

## Summary of Changes from ACR Standard v7.0 to 8.0

Below is a summary of significant changes to the *ACR Standard* from v7.0, published December 2020, to v8.0 posted for public comment May 1, 2023. A draft of ACR Standard v8.0 was previously posted for public comment November 1 – December 31, 2021. The changes immediately below represent ACR’s responses to the first round of public comment as well as additional programmatic clarifications. The first round of proposed changes is outlined for reference in the separate summary table that follows.

| Topic                                                    | Revision                                                                                                                                                                                                                                                                                                                                                                                                                               | Section(s)                    |
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| Applicability                                            | Confirmed with clarified language that Project eligibility is subject to the conditions of the ACR Standard version under which the project was listed and confirmed upon validation, and that all Projects, where applicable, are required to adhere to updates to ACR administrative policies as prescribed in the most recently published version of the Standard.                                                                  | Applicability                 |
| Terminology                                              | <ul style="list-style-type: none"> <li>Replaced use of “offset credit” and “offsets” with “carbon credit(s)”.</li> <li>Replaced use of “member” to ACR Registry Account Holder”.</li> <li>Updated tool name from “ACR’s Tool for Risk Analysis and Buffer Determination” to “ACR’s Tool for Reversal Risk Analysis and Buffer Pool Contribution Determination”</li> <li>Replaced use of “Offset Project” with “GHG Project”</li> </ul> | Throughout                    |
| Scope exclusions                                         | Codified ACR’s existing scope exclusion for projects that displace one type of fossil fuel to another type of fossil fuel and projects that lock-in long-term GHG emissions.                                                                                                                                                                                                                                                           | 1.E.1                         |
| Policy regarding revisions to ACR Standard               | Clarified that “the ACR Standard”, as opposed to “all ACR Standards”, will be posted for public comment for at least 60 days prior to adoption.                                                                                                                                                                                                                                                                                        | 1.I                           |
| Eligibility: Crediting Period                            | Consistent with methodologies, confirmed that the baseline scenario shall be re-evaluated <u>and remodeled (as appropriate)</u> in order to renew a Crediting Period.                                                                                                                                                                                                                                                                  | Table 2                       |
| Eligibility: Regulatory Compliance                       | Clarified language in footnote regarding ACR’s policy for assessing regulatory compliance violations.                                                                                                                                                                                                                                                                                                                                  | Table 2                       |
| Eligibility: Permanent                                   | Clarified language that ACR’s permanence policies can apply to both emission reductions and removals achieved by AFOLU project types.                                                                                                                                                                                                                                                                                                  | Tables 2 and 4 and throughout |
| Eligibility: Environmental and Social Impact Assessments | Updated criterion name and removed redundant restatement of process requirements, which are referenced and fully outlined in Chapter 8.                                                                                                                                                                                                                                                                                                | Table 2                       |
| Permanence                                               | Clarified ACR’s requirement that projects with a risk of reversals shall assess and mitigate risk, and monitor, report, and compensate for reversals <u>over the Project Term</u> .                                                                                                                                                                                                                                                    | 5                             |

