



## **Stakeholder Comment Period for Updates to the *Green-e Climate Standard***

Center for Resource Solutions (CRS) is updating the *Green-e Climate Standard* to version 2.0. This document contains proposed changes on which CRS is seeking stakeholder comment. It also contains other potential changes or issues on which CRS is seeking input from stakeholders. A summary of these changes is provided below, followed by actual proposed and current language.

### **Summary of Proposed Changes for Stakeholder Review:**

1. *Crediting* – new requirement that credits shall not be issued for reductions that have not been verified
2. *Crediting Periods* – change requirements to 15 year per-period maximum, 10 year renewable twice (30 year max), 20–100 year crediting period for sequestration
3. *Reporting period* – new requirement that a reporting period be specified that does not exceed 24 months
4. *Verification* – new requirement that a verification period be specified that does not exceed 3 years for non-sequestration projects and 7 years for sequestration projects, and change requirement regarding on-site verification visits to at least once every 7 years
5. *Hydropower* – change project-specific criteria for U.S. and Canadian facilities to conform with the *Green-e Energy National Standard*
6. *Hydropower* – new project-specific criterion for non-U.S. and Canadian hydropower specifying that for “grouped” projects, the total combined capacity of the group may exceed 10 MW, but each individual instance of the grouped project must be smaller than 10 MW
7. *Biomass* – new project-specific criterion for biomass specifying that life-cycle impacts and secondary emissions associated with solid or liquid biomass must be accounted for
8. *Industrial Gases* – new project-specific criterion for industrial gas destruction projects specifying that HFC-23 destruction projects are not eligible
9. *Definition of GHG* – change to the definition of a GHG so that Green-e Climate addresses any gas with a radiative forcing effect on the atmosphere, including but not limited to the Kyoto (6) gases

### **Summary of Potential Other Changes for Stakeholder Review:**

10. *Timing Additionality Test* – seeking stakeholder input on whether limitations on the amount of time between a project’s start date and the generation of emissions reductions remains necessary
11. *Forestry* – seeking stakeholder input on whether or not to remove or amend the current project-specific requirement regarding the use of native species
12. *Forestry* – seeking stakeholder input on whether or not the Standard should contain project-specific criteria related to even-age management, carbon pool accounting, and the maintenance of certain carbon stocks for environmental integrity purposes

## Proposed Changes for Stakeholder Review:

1. Section 5.1.c, *Principle 3: Environmental Integrity of GHG Emissions Reductions*, new requirement:

e) *The GHG Program shall not issue credits for GHG emissions reductions that have not been verified in accordance with program requirements and Section 5.1.d(e) of this Standard.*<sup>1</sup>

<sup>1</sup> *In certain cases, certain projects (such as ozone depleting substances [ODS] destruction and composting activities) may receive immediate crediting of future avoided emissions, where the project immediately avoids future streams of GHG emissions as a result of an upfront intervention. Credits shall be issued only after such an intervention has occurred and the GHG emission reductions have been verified. Credits issued for future avoided emissions should be limited to emissions avoided over a defined time period based on conservative estimations of the time period over which emissions are avoided.*

2. Section 5.1.c, *Principle 3: Environmental Integrity of GHG Emissions Reductions*, change to requirement (f).

Current (v.1.0):

*Crediting periods may be: (1) up to fifteen years; (2) ten years with the option of one renewal; or, (3) seven years with the option of two renewals. Biological carbon sequestration or conservation projects may permit crediting periods of up to fifty years or the lifetime of the project management plan, whichever is shorter.*

Proposed (v.2.0):

*Crediting periods for non-sequestration projects may be: (1) up to 15 years for each period; and (2) renewed, with the total crediting period not to exceed 30 years. The total crediting period for sequestration projects may be up to 100 years, but must not be shorter than 20 years.*

3. Section 5.1.d, *Principle 4: Validity and Verification of Emissions Reductions*, new requirement:

d) *GHG Program requirements specify that the period of time for which a project quantifies and reports GHG reductions and removals to the Program Administrator (reporting period) must be contiguous and shall not exceed 24 months in duration.*<sup>1</sup>

<sup>1</sup> *The GHG Program may allow for the reporting period to exceed 24 months in certain cases (e.g. in the case of the first reporting period that precedes initial verification), provided that all reporting periods thereafter do not exceed 24 months in duration.*

4. Section 5.1.d, *Principle 4: Validity and Verification of Emissions Reductions*, change to requirement (e).

Current (v.1.0):

*The Program requires an initial on-site verification of GHG emission reductions originating from all validated GHG projects except those designated by program requirements as “small scale.” On-site verification must subsequently occur at minimum every five to seven years.*

Proposed (v.2.0):

*GHG Program requirements specify that the period of time for which GHG reductions/removals are verified (verification period) shall not exceed three years for non-sequestration projects, and shall not exceed seven years for sequestration projects. The GHG Program requires an initial on-site verification of GHG emissions reductions originating from all validated GHG projects, with subsequent on-site verification visits occurring at minimum once every seven years throughout the crediting period.<sup>1</sup>*

