

National Bulletin: 300-13-xx

Subject: LTP – Environmental Quality Incentives Program (EQIP) Guidance to Support Greenhouse Gas Conservation Innovation Program (CIG) Projects During Fiscal Year (FY) 2013

Action Required By: February 1, 2013

Purpose. To provide State Conservationists (STCs) and the Directors, Caribbean and Pacific Islands Areas, with guidance for administering FY 2013 EQIP to provide opportunities for financial support of greenhouse gas (GHG) contracts to complement national Conservation Innovation Grant (CIG) GHG projects through the Environmental Quality Incentives Program (EQIP).

Expiration Date. September 30, 2013

Background. In FY 2011, nine CIGs were awarded to entities for projects relating to address GHG resource concerns and promote carbon sequestration on America's private lands. The purpose of these grants is to support large-scale demonstration projects that will stimulate the development, adoption, and evaluation of innovative approaches and technologies related to GHG credit trading systems. Funding to support CIG is through the EQIP.

In addition to the funding provided directly to CIG grant recipients, the Acting Chief of NRCS has reserved \$10 million of EQIP financial assistance (FA) to support projects where eligible producers will implement GHG benefiting conservation practices that complement and support the GHG-CIG projects. Agricultural producers located in approved CIG project areas may be eligible to submit applications to help implement GHG-related conservation practices. In addition, applicants must meet producer, land, and other EQIP eligibility requirements.

Explanation. This bulletin provides guidance and establishes action items to be completed by STCs to support the approved initiatives. Administration and management of these initiatives are subject to agency program rules and policies, including requirements in Title 440, Conservation Programs Manual (CPM), Part 512, "Contracting."

For FY 2013, the following States and counties are approved to participate in the GHG-EQIP. STCs may request additional EQIP FA to support projects if applications exceed initial FA allocations:

DIST: TO BE COMPLETED

State	Approved Counties
Arkansas	Prairie, Arkansas, Jefferson, Lonoke, Monroe, Mississippi, Craighead, Poinsett, Greene, Desha, Ashley, Drew, Chicot
California	Sutter, Butte, Glenn, Colusa, Yolo, Yuba
Idaho	Benewah, Idaho, Kootenai, Latah, Lewis, Nez Perce
Illinois	All Counties
Iowa	All Counties
Michigan	Barry, Bay, Branch, Calhoun, Cass, Clinton, Eaton, Gratiot, Hillsdale, Huron, Ionia, Jackson, Kalamazoo, Lenawee, Montcalm, Saginaw, Sanilac, Shiawassee, St. Joseph, Tuscola, Van Buren
Mississippi	Bolivar, Coahoma, Sunflower, Leflore
North Dakota	Divide, Barnes, Benson, Bottineau, Burke, Burleigh, Cass, Cavalier, Cass, Dickey, Eddy, Emmons, Foster, Grand Forks, Griggs, Kidder, LaMoure, Logan, McHenry, McIntosh, Mclean, Mountrail, Nelson, Pembina, Pierce, Ramsey, Ranson, Renville, Richland, Rolette, Sargent, Sheridan, Steele, Stutsman, Towner, Trier, Walsh, Ward, Wells, Williams
Oklahoma	Blaine, Canadian, Grant, Harmon, Jackson, Major
Oregon	Gilliam, Morrow, Sherman, Umatilla, Wallowa, Wasco
Pennsylvania	Lancaster, Chester
Virginia	Accomack, Northampton
Washington	Adams, Benton, Columbia, Douglas, Franklin, Garfield, Grant, Klickitat, Lincoln, Spokane, Walla Walla, Whitman

National Technical Contacts

The designated national technical contact (NTC) will coordinate with States and the CIG grantee to provide awareness and guidance in the preparation for program participation.

National Technical Contact	CIG Grantee	Approved Project Name	State
Steve Campbell – WNTC Steve.campbell@por.usda.gov	Applied Ecological Services Inc	Agricultural Soil Carbon: Developing a Large-scale Agricultural Soil Carbon Transaction in the Palouse Region	OR, WA, ID
Lucinda Roth – MSC Lucinda.roth@ca.usda.gov	Environmental Defense Fund	Demonstrating GHG Emission Reductions in California and Midsouth Rice Production	AR,MS CA
John Russell Davis – ESD j.russell.davis@wdc.usda.gov	Chesapeake Bay Foundation	Estimating Nitrous Oxide Reductions from Nutrient Management in the Chesapeake Watershed	PA, VA
Lyn Kirschner – CNTSC lyn.kirschner@ftw.usda.gov	Delta Institute	Bringing Greenhouse Gas Benefits to Market: Nutrient Management for Nitrous Oxide	IL, MI, OK
Ken Spaeth – CNTSC ken.spaeth@ftw.usda.gov	Ducks Unlimited	Ducks Unlimited Avoided Rangeland Conversion	ND
Bill Kuentler – CNTSC bill.kuentler@ftw.usda.gov	The Fertilizer Institute	Smart Nitrogen Application Program Demonstration Program Project	IA, IL

EQIP Funds for GHG-CIG Project Announcement and Implementation

STCs will coordinate the EQIP announcement for the GHG application period with Adam Chambers at the West National Technology Support Center and the national technical leads and project sponsors to ensure a minimum of 30 days in advance of the February 15, 2013, application cutoff date. STCs may elect to announce a second application period, as funds are available, with an application cutoff date of March 15, 2013. STCs must implement the 2013 GHG EQIP project in accordance with [440-CPM, Part 512](#), and [440-CPM, Part 515](#).

