



**New Acre
Project**

Delivered by  **ALUS**

ALUS Year 3 Final Project Report to

Bruce Power

with the cooperation of the Nuclear Innovation Institute

Powering Grey-Bruce Farmers for Climate Action

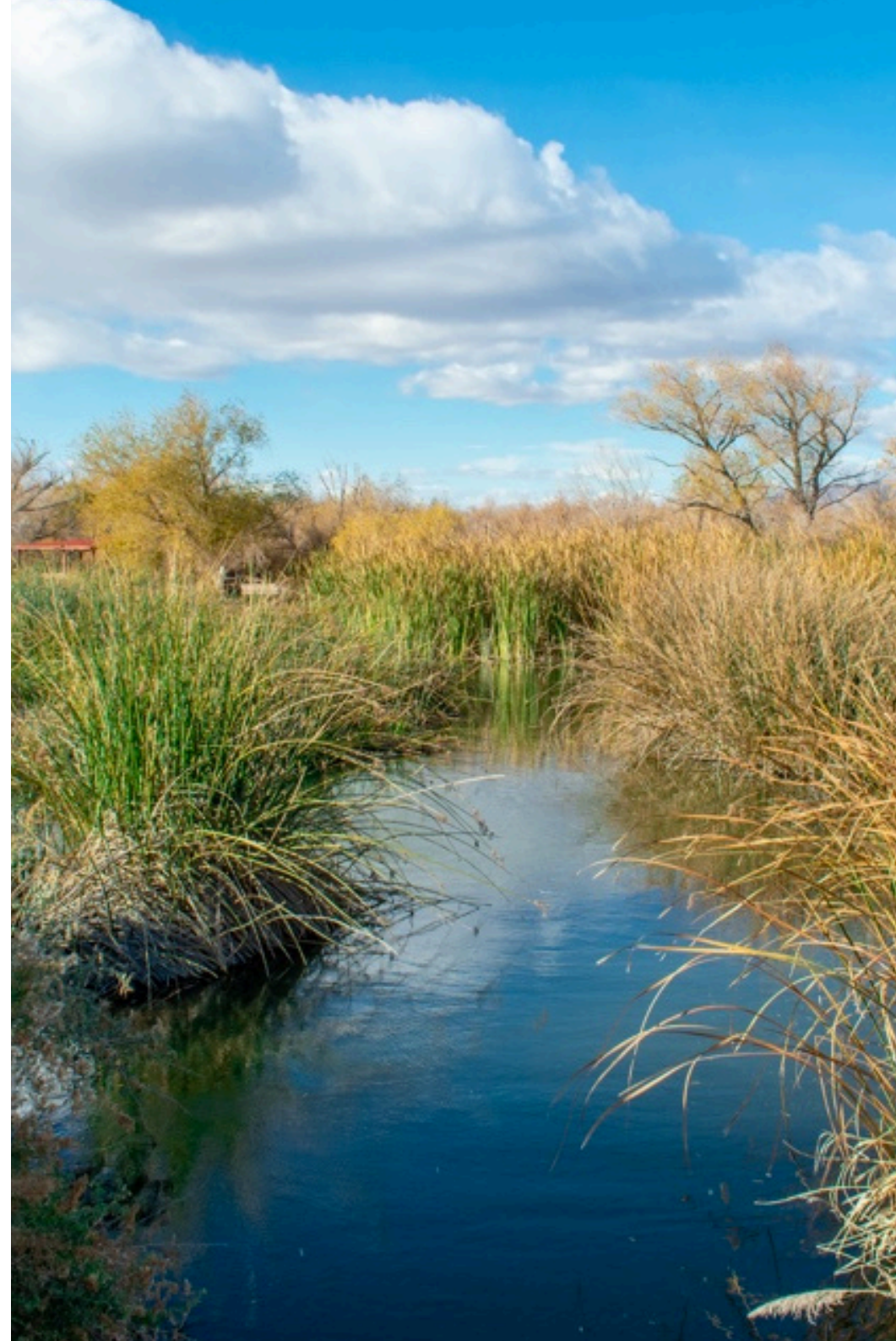
May 2025

BrucePower[™]

Innovation at work

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INTRODUCTION

ALUS envisions a future where all farmers and ranchers produce ecosystem services from nature-based solutions alongside food and fibre to help solve the crises of biodiversity loss and climate change.

Through its turn-key farmer-led, community-delivered program, ALUS supports more than 390 community leaders across 41 ALUS communities in helping over 2,100 farmers and ranchers build and actively manage 57,000+ acres of nature-based projects. These projects, like wetlands, grasslands and tree plantings, help capture carbon, keep waterbodies clean, provide wildlife habitat, and enhance resilience to extreme weather. ALUS also helps businesses, governments and organizations invest in new acres of nature created on agricultural land to generate positive environmental, economic and social outcomes in the communities where they operate—one acre at a time.

In 2021, ALUS was invited to submit a proposal to Bruce Power's Carbon Offset Coalition. In 2022, Bruce Power and the Nuclear Innovation Institute (NII) invested in ALUS to create and manage 600 acres of local nature-based projects in Grey and Bruce Counties over three years. In the final year, Bruce Power and NII supported 27 local ALUS participants in delivering 200 acres of projects, meeting their annual target. Since 2022, Bruce Power and NII have supported a total of 63 unique ALUS participants establishing 600 acres of nature-based projects over three years (2022-2024), with five-year agreements requiring participants to manage and maintain these projects. These acres will provide environmental benefits for at least five years.


The Bruce Power/NII Leadership Group collaborates with ALUS on carbon quantification methodology and credit issuance, which have continued to be refined with their insights. In 2025, ALUS' Ecosystem Benefits CO₂ Quantification Methodology was validated by an accredited third party, marking a milestone in our collaborative carbon quantification efforts. Projects enrolled in 2024 are estimated to sequester 2,551 tonnes of carbon over 5 years, bringing the estimated total carbon sequestered over the course of the investment of 6,577 TCO₂e over 5 years.

IMPACT AT A GLANCE

 **600**
acres of nature-based
projects established

 **63**
unique farm families
engaged*

 **94,680**
trees and shrubs
planted

 **6,577**
estimated TCO₂e
sequestered

Project Eco-types:

- Freshwater: Restoring wetlands and streams to improve water quality and reduce erosion.
- Modified Agriculture: Pasture management practices like delayed haying support wildlife habitat.
- Tree & shrubs: Planting and natural regeneration of treed areas to sequester carbon.
- Grasslands: Establishing native grasslands to provide wildlife habitat and store carbon.

