# Carbon Offsets and Verification

**Tiffany Mayville**
**Program Specialist, Greenhouse Gas Verification**

**SB 1383 Subgroup #1: Fostering Markets for**
**Non-Digester Projects**
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# About SCS Global Services

- Founded in 1984

- Benefit Corporation

- Specializes in third-party environmental certification, auditing, testing, and standards development
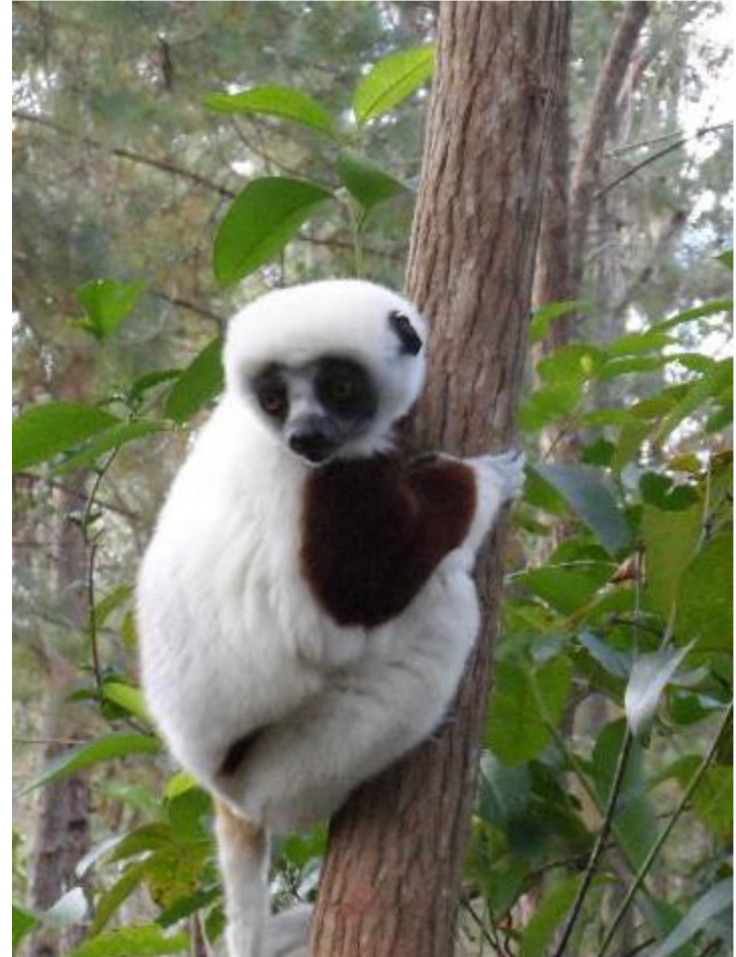
# Why do we need verification?

- Assure integrity of environmental claims

- Ensure integrity of the market

- Provide independence: financial incentives create conflicts of interest

# It's All About Evidence



## Saw it

"Witnessed during the visit of the River's Edge site."

## Heard it

"Confirmed by interviews with regional foresters and biologists"

## Read it

"Stated in Project Documentation on page 2."

# Verification Overview

# Validation and Verification

- Validation and verification: independent third party assurance that GHG reductions are real, permanent, verifiable, accurate, and conservative

- Validation: Occurs at the beginning of any project and determines that methodological and design elements of project comply with the Registry

- Verification: The periodic ex-post assessment by an accredited VB of the GHG emission reductions and removals that have occurred as a result of the project during the monitoring period, conducted in accordance with the Registry rules

- Validation and Verification can occur simultaneously. For credits, verification must occur

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# Verification Overview

**Rationale:** to ensure consistency and credibility of GHG data

**Goal:** assess conformance to applicable standards and chosen methodologies (e.g. VCS, Gold Standard, CAR, ACR, ARB)

**Process:** audit consisting of desk and field assessment activities (risk-based sampling approach)

**Result:** verifier will develop *verification report* and *verification opinion* outlining results of audit and number of carbon credits to be issued

**Deliverables:** Clear, transparent audit trail with evidence to support conclusions

*Note: verifiers **cannot consult** for the same project they verify (limited to generic advice and outlining of deficiencies)*

# Stages of a Verification Audit

- Administrative beginnings

- Kick-off meeting

- Desk review

- Site visit

- Findings

- Verification report and statement

- Credit issuance

*Note: verifiers **cannot consult** for the same project they verify (limited to generic advice and outlining of deficiencies)*

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# Verification Steps

- Getting Started
  - Contracts, Bids

- Conflict of Interest Assessment
  - Scheme approval

- Project Kick-off
  - Meeting with audit team
  - Review the scope of work, assessment process, and timelines
  - Set expectations for both sides
  - Discuss safety for site visit

# Verification Steps

## Desk Review

- Review project documentation
- Assess conformance with applicable standards and methodologies
- Sampling plan and risk assessment
- Data and calculation checks
- Develop the audit plan for the site visit

# Verification Steps

## Site Visit

◆ **Opening Meeting**
- Discuss audit plan & scope
- Interview relevant personnel
- Review management plan and protocol

◆ **Site reconnaissance**
- Assessment of project activities
- Ensure conformance to project plan, monitoring, and applicable standards

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# Verification Steps

- **Findings**
  - Issued by audit team
  - Iterative process
  - Closing findings necessary to produce verification opinion

# Verification Steps

## Issuing a Verification Report and Verification Opinion

- Adherence to requirements
- Extensive documentation and data trail
- High stakes consequences of errors/omissions—failure to detect

## Technical Review

- Conducted by a Lead Verifier
- Audit oversight
- Technical and quality check of the verification process
- Come to same conclusion of verification team

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# Verification Steps

## Issuing Report and Statement

- You will have a chance to review the verification opinion and report

## Scheme Submittal

- Verification Report and Statement are submitted to Scheme

- Review and comments

- Project Approval

# CREDIT ISSUANCE!

# Lessons Learned –Makings of a Successful Project

# Top 5 Problems and Shortcomings

- Lack of preparedness, documentation, evidence or experience

- Failure to budget adequately for validation/verification

- Carrying out measurement/monitoring tasks to a lower standard of quality than is needed for carbon projects

- Failure to obtain clear right of use or land title, or to consider GHG Program-specific rules pertaining to title

- Failure to adequately engage local communities in project design/implementation

# Lessons Learned: Invest in Success

- Be prepared: It will save you time and money
- Aim for high technical quality: project development, documentation, and implementation
- Understand the protocols, in detail, and ask for clarification
- Replication is key- make it easy on the auditor as they must replicate your steps in order to sign off on your project

- Be ready to show "evidence"
- As needed seek and obtain written guidance from the standards body

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# Thank you!

Tiffany Mayville

tmayville@scsglobalservices.com

+1 510 452 6815

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