ProTracts Requirements

1. Subaccount Guidance:

Each approved State will create a sub-account in ProTracts for EQIP named GHG-CIG. This sub-account must be associated with account type Greenhouse Gas in order to provide for consistent analysis of NRCS funding and the ability to track program delivery. Any sub-account that does not have the correct corresponding sub-account type selected will not be counted towards the State's accomplishments for GHG-CIG funds.

2. Screening and Ranking

States are required to use a screening tool to support each project ranking. GHG-CIG projects cover multiple States and STCs must work together with national technical leads and project sponsors to develop a consistent screening tool that prioritizes applications and when developing State and local ranking questions.

States must direct staff to only evaluate question 4 (Clean Air) and question 8 (Energy Conservation) in the national priorities section of the ranking questions; all other national questions must be answered "No." Conservation activity plans (CAPs) may not be offered for financial support through GHG EQIP projects. In coordination with national technical leads and project grantees, STCs must develop State and local ranking questions to be populated in the ProTracts Application Evaluation and Ranking Tool (AERT). Screening and ranking criteria used to support any project must be consistent between States and counties. Examples of screening questions are provided in attachment A.

3. Approved Land Uses and Natural Resource Concerns

The GHG-EQIP Project should allow the following land-use types to be populated in AERT(as appropriate):

- Crop
- Pasture

- Grazed Range
- Hay

States must populate the following natural resource concerns in AERT for GHG-EQIP projects:

Approved Air Quality Natural Resource Concerns

Excessive Greenhouse Gas – N₂O

Excessive Greenhouse Gas – CO₂

Excessive Greenhouse Gas – CH₄

(No other resource concerns are approved for support of GHG-CIG projects.)

4. Conservation Practices

Due to the complexity of the GHG-CIG projects, the State Conservationist will need to work with the CIG designated national technical contacts listed in the table above and Adam Chambers at the West National Technology Support Center to develop the list of core and supporting conservation practices and practice scenarios that are appropriate to support the individual efforts of an approved GHG-CIG project. These practices must have a positive effect to improve air quality in the Conservation Physical Effects (CPPE) application and be selected in the AERT that supports this initiative.

Fund Allocation

The State Conservationist will utilize the Electronic Allowance Change Tool (ACT) to submit an estimate of EQIP FA funds needed to implement the EQIP GHG to the Acting Director, Financial Assistance Programs Division (FAPD), no later than **February 1, 2013**. In consultation with the Deputy Chief for Programs and the Regional Conservationist, National Headquarters will process the allocation of FA to the State. State Conservationists may supplement the national allocation of GHG from their State general EQIP allocation. An in-State allowance change must be processed in ACT to track these funds.

Application Periods

Three application deadlines have been established for the GHG-EQIP support, they are:

- First application deadline: **January 15, 2013 (optional)**

- Second application deadline: **February 15, 2013**
- Third application deadline: **March 15, 2013 (as funding allows)**

Eligible applications must be ranked and entered into ProTracts before close of business for the following deadline.

- **February 1, 2013:** 1st evaluation period
- **March 1, 2013:** 2nd evaluation period
- **April 5, 2013:** 3rd evaluation period

Public Affairs – Outreach

Grant recipients are required to develop and distribute the necessary information and outreach to involve EQIP-eligible producers for the GHG projects. NRCS State Conservationists will disseminate this information to their field offices involved in GHG-CIG projects. Although NRCS supports producer applications and recruitment of project participants, it is primarily the grant recipient's responsibility to provide outreach to EQIP eligible producers and encourage them to apply through EQIP to seek financial and technical assistance to implement conservation practices.

Contact. For additional information on EQIP, contact Mark Rose, EQIP Team leader, at mark.rose@wdc.usda.gov or (202) 690-2621. If you have questions regarding technical aspects of the CIG-GHG projects, contact Adam Chambers at adam.chambers@wdc.usda.gov or (503) 273-2410.

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Attachment

Attachment A – Example Screening Questions:

Priority Determination (High, Medium, Low)

- **High Priority**
The application will result in the implementation of Practice Code 590 – Nutrient Management – Variable Rate Technology and the applicant will allow data collection and analysis for the implementation of the Variable Rate Technology on the acres enrolled in the EQIP contract.
- **Medium Priority**
The application will result in the implementation of Practice Code 590 – Nutrient Management – Variable Rate Technology but the applicant will not allow data collection and analysis for the implementation of the Variable Rate Technology on the acres enrolled in the EQIP contract.
- **Low Priority – Do not score with Protracts ranking tool until notified to do so**
The application will result in the implementation of Practice Code 590 – Nutrient Management – but it will not include Variable Rate Technology as a technique in the EQIP contract.