In 2022, Bruce Power and the NII invested in ALUS to support ALUS Grey-Bruce farmers in establishing 600 acres of nature-based solutions in Grey and Bruce Counties over three years. The projects enhance biodiversity, improve watershed health and capture carbon.

The investment supported 63 unique ALUS participants* in establishing 600 acres of nature—meeting the project’s target of delivering 200 acres per year (Figure 1).

With support from the Bruce Power/NII Leadership Group, ALUS’ Environmental Benefits CO₂ Quantification Methodology received accredited third-party validation in 2025, achieving a significant milestone in ALUS’ carbon quantification workplan.

Total project acres by eco-type:

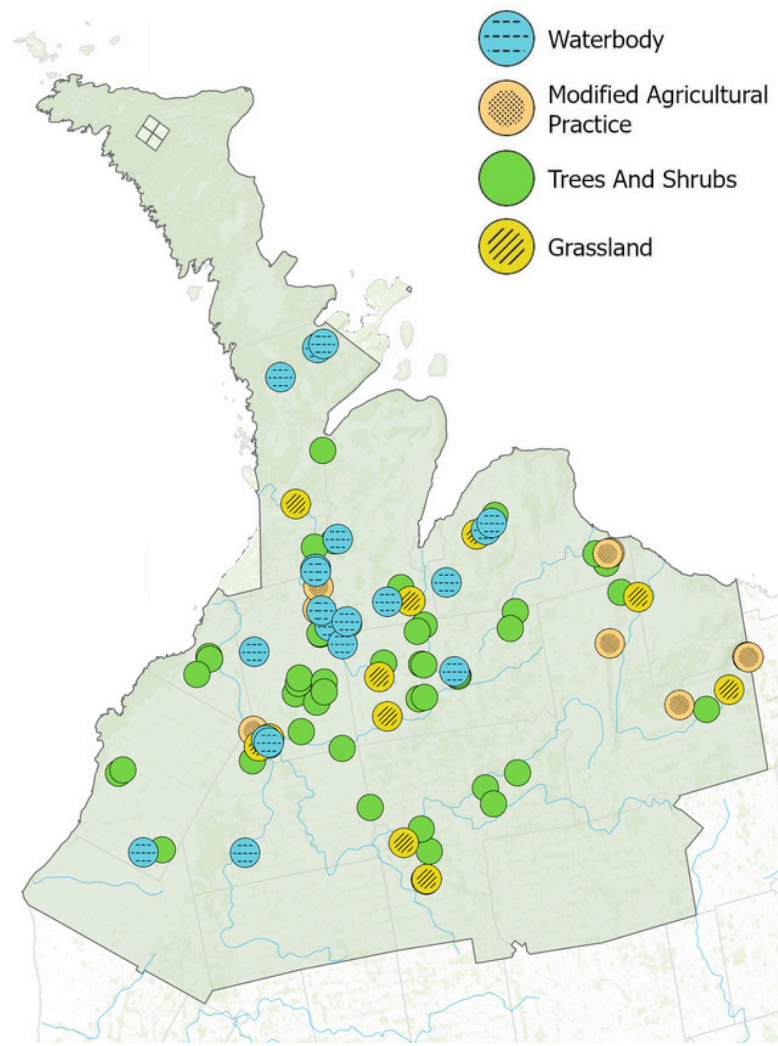
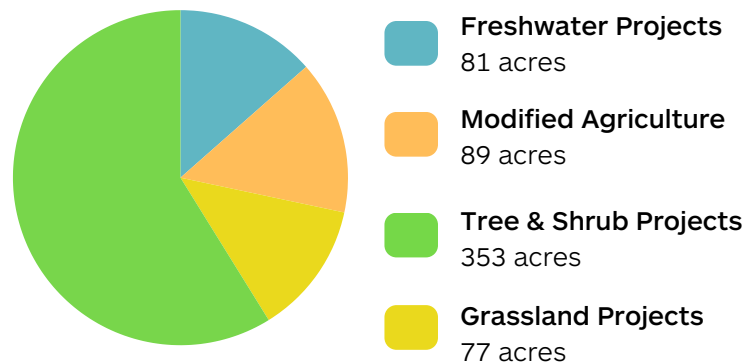


Figure 1: 600 acres of projects supported by Bruce Power between 2022-2024.

*Unique participants are counted once over the course of the project. Participants may enrol nature-based projects and receive support in more than one year.

MILESTONES

Together, we've achieved the following milestones:

2022

- Supported 20 farmers in establishing 200 acres of nature-based projects.
- Created an ArcGIS map to estimate annual Soil Organic Carbon (SOC) stock gain potential for Canadian census subdivisions.
- Identified and applied suitable tools to estimate initial carbon reductions from ALUS tree and grassland projects.
- Developed a baseline classification scheme for tracking historical land use.
- Launched remote sensing technology pilots to quantify above-ground biomass carbon stocks in trees.

2023

- Supported 22 farmers in establishing an additional 200 acres of nature-based projects.
- Incorporated a dynamic baseline approach using control plots from sites outside the project boundaries.
- Published the first draft of ALUS' peer-reviewed Ecosystem Service Quantification and CO₂ Credit Issuance Methodology.
- Updated year one carbon estimates using the finalized Methodology (v 1.0).
- Initiated validation of the Methodology with an American National Standards Institute (ANSI) accredited body and registration of carbon credits on CSA GHG CleanProjects® Registry.

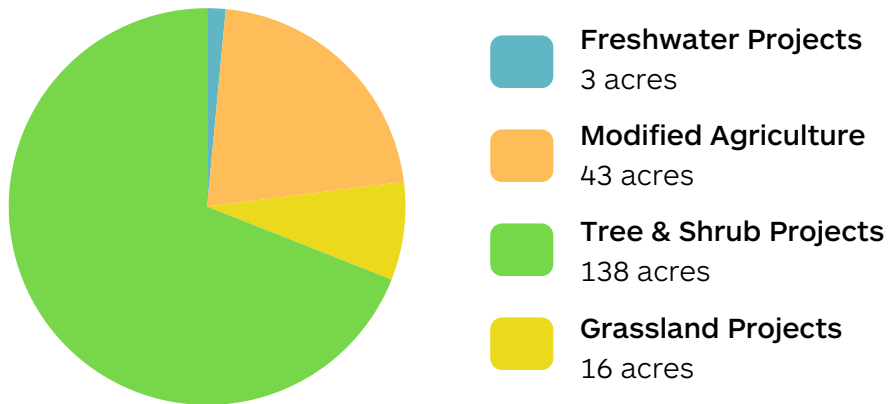
2024

- Supported 27 farmers in establishing an additional 200 acres of nature-based projects.
- ALUS' Environmental Benefits CO₂ Quantification Methodology was successfully validated by an accredited third-party.
- Carbon estimates for all projects delivered in 2022 and 2023 were updated to account for biomass carbon across all woody vegetation, including trees, shrubs, and understory growth.
- Year one projects selected to be registered with the GHG CleanProjects® Registry are currently undergoing validation by an accredited third-party validator.

