



The American Carbon Registry Standard Version 5.0

The American Carbon Registry's® requirements and specifications for the quantification, monitoring, reporting, verification, and registration of project-based GHG emissions reductions and removals

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Table of Contents

ACRONYM LIST	3
INTRODUCTION	4
CHAPTER 1: ACR BASICS	7
A. DESCRIPTION OF THE ACR	7
B. OBJECTIVES	7
C. GEOGRAPHIC SCOPE	7
D. SCOPE: GREENHOUSE GASES AND PARTICULATE MATTER	8
E. SCOPE: PROJECT TYPES	8
F. LANGUAGE	9
G. UNIT OF MEASURE	9
H. UNIT OF EXCHANGE	10
I. NO EX-ANTE CREDITING	10
J. ADOPTION OF AND REVISIONS TO ACR STANDARDS	10
K. CONFLICT OF INTEREST POLICY	10
CHAPTER 2: ACCOUNTING AND DATA QUALITY PRINCIPLE	12
A. GUIDING PRINCIPLES FOR GHG ACCOUNTING	12
B. BOUNDARY SELECTION	13
C. RELEVANCE AND COMPLETENESS	13
D. UNCERTAINTY, ACCURACY AND PRECISION	13
E. CONSERVATIVENESS	14
F. EMISSIONS FACTORS	14
G. MANAGING DATA QUALITY	14
CHAPTER 3: PROJECT ELIGIBILITY REQUIREMENTS	15
CHAPTER 4: ADDITIONALITY	23
A. THREE-PRONG ADDITIONALITY TEST	23
B. PERFORMANCE STANDARD APPROACHES	26
CHAPTER 5: PERMANENCE	28
A. ASSESSMENT OF RISK	28
B. REVERSAL MITIGATION, REPORTING AND COMPENSATION	29
C. MONITORING FOR REVERSALS	30
D. REVERSAL REPORTING AND COMPENSATION	30
CHAPTER 6: PROJECT DEVELOPMENT TRAJECTORY	31
A. PROJECT DEVELOPMENT PROCESS	31
B. INFORMATION IN A GHG PROJECT PLAN	32
C. PROJECT DEVIATIONS	33
D. PROJECT MONITORING REPORTS	34
E. AGGREGATION AND PROGRAMMATIC DEVELOPMENT APPROACH	34
F. COMMERCIALLY SENSITIVE INFORMATION	37
G. ADDITIONAL REQUIRED DOCUMENTATION FOR ELIGIBILITY SCREENING	38
H. CREDITING PERIOD RENEWAL	38
CHAPTER 7: METHODOLOGIES AND TOOLS	40
A. GHG MEASUREMENT TOOLS AND METHODOLOGIES	40
B. ACR'S INTERNAL REVIEW, PUBLIC CONSULTATION AND SCIENTIFIC PEER REVIEW PROCESS	41
C. UPDATES TO ACR-APPROVED METHODOLOGIES AND TOOLS	42
D. ROLES OF THE ACR TECHNICAL COMMITTEE(S)	42
CHAPTER 8: ENVIRONMENTAL AND COMMUNITY SAFEGUARDS	43
CHAPTER 9: VALIDATION AND VERIFICATION	46
A. DEFINITIONS	46
B. MATERIALITY THRESHOLD	46
C. VALIDATION AND VERIFICATION INTERVAL	47

D.	VALIDATION/VERIFICATION BODY REQUIREMENTS.....	47
E.	VERIFICATION REPORT AND STATEMENT	48
F.	VERIFICATION ACCEPTANCE	48
G.	ROTATION OF VERIFICATION BODIES	49
H.	VALIDATION AND VERIFICATION BODY OVERSIGHT.....	49
CHAPTER 10: LINKAGES TO OTHER GHG PROGRAMS & REGISTRIES, EMISSION TRADING SYSTEMS AND NATIONAL OR SECTORAL GHG EMISSIONS REDUCTION TARGETS		50
A.	POLICIES TO PREVENT DOUBLE ISSUANCE, DOUBLE USE AND DOUBLE SELLING OF OFFSETS	50
B.	POLICIES TO PREVENT DOUBLE CLAIMING OF EMISSIONS REDUCTIONS.....	51
C.	PREVIOUS REJECTION BY A GHG SYSTEM	51
REFERENCES		52
APPENDIX A: DEFINITIONS		53
APPENDIX B: NORMATIVE REFERENCES.....		62
APPENDIX C: COMPLAINTS & APPEALS PROCEDURE		64
CONTACT INFORMATION.....		66

ACRONYM LIST

ACR	American Carbon Registry®
AFOLU	Agriculture, Forestry and Other Land Use
ANSI	American National Standards Institute
AR4	Fourth Assessment Report of the Intergovernmental Panel on Climate Change
CCBA	Climate, Community and Biodiversity Alliance
CCS	Carbon Capture and Storage
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
CH ₄	Methane
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide-equivalent
DNA	Designated National Authority
ERT	Emission Reduction Tonne
GHG	Greenhouse Gas
GIS	Geographic Information System
GWP	Global Warming Potential
HFCs	Hydrofluorocarbons
IPCC	Intergovernmental Panel on Climate Change
IRR	Internal Rate of Return
ISO	International Organization for Standardization
NPV	Net Present Value
N ₂ O	Nitrous Oxide
ODS	Ozone-depleting Substances
OTC	Over-the-counter
PFCs	Perfluorocarbons
PoA	Program of Activities
QA/QC	Quality Assurance / Quality Control
REC	Renewable Energy Credit or Renewable Energy Certificate
RPS	Renewable Portfolio Standard
SF ₆	Sulfur Hexafluoride
USEPA	United States Environmental Protection Agency
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute

INTRODUCTION

The American Carbon Registry® (ACR) is a leading carbon offset program with two decades of unparalleled carbon market experience in the development of rigorous, science-based offset standards and methodologies as well as operational experience in the oversight of offset project verification, registration, offset issuance and retirement reporting through ACR's online registry system. ACR is a non-profit enterprise of Winrock International. Winrock International works with people in the U.S. and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources. Key to this mission is building capacity for climate change mitigation and adaptation and leveraging the power of environmental markets. Since the 1990s, Winrock has been a leader in developing science-based GHG measurement and monitoring methods and protocols.

ACR was founded in 1996 as the GHG Registry by the Environmental Resources Trust, and joined Winrock International in 2007. As the first private greenhouse gas registry in the world, ACR has set the bar for offset quality that is the market standard today and continues to lead carbon market innovation.

In 2012 ACR was approved by the California Air Resources Board to serve as an Offset Project Registry (OPR) and Early Action Offset Program (EAOP) for the California cap-and-trade market. ACR's work as a California OPR is governed by the California cap-and-trade regulation and compliance offset protocols approved by the Air Resources Board.¹ The *ACR Standard* governs only the registration of projects registered under ACR-approved methodologies.

ACR Governance

The ACR program is built on principles of accountability, transparency, responsiveness, and participatory processes. As an enterprise of Winrock International, ACR benefits by the support and guidance of an established, reputable, global nonprofit organization. Winrock International's management, executive team, and board of directors provide direct oversight of all ACR operations.

The ACR Standard

The *ACR Standard* details ACR's requirements and specifications for the quantification, monitoring, and reporting of project-based GHG emissions reductions and removals, verification, project registration, and

¹ The California cap and trade regulation (Subchapter 10 Climate Change, Article 5, Sections 95800 to 96023, Title 17, California Code of Regulations) and currently approved compliance offset protocols are available at <http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm>.

issuance of offsets. The *Standard* establishes the quality level that every project must meet in order for ACR to register its GHG emissions reductions and removals as tradable environmental assets.

ACR aims to maximize flexibility and usability for Project Proponents, while maintaining the environmental integrity and scientific rigor necessary to ensure that projects developed against its standards and methodologies are recognized as being of the highest quality, whether used for voluntary or pre-compliance early action purposes.

Adherence to this *Standard*, relevant sector-specific standards, and associated methodologies will ensure that project-based offsets represent emissions reductions and removals that are real, measurable, permanent, in excess of regulatory requirements and common practice, additional to business-as-usual, net of leakage, verified by a competent independent third party, and used only once.

Applicability

Project Proponents wishing to develop a project for registration on ACR shall follow this *Standard* and any relevant ACR sector standard, and must apply an ACR-approved methodology (as defined below).

