

Prepare for Verification

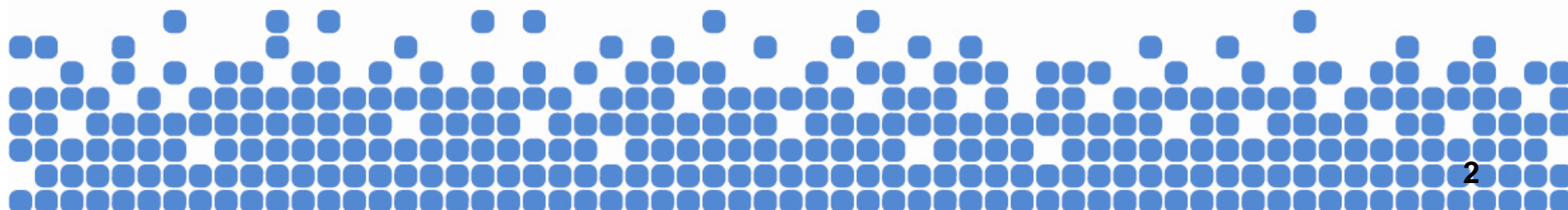
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Program Director



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Verification Overview

- What is Verification?
 - Independent review of reported emissions or GHG assertions
- Why is it Important?
 - Ensures assertions meet minimum quality standard (95% accuracy)
 - Supports confidence in assertions (e.g. monitoring corporate emissions, target setting, reduction projects and market trading)
 - Establish trust in mandatory & voluntary carbon markets
 - Inform GHG quantification best practices
 - Improve GHG management systems and data collection processes
- What is a Verification Body?
 - A company that has been accredited under ISO 14065 or ARB and Registry approved and qualified to assess a GHG assertion





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Accreditation Process

- This year: rely on currently approved verifiers
- If enrolled in ANSI accreditation program, they can perform verification activities, but:
 - For entities – CARROT report won't be accepted until VB is accredited
 - For projects – Reserve report won't be accepted & CRTs won't be issued until accredited
- If VBs are having trouble finding clients, contact the Registry, we will help to facilitate the process with our members & developers
- ANSI Assessors screening ADDITIONALLY for:
 - Experience with project accounting
 - Sector specific qualifications
 - Forest & Urban Forest one RPF w/5 years experience



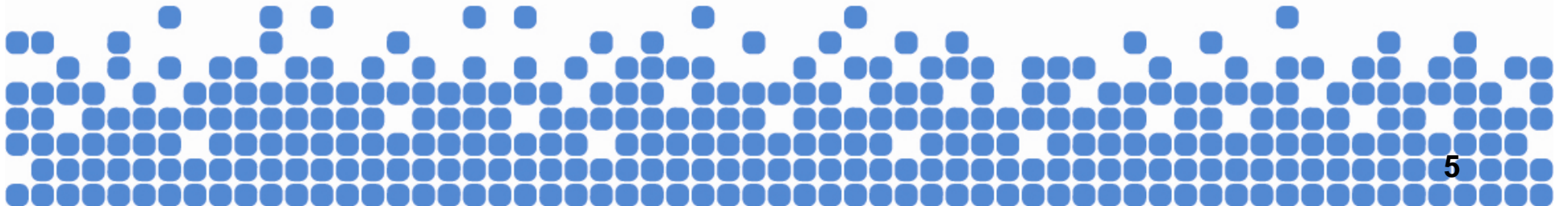
Solicitation Options

- Request for Proposal
 - Contract duration, organizational description, Total Emission Summary Report or CRTs, reporting scope, GHGs, facilities, operations, description of data management systems
- Telephone interviews
- Purchase Order
- *Post to bulletin board at www.climateregistry.org*



Things to Consider

- Previous relationships (COI)
- Expertise in your industry/project sector
- Location
- Availability
- Approach to work
- Size
- Cost
- Contracting flexibility