<sup>1</sup> *The GHG Program may allow for individual site visits to be deferred in certain cases, provided that subsequent site visits continue on an at least once every seven years basis.*

5. Section 6.2, change to project-specific criteria for hydropower projects, requirement (a).

Current (v.1.0):

- a) *In the United States and Canada, only GHG emission reductions from new generation capacity on a non-impoundment or new generation capacity on an existing impoundment that meets one or more of the following conditions are eligible:*
- i. *the hydropower facility is certified by the Low Impact Hydropower Institute;*
  - ii. *the facility is a run-of-the-river hydropower facility with a total rated nameplate capacity equal to or less than 5 MW. Multiple turbines will not be counted separately and cannot add up to more than a 5 MW nameplate capacity; and/or*
  - iii. *the hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal.*

Proposed (v.2.0):

- a) *In the United States or Canada, only GHG emissions reductions from new generation capacity on a non-impoundment or new generation capacity on an existing impoundment that meets one or more of the following conditions is eligible:*
- i. *The hydropower facility is certified by the Low Impact Hydropower Institute (LIHI);*
  - ii. *For Canadian hydropower facilities only, the facility is EcoLogo<sup>M</sup> certified; or*
  - iii. *The hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal.*

*For facilities falling under i. or ii. above, only output generated during the period of LIHI certification or EcoLogo certification is eligible for Green-e Climate Certified sale.*

6. Section 6.2, project-specific criteria for hydropower projects, new requirement:

d) *In countries other than the United States and Canada, for a “grouped” project, consisting of more than one instance of the project activity at multiple locations within a defined geographic boundary, which is certified as a group or program of activities under an Endorsed Program, the total capacity of the grouped project may exceed the 10 MW capacity limit given in Section 6.2.c above; however, no single instance of the project within the group shall exceed the applicable capacity limit.*

7. Section 6.3, new project-specific criteria for biomass power projects:

*For biomass power projects that utilize solid or liquid biomass, the GHG program must account for life-cycle impacts and secondary emissions associated with the biomass.*

8. Section 6.4, new project-specific criteria for industrial gas destruction projects:

*HFC-23 destruction projects are ineligible under this Standard.*

9. Section 8, Definitions, change to definition of Greenhouse Gas (GHG):

Current (v.1.0):

*Gases that trap heat in the atmosphere and are emitted through natural processes and human activities. Green-e Climate addresses GHG emission reductions that originate from the six principal GHGs included in the Kyoto Protocol, namely carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride (CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, HFCs, PFCs and SF<sub>6</sub>).*

Proposed (v.2.0):

*Gases that trap heat in the atmosphere and are emitted through natural processes and human activities. Green-e Climate addresses GHG emissions reductions that originate from any gas that has been determined by the Intergovernmental Panel on Climate Change (IPCC) to have an anthropogenic radiative forcing effect on the atmosphere, including but not necessarily limited to the six principal GHGs included in the Kyoto Protocol: carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride (CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, HFCs, PFCs and SF<sub>6</sub>).*

## **Other Potential Changes for Stakeholder Review:**

10. Remove or alter the following in the description of the Timing Test in Section 5.1.c , Table 1:

*Projects that have been operational for five years without selling emissions reductions or becoming validated and producing verified and certified emissions reductions according to an Endorsed Program’s requirements do not pass the timing test.*

Though all individual projects supplying Certified offsets meet this requirement, it is inconsistent with the rules of some existing Endorsed Programs for certain cases. For example, VCS AFOLU projects starting on or after 1 January 2002 are not required to complete validation within a specific time, and CAR projects listed within the first 12 months of a protocol’s adoption date with a start date of 1 January 2001 or later may have been operational for more than 5 years without producing emissions reductions. The requirement was originally included as an additional safety mechanism for the

timing additionality test. However, now that the market has matured, it may no longer be necessary.

Program staff is seeking stakeholder input on this issue.

11. Section 6.4, change to project-specific criteria for sequestration projects, remove or alter requirement (d).

*d) required use of species that are native to the region in which the project is located, or justification that any non-native species used are superior to native species for generating concrete biodiversity benefits*

This requirement was added at the request of stakeholders during the second stakeholder comment period for the *Green-e Climate Standard*. Though this requirement appears to be consistent with the protocols and guidance of certain credible organizations working in the area of forestry and forestry offsets, there may be circumstances in which the use of non-native species is more appropriate, and good reasons to alter the current language.

Program staff is seeking stakeholder input on this issue.

12. Section 6.4, change to project-specific criteria for sequestration projects, add requirements (e), (f), and (g).

*e) [Even-age management restrictions]  
f) [Carbon pool accounting requirements]  
g) [Requirements for maintenance of certain carbon stocks (e.g. lying deadwood) for environmental integrity purposes]*

These were issues identified by the Board and Stakeholders for potential inclusion in the Standard during evaluation of Climate Action Reserve (CAR) Forestry Protocol for endorsement by Green-e Climate in May 2010. The CAR Forestry Protocol was endorsed in December 2010.

Program staff is seeking stakeholder input on this issue.