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| Assessment of Risk          | <ul style="list-style-type: none"> <li>Removed “management failure” from list of risks as it is considered intentional.</li> <li>Clarified that Project Proponents shall conduct their risk assessment using the most recent version of the ACR Tool for Reversal Risk Analysis and Buffer Pool Contribution Determination at time of verification.</li> <li>Clarified that in the event of a reversal the risk category and Minimum Buffer Pool Contribution shall be reassessed and reverified according to provisions laid out the most recently published version of the ACR Buffer Pool Terms and Conditions.</li> </ul>                                                                                                                           | 5.A                        |
| Reversal compensation       | <ul style="list-style-type: none"> <li>Added statement that if the Project Proponent is not the same entity as the Project Developer Account Holder, the Project Developer Account Holder shall facilitate the replacement of the Verified Lost Offset Amount and deliver credits to compensate for the Verified Lost Offset Amount.</li> <li>Clarified that for geologic sequestration projects ongoing reversal monitoring requirements are detailed in the relevant methodology(ies). Confirmed ACR’s policy that at the end of the Minimum Project Term “for AFOLU projects”, if the Project Proponent does not renew for another Crediting Period, ACR conservatively assumes that the activities have ceased.</li> </ul>                          | 5.B<br>5.B.2<br>5.C<br>5.D |
| Project Development Process | <ul style="list-style-type: none"> <li>Clarified that the GHG Project Listing Form must include a non-technical summary of the project.</li> <li>Added that ACR will post all newly listed projects on the ACR website as available for local and global public comments.</li> <li>Update that project monitoring reports will be made public on the registry.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                               | 6.A                        |
| GHG Project Plan            | <p>Added requirement for including:</p> <ul style="list-style-type: none"> <li>a non-technical executive summary with key information;</li> <li>for AFOLU projects, a map delineating the project area boundary within a regional context (i.e., governing jurisdictions, towns, roads, major rivers and bodies of water, and other notable features); and</li> <li>Attestation by the Project Proponent and Project Developer Account Holder, if not the same entity, regarding the content contained within the GHG Project Plan.</li> </ul>                                                                                                                                                                                                          | 6.B                        |
| Project Monitoring Reports  | Clarified and expanded the context of the attestations required in the monitoring reports.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 6.E                        |
| Aggregation                 | <p>Clarified that if the Aggregated Project includes multiple landowners/facility owners, the Project Proponent is also the ACR Project Developer Account Holder and shall enter into a legally binding Reversal Risk Mitigation Agreement with ACR, if applicable.</p> <p>Added description of the Multi-Site Design Document, which is a required addendum to the GHG Project Plan and must be presented and approved at first initial validation and shall include a Site information Table.</p> <p>Updated list of required details within the Site information Table to include:</p> <ul style="list-style-type: none"> <li>a unique identification number for each site</li> <li>For AFOLU projects, the geographic size of each Site;</li> </ul> | 6.F.1<br>6.F.1.2           |

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|                                    | <ul style="list-style-type: none"> <li>For AFOLU projects, a clearly defined geographic boundary uniquely identifying each Site, including any maps and spatial files as required by the chosen methodology</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |
| Programmatic Design Approach       | <ul style="list-style-type: none"> <li>Clarified that if the PDA project includes multiple landowners/facility owners, the Project Proponent is also the ACR Project Developer Account Holder and shall enter into a legally binding Reversal Risk Mitigation Agreement with ACR, if applicable.</li> <li>Clarified that sites within a Cohort must share the same Implementation Date.</li> <li>Clarified that an individual Site may begin credit generation at its Site-specific Implementation Date.</li> <li>Confirmed that PDA requirements shall be described in a Project Design Document, which shall be considered an addendum to the GHG Project Plan and presented at first validation and updated coincident with subsequent Cohort validations.</li> <li>Clarified that each Site in a PDA Project must be enrolled with an Implementation Date no later than 5 years after the Project Start Date, unless otherwise specified.</li> <li>Clarified that each Site in a PDA Project must be presented in a Site Information Table within the Project Design Document.</li> <li>Revised list of required details within the Site Information Table to include: <ul style="list-style-type: none"> <li>a unique identification number for each site</li> <li>For AFOLU projects, the geographic size of each Site;</li> <li>For AFOLU projects, a clearly defined geographic boundary uniquely identifying each Site, including any maps and spatial files as required by the chosen methodology</li> <li>And removed: the calculations of baseline emissions and ex ante emissions</li> </ul> </li> </ul> | 6.F.2.1 and 6.F.2.2 |
| Commercially Sensitive Information | <ul style="list-style-type: none"> <li>Clarified that Commercially Sensitive Information is subject to confidentiality, privacy and data protection restrictions.</li> <li>Added statement confirming that synthesized project data may be aggregated and posted on the ACR registry to fulfill program reporting requirements.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 6.G                 |
| Project Documentation              | <p>Clarified requirement to submit to ACR:</p> <ul style="list-style-type: none"> <li>a GIS shapefile or other spatial datafile delineating the project area boundary, to be submitted and approved (yet privately maintained) on the project's registry, if applicable</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 6.H                 |
| Methodology approval               | Clarified that the Concept Note named in bullet #1 must be submitted by invitation using a template provided by ACR.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 7.B                 |
| Environmental and Social Impacts   | Clarified specific risk areas for evaluation and the requirement of the use of the ACR Environmental and Social Impact Assessment template for all projects. For the qualitative assessment of Sustainable Development contributions, requires the use of the ACR SDG Contributions Reporting template or other tools as approved by ACR.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Chapter 8           |
| Validation                         | Clarified that a listing review by ACR that results in an approved project listing shall not inform the process or determination of the subsequent validation by the selected VVB.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 9.A                 |

