHG emissions reporting duties? If the Member relies on external staff to perform required activities, are the contractors' qualified to undertake such work?	X	
42. Are appropriate documents created to support and/or substantiate activities related to GHG emissions reporting activities, and is such documentation retained appropriately? For example, is such documentation maintained through reporting plans or procedures, utility bills, etc.?	X	
43. Are appropriate mechanisms used to measure and review the effectiveness of GHG emissions reporting programs? For example, are policies, procedures, and practices evaluated and updated at appropriate intervals?	X	
44. Does the system account for the diversity of the sources that comprise each emission category? For example, are there multiple types of vehicles and other transportation devices that require different emission estimation methodologies?	X	
45. Do you know the diversity of GHGs emitted from each emission source category?	X	
46. When available, has the Member used the emission factors, GWPs and standardized estimation methods in the Registry's General Reporting Protocol to calculate emissions in each source category?	X	
a. Are the methodologies, data sources and emission factors documented and explained appropriately?	X	
47. Does the Member's GHG management system appropriately track emissions in all of the emission source categories?	X	
Developing a Sample Plan	**Date Achieved**	
48. Develop Sampling Procedures for Sources Based on Risk of Material Misstatement	**10/13/11**	
49. Was the overall Verification Plan and the types of facilities and their materiality considered when developing the facility visit list?	**10/13/11**	
50. Were direct and indirect emissions considered separately?	**10/13/11**	
	Yes	**No**
51. Based on the GVP v. 2.0 Section 4.3.4, have you visited an appropriate number of facilities?	X	
Verifying Emission Estimates Against Verification Criteria	**Date Achieved**	
52. Confirm Total Fuel Consumption	**10/13/11**	
53. Confirm Vehicle Miles Traveled	**10/13/11**	
54. Confirm that appropriate Emission Factors are Used. If not Default Factors, ensure the Derivation and Explanation of increased Accuracy is properly Documented	**10/13/11**	
55. Calculate Scope 1 (Mobile, Stationary, Process & Fugitive), Scope 2, and Direct Biogenic CO_2 (Mobile and Stationary) Based on Sampling Procedures	**10/13/11**	
56. Compare Estimates from Sample Calculations to Reported Emissions	**10/13/11**	

57. Determine if There are Any Discrepancies Between Sample Calculation and Reported Emissions	10/13/11		
58. Determine if any reporting errors have caused material misstatements	10/13/11		
	Yes	**No**	
59. Are the reported electricity, steam, and district heating and cooling use consistent with utility bills?	**X**		
60. Is the reported total stationary fuel use by fuel type consistent with the fuel use records?	**X**		
61. Is the reported total consumption of fuels in motor vehicles consistent with available documentation and by vehicle type? If the entity calculates transportation emissions based on vehicle mileage, is the reported vehicle mileage consistent with vehicle mileage records?	**X**		
62. Is the reported process and fugitive emissions consistent with activity data or maintenance records?	**X**		
63. Are the emission factors used by the Member appropriate?	**X**		
a. If Registry default factors are not used, do the alternative emission factors provide increased accuracy?			**NA**
b. Is the derivation and explanation of increased accuracy properly documented and reasonable?			**NA**
64. Does a sample of the Member's calculations agree with your re-calculated Scope 1 (mobile, stationary, process & fugitive), Scope 2, and Direct Biogenic CO_2 (Mobile and Stationary) emissions estimates? Have you documented your process for determining the appropriate sampling plan?	**X**		
65. Are all required GHG emissions included?	**X**		
66. Are discrepancies between your emissions estimates and the Member's immaterial?	**X**		
Completing the Verification Process	**Date Achieved**		
67. Prepare a Detailed Verification Report & Submit to Member	12/13/11		
68. Prepare a Verification Statement & Submit to Member	12/13/11		
69. Conduct Verification Meeting with Member to Discuss & Finalize Verification Report & Statement	12/13/11		
70. Communicate Verification findings to The Registry through CRIS	12/13/11		
71. Retain Relevant Verification Documents & Records	12/13/11		

Net sum of all Scope 2 discrepancies at the entity level: _____%

APPENDIX F

Verification Statement

Total Entity-Wide Emissions Verified (Control Criteria):

Total Scope 1 Emissions: 13,655 tonnes CO_2-e, consisting of tonnes of each GHG as follows:

11,343 CO_2 10.0 CH_4 6.22 N_2O 173 HFCs (CO2-e) 0 PFCs (CO2-e) 0 SF_6

Total Scope 2 Emissions: 45,820 tonnes CO_2-e, consisting of tonnes of each GHG as follows:

45,645 CO_2 0.8 CH_4 0.51 N_2O

Biogenic CO_2 (stationary & mobile combustion only): 127,470 tonnes CO_2

Total Entity-Wide Emissions Verified (Equity Share Criteria, if applicable):

Total Scope 1 Emissions: _____ tonnes CO_2-e, consisting of tonnes of each GHG as follows:

_____ CO_2 _____ CH_4 _____ N_2O _____ HFCs (CO2-e) _____ PFCs (CO2-e) _____ SF_6

Total Scope 2 Emissions: _____ tonnes CO_2-e, consisting of tonnes of each GHG as follows:

_____ CO_2 _____ CH_4 _____ N_2O

Biogenic CO_2 (stationary & mobile combustion only): _____ tonnes CO_2

Verification Statement:

☒ Verified

☐ Unable to verify conformance (include reason, e.g., "unable to obtain sufficient evidence", "due to data errors" or "due to non-compliance with The Registry's reporting requirements): _____

Comment: _____

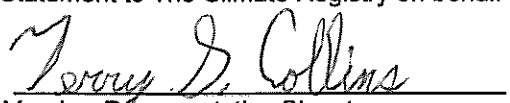
Attestation:

Cassandra Drotman, Lead Verifier — 12/9/11 Date — ☒ Digital Signature Acknowledgement*

Ray Huff, Independent Peer Reviewer — 12/15/11 Date — ☒ Digital Signature Acknowledgement*

Authorization:

I Terry Collins accept the findings in this Verification Statement and authorize the submission of this Verification Statement to The Climate Registry on behalf of Collins Pine Company.



Member Representative Signature — 15 Dec 11 Date — ☐ Digital Signature Acknowledgement*

*For digital signature: By checking the "Digital Signature Acknowledgement" box, I agree that this Verification Statement shall be deemed to be "in writing" and to have been "signed" for all purposes and that any electronic record will be deemed to be in "writing." I will not contest the legally binding nature, validity, or enforceability of this Verification Statement and any corresponding documents based on the fact that they were entered and executed electronically, and expressly waive any and all rights I may have to assert any such claim.