The *ACR Standard v5.0* supersedes the *ACR Standard v4.0 (January 2015)*. Any project listed or registered subsequent to July 1, 2017 must follow all requirements of the *ACR Standard v5.0*. Projects currently listed or registered, or listed or registered prior to July 1, 2017, may be validated and verified according to *ACR Standard v4.0* through the end of the Crediting Period.

Project Proponents and other interested parties should refer to www.americancarbonregistry.org for the latest version of the *ACR Standard*, sector standards, methodologies, tools, document templates, and other guidance.

Chapter Guide

Chapter 1 provides basics on ACR

Chapter 2 provides ACR's general accounting and data quality principles for offset projects.

Chapter 3 summarizes ACR project eligibility requirements.

Chapter 4 details the ACR tests to ensure that offset projects are additional to business-as-usual.

Chapter 5 describes ACR's approach to ensuring permanence of GHG reductions and removals.

Chapter 6 summarizes the process for Project Proponents to develop and register a project

Chapter 7 summarizes the processes for ACR approval of new methodologies and methodology modifications

Chapter 8 summarizes ACR requirements for ensuring Environmental and Community Safeguards

Chapter 9 summarizes ACR requirements for validation and verification of all projects by a competent independent third-party verifier, which are addressed in greater detail in the *ACR Validation and Verification Standard for GHG Projects*.

Chapter 10 addresses ACR linkages to other GHG Programs and Registries, Emission Trading Systems and National or Sectoral GHG Emissions Reduction Targets

Appendix A provides definitions of terms used throughout this document. Appendix B provides a list of normative references on which the *ACR Standard* is based. Appendix C is ACR's Appeals and Complaints Procedure.

The *ACR Standard* does not detail legal responsibilities of ACR and ACR members with regard to the use of the registry, which are provided for in the ACR Member Terms of Use Agreement and referenced operative documents such as the ACR Operating Procedures. A project-specific contract between ACR and Project Proponents governs the operation of a buffer account to mitigate the risk of reversals in certain types of projects.

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CHAPTER 1: ACR BASICS

A. Description of the ACR

The American Carbon Registry®, a nonprofit enterprise of Winrock International, is a leading carbon offset program that operates in both the voluntary and the regulated carbon markets. Founded in 1996 as the first private voluntary GHG registry in the world, ACR has two decades of unparalleled carbon market experience in the development of rigorous, science-based offset standards and methodologies as well as operational experience in the oversight of offset project verification, registration, offset issuance and retirement reporting.

ACR operates a transparent online registry system for members to register projects and record the issuance, transfer and retirement of serialized, project-based and independently verified offsets. ACR's registry system records transactions directly negotiated between buyer and seller and is not an exchange. Offset transactions take place outside of ACR, over-the-counter (OTC) or on exchanges, and are tracked on ACR through the unique serial numbers assigned to every offset.

B. Objectives

ACR's objectives are to:

- Encourage action to manage GHG emissions;
- Provide guidance, transparent infrastructure, and science-based standards to foster high quality reductions in GHG emissions;
- Support best practices in project-level GHG accounting;
- Commercialize innovative new methodologies;
- Encourage broad adoption of climate change-mitigating practices with significant community, economic and environmental benefits;
- Enhance public confidence in market-based action for GHG reduction;
- Support convergence of international and U.S. carbon markets.

C. Geographic Scope

ACR accepts projects from locations worldwide, provided they follow an ACR-approved methodology. Some methodologies prescribe a narrower geographic scope (e.g., United States only).

D. Scope: Greenhouse Gases and Particulate Matter

ACR registers emission reductions and/or removal enhancements of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and black carbon. ACR's scope also includes destruction of Ozone-Depleting Substances (ODS) listed in Annexes A, B, C and E of the Montreal Protocol.²

E. Scope: Project Types

ACR accepts all projects validated and verified against an ACR-approved methodology, provided they comply with the current versions of the *ACR Standard* and relevant sector standard if applicable. ACR-approved methodologies include:

- Methodologies developed by ACR and approved through the public consultation and scientific peer review process;
- Methodologies approved by the Clean Development Mechanism (CDM) Executive Board, provided that the project is implemented in a non-Annex I country and adheres to requirements of the *ACR Standard*;
- Methodologies approved by the CDM Executive Board, provided that if the project will be implemented in the United States or another Annex I country, the Project Proponent must first have ACR review and approve the CDM methodology for consistency with ACR requirements;
- Modifications of existing methodologies, provided such modifications have been approved by ACR per requirements found in Chapter 7;
- New methodologies developed by external authors and approved by ACR through ACR's methodology development process described in Chapter 7.

With the exception of hydropower, ACR accepts renewable energy projects 100 MW and under and energy efficiency projects where the baselines include indirect emissions, only if the project activity takes place in the developing world.³ For hydropower, ACR accepts run-of-river projects up to 10 MW.

ACR will register GHG reductions from renewable energy and energy efficiency projects in the United States only if *all* of the following criteria are met:

- The project displaces *direct* emissions by reducing the consumption of fossil fuels at a facility that the Project Proponent owns or controls, or for which the facility owner has assigned the Project Proponent clear and uncontested offsets title. Examples are biomass co-firing with coal, biogas used to displace natural gas, energy efficiency projects that reduce natural gas use, etc.;

² See http://ozone.unep.org/Publications/MP_Handbook.

³ Under the Kyoto Protocol's Clean Development Mechanism (CDM), the governments of developing countries (non-Annex 1 countries), by approving emission reduction projects from renewable energy projects, provide a *de facto* assignment of emission reduction property rights to Project Proponents instead of owners of fossil fuel power plants. By contrast, renewable energy Project Proponents in Annex 1 countries (industrialized countries) do not have an assignment of emissions reduction property rights by the government, and thus do not have an unambiguous and uncontested ownership claim to the emission reductions.

- The project meets additionality and other requirements of the *ACR Standard*;
- The GHG reductions have not been used to meet a regulatory compliance obligation under a binding limit;
- Under possible future U.S. climate regulations, the project does not take place at a regulated source;
- The project has not been counted toward a mandatory Renewable Portfolio Standard (RPS) obligation or claimed Renewable Energy Credits (RECs), unless regulations in the relevant jurisdiction clearly allow separation (“unbundling”) of RECs and GHG attributes or the sources of REC and GHG attributes are clearly distinct.

ACR’s scope excludes:

- Projects that do not meet all ACR eligibility criteria, including projects which convert and/or clear native ecosystems to generate carbon offsets;
- Renewable energy and energy efficiency projects in the U.S., unless meeting all criteria above. Projects that displace indirect emissions at a source not owned or controlled by the Proponent (e.g., grid-connected renewable power generation) do not meet these criteria because of the lack of unambiguous and uncontested ownership of the emission reductions, lack of clear additionality, potential for double-counting of offsets and RECs in markets where regulations do not clearly allow for unbundling of RECs and GHG attributes, or where the sources of such attributes are indistinct, and potential for double-counting of offsets and entity-level emissions reductions;
- Energy or life-cycle GHG accounting-based indirect emissions reductions and removals from projects originating in Annex I countries.

F. Language

The operating language of ACR is English. All GHG Project Plans, methodologies, tools, verification statements, and other documents required by ACR shall be in English.

G. Unit of Measure

Project Proponents shall calculate, quantify, and report all GHG reductions and removal enhancements in metric tons, converting each metric ton to its CO₂ equivalent (CO₂e) using calculations based on the 100-year Global Warming Potential (GWP) factors listed in the IPCC *Fourth Assessment Report* (AR4), Working Group 1, Chapter 2, Table 2.14.⁴

⁴ See http://www.ipcc.ch/publications_and_data/ar4/wg1/en/ch2s2-10-2.html.

H. Unit of Exchange

The ACR unit of exchange is a verified emissions reduction (VER), serialized and registered as an Emission Reduction Ton (ERT), denominated in metric tonnes of CO₂e. ERTs include both emission reductions and removal enhancements (i.e. enhanced sequestration).

I. No Ex-Ante Crediting

A project-based offset is the result of a defined and eligible project action that yields quantifiable and verifiable GHG emissions reductions/removals. ACR will not issue ERTs for GHG emissions reductions or removals when an emission mitigation activity has not occurred or is not yet verified. ACR will not credit a projected stream of offsets on an ex-ante basis.