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| Materiality Threshold                      | Clarified that for terrestrial or geologic sequestration projects utilizing the Buffer Pool or Reserve Account to mitigate for reversals Equation 1 must be performed on total emission reductions and/or removals prior to deduction of the Buffer Pool or Reserve Account contribution.                                                                                                                        | 9.B           |
| Verification Interval                      | Clarified that the 5-year full verification requirement interval begins on the project Start Date and is calculated as the interval between the start date of a reporting period receiving a full verification and either its reporting period end date, or the reporting period end date of any subsequent desk-based verification(s), covering a maximum duration of 5 years of reporting.                     | 9.C and A.7.3 |
| Validation Report and Opinion              | <ul style="list-style-type: none"> <li>Added requirement to use the ACR-provided template for the Validation Opinion.</li> <li>To limit redundancy, withdrew the bulleted list of required contents for the validation report, the relevant details for which are provided in the ACR VVB Standard.</li> </ul>                                                                                                   | 9.E           |
| Verification Report and Opinion            | <ul style="list-style-type: none"> <li>Added requirement to use the ACR-provided template for the Verification Opinion.</li> <li>To limit redundancy, withdrew the bulleted list of required contents for the Verification report, the relevant details for which are provided in the ACR VVB Standard.</li> </ul>                                                                                               | 9.F           |
| Rotation of VVBs                           | Consistent with previously published methodology-specific Errata and Clarifications, confirmed that for project types with only one reporting period and therefore only one verification per project VVBs may conduct no more than five out of nine sequential verifications of projects developed at the same facility.                                                                                         | 9.H           |
| Validation and Verification Body oversight | <ul style="list-style-type: none"> <li>Clarified that ACR may elect to audit any validation and/or verification process conducted by an ACR-approved VVB, including attending the validation and/or verification meetings and site visits.</li> <li>Added that ACR will report significant, non-remediated and/or recurring VVB performance concerns to the relevant accreditation body.</li> </ul>              | 9.I           |
| Double Counting                            | Updated to align with UNFCCC decisions and CORSIA requirements.                                                                                                                                                                                                                                                                                                                                                  | Chapter 10    |
| ACR Complaints and Appeals Process         | Significantly enhanced ACR's Complaints and Appeals Procedure to provide detailed information on the scope of complaints, the stepwise process for evaluation, investigation and resolution including timelines, and the requirements and process for appeals.                                                                                                                                                   | Chapter 11    |
| Definitions                                | <p>Added definitions for:</p> <ul style="list-style-type: none"> <li>Account Holder</li> <li>Complaint</li> <li>Invasive Species</li> <li>Issue / Issuance</li> <li>Validation Opinion</li> <li>Vintage</li> </ul> <p>Clarified definitions for:</p> <ul style="list-style-type: none"> <li>Native vs. Non-native species</li> <li>Naturalized Species</li> <li>Project Proponent</li> <li>Validation</li> </ul> | Definitions   |
| Start Date                                 | Clarified the application of each of the start date definitions to PDA projects.                                                                                                                                                                                                                                                                                                                                 | Table 4       |

