

The Green-e Greenhouse Gas Product Standard

DRAFT, Version 1.0

1. Purpose.....	2
2. Definitions.....	3
3. Governance and Administration.....	5
4. Eligible Sources of GHG Reductions.....	5
4.1 Application and Approval Process for Determination of Eligible Sources of GHG Reductions.....	6
4.2 Principles for Determination of Eligible Sources of GHG Reductions.....	6
5. Product Certification.....	8
6. Verification Procedures.....	8
7. Additional Criteria.....	9
7.1 Referenced Standards.....	9
7.1.1 The Provision of General Procedural Guidance.....	9
7.1.2 Detailed Methodological Requirements for Direct Use.....	9
7.1.3 Use of Current Referenced Standards.....	9
7.2 Project-Specific Criteria.....	9

The Green-e Greenhouse Gas Product Standard

DRAFT Version 1.0

1. Purpose

This is the Green-e Standard for Greenhouse Gas Products (Standard). The purpose of this Standard is to reduce greenhouse gas (GHG) emissions by providing a credible consumer protection program for GHG reductions sold in the voluntary retail greenhouse gas reduction market. GHG reduction products certified under this standard must contain only real, measurable, verifiable and beyond business-as-usual (BAU) GHG emission reductions, including reductions beyond any emission caps specified in any voluntary or mandatory local, state, national or international GHG regulatory structure or program.

This Standard and related certification program is aimed at marketers of GHG reduction products seeking to provide customers with quality assurance that the GHG reductions they offer are real, measurable, verifiable, beyond business-as-usual, and not claimed by or sold to any other party. This Standard and related documents outline certification requirements for GHG emission reduction products. GHG emission reduction products are comprised of verified GHG emission reductions issued from eligible GHG emission reduction projects. Eligible GHG emission reduction projects are projects validated, verified and certified according to the provisions of Participating GHG Certification Programs that follow the Principles outlined in this Standard. GHG Certification Programs wishing for GHG emission reductions certified according to their standard to be included in retail GHG reduction products certified accounting to this Standard are invited to apply to participate in this Standard as outlined in Section 4.

This Standard is considered a dynamic document and may change over time to accommodate changes in the greenhouse gas reduction marketplace and policy changes that impact voluntary greenhouse gas reductions. For any substantial changes to this GHG Product Standard, the Green-e Program commits that:

- Stakeholders will be solicited in advance of Green-e Governance Board meetings for input on substantive policy change issues; and
- At least one year of notice (following the date of announcement of Board approval) will be granted to program participants before the substantive changes go into effect, unless a more timely change is necessary to respond to a significant and imminent problem threatening the integrity of voluntary greenhouse gas reduction markets.

Marketers of Green-e certified products under this Standard may petition Green-e for an exemption from specific changes in the criteria if they can document current contracts or other conditions that prevent them from meeting the change.¹

Changes that are not limiting to marketers of Green-e certified products (i.e. will impose no burden on currently certified products) or need to be implemented in the short term to accommodate external policy changes may take effect immediately upon Board approval.

Additional details about the Green-e Greenhouse Gas Product certification criteria, the application process, verification protocol, marketing compliance review, and other program requirements can be found in the Green-e GHG Product Code of Conduct and Green-e GHG Product Customer Disclosure Requirements, available on the Green-e Program website www.green-e.org. The criteria presented below will go into effect on XXX xx , 2007.

2. Definitions

Certify – The review and approval of a verification report quantifying the number of verified GHG emission reductions that have been produced from an eligible project developed according to the standards of a participating GHG certification program.

Code of Conduct— A document developed by Center for Resource Solutions to guide GHG marketers' participation in the Green-e GHG Product Standard. The Code must be signed by participating GHG marketers and requires adherence to ethical guidelines, an annual verification, and a biannual marketing compliance review.

Consumer Disclosure Guidelines -- A document developed by the Center for Resource Solutions that outlines procedures for a biannual marketing compliance review to be conducted by CRS of participating GHG marketers. Includes minimum information requirements for participating GHG marketers at point of purchase, on websites, and in printed materials.

Double Counting – A situation prohibited under this Standard in which more than one end-user claims the same GHG emission reduction benefits.

Double Issuance- A situation prohibited under this Standard in which GHG emission reductions are issued at source, or along a transaction chain, more than once.

GHG Benefit – The environmental benefits as represented in a given quantity of certified GHG emission reductions. Can be claimed or registered by only one end-user.

¹ Note: This provision applies only to marketers currently selling Green-e certified products and only for a period of one year while a transition to the new standard is made.

GHG Certification Program – A program comprised of governance and administrative entities that provide oversight of the production and certification of emission reductions according to a GHG Standard and GHG Verification Protocol previously developed by the entities.

GHG Emission Reduction -- Reductions or removals of greenhouse gases produced by projects or facilities that have been validated, verified and certified according to the Standards of a Participating GHG Program. Reductions or removals must be additional to any that would otherwise occur. Measured in metric tons of carbon dioxide equivalent.