J. Adoption of and Revisions to ACR Standards

All ACR standards, including the *ACR Standard* and sector-specific standards, will be posted for public comment for at least 30 days before adoption. ACR will prepare responses to all submitted comments and post the comments and responses along with the new version of the standard.

The *ACR Standard* and any sector specific standards shall be reviewed and revised, as necessary, by ACR, at minimum, every three years.

Such updates occur when significant changes to GHG accounting best practice or the legislative and/or regulatory context justify an update; when new provisions or requirements originating in methodologies make ACR aware of higher-level requirements or clarifications that should be made at the *ACR Standard* or sector standard level; or for other reasons.

On a project level and in certain circumstances, ACR may require all projects, including those validated under a previous version of the ACR Standard, to immediately implement a policy or process revision, such as updated administrative and reporting procedures, detailed in a subsequent version of the ACR Standard.

K. Conflict of Interest Policy

As a non-profit organization that values its reputation for integrity, Winrock International requires that all management and staff adhere to its Code of Professional Conduct, which includes a strict and comprehensive policy against engaging in activities that present a conflict of interest. Accordingly, each director, officer, and staff member of Winrock, including ACR staff, are required to regularly affirm that they are in compliance with this policy, that they avoid all conflicts of interest and take reasonable action to avoid circumstances that create the appearance of a conflict of interest. Winrock and ACR staff are required to notify management immediately if any conflict of interest situations arise or come to their attention so that the conflict can be appropriately mitigated.

In addition to its internal conflict of interest policy, ACR also requires that its third party registry service provider maintain and adhere to a strict conflict of interest policy and that all ACR-approved Validation and Verification Bodies (VVBs) execute an Attestation of Validation/Verification Body, which defines the VVB role and responsibilities and ensures technical capabilities of all staff and no conflicts of interest. ACR Approved VVBs must also execute a project-specific conflict of interest form for each project validated and/or verified, which is reviewed and approved by ACR.

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CHAPTER 2: ACCOUNTING AND DATA QUALITY PRINCIPLE

The accounting and data quality principles summarized here are designed to ensure that the assumptions, values, and procedures used by Project Proponents and Validation/Verification Bodies (VVBs) result in a fair and true accounting of GHG emission reductions and removals.

A. Guiding Principles for GHG Accounting

ACR affirms a set of guiding principles, based on the ISO 14064 Part 2 (2006) specifications. These are summarized in Table 1.

Table 1 – Core GHG Accounting Principles

Relevance	Select the GHG sources, GHG sinks, GHG reservoirs, data and methodologies appropriate to the needs of the intended user (ISO 14064-2:2006, clause 5.6).
Completeness	Include all relevant GHG emissions and removals. Include all relevant information to support criteria and procedures (ISO 14064-2:2006, clause 5.3).
Consistency	Enable meaningful comparisons in GHG-related information. Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, boundary, methods, or any other relevant factors.
Accuracy	Reduce bias and uncertainties as far as is practical. Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with confidence as to the integrity of the reported information (WRI/WBCSD, Corporate Inventory Guidance, 2007).
Transparency	Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence. Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used. (WRI/WBCSD, Corporate Inventory Guidance, 2007).

Conservativeness

Use conservative assumptions, values and procedures to ensure that GHG emission reductions or removal enhancements are not overestimated (ISO 14064-2:2006, clause 3.7).

B. Boundary Selection

GHG project boundaries include a project's physical boundary or implementation area, the GHG sources, sinks and reservoirs (or pools) considered, and the project duration.

Approved methodologies establish criteria for the selection of relevant GHG sources, sinks and reservoirs for regular monitoring or estimation. The Project Proponent shall justify in the GHG Project Plan the exclusion from regular monitoring of any relevant GHG source, sink or reservoir.

In accordance with ISO 14064-2:2006, approved methodologies establish criteria and procedures for quantifying GHG emissions and/or removals for selected GHG sources, sinks and/or reservoirs. The Project Proponent shall quantify GHG emissions and/or removals separately for each relevant GHG for each GHG source, sink and/or reservoir identified in the methodology as being relevant for the project and for the baseline scenario.

The Project Proponent shall provide a detailed description of the geographic boundary of project activities. The project activity may contain more than one facility or discrete area of land, but each facility or land area must have a unique geographical identification, and each land area must meet the land eligibility requirements of the relevant ACR sector standard, if applicable. For Agriculture, Forestry and Other Land Use (AFOLU) projects, the Project Proponent shall provide maps, Geographic Information System (GIS) shapefiles, or other relevant information to delineate the project boundary.

ACR sector standards specify the required Minimum Project Term for particular project types.

C. Relevance and Completeness

Consistent with ISO 14064 Part 2, Project Proponents shall consider all relevant information that may affect the accounting and quantification of GHG reductions and removals, including estimating and accounting for any decreases in carbon pools and/or increases in GHG emission sources.

D. Uncertainty, Accuracy and Precision

The Project Proponent shall reduce, as far as is practical, uncertainties related to the quantification of GHG emission reductions or removal enhancements.

For methodologies based on statistical sampling (for instance, methodologies in the forestry or land use sectors often employ statistical sampling requirements), ACR requires that in order to be allowed to report

the mean of the estimated emission reduction/removal, the 90% statistical confidence interval of sampling must be no more than 10% of the mean. If the Project Proponent cannot meet the targeted $\pm 10\%$ of the mean at 90% confidence, then an uncertainty deduction is required. Project-specific methodologies provide guidance how to calculate this uncertainty deduction. Methodologies submitted for ACR approval shall include methods for estimating uncertainty relevant to the project and baseline scenario.

ACR leaves to the Project Proponent the decision whether the potential additional revenues from reporting the mean without an uncertainty deduction justify the additional costs of more intensive sampling to achieve precision of $\pm 10\%$ of the mean at 90% confidence.

The use of biogeochemical or process models must also include an estimate of structural uncertainty related to the inadequacy of the model, model bias, and model discrepancy. This should be quantified using the best available science, and can include Monte Carlo analyses, uncertainty estimates from peer reviewed literature, and/or consulting model experts who have either developed or worked directly with the model in an academic setting.

E. Conservativeness

The Project Proponent shall select assumptions and values to ensure that GHG emission reductions and removals are not overestimated, particularly in the event that the Proponent relies on uncertain data and information. For GHG sources, sinks and reservoirs not selected for regular monitoring, the Project Proponent shall estimate GHG emissions and/or removals by the sources, sinks and reservoirs relevant for the project and those relevant for the baseline scenario. When reporting emissions data to ACR for offset issuance the following rules shall be applied:

- a. Claimed emissions reductions shall be rounded down to the nearest whole number;
- b. Calculated buffer pool contributions shall be rounded up to the nearest whole number.

F. Emissions Factors

Where needed to estimate GHG emission reductions or removal enhancements in the project or baseline scenario, the Project Proponent shall select or develop GHG emissions or removal factors that:

- Derive from a scientific peer-reviewed origin;
- Are appropriate for the GHG source or sink concerned; and
- Take account of the quantification uncertainty.

G. Managing Data Quality

The Project Proponent shall establish and apply quality assurance and quality control (QA/QC) procedures to manage data and information, including the assessment of uncertainty in the project and baseline scenarios. QA/QC procedures shall be outlined in the GHG Project Plan.

CHAPTER 3: PROJECT ELIGIBILITY REQUIREMENTS

Table 2 details ACR eligibility criteria for all projects, provides a definition of each criterion, and articulates ACR requirements. Eligibility requirements for specific project types are summarized in the relevant ACR sector standard and/or methodology. Project Proponents shall address, in their GHG Project Plan, each of the criteria below.

Table 2 – Eligibility Requirements for Offset Projects

Criterion	Definition	ACR Requirement
Start Date^{5,6}	<p>ACR defines the Start Date for all projects other than AFOLU as the date on which the project began to reduce GHG emissions against its baseline.</p> <p>ACR defines the Start Date for AFOLU projects as the date on which the Project Proponent began the activity on project lands, with more specific guidance in the relevant ACR sector standard and methodology.</p>	<p><i>Non-AFOLU Projects – Approved Methodology:</i> Projects must be validated within two years of the project start date.</p> <p><i>Non-AFOLU Projects – Newly Approved Methodology⁷:</i> Projects using a new methodology must be validated within three years of the project start date.</p> <p><i>AFOLU Projects – Approved Methodology:</i> Projects must be validated within three years of the project start date.</p> <p><i>AFOLU Projects – Newly Approved Methodology:</i> Projects using a new methodology must be validated within four years of the project start date.</p>

⁵ The start date requirements do not apply to existing ACR projects that renew a crediting period. In these instances, the initial project start date, as previously validated, shall apply and shall be accepted in the crediting period renewal validation process on a de facto basis.

