

# Mitigation Credit Agreements: Creating Incentives To Protect Ecosystem Services

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# MITIGATION CREDIT AGREEMENTS

- Establishes the ability to create credits for
  - Conservation actions
  - Habitat enhancements
- Credits can be used to fulfill state permitting requirements
- Creates the ability to provide economic incentives to protect natural resources



# INNOVATIVE CONSERVATION ACTIONS

- Creates the ability to credit innovative, valuable conservation actions
  - Fish passage
  - Habitat connectivity improvements
  - Temporary habitat creation





## BENEFITS OF MCA: MITIGATION

- Allows for the creation of multiple credit types in a region
- Advance mitigation creates
  - Improved planning
  - Greater habitat quality
  - Faster project timelines



# BENEFITS OF MCA: CONSERVATION

- Creates a defined unit of conservation (e.g., functional habitat acres)
- Increases certainty around outcomes
- Allows for the opportunity for innovative financing
  - Revolving funds
  - Seed funding





# CREATING CREDITS

Mitigation Credit Agreements require:

1. The quality and quantity of habitat protected,
2. The methods to quantify habitat improvements, and
3. The financial and legal assurances needed for long-term conservation success





# Mid Sacramento Valley

MCA Case Study



# MID-SACRAMENTO VALLEY MCA

## ■ Objectives

- **Meet the real mitigation needs** of local & state flood control agencies
- **Engage farmers** to manage their land for endangered and/or at-risk species
- **Support robust habitat projects** on working lands for both temporary and permanent projects





# MID-SACRAMENTO VALLEY MCA

Focused on two focal species compatible with working lands







## Mitigation Site Pilot Projects

- August 2017 call for landowners interested in pre-project planning and technical assistance
- Eight properties selected for initial assessments and technical assistance
- All sites provide very good habitat function



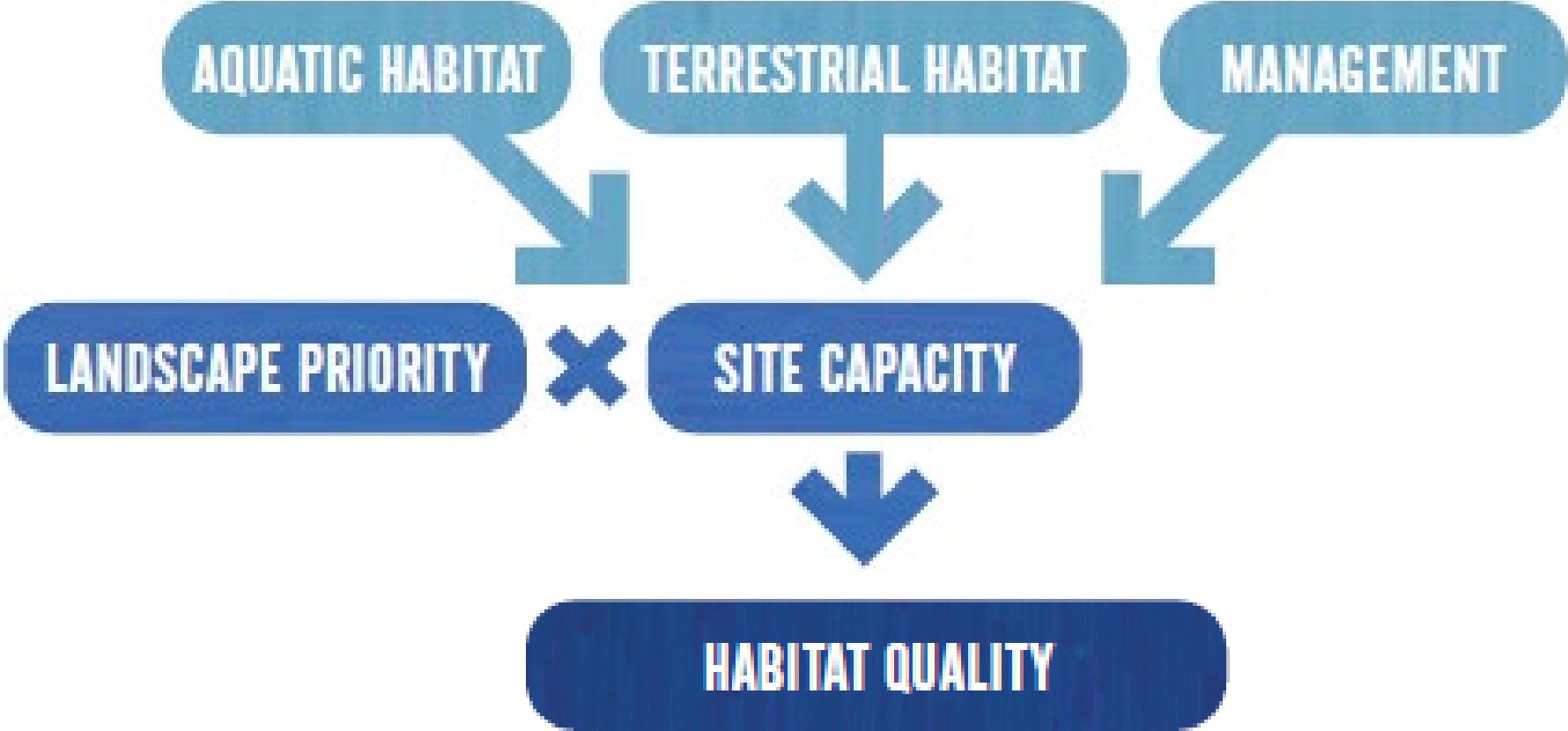
# QUANTIFYING HABITAT ON MCA SITES

- Habitat Quantification Tools (HQTs)
- Evaluates habitat functionality on a project sites
- Developed by the Central Valley Habitat Exchange's Technical Advisory Committees





# HABITAT QUANTIFICATION TOOLS





# CREATING CREDITS

By integrating HQTs into our MCAs, we can

- Quantify non-traditional habitat (farms, ranches)
- Create management plans that will lead to uplift
- Ensure the delivery of real outcomes for species





# ANTICIPATED TIMELINE

Winter  
2018

- Revised RCIS Plan Submitted to CDFW for Public Comment and Approval
- Support interested buyers to design an open, competitive RFP for credits
- Provide information (HQT assessments, draft restoration and management plans, etc.) to landowners interested in applying for the competitive RFP

Spring  
2019

- Support contracting between buyers and selected sellers
- Include contracted project(s) in final MCA submission to CDFW

Summer  
2019

- MCA Project(s) approved by CDFW

Fall 2019

- First credits released



# FUTURE APPLICATION OF MCA'S

- Track and report conservation efforts across a region
  - Progress toward regional and state-wide goals
- Adaptively manage projects to ensure improvements for species given dynamic & complex ecosystems
- Understand the ecosystem value of large multi-benefit projects