GHG Marketers -- Entities engaged in the transfer through sales of GHG emission reductions originating from GHG certification programs to customers. In the case of end-use customers, such transfers are typically formalized through the retirement of such GHG emission reductions by the GHG marketer on behalf of the customer.

GHG Standard – A document containing guiding principles, criteria, program and verification protocols and/or other information necessary for the administration of a certification program for GHG emission reductions. Specifies minimum requirements for the production of certified GHG emission reductions under a given GHG Certification Program.

Participating GHG Certification Program – A GHG Certification Program that has applied to and been approved by the Green-e Board to participate in the Green-e GHG Product Standard through the provision of GHG emission reductions to Participating GHG marketers.

Participating GHG Marketers -- GHG Marketers that seek and earn certification under the Green-e GHG Product Standard of GHG emission reductions that they transfer through sales to customers. In the case of end-use customers, such transfers are typically formalized through the retirement of such GHG emission reductions by the GHG marketer on behalf of the customer.

Project Development Documents – Documents prepared during the development phase of a GHG emission reduction project that report basic project information such as project type, location, baseline scenarios, monitoring plans and/or other information relevant to the production of GHG emission reductions from the project.

Real, measurable, verifiable and beyond business as usual emission reductions – GHG emission reductions or removals that originate from an eligible greenhouse gas emission reduction project that has been validated, verified and certified according to the Standards of a Participating GHG Program. Reductions or removals must be additional to any that would otherwise occur. The baseline must comprise a credible projection of emissions without the project, and GHG emission reductions or removals from that baseline must be measured, verified independently, and permanent. Measured in metric tons of carbon dioxide equivalent.

Validate-- The assessment and approval of documents describing a project's design, including information on baseline scenarios and a monitoring plan, by an independent third party before the implementation of the project according to the requirements of a given Standard under which a project seeks certification. Typically carried out through the examination of project development or similar documents.

Verify-- The review and approval of a specified quantity of GHG emission reductions as originating from an eligible project developed according to the Standards of a Participating GHG certification program. May include on-site visits and the production of a verification report.

Verified GHG Reduction-- A GHG emission reduction that has been verified by an independent entity as produced under conditions meeting the requirements of the Standard of a Participating GHG certification program.

Verification Report-- A report prepared by an independent entity, pursuant to a verification, which reports the findings of the verification process, including the quantity of GHG emission reductions that have been found to have been generated.

3. Governance and Administration

The Green-e Governance Board governs implementation of this Standard and accompanying documents that together comprise the Green-e GHG Product Program (Program). Accompanying documents include the Green-e GHG Product Code of Conduct; Green-e GHG Product Customer Disclosure Requirements; Green-e GHG Product Logo-Use Guidelines; and, Green-e GHG Product Verification Protocols and Instructions.

The Center for Resource Solutions (CRS) shall serve as the Secretariat for the Program and is responsible for implementation of the Standard and accompanying documents. CRS staff shall manage program implementation, including certification procedures and verification processes. Certification under this Standard by CRS shall be based on the recommendations of the Green-e Board carried out via contractual agreements between CRS and Participating GHG Marketers.

4. Eligible Sources of GHG Reductions

GHG reductions eligible to be included within this Standard must be real, measurable, verifiable and beyond business-as-usual (BAU), including beyond emission caps specified in any voluntary or mandatory local, state, national or international GHG regulatory structure or program. GHG reductions eligible to be included within this

Standard must be certified by a GHG Certification Program. Eligibility of such reductions shall be determined by the processes and criteria below.

4.1 Application and Approval Process for Determination of Eligible Sources of GHG Reductions

GHG Certification Programs that would like to have GHG emissions reductions certified according to their standard accepted as eligible sources of supply under the Green-e GHG Product Standard shall submit an application, in a format to be specified by CRS, to the Green-e Governance Board detailing how the program follows the Principles contained in this Standard. Applications received from interested GHG Certification Programs shall be distributed to stakeholders for a 30 day comment period. Following the comment period, the GHG subcommittee of the Green-e Governance Board shall consider the application and stakeholder comments and shall make a recommendation on the program to the Green-e Governance Board. The Green-e Governance Board shall review the GHG Subcommittee's recommendation and make a final decision on the applying GHG Certification Program in a timely manner.

4.2 Principles for Determination of Eligible Sources of GHG Reductions

The GHG Standards and Verification Protocols used by applying GHG Certification Programs shall abide by the Principles set forth in this Standard. These are as follows:

Principle 1: Procedures for standard development invite broad participation by interested parties, are transparent and require public availability of information

- a) Documented procedures for the standard development process exist
- b) Public review phase of standard includes public comment for a period of at least 30 days
- c) Public comments are taken into account and a publicly available written synopsis exists of how each material issue has been addressed.
- d) The standard-setting process strives for participation by and consensus among interested parties
 - i) Standard-setting organizations ensure the participation of parties with relevant expertise and/or those that are materially affected by the standard.
 - ii) Membership-based standard setting organizations have transparent standards and a standard setting process that allows participation by non-member parties that may be materially affected by the standard.
 - iii) The standard setting body documents the participation of parties in the standard setting process

- iv) Records of standard development activities are maintained
- e) The approved standards and protocols are publicly available online.