⁶ Projects transferring to ACR from another GHG program and that have reached the end of a crediting period, may apply for an initial crediting period at ACR per ACR Standard requirements. The project must have been successfully validated and/or verified at the previous GHG program and must have a validated/verified start date of January 1, 2000 or after.

⁷ A methodology is considered “Newly Approved” if ACR has approved the methodology no more than 6 months prior to the project’s listing or registration with ACR. See Chapter 6 for ACR listing and registration requirements.

Criterion	Definition	ACR Requirement
Minimum Project Term	The minimum length of time for which a Project Proponent commits to project continuance, monitoring and verification.	The Minimum Project Term for specific project types is specified in the relevant ACR sector standard and/or methodology. Project types with no risk of reversal subsequent to crediting have no required Minimum Project Term.
Crediting Period	<p>Crediting Period is the finite length of time for which a GHG Project Plan is valid, and during which a project can generate offsets against its baseline scenario.</p> <p>Crediting Periods are limited in order to require Project Proponents to reconfirm, at intervals appropriate to the project type, that the baseline scenario remains realistic and credible, the Project Activity remains additional, and GHG accounting best practice is being used. This is important since once a project has demonstrated its additionality, it is not required to do so again until applying to renew the Crediting Period.</p>	<p>The Crediting Period for non-AFOLU projects shall be ten (10) years. AFOLU projects may have longer Crediting Periods, as specified in the relevant ACR sector standard or methodology.</p> <p>A Project Proponent may apply to renew the Crediting Period by complying with all then-current ACR requirements, re-evaluating the baseline scenario, and using emission factors, tools and methodologies in effect at the time of Crediting Period renewal. Except where specified in a methodology, ACR does not limit the allowed number of renewals.</p> <p>Projects that are deemed to meet all ACR additionality criteria are considered additional for the duration of their Crediting Period. If regulations or common practice change during the Crediting Period, this may make the project non-additional and thus ineligible for renewal, but does not affect its additionality during the current Crediting Period, unless otherwise specified in the project-specific methodology.</p>
Real	A real offset is the result of a project action that yields quantifiable and verifiable GHG emissions reductions and/or removals.	GHG reductions and removals shall result from an emission mitigation activity that has been conducted in accordance with an approved ACR methodology and is verifiable. ACR will not credit a projected stream of offsets on an ex-ante basis.

Criterion	Definition	ACR Requirement
Emission or Removal Origin	<p>An emission or removal is direct if it originates from sources or sinks over which the Project Proponent has control.</p> <p>An emission or removal is indirect if it originates at sources or sinks over which the Project Proponent does not have control.</p>	<p><i>For Projects reducing or removing direct emissions, the following requirement applies:</i></p> <p>Project Proponent shall own, have control, or document effective control over the GHG sources/sinks from which the emissions reductions or removals originate. If the Project Proponent does not own or control the GHG sources or sinks, the Proponent shall document that effective control exists over the GHG sources and/or sinks from which the reductions/removals originate.</p> <p><i>For Projects that reduce or remove energy-related indirect emissions, eligible projects must be located in the developing world (non-Annex I countries to the UNFCCC).</i></p> <p><i>For Projects reducing or removing non-energy indirect emissions,⁸ the following requirement applies:</i></p> <p>Project Proponent shall document that no other entity may claim GHG emission reductions or removals from the project activity (i.e. that no other entity may make an ownership claim to the emission reductions or removals for which credits are sought).</p>

⁸ ACR will not consider projects or methodologies for indirect emissions reductions/removals based on life-cycle GHG accounting methods.

Criterion	Definition	ACR Requirement
Offset Title	Offset title is a legal term representing rights and interests in an offset, a future stream of offsets, or a project delivering offsets.	<p>Project Proponent shall provide documentation and attestation of undisputed title to all offsets prior to registration, including chain of custody documentation if offsets have ever been sold in the past. Title to offsets shall be clear, unique, and uncontested.</p> <p>If the Project Proponent (ACR Account Holder) does not own the lands or facilities from which the GHG reductions or removals originate, the Project Proponent shall provide documentation that the owner of those lands or facilities has transferred offset title to the Project Proponent. ACR will only issue offsets into the account of a Project Proponent with clear, unencumbered and uncontested offset title.</p>
Additional	GHG emission reductions and removal enhancements are additional if they exceed those that would have occurred in the absence of the Project Activity and under a business-as-usual scenario.	Every project shall use <i>either</i> an ACR-approved performance standard and pass a regulatory surplus test, <i>or</i> pass a three-pronged test of additionality in which the project must: 1) exceed regulatory/legal requirements; 2) go beyond common practice; and 3) overcome at least one of three implementation barriers: institutional, financial or technical.

Criterion	Definition	ACR Requirement
Regulatory Compliance	Adherence to all laws, regulations, and other legally-binding mandates directly related to project activities.	Projects must maintain material regulatory compliance. In order to maintain material regulatory compliance, a project must not be deemed to be out of compliance, by a regulatory body(ies), at any point during a reporting period. Projects deemed to be out of compliance with regulatory requirements are not eligible to earn ERTs during the period of non-compliance. Regulatory compliance violations related to administrative processes (for instance, missed application or reporting deadlines) shall be treated on a case by case basis and may not disqualify a project from ERT issuance. Project Proponents are required to provide a regulatory compliance attestation to a verification body at each verification. This attestation must disclose all violations or other instances of non-compliance with laws, regulations, or other legally-binding mandates directly related to project activities.

Criterion	Definition	ACR Requirement
Permanent	<p>Permanence refers to the longevity of removal enhancements and the risk of reversal, i.e., the risk that atmospheric benefit will not be permanent.</p> <p>Reversals may be unintentional or intentional.</p>	<p>For projects with a risk of reversal of GHG removal enhancements, Project Proponents shall assess and mitigate risk, and monitor, report and compensate for reversals.</p> <p>Project Proponents shall assess risk using an ACR-approved risk assessment tool.</p> <p>Project proponents will enter into a legally-binding Reversal Risk Mitigation Agreement with Winrock / ACR that details the risk mitigation option selected and the requirements for reporting and compensating reversals.</p> <p>Proponents of terrestrial sequestration projects shall mitigate reversal risk by contributing ERTs from the project itself to the ACR buffer pool; contributing ERTs of another type or vintage to the ACR buffer pool; providing evidence of sufficient insurance coverage with an ACR-approved insurance product to recover any future reversal; or using another ACR-approved risk mitigation mechanism. Proponents of geologic sequestration projects shall mitigate reversal risk by contributing ERTs from the project itself to the ACR Reserve Account; contributing ERTs of another type or vintage to the ACR Reserve Account; providing evidence of sufficient insurance coverage with an ACR-approved insurance product to recover any future reversal; or using another ACR-approved risk mitigation mechanism.</p> <p>All projects must adhere to ongoing monitoring requirements as detailed in relevant methodologies and reversal reporting and compensation requirements as detailed in the Reversal Risk Mitigation Agreement.</p>

Criterion	Definition	ACR Requirement
Net of Leakage	Leakage is an increase in GHG emissions or decrease in sequestration outside the project boundaries that occurs because of the project action.	ACR requires Project Proponents to assess, account for, and mitigate certain types of leakage, as summarized in relevant sector standards and approved methodologies. Project Proponents must deduct leakage that reduces the GHG emissions reduction and/or removal benefit of a project in excess of any applicable threshold specified in the methodology ⁹ .
Independently Validated and Verified	<p>Validation is the systematic, independent and documented process for the evaluation of a GHG Project Plan against applicable requirements of the ACR Standard, sector standard and approved methodology.</p> <p>Verification is the systematic, independent and documented assessment by a qualified and impartial third party of the GHG assertion for a specific reporting period.</p>	<p>ACR requires third-party validation and verification, by an ACR-approved Validation/Verification Body (VVB), at specified intervals in order to issue ERTs. Governing documents for validation and verification are the <i>ACR Standard</i>, relevant sector standard, relevant methodology, and the <i>ACR Validation and Verification Standard</i></p> <p>Verification is required prior to issuance of ERTs.</p> <p>Validation and verification may occur simultaneously, and be conducted by the same ACR-approved verifier.</p> <p>ACR requires verifiers to provide a reasonable (as opposed to limited) level of assurance that the GHG assertion is without material discrepancy. ACR's materiality threshold is $\pm 5\%$.</p>

⁹ Note that ACR may credit a positive leakage scenario in rare instances and only when quantification mechanisms are specifically included an approved ACR methodology.