YEAR THREE OUTCOMES

In 2024, Bruce Power and NII's investment enabled 27 ALUS participants to establish and manage 200 acres of nature-based projects across Grey and Bruce Counties, successfully meeting the annual 200 acre target (Figure 2). Additional acres were set aside in an assurance pool to safeguard against potential project losses (e.g., tree mortality, severe weather), meeting the 10% assurance pool target.

Year three project acres by eco-type:



ALUS Grey-Bruce operates within the traditional territories of the Saugeen Ojibway Nation, (Chippewas of Nawash Unceded First Nation and Chippewas of Saugeen First Nation).

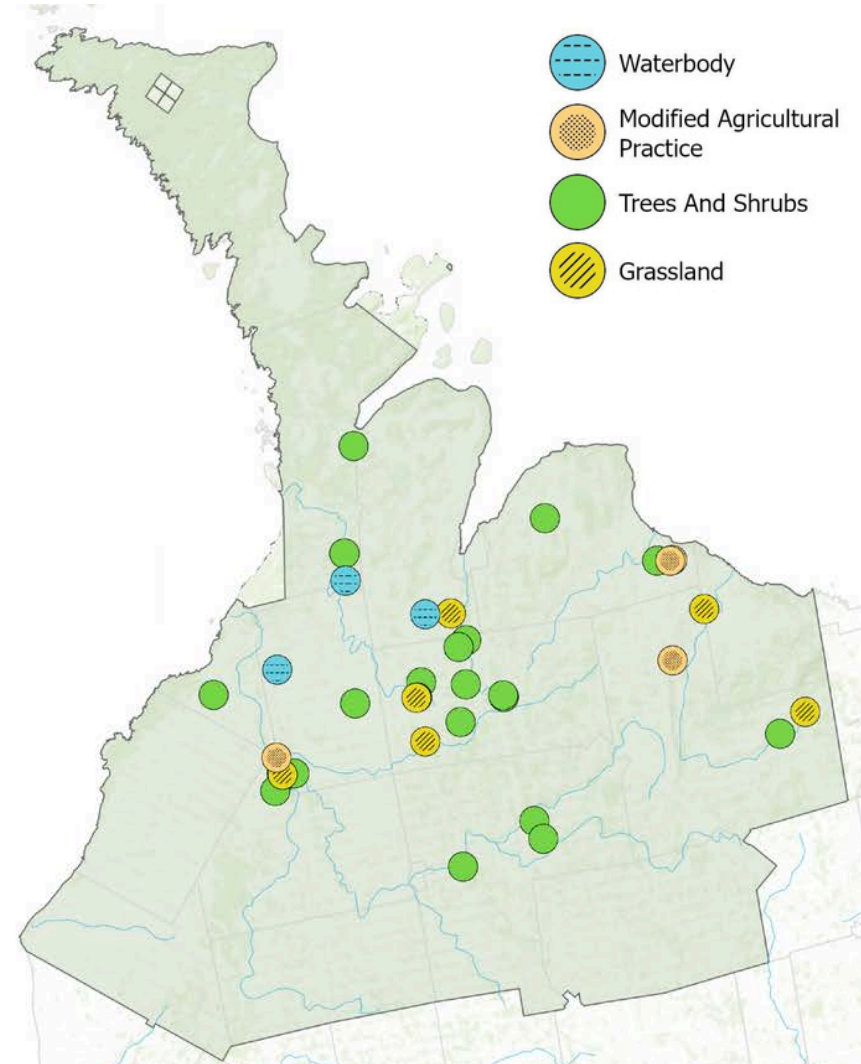


Figure 2: Projects supported by Bruce Power in Year 3 (2024), totalling 200 acres.

SOCIAL AND ENVIRONMENTAL IMPACT

The acres of nature-based projects created by ALUS Grey-Bruce farmers deliver a suite of ecosystem services and community benefits that improve the overall health of Grey and Bruce Counties. Healthy natural ecosystems support agricultural productivity by reducing soil erosion, improving soil health, regulating water quality and supply, and promoting natural pollination and pest management.

These projects also offer important co-benefits—both on the farm and for surrounding communities—by enhancing climate resilience and supporting biodiversity.



Climate Resilience

Nature builds climate resilience across the rural landscape by reducing the effects of severe weather, like wind, flood and drought.



Habitat Creation

Creating and connecting natural areas across farmed landscapes provides diverse habitat for wildlife, providing food, shelter, and breeding areas for various species, including Species at Risk.



Carbon Sequestration

Trees and grasslands sequester carbon from the atmosphere, mitigating the effects of climate change.



Community and Stewardship

ALUS Grey-Bruce encourages environmental stewardship within the agricultural community by fostering peer-to-peer learning, knowledge transfer opportunities, and awareness of local environmental issues.



Water Quality and Quantity

Planting riparian buffers, restoring grasslands and wetlands, and planting trees help improve water quality by reducing erosion, nutrient runoff, and sedimentation, while also supporting groundwater recharge and water filtration.



