Insights into Verification Challenges
Why is he here?

Aggregation experience
4.3 million acres+, 1300+ clients
19 verifications
3 government audits
Many due diligence reviews
Descriptive & prescriptive experience
Scope & Scale

Commercial project > 50,000 credits
Scope & Scale

Commercial project > 50,000 credits

Average reduction 0.1 tonnes / acre

Only 500,000 acres are needed
Scope & Scale

500,000 acres = 781.25 sq Miles

Or 2,500 200 acre fields

25,000 to 50,000 data points
Methodologies
Prescriptive vs Descriptive
Methodologies
Prescriptive vs Descriptive

Both Suck
Clarity vs Ambiguity

Restrictive vs Flexible
Evidence
Roles

Verifiers

Ensure proper project development
Determine if evidence is sufficient
Ensure emission reductions are real
Roles

Project Developer

Make the project as easy as possible to verify
Project Structure is Critical
Verifiers Will Be

- LOST
- CONFUSED
- UNSURE
- UNCLEAR
- PERPLEXED
- DISORIENTED
- BEWILDERED
Question

Is it the verifiers job to ensure correct interpretation of ambiguous methodologies?
Answer

It Depends
On how the project was developed
And how that effort was documented
Developers control verifications

The project developer's process control documents, training manuals and procedural documentation dictate how a verification proceeds.
Carbon Credit Solutions Inc.

Conservation Cropping Protocol
Risks, Controls & Processes

Introduction
Risks & Controls
Carbon Credit Ownership Risks and Controls
Soil Zone Classification Risks and Controls
Land location Risks and Controls
Incorrect Formula’s for calculation of emission reductions.
Field Size Risks
Cropping Risks
Equipment and Soil Disturbance Risks
Injection Risks
Carbon Credit Ownership Risks and Controls

Prior to selling a carbon offset it is critical that every individual or company that might have an ownership claim has given their consent to CCSI to act as their agent for the purpose of quantifying, registering and selling the offset.

Land Titles are the only form of evidence that CCSI accepts and uses to determine the owners of a parcel of land. CCSI uses land titles to prove ownership on every property that is used to generate a carbon credit.

Land title data is stored in CCSI’s data management system (DMS) for all properties in the system. A property cannot be entered into the DMS without a corresponding land title.

RISK: CCSI does not have the right to act as an agent on behalf of the beneficial owners of the carbon credits.

PREVENTATIVE CONTROL: CCSI requires signed contracts/lease agreements from all potential owners of the carbon credits before a credit can be sold. Data management system prevents credits that are not associated with completed contracts from being verified or sold.

DETECTIVE CONTROL: All contracts are reviewed during CCSI’s QA/QC process to ensure that contain all required signatures.

RISK: Property owner data may be out dated.

PREVENTATIVE CONTROL: CCSI only uses current land titles to determine ownership of the property. Land Titles provide the most accurate data regarding land ownership. In all cases all of the individuals or companies that own the property are listed.

RISK: Land Title Data may not be collected or entered into the DMS correctly

PREVENTATIVE CONTROL: Land titles that are purchased from the Alberta Registry are available in two forms, a PDF file and as an ASCII file. The ASCII file contains raw data from the Alberta Registry. The raw land title data in the ASCII files is imported into CCSI’s DMS automatically. This eliminates the risk of key punching errors associated with manual entry.

DETECTIVE CONTROL: Land titles that are provided by land owners must be entered into the DMS manually. All land titles that are entered electronically and manually are reviewed by a member of the QAQC team to ensure that no data entry errors have occurred.

RISK: Not all of owners listed on the land title have given their consent to the aggregator to transact on the offset.

PREVENTIVE CONTROL: When land titles are imported from the Alberta Registry, or added manually all owners listed on the title are manually entered or automatically imported into CCSI’s data management
Verifications & Fiscal Reality

Project development is costly
It takes time and deep pockets
It carries risk
Verifications cannot take months
Agricultural Credits
1.8M Ag Credits & Counting