Criterion	Definition	ACR Requirement
Environmental and Community Safeguards	<p>Projects have the potential to generate both positive and negative community and environmental impacts. Appropriate safeguard procedures can identify, evaluate and manage potential negative impacts. Positive impacts can contribute to sustainable development objectives.</p>	<p>ACR requires that all projects develop and disclose an impact assessment to ensure compliance with environmental and community safeguards best practices. Environmental and community impacts of projects should be net positive, and projects must “do no harm” in terms of being in violation of local, national or international laws or regulations.</p> <p>Project Proponents must identify community and environmental impacts of the project. Projects may disclose positive contributions as aligned with applicable sustainable development goals. Projects must describe the safeguard measures in place to avoid, mitigate or compensate for potential negative impacts, and how such measures will be monitored, managed and enforced.</p> <p>ACR does not require that a particular process or tool be used for the impact assessment as long as basic requirements defined by ACR in Section 8 are addressed. ACR projects can follow internationally recognized approaches such as The World Bank Safeguard Policies or can be combined with the Climate Community and Biodiversity Alliance (CCBA) Standard or the Social Carbon Standard for the assessment, monitoring and reporting of environmental and community impacts.</p> <p>Project Proponents shall disclose in their Annual Attestations any negative environmental or community impacts or claims of negative environmental and community impacts and the appropriate mitigation measure</p> <p>ACR reserves the right to refuse to register or issue credits to a project based on community or environmental impacts that have not or cannot be mitigated, or that present a significant risk of future negative environmental or community impacts.</p>

CHAPTER 4: ADDITIONALITY

ACR's additionality requirements are intended to ensure that credited offsets exceed the GHG reductions and removals that would have occurred under current laws and regulations, current industry practices, and without carbon market incentives. Project Proponents must demonstrate that the GHG emission reductions and removals from an offset project are above and beyond the "business as usual" scenario. To qualify as additional, ACR requires every project:

- *Either* to exceed an approved performance standard, as defined in the applicable methodology, and a regulatory additionality test;
- *Or* to pass a three-prong test of additionality as described below.

A. Three-Prong Additionality Test

This approach combines three tests that help determine whether GHG emission reductions and removals from an offset project are above and beyond the "business as usual" scenario. This does not mean the project activity delivers no financial or other benefits other than GHG reduction; it simply attempts to ascertain whether GHG reduction was a driving factor.

The three-prong test requires projects to demonstrate that they exceed currently effective and enforced laws and regulations; exceed common practice in the relevant industry sector and geographic region; and face at least one of three implementation barriers – financial, technological, or institutional. The three-prong test is described in Table 3. The GHG Project Plan must present a credible demonstration, acceptable to ACR and the VVB, that the project passes these tests.

Some ACR-approved methodologies require application of an additionality tool to assist Project Proponents in demonstrating additionality. ACR does not require all methodologies to mandate application of an additionality tool, but if the relevant methodology requires an additionality tool, its use is required.¹⁰

¹⁰ An example is some CDM methodologies approved by ACR.

Table 3 – Three-Prong Additionality Test

Test	Key Questions
Regulatory Surplus	<p>Is there an existing law, regulation, statute, legal ruling, or other regulatory framework in effect as of the project Start Date that mandates the project activity or effectively requires the GHG emissions reductions?</p> <p>Yes = Fail; No = Pass</p>
Common Practice	<p>In the field or industry/sector, is there widespread deployment of this project, technology, or practice within the relevant geographic area?</p> <p>Yes = Fail; No = Pass</p>
Implementation Barriers <i>Financial</i> <i>Technological</i> <i>Institutional</i>	<p><i>Choose one of the following three:</i></p> <p>Does the project face capital constraints that carbon revenues can potentially address; or is carbon funding reasonably expected to incentivize the project's implementation; or are carbon revenues a key element to maintaining the project action's ongoing economic viability after its implementation?</p> <p>Yes = Pass; No = Fail</p>
	<p>Does the project face significant technological barriers such as R&D deployment risk, uncorrected market failures, lack of trained personnel and supporting infrastructure for technology implementation, or lack of knowledge on practice/activity, and are carbon market incentives a key element in overcoming these barriers?</p> <p>Yes = Pass; No = Fail</p>
	<p>Does this project face significant organizational, cultural, or social barriers to implementation, and are carbon market incentives a key element in overcoming these barriers?</p> <p>Yes = Pass; No = Fail</p>
<p><i>If the project passes the Regulatory Surplus and Common Practice tests, and at least one Implementation Barrier test, ACR considers the project additional.</i></p>	

1. Regulatory Surplus Test

The regulatory surplus test requires the Project Proponent to evaluate existing laws, regulations, statutes, legal rulings, or other regulatory frameworks that directly or indirectly affect GHG emissions associated with a project action or its baseline candidates, and which require technical, performance, or management actions. These legal requirements may require the use of a specific technology, require meeting a certain standard of performance (e.g., new source performance standards), or require managing operations according to a certain set of criteria or practices (e.g., forest management rules). In determining whether an action is surplus to regulations, the Project Proponent need not consider voluntary agreements without an enforcement mechanism, proposed laws or regulations, optional guidelines, or general government policies.

Projects that are deemed regulatory surplus are considered surplus for the duration of their Crediting Period. If regulations change during the Crediting Period, this may make the project non-additional and thus ineligible for renewal, but does not affect its additionality during the current Crediting Period, unless otherwise specified in the project-specific methodology.

2. Common Practice Test

The common practice test requires the Project Proponent to evaluate the predominant technologies or practices in use in a particular industry, sector, and/or geographic region, as determined by the degree to which those technologies or practices have penetrated the market, and demonstrate that the proposed project activity is not common practice and will reduce GHG emissions below levels produced by common technologies or practices within a comparable environment (e.g., geographic area, regulatory framework, investment climate, access to technology/financing, etc.).

The level of penetration that represents common practice may differ between sectors and geographic areas, depending on the diversity of baseline candidates. The common practice penetration rate or market share for a technology or practice may be quite low if there are many alternative technologies and practices. Conversely, the common practice penetration rate or market share may be quite high if there are few alternative technologies or practices. Projects that are “first-of-its-kind” are not common practice.

Projects that are deemed to go beyond common practice are considered beyond common practice for the duration of their Crediting Period. If common practice adoption rates of a particular technology or practice change during the Crediting Period, this may make the project non-additional and thus ineligible for renewal, but does not affect its additionality during the current Crediting Period.

Note that the common practice test, a component of the three-prong test, is distinct from a performance standard. For some but not all activities, the data used to define common practice in a particular industry, sector or region may be functionally equivalent to the data required to establish an acceptable practice-based performance standard. In such cases, Project Proponents may elect the option to demonstrate

additionality by defining a practice-based performance standard and demonstrating that the project activity both exceeds this standard and is surplus to regulations.

3. Implementation Barriers Test

An implementation barrier represents any factor that would prevent the adoption of the project activity proposed by the Project Proponent. Generally, there are no barriers to the continuation of current activities, with the exception of regulatory or market changes that force a shift in a project activity, or the end of equipment's useful lifetime.

Under the implementation barriers test, Project Proponents shall choose at least one of three barrier assessments: i) financial, ii) technological, or iii) institutional. Project Proponents may demonstrate that the project activity faces more than one implementation barrier, but are not required to address more than one barrier.

- *Financial* - Financial barriers can include high costs, limited access to capital, or an internal rate of return in the absence of carbon revenues that is lower than the Proponent's established and documentable minimum acceptable rate. Financial barriers can also include high risks such as unproven technologies or business models, poor credit rating of project partners, and project failure risk. If electing the financial implementation barrier test, Project Proponents shall include solid quantitative evidence such as net present value (NPV) and internal rate of return (IRR) calculations.
- *Technological* - Technological barriers can include R&D deployment risk, uncorrected market failures, lack of trained personnel and supporting infrastructure for technology implementation, and lack of knowledge on practice/activity.
- *Institutional* - Institutional barriers can include institutional opposition to technology implementation, limited capacity for technology implementation, lack of management consensus, aversion to upfront costs, and lack of awareness of benefits.

