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RESERVE

## **SUMMARY OF COMMENTS & RESPONSES**

### **Draft Livestock Project Protocol Version 3.0**

Four sets of comments were received during the public comment period for the Climate Action Reserve (Reserve) draft Livestock Project Protocol Version 3.0. Staff from the Reserve summarize and provide responses to the comments in this document.

The comment letters can be viewed in their entirety on Reserve's website at <http://www.climateactionreserve.org/how/protocols/adopted/livestock/livestock-project-protocol-revision/>

#### **COMMENTS RECEIVED BY:**

1. AgRefresh (AgRefresh)
2. Camco International Group, Inc (Camco)
3. Sage Metering, Inc. (Sage Metering)
4. TerraPass Inc. (TerraPass)

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## GENERAL COMMENTS

1. Developing an aggregation option for livestock projects was suggested by multiple stakeholders throughout 2010 anticipating a revision to the Livestock Protocol. Such an option for smaller scale projects would facilitate adoption of the protocol by more projects and therefore allow those projects to benefit from selling CRTs. The additional revenue stream would contribute to the economic viability of anaerobic digestion as a manure management technology. We believe that an aggregation mechanism for the Livestock Protocol would create a win-win solution to further reduce the costs of compliance and make the Reserve program more accessible to livestock anaerobic digestion projects. **(AgRefresh)**

**RESPONSE: Noted. We did consider developing an aggregation mechanism during the research phase of the V3.0 update of the Livestock Protocol. A central concern was that there is no obvious way to streamline requirements for individual projects under an aggregation regime. To ensure credibility and accuracy, for example, the full scope of verification activities would still need to occur at each project, and there do not appear to be opportunities (as there are with forest projects) to distribute the burden of certain requirements, like inventorying, across projects.**

**Interviews with verifiers confirmed the limited potential of aggregation leading to cost savings on verification. The only obvious way to reduce costs would be to combine site visits among geographically co-located projects. However, verifiers agreed that for aggregation to significantly reduce verification costs, the projects would need to have more in common than just geography; physical travel associated with site visits does not constitute the bulk of verification costs.**

**Thus, in order for livestock aggregation to work, the projects in the aggregate would need to be standardized in some way beyond geographic location. This could mean requiring a standardized data management system and/or equipment set-up and/or designated personnel to manage/maintain the projects at all of the farms within the aggregate. We concluded this kind of standardization would require significant research and resources to develop (including convening a workgroup process), and decided not to take on this additional effort at this time.**

**For these reasons, we decided to focus on other mechanisms to reduce transaction costs (i.e. those proposed changes in V3.0), as opposed to pursuing aggregation. That being said, the protocol is a living document that can continue to change over time, and we welcome your ongoing suggestions on how livestock project aggregation might work.**

2. While Camco generally supports the approach the Reserve takes to create and update Protocols we believe it is important to get input and feedback from current and likely future users of protocols to ensure that they are usable in the field. Camco believes that this is best done prior to a draft's release through the Reserve asking specific questions on aspects of the protocol and/or holding a consultative workshop to gather first-hand input. For instance, Camco would have welcomed the opportunity to provide additional guidance in the monitoring section on data substitution, incorporating variances previously submitted by project developers, to avoid the need for costly and time-consuming variances at subsequent verifications. **(Camco)**

**RESPONSE: Noted. The Reserve assesses on a case-by-case basis how to undertake updating a protocol and what stakeholder process to utilize. This update focused on finding options to reduce transaction costs and updating verification guidance. We felt that a public release of the draft protocol and a public webinar to discuss the draft was an appropriate level of public consultation for the proposed updates.**

**Your comments address sections of the protocol that the Reserve was not seeking to update at this time. The Reserve did review all of the variances submitted thus far on livestock projects and did not see a need to revise the protocol based on those submissions. That being said, the Reserve welcomes comments and suggestions from stakeholders on how to improve the protocol on an ongoing basis. Per Section 4.2.6 of the [Program Manual](#), comments and feedback on protocols can be submitted to [policy@climateactionreserve.org](mailto:policy@climateactionreserve.org) or can contact Reserve staff directly to discuss their comments and concerns. Public comments and feedback are assessed on an ongoing basis and may initiate a revision to a project protocol.**