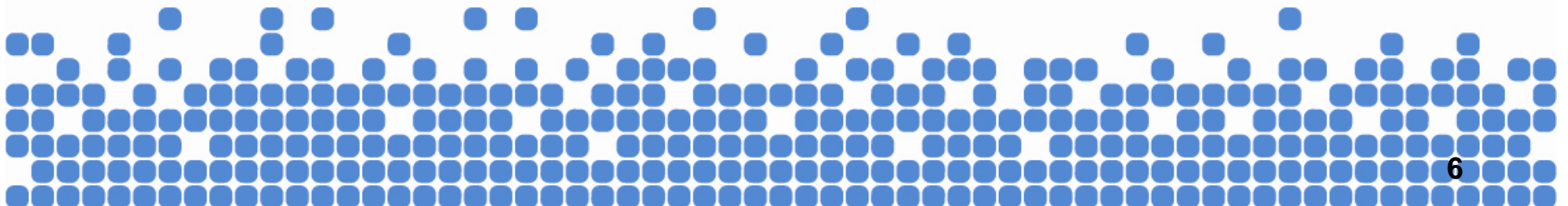


Cost of Verification \$

1. Quality of data and management systems
2. Organization of data
3. Size and complexity of operations/project

** Providing detailed methodology/source info facilitates verifier review*

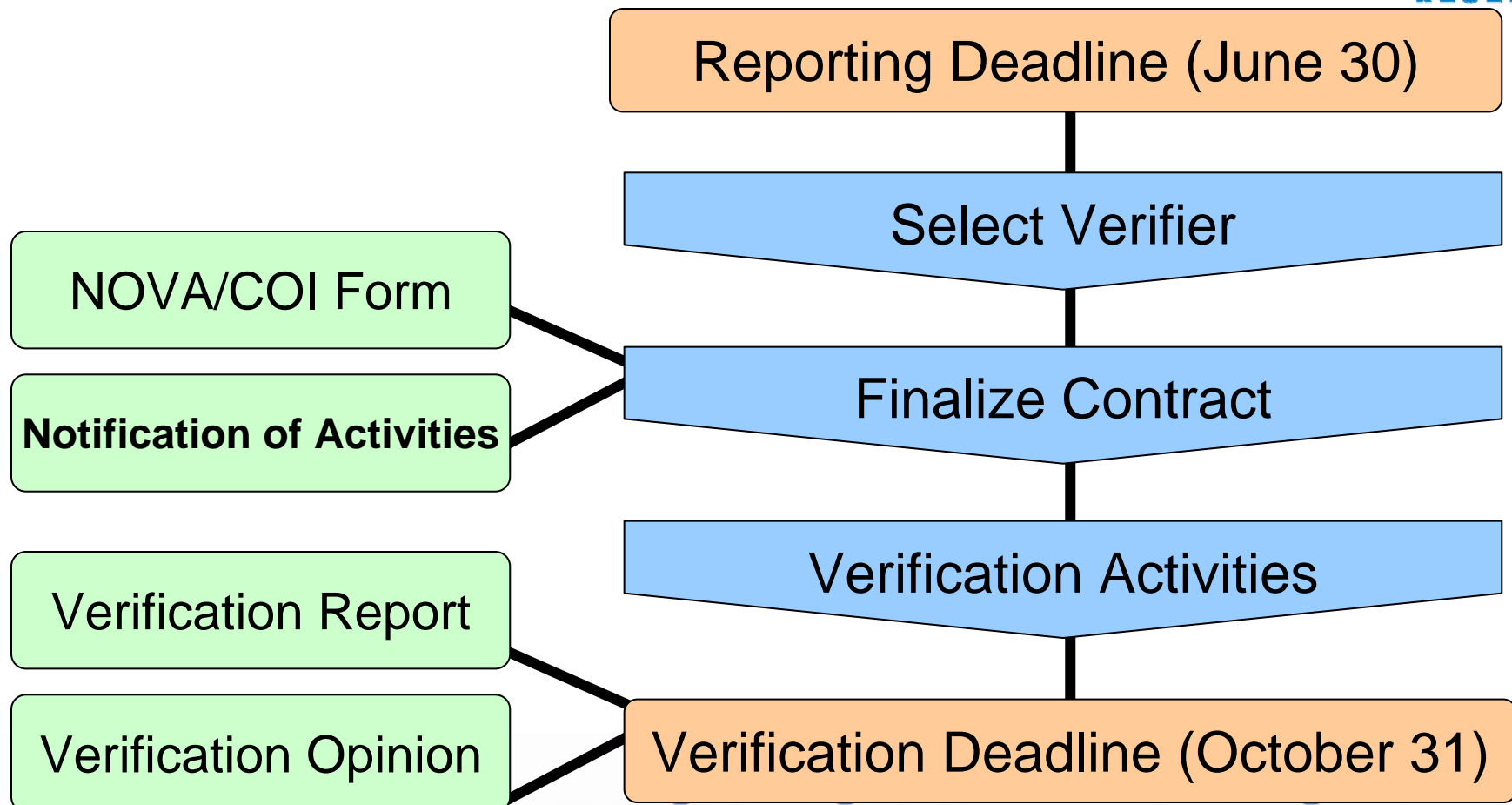
** Highest in 1st Year; can decrease substantially subsequent years*





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Entity Inventory Verification Process



Conflict of Interest (COI)

- What is a COI?
 - Situation where a verifier may be unable to provide an objective review of a participant's data
- Evaluation of potential for COI
 - Case-by-case assessment
 - Recent or current financial relationships?
 - Has verifier provided consulting on GHGs?
- COI review promotes integrity of reported emissions