B. Performance Standard Approaches

In lieu of the three-prong test, ACR also recognizes the "performance standard" approach in which additionality is demonstrated by showing that a proposed project activity is (1) surplus to regulations, and (2) exceeds a performance standard as defined in an approved methodology.

Project Proponents must first establish regulatory additionality per the requirements in section A.1 of this chapter.

Second, under the performance standard approach projects are required to achieve a level of performance that, with respect to emission reductions or removals, or technologies or practices, is

significantly better than average compared with similar recently undertaken practices or activities in a relevant geographic area.¹¹ The performance threshold may be:

- *Practice-based*: developed by evaluating the adoption rates or penetration levels of a particular practice within a relevant industry, sector or sub-sector. If these levels are sufficiently low that it is determined the project activity is not common practice, then the project activity is considered additional. Specific thresholds may vary by industry, sector, geography and practice, and are specified in the relevant methodology.
- *Technology standard*: installation of a particular GHG-reducing technology may be determined to be sufficiently uncommon that simply installing the technology is considered additional. Also termed a “positive list” approach.
- *Emissions rate or benchmark* (e.g., tonnes of CO₂e emission per unit of output): with examination of sufficient data to assign an emission rate that characterizes the industry, sector, subsector, or typical land management regime, the net GHG emissions/removals associated with the project activity, in excess of this benchmark, may be considered additional and credited.

Performance standard baselines specific to particular project types, activities and regions will be detailed in the relevant ACR-approved methodologies.

¹¹ Adapted from the U.S. Environmental Protection Agency Climate Leaders offset methodologies at <http://www.epa.gov/stateply/resources/optional-module.html>.

CHAPTER 5: PERMANENCE

In GHG accounting, the issue of permanence arises from the potential for reversal of GHG removal enhancements. A reversal is an intentional or unintentional event that results in the emissions into the atmosphere of stored or sequestered CO₂-e for which offset credits were issued. Impermanence is not an issue for some project types for which the GHG reductions or avoidance are not reversible once they occur. However terrestrial and geologic sequestration projects have the potential for GHG reductions and removals to be reversed upon exposure to risk factors, including unintentional reversals (e.g., fire, flood, insect infestation etc. for terrestrial projects; unanticipated releases of CO₂ for geologic projects) and intentional reversals (e.g., landowners or Project Proponents choosing to discontinue project activities).

ACR requires that projects with a risk of reversals shall assess and mitigate risk, and monitor, report and compensate for reversals.

A. Assessment of Risk

To assess the risk of reversals, Project Proponents of terrestrial and geologic sequestration projects must conduct a risk assessment using an ACR approved tool that addresses both general and project-specific risk factors. General risk factors include financial failure, technical failure, management failure, rising land opportunity costs, regulatory and social instability, and natural disturbances. Project-specific risk factors vary by project type.

Project Proponents shall conduct their risk assessment using the risk analysis tool specified in the applicable methodology. The output from a risk analysis tool will be a risk classification that is translated into a percentage or number of offsets that must be deposited in the ACR Buffer Pool or ACR Reserve Account to mitigate the risk of reversal (unless the Proponent elects another ACR-approved risk mitigation mechanism, if allowed by the applicable methodology).

The Project Proponent shall conduct this risk assessment and propose a corresponding buffer contribution. The risk assessment, overall risk category, and proposed buffer contribution shall be included in the GHG Project Plan. ACR evaluates the proposed overall risk category and corresponding buffer contribution. The VVB evaluates whether the risk assessment has been conducted correctly.

If no reversals occur, the project's risk category and buffer percentage (if applicable) remain unchanged for five years. The risk analysis must be re-evaluated every five years, coincident with the interval of required site visit verification. An exception is in the event of a reversal, in which case the project baseline, risk category and buffer contribution (if applicable) shall be re-assessed and re-verified immediately.

B. Reversal mitigation, reporting and compensation

Project proponents shall enter into a legally-binding Reversal Risk Mitigation Agreement with Winrock / ACR that allows them to select a reversal risk mitigation mechanism and details the requirements for reporting and compensating reversals.

Primary Risk Mitigation Mechanism: the ACR Buffer Pool

For Project Proponents choosing the ACR buffer pool as the risk mitigation mechanism, the project contributes the number of offsets as determined by the project-specific risk assessment to a buffer account held by ACR in order to replace unforeseen losses. ACR has sole management and operational control over the offsets in the buffer pool. In the event of a reversal, ACR retires from the buffer pool an adequate number of offsets to compensate for the reversal.

To provide flexibility to Project Proponents, contributions to the buffer pool need not come from the project itself whose risk is being mitigated. Through adherence to ACR standards all ERTs are fungible, i.e., one metric ton GHG reduction or removal from any project is of equal benefit to the atmosphere as any other project. Therefore, a Project Proponent may make its buffer contribution in ERTs of any type and vintage.

Relevant sector standards (e.g., the *ACR Forest Carbon Project Standard*) provide further detail on the operation of the ACR buffer pool, including retirement of offsets to mitigate reversals, requirements for replenishing the buffer in the event of a reversal, return of buffer tons to the Project Proponent over time in the event of no reversals, and the possibility for buffer contributions to increase or decrease over time as a project undergoes periodic verification and re-assessment of risk.

Alternate Risk Mitigation Mechanisms

In lieu of making a buffer contribution in project ERTs or purchased ERTs of other type and/or vintage, Project Proponents may propose an insurance product for ACR approval as a risk mitigation mechanism. Insurance may be a financial product based on an actuarial analysis of project risk, considering the region, threats, mitigating factors etc., similar to the assessment done for property insurance.

The Project Proponent may provide insurance, bonds, letters of credit or other financial assurances to ACR in amounts, and in form and substance, satisfactory to ACR in ACR's sole and absolute discretion. Such financial products must assure provision of sufficient funds to ACR, in the event a project suffers an unintentional or intentional reversal of sequestered carbon, to purchase and retire a number of ERTs sufficient to offset such reversal. There may be no hidden costs, exclusions, or unanticipated liabilities. ACR must approve the proposed alternative following due diligence by ACR at the Project Proponent's or insurance provider's expense.

C. Monitoring for reversals

All projects must adhere to ongoing monitoring requirements as detailed in relevant methodologies.

D. Reversal Reporting and Compensation

Reversals must be reported and compensated for following requirements as detailed in the Reversal Risk Mitigation Agreement.

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CHAPTER 6: PROJECT DEVELOPMENT TRAJECTORY

ACR requires every project submitted for registration to use an ACR-approved methodology. This Chapter focuses on the project development steps subsequent to methodology approval – optional listing, GHG Project Plan submission, eligibility screening, registration, validation and verification, and issuance of ERTs.

GHG Project Plans are screened by ACR against the *ACR Standard*, any relevant sector standard, and the relevant methodology. A successful eligibility screening results in ACR's non-binding determination that the GHG Project Plan complies with all applicable requirements. The eligibility screening does not include a detailed review of project data and does not take the place of nor reduce the scope of validation and verification by an ACR-approved independent third-party VVB. Validation and verification may occur simultaneously and must occur prior to issuance of ERTs. Upon acceptance by ACR of the verification statement, ACR registers the project, posts project documents, and issues serialized ERTs to the Project Proponent's account. The next steps (sale, retirement, etc.) are at the discretion of Project Proponents and counterparties.

A. Project Development Process

A Project Proponent using an ACR-approved methodology shall proceed per the steps described below.

1. (*Optional*) Project Proponent lists the project with ACR by submitting a listing form. Once listed with ACR, projects must register¹² on ACR within two years. If a project submits a listing form but does not register within two years, it must resubmit a listing form and update to the most recent version of the ACR Standard and applicable methodology.
2. Project Proponent submits a GHG Project Plan using the ACR-approved methodology.
3. ACR screens the GHG Project Plan, at fees per the currently published ACR fee schedule,¹³ against the *ACR Standard*, relevant sector standard, and methodology. This screening results in (a) approval to proceed to validation/verification, (b) requests for clarifications or corrections, or (c) rejection because the project is ineligible or does not meet requirements of the *ACR Standard*. If the ACR screening includes requests for clarifications or corrections, the Project Proponent may re-submit the GHG Project Plan for further eligibility screening. One re-submittal is allowed without

¹² A project is considered to be “registered” in the ACR Registry platform upon a successful eligibility screening which means that the project may proceed to validation and verification.