Erosion and Nutrient Reduction

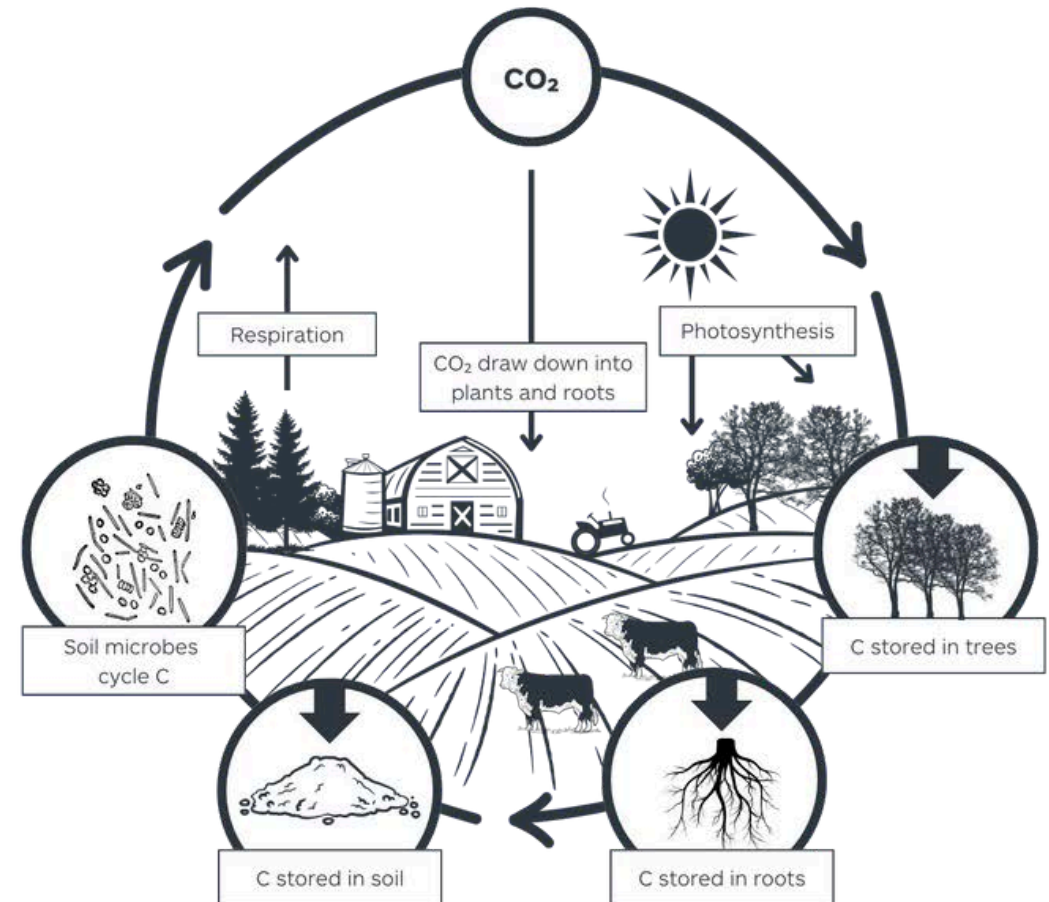
Plant roots hold soils in place and slow wind to reduce erosion. They also filter and absorb water to minimize nutrient runoff into local waterways and Lake Huron.

Carbon Captured and Stored

Native trees, shrubs and grasses capture and store carbon from the atmosphere in the soil and plant biomass (stems, leaves and roots). Local farmers have the land, skills and knowledge to establish nature-based projects on marginal or environmentally sensitive land, or to adopt modified agricultural practices that can increase carbon storage across the agricultural landscape.

ALUS estimates the additional carbon sequestered and stored through the establishment and maintenance of these nature-based projects. The total estimated carbon sequestered in the final 200 project acres delivered in 2024 is **510 TCO₂e per year**. This is equivalent to **2,551 TCO₂e** when projected over the five-year management agreement in place with each ALUS farmer.

In 2025, total carbon sequestration estimates were updated from previous years using an area-based formula to account for biomass carbon across all woody vegetation, including trees, shrubs and understory growth. This approach improves previous reporting, which only accounted for carbon sequestration from newly planted trees. Based on this updated methodology, the total estimated carbon sequestered in the 600 acres delivered between 2022 and 2024 is **6,577 TCO₂e over five years**. See Appendix B for more details.



Enhancing Environmental Monitoring

Quantifying nature's environmental benefits is complex. But accurate, cost-effective measurement, monitoring, and verification are essential for the success of carbon and ecosystem service markets.

To meet these challenges around quantification, ALUS has advanced technology-driven solutions with a strong emphasis on ground-truth data collection to improve model accuracy. Through partnerships with forestry companies across five provinces, ALUS conducted field sampling to support calibration of above-ground biomass models, gathering data on tree counts, species, height, and site conditions.

ALUS also collaborated with EarthOptics and SoilOptix to deploy ATV-mounted sensors for field scanning of grassland projects. These scans, paired with targeted soil core sampling, enabled more precise, efficient, and scalable monitoring of soil organic carbon. Recognizing that project size and site conditions vary widely across ALUS grassland sites, soil cores were carefully selected to reflect differences in soil type, project age, and bioclimatic conditions. This approach supports robust measurement of soil texture, carbon content, and other soil health and nutrient indicators.

Collaborative Efforts in Carbon Credit Issuance

The Bruce Power/NII Leadership Group has supported ALUS in advancing its workplan to deliver carbon quantification and credit issuance for nature-based projects. In 2024, efforts focused on two key areas: (1) advancing the carbon certification process, and (2) obtaining project level data to support quantification technology pilots.

The Bruce Power/NII Leadership Group provided valuable early feedback and technical advice on ALUS' Environmental Benefits CO₂ Quantification Methodology. In 2025, ALUS' methodology received accredited third-party validation, a critical milestone in the credit certification process. ALUS is now working with a third-party verifier to evaluate carbon credit claims on projects established in year one.

ALUS also shared progress updates with the Bruce Power/NII Leadership Group on project level data collection from the 2024 field season to gain feedback on quantification technology pilots. In 2024, data was collected from 148 projects across 20 communities - including 26 projects in Grey and Bruce Counties. This on-site data collection is essential to inform and train remote technologies, which ALUS aims to use for more efficient and scalable quantification of environmental benefits at the project level. This data also provides current-state project information required for the carbon certification process.

"We continue to appreciate the partnership with Bruce Power and NII on this project as we forge a new path for nature-based carbon credits in Canada."

– Jordan Sinclair
CEO, ALUS



COMMUNITY & PARTNERSHIPS

Community Engagement in Grey-Bruce Counties

Bruce Power and NII’s investment also supports robust community engagement, peer-to-peer learning activities and knowledge sharing events among farmers and partners.

To date, ALUS Grey-Bruce has engaged over 2,740 people through more than 35 local events with support from Bruce Power and NII (1,300 people in 13 community events in 2024 alone).