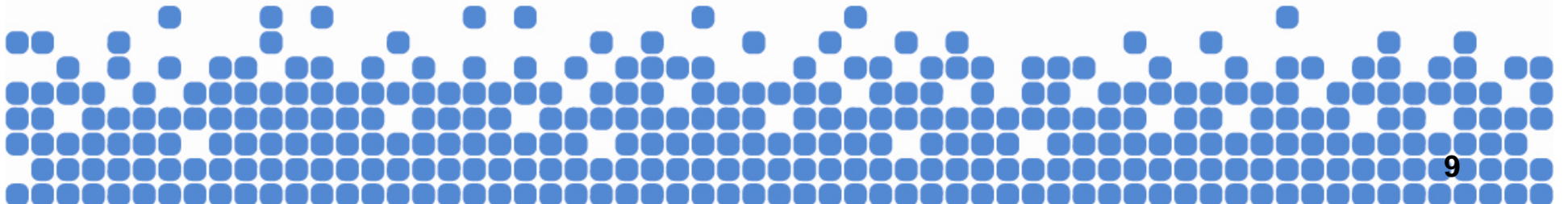




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Materiality

- Compliance with: protocols → verification principles → CRTs reported into the Reserve
- Materiality threshold also known as the “minimum quality standard”
- Reported CRTs cannot differ from CRTs calculated by VB by +/- 5%
- Reserve data must have 95% accuracy

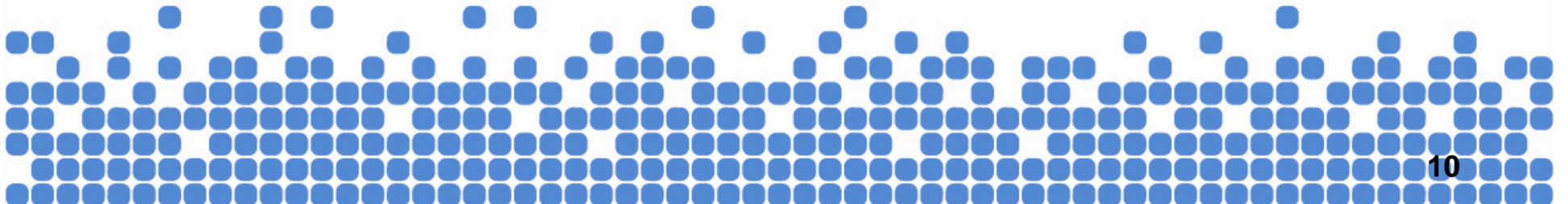




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Level of Assurance

- Degree of confidence that CRTs are materially correct
- Determines depth of detail a verifier must go to prove accuracy
- Reserve requires a “reasonable” level of assurance to be provided, positive verification opinion
- Assuring low risk of errors not being detected



Entity Inventory Verification Cycle



3 year cycle:

- Year 1: (a) Identify Emission Sources,
(b) Review Management Systems
(c) Verify Emission Calculations
- Year 2: (c) Verify Emission Calculations
- Year 3: (c) Verify Emission Calculations
- Year 4: Repeat Year 1 activities (a) (b) (c)

** Must change VB after 6 years*



Preparing for Verification Activities



- Sign contract & any NDA with Verification Body
- Internal audit of the data
- Get technical assistance (your VB cannot consult!)
- Prepare supporting documentation & records
 - Respond to verifier requests for sample of data
 - Establish a clear audit trail
- Prepare for interviews
- Schedule site visits



When the Verifier Arrives

- Kick-off meeting
 - VB will help set agenda for meeting
 - Who needs to be there?
 - Provide information/data in advance?
 - Is any Non-Disclosure Agreement signed?

Site visits may also occur on the same day...



Finalize Report & Submit Opinion



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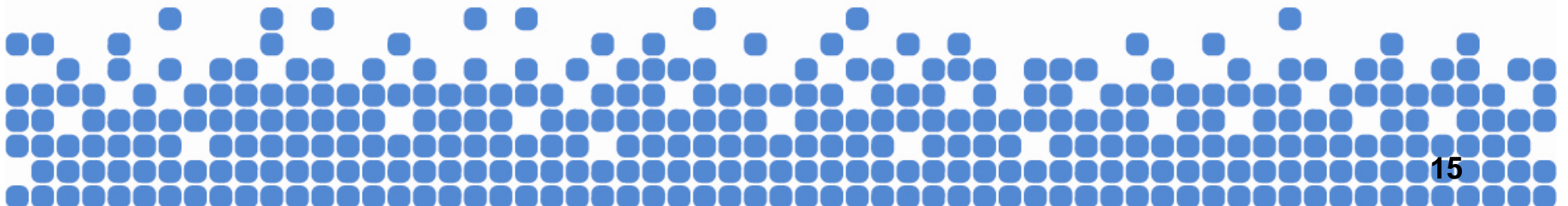
- Report can be revised at any point before verification opinion is entered
- Once submitted for verification, data is “read-only” to Member
- If subsequently revised, revisions must be re-verified
- Consider having PR/communications staff review public report before final submission



Completing Verification Activities



- Address corrective action requests
 - Revise CARROT report
- Closing meeting
 - In person, or by phone
 - Discuss Verification Report
- Sign Verification Opinion
 - Verifier submits opinion in CARROT
 - Registry conducts review of submitted report
- Emissions Report available to public
- Assess and document ways to improve inventory





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Questions? Comments?
Concerns?