¹³ The ACR fee schedule is posted at www.americancarbonregistry.org.

additional fee; subsequent re-submittals require an additional eligibility screening fee. Upon a successful eligibility screening, a project is considered to be registered in the ACR.

4. Having conducted the eligibility screening and received approval to proceed to validation/verification, the Project Proponent hires an ACR-approved independent third-party VVB to validate the GHG Project Plan and verify GHG assertions. Validation and verification may occur simultaneously and must occur prior to issuance of ERTs. Fees for validation and verification are as agreed between the Project Proponent and verifier. This results in submission to ACR of a validation report, verification report and verification statement.
5. ACR reviews the validation and verification documents. This results in a) acceptance, b) acceptance contingent on requested corrections or clarifications, or c) rejection. See *ACR Validation and Verification Guideline* for further detail.
6. Upon acceptance of the verification statement, ACR makes public the GHG Project Plan, verification statement and any other non-commercially sensitive information on the ACR registry.
7. ACR issues to the Project Proponent's account serialized ERTs for the relevant reporting period, in the amount listed in the verification statement. In the case of a terrestrial or geologic sequestration project, ACR simultaneously deposits the appropriate number of ERTs into the ACR buffer pool, if this is the risk management option chosen by the Project Proponent.
8. Next steps are at the Project Proponent's discretion – offset transfer, retirement, etc. – with activation, transaction, cancellation and retirement fees per currently published ACR fee schedule.

B. Information in a GHG Project Plan

A GHG Project Plan is a document that describes the Project Activity; addresses ACR eligibility requirements; identifies sources and sinks of GHG emissions; establishes project boundaries; describes the baseline scenario; defines how GHG quantification will be done and what methodologies, assumptions, and data will be used; and provides details on the project's monitoring, reporting, and verification procedures. The GHG Project Plan shall use the ACR template and include the following information:

- Project title, purpose(s) and objective(s);
- Type of GHG project;
- Project location, including geographic and physical information allowing for the unique identification and delineation of the specific extent of the project;
- Physical conditions prior to project initiation;
- Description of how the project will achieve GHG emission reductions and/or removal enhancements;
- Project technologies, products, services and expected level of activity;

- *Ex ante* projection of estimated GHG emission reductions and removal enhancements, stated in metric tons of CO₂e;
- Identification of risks that may substantially affect the project's GHG emission reductions or removal enhancements;
- Roles and responsibilities, including contact information of the Project Proponent, other project participants, relevant regulator(s) and/or administrators of any GHG Program(s) in which the GHG project is already enrolled, and the entities holding offset title and land title;
- Information relevant to the eligibility of a GHG project and quantification of GHG emission reductions or removal enhancements, including legislative, technical, economic, sectoral, socio-cultural, environmental, geographic, site-specific and temporal information;
- Relevant outcomes from any stakeholder consultations and mechanisms for on-going communication, as applicable;
- Chronological plan for initiating project activities, project term, frequency of monitoring, reporting and verification, including relevant project activities in each step of the GHG project cycle;
- Notification of relevant local laws and regulations related to the project and a demonstration of compliance with them;
- Statement whether the project has applied for and been registered and/or been issued GHG emission reduction or removal credits through any other GHG emissions program, including detailed information on any credit issuance (volume, vintage, status), and information on any rejections of the project application, as applicable;
- An environmental and community impact assessment, following ACR requirements, to ensure compliance with best practices and that safeguard measures in place to avoid, mitigate or compensate for potential negative impacts, and how such measures will be monitored, managed and enforced.

C. Project Deviations

ACR will permit project-specific deviations to an existing approved methodology where they do not negatively impact the conservativeness of an approved methodology's approach to the quantification of GHG emissions reductions and removal enhancements. For instance, where alternate monitoring or measurement regimes are proposed, ACR may permit these changes provided they are conservative. ACR will not permit, on a project-specific basis, changes to requirements related to additionality assessment or baseline establishment.

Project Proponents shall submit any proposed project-specific methodology deviation to ACR for review and approval. Deviations apply for that specific project but are not published as modifications to the methodology. Project Proponents must provide evidence that the proposed deviation (e.g. a substitute calculation method for missing data) is conservative, i.e. likely to underestimate net GHG reductions or removal enhancements. Project Proponents shall request a project-specific deviation by using the Methodology Deviation template available at www.americancarbonregistry.org.

D. Project Monitoring Reports

Project monitoring reports shall be completed for each verified reporting period. The monitoring report shall describe the current status of project operation, and include the data monitored and monitoring plan, and the calculated emission reductions for the reporting period. Additionally, project monitoring reports shall describe any project-specific deviations that may have occurred during the reporting period as per the below.

Changes to validated GHG Project Plans shall not be conducted. Instead, project-specific deviations from methodology requirements or other changes from the validated GHG Project Plan (such as new GHG sources, sinks, or reservoirs) must be described in a Project Monitoring Report (and all subsequent Project Monitoring Reports) and submitted during the Project's subsequent verification. As described in Section C. above, any project-specific deviation from methodology requirements must be pre-approved by ACR. Where changes to GHG Project Plans require revisions to baseline or additionality assessments, these changes must be validated at the time of the subsequent verification. Project Proponents shall use the template for Project Monitoring Reports available at www.americancarbonregistry.org.

E. Aggregation and Programmatic Development Approach

Overhead costs associated with carbon offset projects can sometimes make it impractical for individual project participants to access the carbon market. ACR has established procedures for projects to include multiple participants as an aggregated project or as a Programmatic Development Approach (PDA) in order to achieve efficiencies of-scale and other potential project development cost savings while preserving the accounting principles of the ACR Standard and its approved methodologies, and the integrity of the monitoring, reporting and verification processes. Streamlined processes associated with documentation, registration and verification may be available to projects applying these approaches.

Aggregation

A Project Proponent proposing an Aggregate shall submit a GHG Project Plan encompassing all project sites, fields, parcels or facilities (hereafter referred to collectively as "sites") with a single project Start Date and Crediting Period. Project boundaries, baseline definition, additionality demonstration, and all other requirements are applied at the level of the Aggregate, and no new sites can be added during the project Crediting Period.

The ACR Standard requirements for precision ($\pm 10\%$ of the mean at a 90% confidence level) shall be applied at the level of the entire Aggregate for the purposes of monitoring and verification. The GHG Project Plan for an Aggregate is subject to eligibility screening by ACR and third-party validation, once

per Crediting Period. If the Project Proponent anticipates adding more project sites before the end of the Crediting Period, they should instead register using the Programmatic Development Approach (PDA).

Programmatic Development Approach

The Programmatic Development Approach (PDA) provides for organization of project participants around basic similarity criteria and a common project start date and crediting period. The PDA is intended for projects where the complete enrollment of all project participants or sites is impractical at the time of initial validation. While this approach allows for the enrollment of new project participants and sites over time, it does require more complex project management and verification considerations than an aggregated project approach where all project participants and sites are included in the project's initial validation.

General PDA Requirements:

- A PDA project will be under the management of a single Project Proponent and registered by a single ACR account holder;
- Participating sites, fields, parcels or facilities (hereafter referred to collectively as “sites”), must implement the same ACR approved methodology, meet all project eligibility, boundary, baseline and additionality criteria and will have the same overarching project start date and crediting period;
- The GHG Project Plan shall specify the programmatic boundaries (geographic, temporal, and GHG assessment boundary), a baseline scenario for the initial cohort(s), as detailed below, a monitoring/verification plan for the initial cohort(s), and a planned recruitment schedule for future cohorts which will be added to the project;
- The Project Proponent must describe in the GHG Project Plan a management system that includes the following:
 - The reason why all project participants and sites cannot be included upon initial validation;
 - A clear definition of the roles and responsibilities of personnel involved in the process of inclusion of new cohorts;
 - Procedures for QA/QC of inclusion of new cohorts conducted by project proponents, made available to the VVB at the time of validation of the PDA project;
 - A procedure to avoid double counting that no site or cohort has been or will be registered on ACR as its own project, or in a cohort of another PDA project; and
 - A records and documentation control process for each cohort under the PDA, made available to the VVB at the time of request for inclusion of the cohort; and
- Each cohort must undergo validation and verification by an ACR approved VVB before ERTs can be issued for its associated project activities. Cohorts added after the project's initial validation shall be validated during the project's next full verification, and must include site visits to a sample of new sites within each cohort, according to the VVB's risk-based sampling plan.