Bruce Power and NII’s support has also fostered on-the-ground partnerships between ALUS Grey-Bruce and 20 organizations, including Stewardship Grey Bruce, Ontario Federation of Agriculture, and most recently the Canadian Forage and Grasslands Association. These partnerships help create strong local support networks for establishing and sustaining nature-based projects.

THE CLIMATE PROJECT

ALUS was pleased to join Bruce Power and the NII for the launch of ‘The Climate Project’, a digital hub for local climate change information. ALUS Grey-Bruce presented at NII’s “6 by 6” event for ‘The Climate Project’, where six speakers each delivered six minute talks highlighting their climate change related work.

A COMMUNITY-DEVELOPED PROGRAM

The ALUS program is community-developed and designed to respect local agricultural and environmental priorities and foster partnerships with existing conservation programs to maximize outcomes. This model puts people at the centre of ALUS’ work and is key to ALUS’ success.

Each ALUS community is guided by a local Partnership Advisory Committee (PAC), comprised of at least 50% farmers, along with leading representatives from local government, NGO and the agricultural sector. Embedding decision-making authority and autonomy in the ALUS Grey-Bruce PAC has ensured that nature-based projects supported by Bruce Power and NII are tailored to address specific local environmental challenges and priorities.

The PAC plays a vital role in shaping projects that are both meaningful and impactful for the community, while also strengthening local partnerships.

COMMUNICATIONS & RECOGNITION



In 2024, highlights from the second year of Bruce Power and NII’s investment were announced in a press release, coinciding with the publication of the Year 2 Progress Report. Bruce Power was also recognized through related social media posts, the ALUS.ca website and the ALUS newsletter.

As a key ALUS investor and partner, Bruce Power’s logo is prominently displayed in the Leadership Circle on the ALUS.ca website. It is also featured on the new ALUS Nature & Climate Solutions and New Acre™ Nature Investments web pages, alongside a quote from Danielle LaCroix, Senior Director, Environment, Sustainability & Net Zero at Bruce Power, as shown in Figure 3.

Trusted by businesses and organizations across North America

"Nature is one of the most powerful tools we have to help communities become more resilient to the impacts of climate change. By using what already exists in nature we can help preserve the health of the environment, while also generating positive social and economic benefits"

Nicole Vadori
Vice President, Head of Environment, TD Bank

"At Bruce Power, our environmental and social principles are core to the work we do and the partnerships we form. Investing in community-led, farmer-delivered nature-based projects has already shown tremendous success and we're looking forward to continued progress and innovation in the years ahead."

Danielle LaCroix
Senior Director - Environment, Sustainability & Net Zero, Bruce Power

"TC Energy is dedicated to minimizing our environmental footprint and making a positive difference in the communities that we serve. New Acre provides an innovative opportunity to invest in building local climate resilience through farmer-delivered environmental projects in the areas where we operate."

Sharon Tomkins
Vice President, Sustainability & Social Impact, TC Energy

Figure 3: Bruce Power’s logo on the Nature and Climate Solutions website.

In the Media - Second Annual Progress Report

On May 30, 2024, ALUS released the Year 2 Progress Report to Bruce Power, highlighting the environmental impact of Bruce Power's three-year investment in farmer-led, nature-based climate solutions. The report was announced through a news release published on the ALUS website and on GlobeNewsWire, generating 5,800 views and a potential reach of over 3.5B users.

The announcement was further promoted through the ALUS Newsletter, reaching more than 2,650 subscribers, and shared on ALUS' LinkedIn and X accounts, resulting in over 550 impressions.

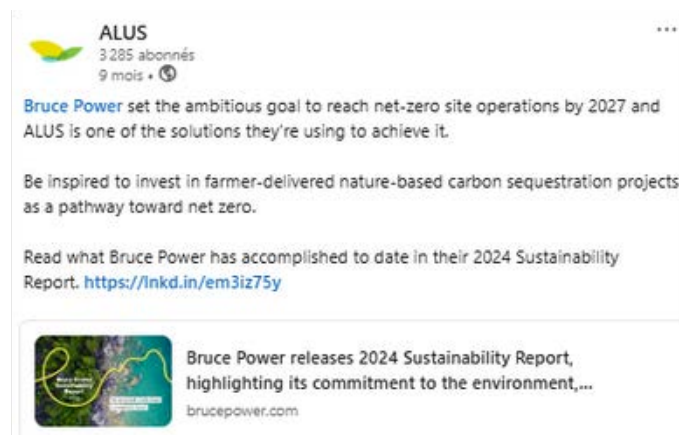


Figure 4: ALUS shares Bruce Power's 2024 Sustainability Report on social media.

ALUS Delivers Carbon Sequestration and Environmental Benefits for Bruce Power through Nature-based Projects

ALUS released Bruce Power's second annual New Acre Nature Investments (New Acre) report demonstrating the combined positive environmental and social benefits the energy company's \$1-million investment is delivering to communities in Bruce and Grey Counties.

The three-year investment is led by Bruce Power's Carbon Offset Coalition, which funds grassroots net-zero initiatives to offset and remove carbon emissions.

[Read the full release](#)

"Bruce Power has worked hard to build strong roots in Ontario, particularly in Bruce and Grey Counties, the area surrounding Bruce Power within the Saugeen Ojibway Nation Territory. ALUS' New Acre Nature Investments provides us with a solution for offsetting the remaining on-site emissions that can't be reduced through other efforts, but with the additional and equally important benefit of building community climate resilience, improving local water quality, and supporting farmers in the communities in which we operate our business." - Danielle La Croix, Senior Director, Environment, Sustainability & Net Zero.

Figure 5: Release of the Year 2 Progress Report to Bruce Power featured in the ALUS Newsletter.

A close-up photograph of a person's hand holding a small green seedling with multiple leaves. The seedling is being held over a hole in a black plastic mulch sheet. The background is slightly blurred, showing more of the field and the person's arm.

