Update to Project Crediting Period Requirements

1 INTRODUCTION

This document summarizes the main points of feedback received during the 2018 VCS Version 4 public consultation in respect of the proposal to update the VCS project crediting period requirements for non-AFOLU projects. This document also sets out whether and how the original proposal was updated as a result of that feedback. The abstract, background, and details of the proposal published during the 2018 consultation are available in the original consultation document.

2 RESULTS AND CONSIDERATIONS OF 2018 CONSULTATION

During the 2018 public consultation, Verra received comments on this proposal from 15 different stakeholders, including project developers, validation/verification bodies, trade associations and other market participants.

The feedback received during the first consultation was significantly positive. In particular, the vast majority of commenters suggested that the proposal provided sufficient flexibility for project developers, and that the proposed crediting period lengths were sufficient from a financially viability perspective. Further, most commenters agreed that it is not necessary to align crediting periods with NDC assessment periods. The few comments received that opposed the proposal suggested that the shortened crediting period length would impose additional costs on new projects, and that the revised crediting period lengths would not align with typical financing structures. Verra has considered all feedback received.

While Verra does not discount the potential for financial challenges to arise under this proposal, Verra believes that the success of projects under other GHG crediting programs with crediting period lengths identical to those described in this proposal is evidence that such crediting period lengths are viable. Accordingly, and particularly given the significantly positive response to this proposal, Verra is moving forward with the original proposal, with the exception that the originally-proposed grace period for introduction of this proposal has been revised for projects applying new methodologies.

Section 3 below provides the revised proposal as it would be incorporated into the VCS rules.

3 PROPOSAL

The following demonstrates how the proposal would be integrated into the VCS rules. In particular, the specifics of this proposal would be integrated into Section 3.8 (“Project Crediting Period”) of the current version of the VCS Standard[1].

Note that projects that have completed validation within six (6) months of the release of VCS Version 4 will be eligible to apply the current crediting period requirements. Projects applying a new VCS

[1] Note that the specific section number of the VCS Standard may change, depending on the final details of the Proposal for Reorganizing and Restructuring VCS Program Documents.

methodology will be granted additional time to apply the current crediting period requirements. Specifically, projects using a new VCS methodology and completing validation within two years of the approval of the methodology may apply the current crediting period requirements. Note that *new VCS methodology* in this context refers to VCS methodologies for which a concept note was submitted prior to 31 December 2018.

The proposal would be integrated into the VCS rules as follows:

3.8 PROJECT CREDITING PERIOD

3.8.1 For non-AFOLU projects and ALM projects focusing exclusively on reducing N_2O, CH_4 and/or fossil-derived CO_2 emissions, the project crediting period shall be either seven years, twice renewable for a total of 21 years, or ten years fixed ~~a maximum of ten years which may be renewed at most twice~~. For all other AFOLU projects other than such ALM projects, the project crediting period shall be a minimum of 20 years up to a maximum of 100 years, which may be renewed at most four times with a total project crediting period not to exceed 100 years. Where projects fail to renew the project crediting period, the project crediting period shall end and the project shall be ineligible for further crediting.