

- I. The strongest level of assurance can only be provided if there is confidence that avoidance and minimization will be fully applied before compensatory mitigation is used to offset unavoidable impacts.**
 - It is anticipated that the BLM RMP revisions will provide sufficient conservation protections to ensure avoidance and minimization will be applied.
 - Voluntary rules are not sufficient to ensure avoidance and minimization on private or state lands.
- II. The state should have a significant role in the program through signing the Exchange Agreement and/or permanent membership in its Oversight Committee (OC) and influence or membership in its Science Advisory Committee (SAC).**
- III. Qualitative input from the party responsible for monitoring population trends and directing conservation efforts for sage-grouse should have a strong influence that prioritizes credits in addition to the quantitative HQT. In this case - CPW.**

The CHE HQT should incorporate qualitative input from CPW to maximize the conservation benefit of credits. The program currently does not allow for sufficient emphasis on CPW's input. The example below highlights why we recommend that CPW weigh in on credit eligibility.

Service area 2 includes the Meeker/White River (MWR) and Parachute Piceance Roan (PPR) sub-populations. The MWR sub-population has been hovering around 5-6 males for the last few seasons and there is no evidence of movement into the MWR sub-population from either the PPR sub-population in the south, or the Northwest Colorado (NWCO) sub-population in the north. Given the low population numbers, the MWR sub-population may cease to exist the coming years.

Assuming that CPW recommends focusing conservation efforts to ensure the long-term persistence of the MWR sub-population:

- *MWR and PPR are in the same service area. If a debtor generates debits in the MWR sub-population, the CHE would allow the debtor to offset the debits with credits generated in the PPR sub-population, potentially wiping out the MWR sub-population. Conversely, if CPW prioritized bolstering the PPR, the CHE should have a way to encourage offsetting MWR debits in the PPR.*
- *Protection of 35-acre lots that have been subdivided, but not yet developed in the MWR sub-population area would improve the likelihood that the MWR sub-population will persist. The CHE currently does not have the ability to incentivize credits for specific conservation actions in specific subpopulations.*

IV. Minimum length for all dynamic credit projects should be longer than 10 years.

- We are not ready to make a specific recommendation; however, it is worth noting that in the Nevada Conservation Credit System: "...each limited term credit project under a dynamic offset

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arrangement must have duration of at least 30 years because the debit project is permanent and rapidly changing habitat function (credit sites) can be detrimental to populations.”

- And in the Oregon draft program: “Because of the threat wildfire and invasive species pose to crediting projects, the State’s approach to demonstrating durability will allow dynamic permanent mitigation projects developed under the in-lieu fee program to offset up to 50% of permanent impacts. These projects may be created by renewable term contracts of no less than 30 years. This approach creates more opportunities for the in-lieu fee program to respond to emerging threats and target mitigation funds to the areas in which they can be most effective, while ensuring that projects remain long enough in duration to provide expected benefits to the species.”

V. CHE should clarify the process to ensure term debit projects are adequately rectified and offset through either a linked process with the permitting agencies and/or more conservative estimates of credit obligation.

- CHE says it will perform spot checks of debit projects and will require third-party verification of site remediation to baseline conditions. If the site is not fully remediated, the Exchange will require additional credits.
- CHE is unlikely to have the means to access the property, verify rectification, or require additional credits, especially at the end of a project.
- At a minimum, the credit obligation should cover the window of time the developer has to remediate the site and be conservative in credit estimates. CHE does have a provision for excess credits to be re-distributed.
- We would be most comfortable if CHE was linked to the permit in some way.