NEXT STEPS

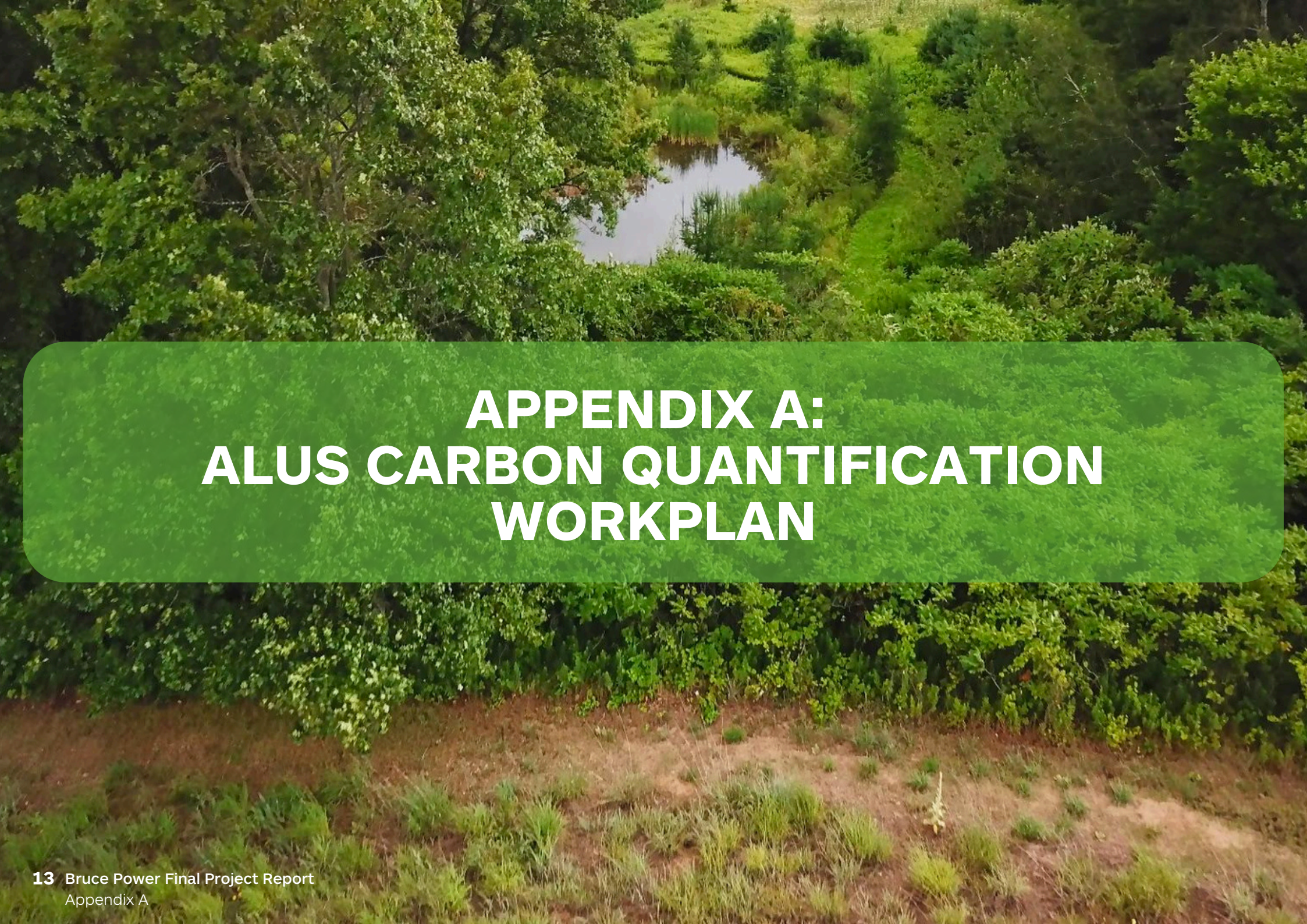
Our Shared Future

Bruce Power and NII's investment has delivered meaningful benefits to local farmers and generated environmental outcomes for Grey and Bruce Counties. It has also advanced ALUS' efforts in becoming an accredited provider of carbon credits.

This partnership supported the development and successful third-party validation of ALUS' Environmental Benefits CO₂ Quantification Methodology—marking a major milestone that enables ALUS to quantify and certify environmental outcomes into the future. ALUS is committed to delivering verified credits for year two and three projects following the successful registry of year one credits.

The 600 acres of nature-based projects established through this partnership will leave a lasting legacy as ALUS farmers continue to steward and maintain these sites for years to come. Bruce Power and NII's leadership has helped strengthen the foundation for long-term environmental and agricultural resilience in the region.

ALUS remains committed to building shared value for farmers, communities, partners, and investors while tackling the dual crises of climate change and biodiversity loss. With this partnership, we have demonstrated the important role businesses and agricultural communities can play in building a more sustainable and resilient future—one acre at a time.

An aerial photograph of a lush green forest. A small, calm pond is visible in the upper center, surrounded by dense trees and vegetation. The foreground shows a mix of green grass and brownish soil. A large, semi-transparent green rounded rectangle is overlaid on the center of the image, containing the title text.

APPENDIX A: ALUS CARBON QUANTIFICATION WORKPLAN

ALUS CARBON QUANTIFICATION WORKPLAN

The ALUS Carbon Quantification Workplan outlines a framework for measuring and verifying greenhouse gas (GHG) reductions from ALUS projects. Continuously refined through program improvements and feedback from ALUS communities and partners, the Workplan ensures that data collection, monitoring, and reporting processes align with the needs of participants, communities, funders, and carbon quantification objectives.

