

A	Mitigation Goal	CHE Explanation	Meet Sideboards?
	Net Gain	Net gain provided programmatically through risk management tools and use of conservation certificates; no net loss at project level dependent on HQT – currently 1:1 ratio but credits measured different than debits	Unclear, likely Yes for program but SLT needed on HQT details to ensure project NNL

B	Avoid and Minimize	CHE Explanation	Meet Sideboards?
B.1	Assuming BLM standards for avoidance and minimization are acceptable, at minimum follow their lead	For oil and gas permits, state law requires COGCC (permitting agency) to consult with CPW. CPW can recommend avoidance, minimization, and mitigation measures. There are also state policies related to avoidance and minimization, such as restricted surface occupancy areas.	Depends on level of reg. certainty desired:
B.2			

C.	Governance	CHE Explanation	Meet Sideboards?
C.1	A mechanism (agreement, legislation, etc.) identifies responsible parties for managing the program.	<p>Exchange Agreement between Exchange Administrator and (?) sets forth intent of parties in establishment, use, funding, and operation of the Exchange.</p> <ul style="list-style-type: none"> • CPW will ? • FWS will ? • BLM will ? <p>The Exchange Manual provides information on operations and can be revised with approval from the Oversight Committee.</p> <p>The Oversight Committee is a stakeholder group responsible for</p>	<p>Yes, but... Agreement is still under development – unknown what agencies will be party.</p> <p>Asking for clarity on who will be first OC, timelines for the group and bylaws, role of state, etc. Currently, the “state” does not have a majority</p>

		<p>overseeing operations of the Exchange and hiring and evaluating performance of the Administrator. First OC will be decided from the Exchange Working Group; bylaws will dictate OC processes thereafter.</p> <p>State agencies have 2 of 8 voting seats on the Oversight Committee. Two seats each go to landowners, commercial industry, and environment group. Specific state agency not identified.</p> <p>The OC approves the SAC, five qualified scientists.</p>	<p>vote and there is no indication the wildlife management agency (CPW) has to be on the OC.</p> <p>Concern of SAC also not representing state interests, especially if OC approves the SAC. Qualifications for SAC membership not outlined (OC bylaws?)</p>
C.2	Program relationship with regulatory mechanism(s) and agenc(ies) is identified, including equivalency of standards across mitigation programs.	<p>CHE is a voluntary program but is seeking more formal agreement from DNR.</p> <p>COGCC is interested in using the program and CHE can fit into existing COGCC rules, but the relationship is not formalized.</p> <p>Consultation with state wildlife agency can be informed by CHE program elements but state does not have to require equivalent mitigation standards for non-CHE use.</p>	CHE is acting as a voluntary program
C.3	Funding to run the program is addressed	Program operational funding will come from Exchange transaction fees. Starting seed monies are being discussed.	Yes
C.4	Administrator has compliance authority	Legally enforceable contracts between Exchange and participants	Yes, but... administrator is not identified and uncertainty around enforceability
C.5	Separate financial administrator and plan for program and for handling of any monies from participants, especially long		Unclear

	term stewardship funds		
C.6	Program Adaptive Management process identified with program triggers; relationship to biological triggers (related to sage-grouse population and habitat monitoring)	<p>Program: Admin makes annual recommendations to OC. OC will confer with (parties to Agreement?). Science Committee can recommend changes to Administrator, and then go through OC. OC can also recommend changes. Stakeholders would go through their representatives on the OC. A 2/3 OC majority can drive decisions.</p> <p>Biological Triggers:</p>	Unclear Need revised Agreement and details on make-up of OC
C.7	Dispute Resolution Process		

1.	Siting	CHE Explanation	Meet Sideboards?
1.1	Program integrates landscape level plan(s) (e.g. state conservation plan, BLM regional mitigation strategy) to facilitate smart siting of development and conservation actions. or provides for landscape-level assessment for impacts and offsets.	Landscape level plans are not integrated with CHE though the science team can provide this input. Colorado is without a robust state conservation plan.	No, but... Management agencies (state, BLM) may be members of OC and the Exchange is open to including plans as they become available
1.2	Program provides for landscape-level factors in impact and offset assessments	The HQT considers landscape level factors when assessing debit and credit sites.	Yes
1.3	Includes habitat proximity, limited/rare habitat and/or habitat importance factors in siting decisions	Habitat types and proximity are considered as part of the HQT. Siting decisions are indirectly influenced.	Yes, but... indirect
1.4	Defined service area(s) based on biological and geographic factors (or justified jurisdictional factors).	Offsets must be located in same one of the five service areas the impact occurred and within BLM's PPH or PGH mapped areas. Service areas may be revisited through adaptive management process.	Yes

1.5	Addresses trading of credit outside service area or jurisdictional boundaries (e.g. county, state)	No provision for out of area or state trades.	No, but... this may change through adaptive mgmt
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2.	Duration	CHE Explanation	Meet Sideboards?
2.1	Credit project duration must meet or exceed duration of the impact, accounting for any time lags and remediation.	Credit transactions occur in advance of debits. Project duration for credits must meet or exceed duration of debit project it is offsetting with static or dynamic credits. Remediation confirmation process unclear. A surplus of credits can be transferred to another project.	Yes, but: Uncertainty around CHE ability to confirm remediation and use of 10 year dynamic credits.
2.2	Limits to length or use of term credits to 10 years minimum	Minimum term of 10 years with 5 year increments after initial term	Yes
2.3	Limits to length or use of dynamic credits to 30 years minimum	Minimum term of 10 years with 5 year increments after initial term; must be in succession. Can be used for term or permanent projects.	No