Principle 2: Balance and Impartiality

- a) Governance bodies that develop and administer the standard have rules and procedures in place to prevent conflicts of interest.
- b) Governance mechanisms for the standard include, or shall include by 2008, a dispute resolution mechanism through which stakeholders may register questions regarding projects that may not be in full compliance with the Standard. The mechanism shall be designed to ensure a speedy and impartial resolution of substantive issues raised.

Principle 3: Standard technical provisions ensure real, measurable, verifiable and beyond business-as-usual GHG reductions

- a) The technical provisions of the standard have been developed and reviewed, and are periodically updated, through transparent procedures.
- b) Process or procedures should be available to change the standard and protocol if material issues are identified by interested parties that conflict with the principle of real, measurable, verifiable and beyond business-as-usual GHG reductions.

Principle 4: Standard ensures the validity of GHG reductions with respect to the standard's requirements

- a) Standard is administered by an independent entity that receives both 1) evaluations of GHG reduction projects that assure the project meets the standard and 2) verification reports of GHG reductions.
- b) The entities conducting GHG reduction project review to validate that the project meets the standard and the entities conducting initial and/or periodic review to verify the quantity of GHG reduction production from the project are third party entities independent from any entities that certify the quantity of verified GHG reductions from the project.
- c) Any entities that conduct GHG reduction project review to validate that the project meets the standard, that conduct initial and/or periodic review to verify the quantity of GHG reduction production, or that certify the quantity of verified GHG reductions are 1) independent from the entity(ies) that developed the project or project activities; and 2), do not sell GHG emission reductions resulting from the project.

Principle 5: Standard includes measures to require disclosure and assure no double counting

- a) Standard implementation procedures include a system to identify and track the following information for each quantified GHG emission reduction:
 - i) Project information, including name, type and other information that allows identification of specific project
 - ii) Project location
 - iii) Year of initiation of project or project activities
 - iv) Date of creation of the quantified GHG emission reduction
 - v) Clarity of ownership of reduction
- b) Certification and verification system ensures there is no double counting or double issuance and that GHG emission reduction benefits are registered only once.
- c) For project-based GHG Programs, documentation such as Project Development Documents and Verification Reports or written synopsis of such documents, are publicly available for review.

5. Product Certification

Certification under this Program will be granted to retail greenhouse gas reduction products. Entities such as GHG Marketers seeking to certify retail greenhouse gas products under this Standard shall submit application materials, in a form provided by CRS, which document the GHG reduction product's compliance with this standard, including the Green-e GHG Product Code of Conduct, the Green-e GHG Product Consumer Disclosure Guidelines, and other program documents. CRS will determine if the application is complete and in compliance with the Program requirements. If it is determined to be complete and in compliance with Program requirements, CRS will grant certification for the applying product.

6. Verification Procedures

Verification procedures for the Standard shall ensure that Participating GHG Certification Programs and Participating GHG Marketers meet the requirements set forth in this Standard as well as in the Green-e GHG Product Code of Conduct, the Green-e GHG Product Customer Disclosure Requirements, and the Green-e GHG Product Logo-Use Guidelines. These documents are available for review at www.green-e.org.

Verification procedures shall be conducted according to these documents on an annual basis. In addition, a review of all certified product marketing materials (Marketing Compliance Review) shall occur biannually.

7. Additional Criteria

7.1 Referenced Standards

Many GHG Standards or portions of standards are included by reference within other GHG Certification Programs and Standards. Should GHG Certification Programs applying to participate in the Green-e GHG Product Standard include “referenced standards,” the treatment of those referenced standards shall be left to the discretion of the GHG subcommittee of the Green-e Board that reviews program applications, with the following as general recommendations.

7.1.1 The Provision of General Procedural Guidance

Where a referenced standard that meets Green-e Principles provides *general procedural guidance* that is further clarified by required procedures or methodologies contained in the applying standard program, no further review of the referenced standard by the subcommittee may be necessary.

7.1.2 Detailed Methodological Requirements for Direct Use

Where a referenced standard contains *detailed methodological requirements for direct use in a standard*, the applying program must provide information about how the development of those methodological requirements meets the Principles contained in the Green-e standard, if the program from which the methodologies are drawn has not yet applied to and been approved into the Green-e program.

7.1.3 Use of Current Referenced Standards

Provisions for the use of referenced standards within applying GHG Programs should require use of the most recently revised version of the referenced standard.

7.2 Project-Specific Criteria

The intent of this Standard is to include in their entirety those GHG Programs that apply for participation in this program and are approved by the Green-e Governance Board. However, if stakeholder comments reveal systemic concerns relating to specific project types within an applying GHG Program, these will be relayed to the Green-e GHG Subcommittee. The Subcommittee may in turn recommend for adoption by the Green-e Governance Board a limited number of project-specific criteria.