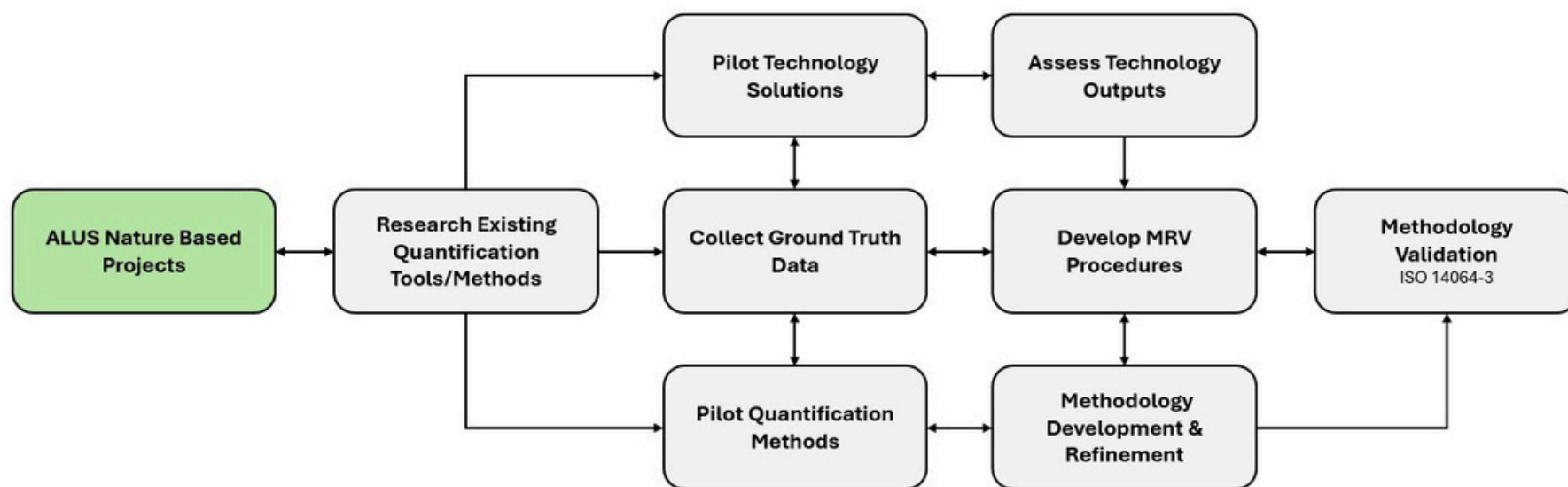


Figure 1: Pathway to Carbon Quantification

ALUS CARBON METHODOLOGY

Objective: Develop a methodology, with expert review, that outlines how carbon sequestration values are estimated, monitored, reported and verified, and how verified carbon credit claims are converted into New Acre Tonne (NAT) issuance.

In 2022, ALUS began developing a methodology for estimating, monitoring, reporting, and verifying carbon sequestration values, as well as converting verified carbon credit claims into New Acre Tonnes, ALUS' branded carbon credit.

In 2025, ALUS' Environmental Benefits CO₂ Quantification Methodology was successfully validated by an accredited third-party. The validation confirmed compliance with ISO 14064-3:2019, an internationally recognized standard for GHG quantification, monitoring, and reporting. The review also identified opportunities to further strengthen the methodology, ensuring robust and transparent measurement, reporting, and verification (MRV) procedures.

Planting and maintaining trees on marginal farmland or areas unsuitable for crops can transform these areas into long-term carbon sinks. The above-ground biomass (AGB) reservoir, which includes carbon stored in tree biomass such as trunks, branches, stems, and leaves, constitute a significant portion of the carbon pool. The ALUS Carbon Methodology utilizes two scientific studies to estimate AGB carbon stocks for newly planted trees using diameter at breast height (DBH) and annual radial growth.

For grassland projects, the Methodology utilizes conservative GHG emission reduction coefficients from the USDA/NRCS COMET-Planner Tool to estimate soil organic carbon (SOC) stocks. To adapt the tool for the Canadian and ecoregional context, selection criteria are applied to ALUS communities and project types with corresponding U.S. counties and Conservation Practice Standards.

What sets the ALUS Carbon Methodology apart?

The ALUS Carbon Methodology reflects the on-the-ground realities of farmers and ranchers who have put nature-based projects in the ground.

- Eligible projects are non-prescriptive and designed collaboratively with farmers, guided by the local Partnership Advisory Committee.
- Projects add new natural habitat to marginal, unproductive, inefficient, or environmentally sensitive lands that were previously involved in production agriculture, without compromising the security of regional food, fibre, or fuel supplies.
- Carbon claims are not registered on land titles or land liens.

TECHNOLOGY PARTNERSHIPS

Advancements in artificial intelligence, machine learning, remote sensing, and satellite imaging technologies are unlocking new possibilities for quantifying carbon stored in above-ground biomass (AGB) and soil carbon. ALUS has partnered with innovative technology companies to develop and train models that estimate carbon captured and stored in ALUS grassland and tree planting projects.

In the third year of this partnership, ALUS expanded its ground truth data collections efforts, focusing on increasing both the number of sites sampled and the number of samples taken per site to improve the accuracy of carbon estimates. Ground truth data were collected to validate and calibrate models, remote sensing data, or other estimation techniques.

In 2024, data was collected from 300 tree plots, where height and DBH were measured for all trees above 2.5cm DBH. Additionally, 150 grassland sites were surveyed using on-field soil sensor technology. This data will inform the evaluation of scalable technology solutions for producing accurate, site-specific carbon estimates and refining robust monitoring and data collection protocols.

CREDIT ISSUANCE

In 2025, ALUS initiated third-party validation for the first round of unverified carbon credits. An independent validator is assessing the projects to ensure they meet the requirements of ISO 14064-3 and the GHG CleanProjects® Registry. This process ensures that all GHG statements and emission reduction calculations adhere to ISO principles of relevance, completeness, consistency, accuracy, transparency, and conservativeness.

While only a conservative portion of the total estimated carbon sequestered will be eligible for credit issuance, this milestone marks a significant step forward. The validated methodology lays the groundwork for future opportunities to issue certified carbon credits and scale the impact of nature-based climate solutions.

New Acre™ Tonne (NAT)

A New Acre Tonne or NAT is an ALUS CO₂ credit denominated in tonne-years, whereby one NAT equates 1 incremental TCO₂e removed from the atmosphere in a given year. ALUS guarantees that the removed carbon dioxide equivalent will be retained in terrestrial storage for at least 10 years.



Diagram 2: Pathway to Credit Issuance.



APPENDIX B: CARBON SEQUESTRATION ESTIMATES

APPENDIX B: CARBON SEQUESTRATION ESTIMATES

This total carbon sequestration estimate includes updated carbon estimates for projects in 2022 and 2023 (Appendix C). The carbon credits eligible for issuance will adhere to rigorous monitoring, reporting and verification standards as per ALUS' Environmental Benefits CO₂ Quantification Methodology, which received validation by an accredited third party in 2025.

Table 1: Estimated annual and projected carbon sequestered in New Acre projects delivered 2022-2024.

Project Type	Carbon Stock Type	Number of Acres	Number of Surviving Trees	Carbon Reduction Factor	TCO ₂ e Sequestered <i>No Discount</i>	TCO ₂ e Sequestered <i>-20% Discount</i>	Projected TCO ₂ e Sequestered <i>-20% Discount</i>
			<i>60% Survival Rate</i>	<i>TCO₂e/acre/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/five years</i>
Grasslands	Soil organic carbon	77.39	-	0.34	26.31	21.05	105.25
Modified Agricultural Practices ¹	Soil organic carbon	89.46	-	0	0	0	0
Trees and Shrubs ²	Above-ground biomass	352.54	56,808	4.59	1,618.15	1,294.52	6,472.58
Waterbody ³	Soil organic carbon	80.62	-	0	0	0	0
Total		600	56,808		1,644.46	1,315.57	6,577.83

1. Modified Agricultural Practices

Projects that modify existing management practices on production acres to enhance ecosystem services are ineligible for carbon quantification.