### **SECTION 3: ELIGIBILITY**

3. Section 3.5.1 and 3.5.2 – The Reserve should clarify, to avoid confusion, that although a project will be assessed against the Performance Standard Test and Legal Requirement Test at the time of registration, the assessment will apply the tests when the project began, not when it was registered. (Camco)

**RESPONSE: Agreed. We have revised the language in these sections to make it clear that the tests are applied to the circumstances in place at the project start date, not at the time of project verification or registration.**

### **SECTION 4: THE GHG ASSESSMENT BOUNDARY**

4. No mention is made of boilers as a destruction device. Boilers should be added to avoid confusion. (Camco)

**RESPONSE: Agreed. Boilers have been added as an SSR to Figure 4.1 and Table 4.1.**

### **SECTION 5: QUANTIFYING GHG EMISSION REDUCTIONS**

5. Section 5.4 and Equation 5.11: the Reserve requires that project developers estimate emissions from electricity to determine whether they are material or not. Many dairies have only one electricity meter making accurate estimation of power used by each emissions source difficult. We would like the Reserve to provide further guidance here as to what constitutes an emissions source in Equation 5.11 and the level of detail required to produce an estimate of emissions from electricity. Is verifier judgment satisfactory or do project developers need to provide estimates of usage and power consumption for each electrical load? (Camco)

**RESPONSE: We have revised Section 5.4 to provide more information on what is expected of the project developer when estimating or calculating emissions from these sources. Verifiers are allowed to use professional judgment to assess any emission estimates provided by the project developer. If, based on this review, the**

**verifier believes this source of emissions to make up more than 5% of the total baseline emissions, then Equation 5.11 must be used and detailed records must be provided to support the values used in Equation 5.11. Note that in Table 8.3 of the Verification Guidance, Section 5.4 is an area where professional judgment is allowed.**

6. Equation 5.7 – We notice a mistake in the formula: time,  $t$ , should be the amount of time the venting event occurred. Although venting events do occur, farms may have multiple tanks. Thus, the formula should allow project developers to limit leakage to one tank, rather than the whole system if there is sufficient monitoring available. For instance,  $MS_{BCS}$  could equal the volume of gas stored in the affected tank and the biogas flow could be the biogas flowing from the affected tank rather than the whole system. **(Camco)**

**RESPONSE: Agreed. The mistake was corrected, and a footnote was added clarifying that the project developer only needs to account for the component of the BCS that experienced the venting event.**

7. Equation 5.7 – Venting events relevant to Equation 5.7 are exceedingly rare, and under virtually no circumstance should planned maintenance result in a significant venting event of methane (gas in the header space would be evacuated to destruction devices). [See TerraPass public comment submission for more detail.]

The equation proposed would only be relevant to a catastrophic system failure of the digester. We recommend that the Reserve allow for more flexibility in calculating and estimating these venting events by adding the word “catastrophic” and removing reference to maintenance-caused venting. **(TerraPass)**

**RESPONSE: Agreed. We have revised the language to reflect the fact that Equation 5.7 is only relevant to catastrophic system failures of the BCS.**

## **SECTION 6: PROJECT MONITORING**

8. Section 6.1 – I recommend adding a footnote after the word “guidance” in the 2nd bullet under Section 6.1. The text of the new footnote follows:

<sup>39</sup> If field check can be done “in situ” (e.g. compare “no flow” condition to original factory “zero flow” calibration point on flow meter’s Calibration Certificate or Tag), then trained professional is not required to conduct field check.”