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| Natural Management Requirements | Further strengthened ACR's existing policy on invasive species. Consistent with approved methodologies, confirmed that for IFM and AC-F projects, forests that were converted from native species to non-native species within 10 years of the project start date are ineligible. | Table 4 |
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| Topic                                                  | Revision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Section(s)          |
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| ACR Governance                                         | Updated ACR Governance to include the role of the ERT Board of Managers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Introduction        |
| ACR Objectives                                         | Clarified language describing ACR's overall objectives.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1.B                 |
| Scope – included GHGs and Particulate Matter           | Removed reference to black carbon in GHG and particulate matter scope. ACR does not have any methodologies that include quantification of black carbon.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1.D                 |
| Scope exclusion: Renewable Energy project types        | Clarified language regarding existing scope exclusion of grid connected electricity generation projects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1.E.1               |
| Policy regarding revisions to ACR Standard             | Clarified that eligibility is set at validation, but projects may be required to adhere to relevant policy updates in subsequent versions of the ACR Standard.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1.J                 |
| Eligibility: Start Date                                | Clarified an exception to project validation deadlines. This provision is intended for projects that have conducted a pilot project or long-term data collection on which the methodology was based and/or directly contributed to the creation of the methodology. Recognizing that the length of ACR's methodology development process may extend beyond the Standard's overarching validation deadline requirements, ACR's Start Date criterion includes this provision to allow the eligibility of projects that were initiated with the objective of supporting the development of a new ACR methodology. The period of eligibility for these projects was also reduced to 5 years from the start date to listing. | Tables 2 and 4      |
| Eligibility: Real                                      | Clarified language to requirement for offsets to be "real"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Table 2             |
| Eligibility: Emission Removal Origin                   | Removed the Emission or Removal Origin criterion as it was determined to be redundant to requirements stipulated in the Offset Title criterion and the ACR Scope.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Table 2             |
| Regulatory Surplus                                     | Clarified the wording of the key question for the Regulatory Surplus test to include enforcement in addition to mandate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Table 3             |
| Clarification of terms                                 | Clarified term Offset Project Listing Form (vs. GHG Project Listing form), and clarification to include reference to the Reserve Account for geologic sequestration projects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 6.A                 |
| Fees associated with project validation / verification | Clarified that fees for validation and verification services are agreed between the Project Proponent and the VVB.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6.A                 |
| Clarification of terms                                 | Clarified Template for ACR Project Deviation Request (vs. Methodology Deviation template)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 6.D                 |
| Aggregation                                            | Addition of Site-level requirements for aggregation section, consistent with PDA Site level requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 6.F.1.2             |
| Programmatic Design Approach                           | Addition of language specifying that only a single version of any ACR methodology may be used among sites enrolled in a PDA project. Clarified that the enrollment period for PDA projects is 5 years after the project Start Date unless otherwise specified in the relevant methodology. Additional text edits for clarity.                                                                                                                                                                                                                                                                                                                                                                                           | 6.F.2.1 and 6.F.2.2 |
| Design considerations for Aggregation and PDA          | Moved AFOLU relevant examples up to section 6.F.3 so that design considerations for aggregated and PDA projects are more clearly presented together. Additional text edits for clarity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 6.F.3               |