2. Trees and Shrubs

For tree and shrub projects, only the carbon sequestered by newly planted trees will qualify for credit issuance. This is expected to result in a lower number of credits issued compared to the total carbon sequestration estimate, which considers carbon stored in all woody vegetation, including trees, shrubs and understory growth.

3. Wetlands

Due to the variability of soil carbon sequestration in areas where water flows or is present, wetland project acres are currently assigned a value of zero. However, as these projects mature and ground truth data becomes available, some wetland projects are expected to show sequestration rates above zero.

APPENDIX B: CARBON SEQUESTRATION ESTIMATES

Table 2: Estimated annual and projected carbon sequestered in New Acre projects delivered in 2024 (Year 3).

Project Type	Carbon Stock Type	Number of Acres	Number of Surviving Trees	Carbon Reduction Factor	TCO ₂ e Sequestered in Year 3 <i>No Discount</i>	TCO ₂ e Sequestered in Year 3 <i>-20% Discount</i>	Projected TCO ₂ e Sequestered from Year 3 Projects <i>-20% Discount</i>
			<i>60% Survival Rate</i>	<i>TCO₂e/acre/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/five years</i>
Grasslands	Soil organic carbon	16.21	-	0.34	5.51	4.41	22.05
Modified Agricultural Practices	Soil organic carbon	43.25	-	0	0	0	0
Trees and Shrubs	Above-ground biomass	137.75	30,840	4.59	632.26	505.81	2,529.06
Waterbody	Soil organic carbon	2.79	-	0	0	0	0
Total		200	30,840		637.78	510.22	2,551.11

APPENDIX B: NEW ACRE TONNE ISSUANCE RISK MANAGEMENT POOLS

ALUS remains committed to managing risk by employing the following risk mitigation strategies:

1. Carbon Loss Risk Assurance Pool


ALUS maintains an assurance pool of acres, 10% above the original 200-acre target, to manage risk of carbon stock losses from any future changes to project conditions. These acres are held in Bruce Power's name for the duration of the retention period. Any estimated carbon associated with these acres will be allocated to the Carbon Loss Risk Assurance Pool. ALUS will draw verified credit claims from this assurance pool of project acres, convert those claims to NATs, and retire those NATs to cover any carbon stock losses that are found to occur during the ALUS-guaranteed 10-year carbon stock retention term.

This policy acts as a safeguard in the event of project loss or project damage that might occur over the guaranteed 10-year minimum carbon stock retention commitment.

2. Quantification Risk NAT Holdback

ALUS has applied an additional 20% discount to all carbon estimates to manage the potential risk for quantification error. When ALUS converts verified credit claims into NATs, 20% of all issued NATs are set aside or "held back" to cover risk of credit claim quantification error. Following the 10-year reporting period, one of three outcomes may occur:

- If, after the 10-year reporting period, ALUS determines that more CO₂ was sequestered than initially accounted for, credits equal to the shortfall will be released from the Quantification Risk NAT Holdback Account.
- If the analysis shows that the initial credit issuance overestimated CO₂ sequestration, credits from the Quantification Risk NAT Holdback Account will be retired to cover any such excess issuance.
- If the credits in the Quantification Risk NAT Holdback Account are not enough to cover an over-issuance, ALUS will draw from the Carbon Loss Risk Assurance Pool to address the gap.



APPENDIX C: UPDATED CARBON ESTIMATES FOR 2022 & 2023 PROJECTS

APPENDIX C: UPDATED CARBON SEQUESTRATION ESTIMATES FOR PROJECTS DELIVERED IN 2022 AND 2023

In 2025, total carbon sequestration estimates were updated for previous years using an area-based formula to account for biomass carbon across all woody vegetation, including trees, shrubs, and understory growth. This approach expands on previous reporting, which only accounted for carbon sequestration from newly planted trees. Updated total carbon sequestration estimates for projects delivered in 2022 and 2023 are detailed in Table 3 and Table 4.

Table 3: Estimated annual and projected carbon sequestered in New Acre projects delivered in 2023 (Year 2).

Project Type	Carbon Stock Type	Number of Acres	Number of Surviving Trees	Carbon Reduction Factor	TCO ₂ e Sequestered in Year 2 <i>No Discount</i>	TCO ₂ e Sequestered in Year 2 <i>-20% Discount</i>	Projected TCO ₂ e Sequestered from Year 2 Projects <i>-20% Discount</i>
			<i>60% Survival Rate</i>	<i>TCO₂e/acre/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/five years</i>
Grasslands	Soil organic carbon	6.92	-	0.34	2.35	1.88	9.41
Modified Agricultural Practices	Soil organic carbon	46.21	-	0	0	0	0
Trees and Shrubs	Above-ground biomass	107.96	14,172	4.59	495.54	396.44	1,982.18
Waterbody	Soil organic carbon	38.90	-	0	0	0	0
Total		200	14,172		497.90	398.32	1,991.59

APPENDIX C: UPDATED CARBON SEQUESTRATION ESTIMATES FOR PROJECTS DELIVERED IN 2022 AND 2023

Table 4: Estimated annual and projected carbon sequestered in New Acre projects delivered in 2022 (Year 1).

Project Type	Carbon Stock Type	Number of Acres	Number of Surviving Trees	Carbon Reduction Factor	TCO ₂ e Sequestered in Year 1 <i>No Discount</i>	TCO ₂ e Sequestered in Year 1 <i>-20% Discount</i>	Projected TCO ₂ e Sequestered from Year 1 Projects <i>-20% Discount</i>
			<i>60% Survival Rate</i>	<i>TCO₂e/acre/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/year</i>	<i>TCO₂e/five years</i>
Grasslands	Soil organic carbon	54.25	-	0.34	18.45	14.76	73.79
Modified Agricultural Practices	Soil organic carbon	0	-	0	0	0	0
Trees and Shrubs	Above-ground biomass	106.83	11,796	4.59	490.34	392.27	1,961.35
Waterbody	Soil organic carbon	38.92	-	0	0	0	0
Total		200	11,796		508.78	407.03	2,035.13

THANK YOU FOR YOUR GENEROUS SUPPORT