The simplicity of this procedure does not require a trained professional, but merely requires adherence to the factory calibration field check. [See the Sage Metering public comment submission for more detail and additional documentation.] **(Sage Metering)**

**RESPONSE: As we do not specify what specific types/brands of meters are to be used to meet the project monitoring requirements, we are unable to provide prescriptive guidance about the training requirements needed to field check each type of meter that could be employed at a project site. However, we have clarified the language in the protocol to state that field checks be completed by an “appropriately trained individual” instead of a “trained professional”, as the original language could be misinterpreted as a requirement for project developers to hire a third party to conduct these field checks.**

**While we do not require the field checks be performed by a third party, we do expect verifiers to assess the training of the individual performing the field checks, and use his or her judgment of the training and the individual to inform their risk-based assessment of the project (Table 8.4).**

## **SECTION 7: REPORTING PARAMETERS**

9. Section 7.1.1 – Camco is concerned about the requirement for project developers to produce an additional Monitoring Report at time of verification. Livestock projects are typically small projects producing between 10,000 – 20,000 CRTs per year. Requiring and maintaining additional documentation increases workload, cost (undermining one of the aims of the new version), and uncertainty. We have not seen a template for the report and it is not clear how the Reserve intends to review the report and how the verification process will change. **(Camco)**

**RESPONSE: Agreed. Based on feedback received on this proposed requirement, the Reserve has decided to only require the submission of an annual monitoring report in the event that the project developer chooses verification option 3 and thus has a 24-month reporting period. In this case, the project developer is required to submit a monitoring report after the first 12 months of each reporting period to meet the annual documentation requirement of the Reserve program. No other projects are required to submit an annual monitoring report under this protocol.**

10. The original language in the leading paragraph remains unchanged, though proposed updates to the verification cycle detailed later in the Protocol (Section 7.3) alter this requirement. For consistency, the sentence should read:

“Project developers must submit project monitoring reports to the Reserve annually at a minimum, though verified emission reduction reports may be submitted less frequently (as described in Section 7.3).” **(TerraPass)**

**RESPONSE: As the Reserve has decided not to require annual monitoring reports be submitted for all projects (see response to comment 9 above), we have revised this sentence to reflect the requirement that projects must submit either a monitoring report or a verified emission reduction report, depending on the verification option selected by the project developer.**

11. Section 7.3.1 – Our experience with livestock offset projects suggests that the first year of operation is often lower performing (both in terms of offset project requirements and digester operation) than subsequent years. This is because the implementation of a much more complicated manure management system is often accompanied by flaws in the digester design, monitoring process, and metering equipment, which are subsequently identified and corrected. By requiring that the initial verification period not exceed 12 months, the Reserve creates a situation where it is highly likely that a limited number of CRTs will be verified and registered during the costliest verification period (first-time verifications are typically more expensive than subsequent verifications). This runs against the intended purpose of the verification cycle options offered by the Reserve in the proposed protocol, where verification costs can be lowered with longer cycles.

We recommend that the Reserve allow that the initial reporting period be up to 24 months. The cost of verification for that initial period would then be more likely to scale appropriately with the number of available CRTs. **(TerraPass)**

**RESPONSE: Noted. While the Reserve understands this requirement will make the cost of the first verification relatively more burdensome than subsequent verifications, we feel the initial 12-month reporting requirement is important to ensure that projects are thoroughly and credibly vetted as a condition for registration. By requiring that all livestock projects undergo verification after an initial 12-month reporting period, but allowing alternative reporting/verification options for the remainder of the project's 10-year crediting period, we feel we are striking the appropriate balance between initial data quality assurance and allowing cost-saving flexibility in verifying data over the lifetime of the project.**

12. Section 7.3.3 – Camco strongly supports the proposed change to allow desktop verifications. However, further clarification is needed on what constitutes a change to a project's data management system, equipment or site personnel involved. It is unlikely that a project will operate without modification or personnel changes for two years running.

For example, new meters may be installed and logging equipment and personnel are likely to change both on the farm and with outside consultants and engineers; what happens if a key person falls sick or moves away half way through the second year? At all of our farms some element of dairy operation and data storage has changed within two years. To avoid unnecessary uncertainty Camco suggests that the Reserve allows changes provided that any changes to system operation or equipment are properly documented and that there is a documented handover of personnel changes, for example, a documented end and begin date. **(Camco)**

**RESPONSE: Agreed. We have revised the guidance in Section 7.3.3 and the verification guidance in Section 8.5 to allow for the verifier to utilize professional judgment and decide, based on the type of changes documented from the previous reporting period, if a site visit is required or if a desktop review will suffice to provide a reasonable level of assurance on the project's verification.**