3.	Additionality	CHE Explanation	Meet Sideboards?
3.1	Eligibility - program provides minimum eligibility criteria for credit sites (which include the potential for sage-grouse use and the ability/ authorization to implement conservation actions)	To be eligible to generate credits, project sites must: <ul style="list-style-type: none"> • Be designed to meet minimum HQT scores by end of credit project's duration • Meet criteria to demonstrate there is not an elevated risk of development that would compromise generation of credits • Show evidence of site protection, financial assurances, and additionality • Be located within current Exchange Area, service area 	yes

3.2	Baseline - Credit and debit baseline must be same unless justified	Credit Baseline: Regional average site-scale function of 20% multiplied by local and landscape-scale function. In cases where site-scale function is less than 20% (e.g. restoration management activity types), actual site-scale conditions are used in place of the regional average). Debit Baseline: Pre-project habitat function	No, but... SLT question
3.3	Credit Types – justifies use of preservation, enhancement and restoration as part of conservation plan	Three management types	Yes
3.4	Public Funds – program describes how the ecological outcomes achieved using public funds will be excluded from the calculation of credits	Credits can be generated on sites where public funds have been used if additional: Inside Contract: Allocation of credits proportionate to non-federal monetary contribution Outside Contract: Full credit for long-term extension or agreements following expiration of current contract	Yes
3.5	CCAAs -	Credit Developers can generate and sell credits in combination with enrollment in CCA/CCAAs if additional benefit generated	
3.6	Credit Stacking – addressed?	Credit Developers can generate and sell credits for different species if additional benefit generated. No current plans in place but room to consider in the future.	Yes
3.7	Land Ownership	Not addressed?	?

4.	Effectiveness	CHE Explanation	Meet Sideboards?
4.1	Timeliness	Credit transactions occur in advance of debits.	Yes
4.2	Conservation Measures		

4.3	Monitoring	Site specific. CHE testing monitoring techniques summer 2015; will likely standardize across program	
4.4	Performance Standards	No standard performance standards. Will be addressed in each contract	
4.5	Compliance of credit effectiveness	Credit projects are verified for compliance at credit releases and at least every 5 years with self-reporting in other years. Periodic spot checks may also occur.	Yes
4.6	Risk Management: Reserve, insurance, or project level plan for reversals from fire, force majeure, and intentional impact	<p>Reserve contribution of 4% total credits contributed as percent of each credit transfer for all credit projects. Additional 7% split estate risk contribution.</p> <p>Reserve may be used for unintentional reversals (credit site financial to help replace) or intentional reversals (credit developer must replace using financial plus 10% fee) and for gaps in dynamic credits.</p> <p>Exchange Administrator evaluates reserve account contribution at least once annually and may propose adjustments to be approved by the Oversight Committee</p>	<p>SLT – fire as force majeure in CO?</p> <p>Need CHE clarification of reserve used for dynamic gaps.</p> <p>Requiring credit developer to replace reserve credits will depend on strength of financial mechanisms and enforceability of contract</p>
4.7	Risk Management: Credit Release Schedule or Criteria	<p>Credit release schedule based on project type and meeting performance standards and documentation of financial and site protections:</p> <ul style="list-style-type: none"> • conservation (preservation) = one release • restoration = multiple releases; up to first 1/3 of anticipated total credits can be released for non-habitat standards <p>Enhancement = multiple releases based on habitat function (?)</p>	Yes (but getting CHE clarification on details)

5.	Durability	CHE Explanation	Meet Sideboards?
5.1	Site Agreement – binding agreement between administrator and participants that ties in assurances, management, reporting	Contract between Administrator and participant	
5.2	Real Estate	Site protection instrument or agreement required for both private and public lands documented in Participant Contract and Management Plans. Includes written description of the legal arrangements (ownership, management and enforcement of any restrictions that will be used to ensure protection of a credit project site)	
5.3	Financial	Financial assurances are defined in each <i>Participant Contract</i> with Credit Developers and can consist of: <ul style="list-style-type: none"> • Contract terms: such as financial penalties for intentional reversals and specific payment terms • Financial instruments: such as long-term stewardship funds and performance bonds to ensure funds are available for the implementation and long-term management of each credit project 	
5.4	Management Plan		
5.5	Mechanisms to ensure durability on public land (equal to durability on private land)		

6.	Metrics	CHE Explanation	Meet Sideboards?
6.1	Developed from a science-based transparent process	HQT measures quantity and quality of habitat at a site for greater sagegrouse in terms of functional acres at multiple spatial scales; developed by a stakeholder science team.	Yes

6.2	Consider direct and indirect effects		Yes, but... accurate? Need SLT
6.3	Consider baseline, quantity, quality, and scale	<p>Credits are calculated by summing the greatest functional acre change relative to baseline for seasonal habitat types for each map unit and applying the relevant mitigation ratio. Uses regional baseline 20%. Debits use pre-project baseline.</p> <p>HQT measures quantity and quality of habitat at a site for greater sagegrouse in terms of functional acres at multiple spatial scales</p>	Yes, but
6.4	Verification	<p>Credit Sites: Before initial credit issuance, before increased credit releases, every 5th year, periodic spot checks (as warranted) and annual self-monitoring reports. Verification ensures protocols were followed and credits appropriately calculated.</p> <p>Debit Sites: Before implementation or project implementation, at time when debits are reduced or end and periodic spot checks (as warranted)</p>	Yes
6.5	Adaptive management plan for metric		
6.6	Tracking system	Credits are given unique serial numbers and tracked through registry (yet to be built). Credit developers each have their own account.	Yes, but... the system is not yet built and could be complex