STATE OF ALASKA

Department of Natural Resources Division of Support Services



REQUEST FOR PROPOSALS (RFP) 2025-1000-0034 CARBON OFFSET PROJECT CONSULTING SERVICES

ADDENDUM 1

ISSUED SEPTEMBER 3, 2024

This addendum is being issued to answer questions from vendors.

Important Note to Offerors: You are required to sign and return this page of the addendum document with your proposal. Failure to do so may result in the rejection of your proposal. Only the RFP terms and conditions referenced in this addendum are being changed. All other terms and conditions of the RFP remain the same. This Addendum is hereby made part of the RFP and is a total of five pages.

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QUESTIONS SUBMITTED BY OFFERORS AND ANSWER FROM THE STATE

- <u>Question 1</u>: Anew conducted an extensive analysis in 2022 of the potential emission reduction projects that could be implemented for the purpose of generating carbon offsets. Areal coverage included the forestlands identified in the RFP. Will the digital input data, files, and results from the report will be available to the successful contractor?
- Answer 1: The successful contractor will have access to all digital input data, files, and results from Anew's 2022 Alaska DNR Carbon Offset Opportunity Evaluation (report available at www.akleg.gov/basis/get documents.asp?session=33&docid=3416) that are property of the State.
- Question 2: Does the Anew report mean that Anew is precluded from bidding on this RFP?
- Answer 2: Anew's prior work on the 2022 Alaska DNR Carbon Offset Opportunity Evaluation does not preclude them from participating in this solicitation. Anew's analysis for the 2022 Opportunity Evaluation utilized the same publicly available information outlined in section 2.01 Background of the RFP.
- <u>Question 3</u>: Is Year of Establishment (YOE) data for forest areas by species available in the Department of Natural Resources' forest inventory records?
- **Answer 3:** The Department of Natural Resources does not have this data.
- <u>Question 4</u>: Would the State consider changing the definition of the 'permanent' period to 100 years?
- **Answer 4:** No. Project terms are limited by AS 38.95.410, not to exceed 55 years.
- <u>Question 5</u>: Are carbon sequestration rates for Alaskan forest tree species available? If so, please provide us with copies.
- Answer 5: Table 9 on page 20 of the *Timber Inventory of State Forest Lands in the Tanana Valley 2013* (available here) shows biomass tons/acre by tree species. The USDA Forest Service report *Forest Resources of the Tanana Unit, Alaska: 2018* (available here) includes estimates of carbon pools among forest types in the Tanana unit on pages 29-32.

<u>Question 6</u>: If not, are the carbon inventory "tonnes carbon/acre" figures used in the Anew August 2022 report (eg. Table 5, page 18) considered accurate? We note that the methodology for calculating these yields is not fully described nor referenced in the Anew 2022 report.

Answer 6: See response to Question 5.

<u>Question 7</u>: Are allometric calculations for white spruce and western hemlock available? If so, please provide us with copies.

Answer 7: The equation used for white spruce aboveground biomass for the Tanana Valley State Forest is on page 19 of the *Timber Inventory of State Forest Lands in the Tanana Valley 2013* (available here). The same equation was used for hemlock in the Kenai area.

Question 8: We note that only above-ground carbon (AGC) is considered. The New Zealand Emissions Trading Scheme (NZETS) is a proven and successful model for calculating high-integrity carbon credit yields from forests. Below-ground, carbon (BGC) is included in the scope of the NZETS and is an important element of forest carbon credit yield assessments. According to RFP references, BGC is about 14% of AGC. Would the State consider including BGC in the voluntary carbon accounting process?

<u>Answer 8</u>: Yes, if the methodology selected for the project allows for consideration of BGC.

Question 9: We note that in the RFP references and in the Anew August 2022 report there appears to be no allowance in the voluntary carbon accounting process for emissions from felling. In NZETS forest carbon yield calculations, there is a legally-prescribed ten-year decomposition period from felling subtracted from new growth credit yields. Are emissions from forest decomposition over time following harvesting available for Alaskan forest species?

<u>Answer 9</u>: The Department of Natural Resources does not have this data.

<u>Question 10</u>: For the Tanana Valley State Forest, Haines State Forest, and Susitna-Matanuska and Kenai areas, please define:

a. Total areas of forest that can be harvested in practice and for which there is a reasonably foreseeable demand. Inaccessible areas, non-commercial species areas (eg. black spruce), high erosion risk areas, roads, reserves, farms, and settlements need to be excluded; and,

b. Total allowable cuts over the next 55 years and 100 years by forest management area. (There has been insufficient information and time in the RFP process to calculate this critical high-level data.)

<u>Answer 10</u>: For harvestable acres of forest, please see the Five-Year Schedule of Timber Sales for each management area (available <u>here</u>).

Allowable cut by forest management area:

FOREST NAME	ALLOWABLE CUT (ACRES/55YRS)	ALLOWABLE CUT (ACRES/100YRS)
TANANA VALLEY		
STATE FOREST		
FAIRBANKS-	107.750	305,000
KANTISHNA ¹	167,750	
SOUTH-CENTRAL	050 000	460,600
FAIRBANKS ²	253,330	
DELTA	217,140	394,800
TOK	130,350	237,000
HAINES STATE FOREST	23,320	42,400
SUSITNA- MATANUSKA	251,020	456,400
KENAI	22,330	40,600
TOTALS	1,065,240	1,936,800

¹Represents the Kantishna Management Area from the 2013 Timber Inventory of the State Forest Lands in the Tanana Valley 2013.

- <u>Question 11</u>: Does the State require the successful Offeror to provide forest inventory plot network and annual monitoring services over the seven-year period of the contract? For example only: The NZETS requires 200 plots per 10,000 ha (24,711 acres) sampled every five years.
- Answer 11: The contractor will be required for the term of the contract to provide inventory and monitoring services that meet the requirements of the selected registry and methodology.

²Represents the Fairbanks Management Area from the 2013 Timber Inventory of the State Forest Lands in the Tanana Valley 2013.

- <u>Question 12</u>: Does the State have maps available that show low, medium, and high risk (or similar risk assessment) ratings for permafrost melt over the next 100 years where applicable to the forests involved in this RFP, and if so, could we please have copies of them?
- **Answer 12:** The Department of Natural Resources does not have this data.
- <u>Question 13</u>: Would the State consider planning for a 10-year carbon credit issue and sale period reviewable annually?
- Answer 13: No. However, the state could consider a greater-than-annual issuance and sale schedule, subject to negotiation, justification, and agreement.
- <u>Question 14</u>: Would the State consider direct-to-buyer credit sales and periodic international auction platform sales?
- Answer 14: Yes.

END OF ADDENDUM 1