



Verification Program Manual Summary of Proposed Changes November 1, 2016

This document highlights and summarizes significant proposed changes to the Climate Action Reserve Verification Program Manual. The revised Verification Program Manual was released for public comment on November 1, 2016.

The public comment version of the Verification Program Manual is available for download at climateactionreserve.org/how/program/program-manual. Please submit comments or questions to reserve@climateactionreserve.org by 6:00 pm Pacific Time on Wednesday, November 30, 2016.

Proposed New Section

3.4.3 ARB Training

Incorporates guidance from the Reserve policy memorandum released February 11, 2016. The Reserve currently accepts certain California Air Resources Board verification trainings in lieu of the analogous Reserve project protocol trainings.

Proposed Revisions by Section

1 Introduction

Includes a disclaimer and links to resources on the Reserve's role as an Offset Project Registry under the California Compliance Offset Program.

2 Standard of Verification

Labeled as a new section rather than a subsection of Section 1. Updated to clarify the order of precedence for verification standards.

2.3.1 Quantitative Materiality Threshold

Updated to specify the process for determining the quantitative materiality threshold for projects with verification periods longer than 12 months.

3.1 Verification Body and Lead Verifier Requirements Overview

Updated to reflect current process for scheduling verification trainings via bi-annual survey.

3.2 Obligations and Requirements to the Reserve

Updated to reflect current policy that allows subcontractors to act as the Lead Verifier and/or the Senior Internal Reviewer and to include revised information on professional liability insurance requirements.

3.3 ISO 14065 Accreditation

Updated to reflect the Reserve's current relationship with Entidad Mexicana de Acreditación, A.C. (EMA) in the accreditation of verification bodies for Mexico forest projects. Table 3.2 now includes the latest versions of the ISO standards.

3.3.2 Costs of Accreditation

Updated to include link to information on EMA accreditation.

3.4 Training Requirements and Qualifications for Lead Verifiers

Updated to reflect current policy on subcontractors (see Section 3.2).

3.4.2 Reserve Training

Updated to include new requirements that allow Lead Verification certification(s) to be extended beyond the current three-year term without re-testing and to clarify that other verification team members are not required to complete Reserve trainings. Updated information on public and private certification exam dates is included as well.

3.5 Verification Policies Acknowledgment and Agreement Form

Updated to remove the required use of a Blind Trust account when replacing or replenishing CRTs and to clarify that failure to submit the Verification Policies Acknowledgment and Agreement Form could result in suspension.

3.5.1 Verification Staff Reporting Form

Updated to incorporate the Reserve's current policy that the Verification Staff Reporting Form be revised whenever new staff members are included on the NOVA/COI form.

3.6.2 Notification of Verification Activities and COI Form

Updated to clarify that the Reserve may request resubmittal of the NOVA/COI form and to reflect the current policy that a new NOVA/COI form must be submitted for each verification period. Designing projects for the project developer that identify GHG reductions as a benefit has been moved from high to medium COI risk, and the

requirement to disclose the financial value of service has been updated to reflect the Reserve's current policy re: GHG Business Units.

3.8 Technical Consultants and Subcontractors

Updated to reflect current policy on subcontractors (see Section 3.2).

4.3.1 Verification Team

Updated to reflect current policy that prohibits Senior Internal Reviewers from participating in site visits, phone calls, or meetings between the verification team and the project developer.

4.4 Verification Cycle

Updated to reflect the Reserve's current policies on verification deadlines for initial and subsequent reporting periods as well as zero-credit reporting periods, as detailed in Section 3.4 of the Reserve Program Manual (September 1, 2015). Flow charts on the NOVA/COI approval process and the project verification and registration process have replaced the Verification Process Timeline table.

4.4.1 Desktop Reviews and Site Visits

Updated to include the new requirement on the frequency of site visits in subsequent verification periods, which is the interval specified by the project protocol plus a 3-month grace period.

4.5.1 Step 1: Confirm Eligibility Criteria

Updated to clarify that the verification body must confirm that the project continues to meet eligibility criteria in subsequent verification periods.

4.5.1.4 Additionality

Updated to incorporate the previously distinct sections on the legal requirement test and the performance standard test.

4.5.1.5 Regulatory Compliance

Updated to clarify that the scope of regulatory compliance can vary based on project type and that the timing of the violation must be carefully considered (per the Reserve Policy Memo released September 1, 2015).

4.9 Joint Verification

Updated to reflect current policy that a copy of the Verification Report must be uploaded to each project's Projects Documents page in joint verifications. Mexico Boiler Efficiency Project Protocol added to list of protocols that allow joint verification.

4.10 Aggregation and Cooperatives

Updated to include information on cooperatives as allowed by the Grassland Project Protocol. Mexico Forest, Nitrogen Management, and Rice Cultivation added to list of protocols that allow project aggregation.

5.1 List of Findings

Moved from Project Verification Activities and Expectations section to Documenting and Reporting Verification Activities section.

5.3 Verification Statement

Updated to clarify that the Verification Statement is a standardized form that is available online.

5.3.2 Negative Verification Statement

Updated to reflect the Reserve's current policies on verification deadlines as detailed in Section 3.4 of the Reserve Program Manual (September 1, 2015).

6.1 Verification Oversight and Audits

Updated to include specific requirements for Reserve staff attendance in certain verification activities during oversight and to clarify the level of access that must be granted to Reserve staff conducting oversights and audits.

6.4 Dispute Resolution Process

Updated to remove the five-year maximum on the suspension of a verification body.

6.5 Record Keeping and Retention

Updated to clarify that the verification sampling plan is subject to the record keeping and retention requirements.