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| Methodology approval                                       | Clarified that ACR conducts the internal review described in bullet #1 at currently published fees.                                                                                                                                                                                                                                                                   | 7.B                        |
| ACR Technical Committees                                   | Removed section describing ACR Technical Committees. This terminology is no longer relevant as ACR engages selected peer review experts for methodology development and modification processes. Removed reference to ACR Technical Committee in the definition of Methodology Deviations and Revisions.                                                               | Former 7.D and Definitions |
| Ongoing Disclosure of community and environmental impacts. | Clarified that Project Proponents shall provide confirmations and/or updates to the original environmental and community impact assessments in their ongoing Monitoring Reports.                                                                                                                                                                                      | 8.D                        |
| Submittal of verification reports                          | Added deadline for submittal of verification reports: no later than 2 years from the end of the reporting period being verified.                                                                                                                                                                                                                                      | 9.C                        |
| Validation Report and Opinion                              | Added new section outlining the requirement for a validation report and opinion to be submitted for any project.                                                                                                                                                                                                                                                      | 9.E                        |
| Verification Report and Opinion                            | Added requirements for the verification report to include verification timeline, a list of verified documents, the percent error calculation, and the relevant risk mitigation mechanism calculation for projects with a risk of reversal.                                                                                                                            | 9.F                        |
| Validation acceptance by ACR                               | Clarified that ACR acceptance process applies to validation as well as verification.                                                                                                                                                                                                                                                                                  | 9.G                        |
| Validation and Verification Body oversight                 | Clarified that ACR may suspend or revoke its approval of a VVB. Added details regarding ACR's selection of priority projects for audit, including those that are implementing a newly published methodology, those conducting the validation and verification activities with a newly approved VVB, and for which a VVB's newly approved scope expansion is relevant. | 9.I                        |
| Projects registered on ACR and other Programs              | Clarified that ACR AFOLU projects that have a risk of reversal are not eligible for simultaneous registration on ACR and another GHG program.                                                                                                                                                                                                                         | 10.A.1                     |
| ACR Complaints Procedure timeline                          | Clarified timing for ACR's response to a complainant.                                                                                                                                                                                                                                                                                                                 | 11.A                       |
| Definitions                                                | Clarified definition of "Intentional Reversal" in relation to willful withdrawal of a parcel/parcels.<br>Added definition for Reserve Account.                                                                                                                                                                                                                        | Definitions                |
| Agriculture Soil Carbon Enhancement                        | Deleted reference to agriculture soil carbon enhancement from eligible project types list as ACR does not have any approved methodologies for this project type. Deleted reference to Agriculture soil carbon enhancement section under Baselines and Leakage.                                                                                                        | A.1.1 and A.4              |
| Start Date                                                 | For IFM, modified list of activities denoting eligible start date. Clarified that the start date definition for Avoided Conversion of Non-Forest is the Same as that for Avoided Conversion of Forest. Removed reference to Agricultural Land based projects.                                                                                                         | Table 4                    |
| Conservation Easement duration                             | Clarified in footnote 41 that all land conservation agreements must be employed with a specified duration "at least as long" as a project's minimum project term.                                                                                                                                                                                                     | Table 4                    |
| Baselines: IFM                                             | Clarified that Best Management Practices refers to State published Best Management Practices.                                                                                                                                                                                                                                                                         | A.4.2                      |
| Leakage                                                    | Clarified that market effects leakage must be accounted or <b>mitigated</b> and how the methodology must address it.                                                                                                                                                                                                                                                  | A.4.7                      |
| Aggregation and PDA Design                                 | Consolidated this section with section 6.F.3 so previous section A.5.1 is no longer needed and was deleted.                                                                                                                                                                                                                                                           | former A.5.1               |

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| Requirements for AFOLU Projects    |                                                                                                                                                                                                                                                                                        |            |
| Verification schedule              | Updated policy for AR and wetlands projects to allow timing of first verification up to 12 years after project start date.                                                                                                                                                             | A.7.3      |
| Avoiding double counting in CORSIA | Updated language for alignment with Article 6                                                                                                                                                                                                                                          | Appendix B |
| Reference Documents                | Updated ISO 14064 and 14065 references throughout to 14064:2019 and 14065:2020 versions. Updated associated terminology: validation/verification “assertions” to validation/verification “statements”; and validation/verification “statements” to validation/verification “opinions”. | Throughout |