



C-AGG Panel

Understanding Project Verification

Scope and Scale, and Lessons Learned

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Carbon Offset Verification Best Practices

The Difference Between Validation & Verification

Validation

- ◆ Assess project documentation for conformance with scheme criteria
- ◆ Evaluate baseline assumptions
- ◆ Confirm ex-ante project emissions & boundaries
- ◆ Review data management systems, quality systems, eligibility criteria
- ◆ Required for verification to occur*
- ◆ End product = validation statement

Verification

- ◆ Assess if the project has met the criteria in the project documentation
- ◆ Evaluate if the emission reductions are real & accurate
- ◆ Determine the magnitude of any misstatements
- ◆ Review changes to project since last assessment, reassess verification risks
- ◆ End product may = credits

Schemes

- American Carbon Registry (ACR)
 - Validation and verification required
 - Projects can be located anywhere
 - Allows approved CDM methodologies
- California Air Resources Board (ARB)
 - Verification only
 - Voluntary projects under a compliance program
 - 5 protocols currently eligible* for projects in the U.S. only
 - Accepts early action offset projects
- Climate Action Reserve (CAR)
 - Verification only
 - Wide variety of protocols available for projects in U.S. & Mexico
- Verified Carbon Standard (VCS)
 - Validation & verification required
 - Projects can be located anywhere
 - Allows approved CDM methodologies
 - Can be used in conjunction with Climate, Community & Biodiversity (CCB) standard

The Audit Process

1. Conflict of interest
2. Kickoff call
3. Submit documentation
4. Desk review
5. Audit plan
6. Site visit
7. Findings
8. Draft report
9. Internal technical review
10. Draft report review by client
11. Final report submission
12. Scheme review
13. Issuance request



Common Obstacles

- Proving additionality
 - Project must be better than business as usual
- Having the proper documentation & people readily available
- Resolving findings can be tricky
- Reasonable expectations for timelines
- The contracting process
- The first time is usually the most difficult
- Digesting the cost of verification

How to Have a Painless Audit

- Make your documentation readily available and transparent
- Clarity of documentation
- Have the right people available for the site visit
- Respond to findings quickly
- Timeline reminders
- Reasonable expectations
- Remember that it's not life or death!



Variations & Deviations

- Variance = deviation
- ACR, CAR & VCS may approve variations
- ARB does not grant any variations
- Can be more expensive than the offset deduction
- May take valuable time

Q&A

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Methodologies

- Methodology approval process for ACR, ARB, VCS & CAR



What Is a Carbon Footprint?

The sum of all greenhouse gases (GHGs) emitted into the atmosphere by a company or entity, which includes emissions from the combustion of mobile or stationary sources, leaking or venting of refrigerants and the consumption of imported energy.

Scope 1: Direct

- Company-owned fleets
- Power production
- Landfills
- Wastewater treatment facilities
- Fugitive emissions from refrigerants or blowing agents

Scope 2: Indirect

- Purchased electricity
- Purchased heating
- Purchased cooling

Scope 3: Optional

- Extraction of purchased materials
- Employee commuting and business travel
- Contracted fleets
- Contracted waste disposal
- Transmission losses from purchased electricity

What Is Carbon Footprint Verification?

- Carbon footprints are measured using a chosen standard or protocol
- Verification is the practice of confirming accuracy of the footprint
 - ◆ By an accredited third party
 - ◆ Within a certain assurance level
 - ◆ Can enable reporting to a public registry
- Verified carbon footprints are a key tool in sustainability – “what gets measured gets done”
 - ◆ Demonstrate transparency
 - ◆ Save money and energy
 - ◆ Manage risk
 - ◆ Gain competitive advantage
 - ◆ Provide credibility to environmental claims

SCS' Carbon Footprinting Capabilities



The Climate Registry



The Value of 3rd Party Verification

- **Required under most schemes**
- **Manage risk** – decrease the chance of invalidation
- **Competitive advantage:** utilizing a verified footprint allows companies to set themselves apart from their competition.
- **Provide credibility:** using a verified footprint to make reliable environmental claims lets companies become thought leaders in their industry.