

Comments for the Modified Regulation Order, 15-Day Comment Period

Introduction

SCS understands that pending changes to the “California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation” (“the Regulation”) have been proposed by ARB. SCS appreciates the ability to suggest improvements to the Regulation. SCS has the below comments, which have been grounded in SCS’ experience with the Regulation thus far and SCS’ far-reaching expertise in verification of offset projects. SCS hopes that these comments will be taken into due consideration.

Comments

No.	Section(s)	Comment
1	95978 (e)	<p><u>Direct supervision,” for purposes of this section, means daily, on-site, close contact by the supervisor who is able to respond to the needs of the technical expert. The supervisor must be physically present, or within 4 hours travel time and available to respond to the needs of the technical expert.</u></p> <p>It is the interest of the ARB-accreditor verifier (supervisor) to maintain close contact and supervise the technical expert; however, the above requirements are not necessary should other communication methods be diligently employed (e.g. daily communication and on an on-call basis via cell phone, satellite phone or skype). The definition of direct supervision requiring the supervisor to be physically present or within 4 hours travel time is infeasible for a site visit of more than one to two days. This requirement will unnecessarily increase verification costs for the forestry and rice protocols and require an ARB-accreditor verifier to be within an arbitrary proximity for an extended duration when the same supervision could be provided through the use of technology.</p> <p>Technical experts are included on the verification team based on their expertise and specialization in a given field. The supervision of an ARB-accreditor verifier for matters related to verification activities can be accomplished through clear training and diligent communication from a location more than 4 hours away. Given the limited pool of ARB-accreditor verifiers and the number of verifications spread throughout the country, it would not be cost-effective to require an ARB-</p>

No	Section(s)	Comment
		<p>accreditor verifier to remain onsite or without 4 hours, rather the requirement should be for the supervisor to communicate daily with the technical expert to address any concerns from the technical expert or to supervise and provide guidance about their scope of work that may impact verification decisions.</p> <p>Above all, SCS would like to reiterate that they have made a long-term investment in rigorous and high-quality verifications against the ARB Regulation. The recommendation that they are making about amending the onsite/4 hour direct supervision requirement would in no way reduce verification rigor. This comment is intended to increase efficiency and reduce costs for OPOs/APDs, and not reduce the rigor of verifications that are subject to regulatory review and invalidation.</p>

No	Section(s)	Comment
2	95985(b)(1)(A)(1)	<p>“Has a different verification body that has not verified the Offset Project Data Report for the issuance of ARB offset credits, and meets the requirements for conflict of interest pursuant to section 95979 and rotation of verification bodies pursuant to section 95977.1(a), that meets the requirements for conflict of interest conduct a second independent regulatory verification pursuant to sections 95977 through 95978, except for section 95977.1(b)(3)(M), for the same Offset Project Data Report, or as provided in sections 95990(I)(3)(B) and (I)(4) for projects developed under an approved early action quantification methodology.”</p> <p>While it is not stated in sections 95977 through 95978, please confirm that the Offset Verification Report, or other verification work products developed by the first verifier would not be required as a part of the second verifier’s review. Our understanding of the Regulation is that the invalidation audit would be a second independent review of the OPDR.</p>