Each cohort shall:

- Be a grouping of project participants, implementing eligible project practices or technologies as specified in a single module or methodology, meeting all eligibility, project boundary, and additionality criteria of a PDA project;
- Be defined in a Cohort Design Document including a delineation of the cohort's geographic and temporal boundaries, including all of the project participants and participating sites
- Include sites implementing the same practices/technologies or suite of practices/technologies in a single approved methodology;
 - For PDA projects using a modular methodology, cohorts shall be comprised of project participants implementing the same practices/technologies or suite of practices/technologies in a single approved module, unless otherwise stated in the methodology;
- Have a single validation and verification schedule for all sites within a cohort;
- Use a comparable quantification approach for the baseline and project conditions respectively (models, equations, measurements, default factors) for each project activity included in the cohort as outlined in the approved module or methodology. These methods must be documented in the GHG Project Plan (for the initial cohort(s)) and a Cohort Design Document (for each subsequent cohort added to the project);
- For AFOLU PDA projects only: be located within a pre-defined geographic region, such that all sites within the cohort are located within a maximum of three ecoregions, which are defined by the World Wildlife Foundation (2014) as “A large unit of land or water containing a geographically distinct assemblage of species, natural communities, and environmental conditions. The boundaries of an ecoregion are not fixed and sharp, but rather encompass an area within which important ecological and evolutionary processes most strongly interact”¹⁴;
 - To determine the ecoregion of each participating site located in the U.S., please refer to the U.S. Forest Service maps found at the link provided in the footnote below¹⁵;
 - To determine the ecoregion of each international participating site outside of the U.S., please refer to the World Wildlife Federation delineation of ecoregions found at the link provided in the footnote below¹⁶;
- Provide confirmation of compliance with any applicable environmental impact analysis requirements (if required by the methodology), unless the analysis was undertaken for the whole PDA project and applies equally to each cohort;
- Provide information as applicable on how the public stakeholder consultation process was conducted, a summary of any comments received and how due account was taken of any

¹⁴ WWF, 2014. http://wwf.panda.org/about_our_earth/ecoregions/about/what_is_an_ecoregion/.

¹⁵ <http://www.fs.fed.us/land/ecosysmgmt/index.html>

¹⁶ <http://www.worldwildlife.org/biomes>

comments received, unless the comments were sought for the whole PDA project and apply equally to each cohort; and

- Meet the ACR requirements for precision (for methodologies requiring direct measurements - $\pm 10\%$ of the mean at a 90% confidence level), which shall be applied at the cohort-level for the purposes of monitoring and verification.

Each site, field, parcel or facility (collectively the “sites”) participating in a PDA project must:

- Be assigned to a cohort prior to validation of that cohort;
- Be available for a site visit during the validation and any subsequent verification where site visits are required. VVBs may use equal probabilities amongst sites, fields or parcels to select those receiving verification site visits, or a risk- or sensitivity-based analysis to identify those sites with the strongest influence over a project’s overall carbon reduction estimates. VVBs must use their own discretion to determine if a cohort requires sub-sampling. All project sites and cohorts are subject to desk based review at minimum;
- Be described in a Cohort Design Document outlining the unique attributes of each site, to include each of the following:
 - Geographic information to uniquely identify the site including maps and spatial files;
 - Name/contact details of the entity/individual responsible for the operation of each site;
 - The site-specific Implementation Date and confirmation that the Implementation Date of any site is not, or will not be, prior to the Project’s start date;
 - Information on how the site fulfills the eligibility criteria, is within the project boundaries, and demonstration of additionality as specified in the GHG Project Plan; and
 - Information about the site’s eligibility, ownership of emission reductions, land cover or crop type, etc.

F. Commercially Sensitive Information

Project Proponents may designate certain parts of the GHG Project Plan or other project documentation as Commercially Sensitive Information. This information must be available for review by ACR and the VVB (with non-disclosure agreements as necessary), but will be excised from the project documentation posted publicly on the ACR registry.

For the sake of transparency, ACR shall presume project information to be available for public scrutiny, and demonstration to the contrary shall be incumbent on the Project Proponent. At a minimum, ACR shall disclose publicly the project baseline scenario, calculations, monitoring report and additionality assertion. The VVB shall check that any information requested as “commercially sensitive” meets the ACR definition of Commercially Sensitive Information.

G. Additional Required Documentation for Eligibility Screening

ACR may require the following documentation as part of screening the GHG Project Plan:

- Title documents or sample landowner agreements;
- Chain of custody documentation, if applicable;
- ACR-Proponent agreement governing buffer pool obligations, if applicable.

Proof of title shall accompany each GHG Project Plan, and shall contain one or more of the following: a legislative right; a right under local common law; ownership of the plant, land, equipment and/or process generating the reductions/removals; or a contractual arrangement with the owner of the plant, land, equipment or process that grants offset title to the Project Proponent.

Project Proponents shall include documentation to establish chain of custody, prior to registration on ACR, if the project offsets have been bought and sold previously, or if the project has a forward option contract. Examples of appropriate documents are:

- Delivery of Confirmation Notice;
- Emissions Reduction Purchase Agreement;
- Signed Attestation of Ownership;
- Forward Option Purchase Agreement.

H. Crediting Period Renewal

All projects have a limited Crediting Period, i.e., the finite length of time for which a GHG Project Plan is valid, and during which a project can generate offsets against its baseline scenario.

In general, the Crediting Period for non-AFOLU projects is ten (10) years, unless otherwise specified in the relevant ACR sector standard or approved methodology. Crediting periods for AFOLU projects vary and are specified in the relevant sector standard and/or methodology.

A Project Proponent may apply to renew the Crediting Period by:

- Re-submitting the GHG Project Plan in compliance with then-current ACR standards and criteria;
- Re-evaluating the project baseline;
- Demonstrating additionality against then-current regulations, common practice and implementation barriers or against an approved performance standard and then-current regulations;
- Using ACR-approved baseline methods, emission factors, tools and methodologies in effect at the time of Crediting Period renewal; and,
- Undergoing validation and verification, as required.

ACR does not limit the allowed number of renewals, since at each Crediting Period renewal the Project Proponent must demonstrate that the project is additional and meets all ACR requirements. An acceptable validation report is necessary in order for ACR to renew the Crediting Period and continue

issuing offsets generated by the project. Upon acceptance by ACR of the validation and verification documents, ACR will issue new ERTs each year (or more or less frequently, at Proponent's request) for the duration of the new Crediting Period, provided the Proponent submits its Annual Attestation, periodic desk-based verifications, and full verifications at least every five years.

On a project level, project proponents are required to meet the requirements of the most recent version of the ACR Standard. When a project seeks renewal of a crediting period (i.e. the previous was previously validated under a prior version of the ACR standard and the project's crediting period has expired), the project is required to meet the requirements of the most recent version of the ACR Standard.

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CHAPTER 7: METHODOLOGIES AND TOOLS

If ACR has not yet published a methodology for a particular project type, the Project Proponent has the option to request approval of a methodology developed under another GHG program, or to submit a new or modified methodology to ACR for approval. Any project proposing to use an ACR-approved methodology from another GHG program must comply with the ACR Standard and any relevant ACR sector standard.

A. GHG Measurement Tools and Methodologies

1. ACR-Published and CDM-Approved Methodologies

Methodologies published by ACR via the public consultation and peer review process are approved without qualification. Methodologies approved by the CDM Executive Board are generally approved for use in non-Annex I countries; however, Project Proponents implementing projects under CDM methodologies in the U.S. or other Annex I country must have ACR's review, clarifications and approval first to ensure compliance with ACR standards.

2. Modifications to Existing Approved Methodologies

ACR may permit modifications where they do not negatively impact the conservativeness of an approved methodology's approach to determining additionality and quantification of GHG emissions reductions and removal enhancements. Methodology modifications may be submitted for review by ACR, at fees per the currently published ACR fee schedule, ACR will review the extent of the modification and make a determination whether the internal review, public consultation, and peer review process, as described in Section B, must be implemented. In general, if the extent of the proposed modification(s) necessitates the process described in Section B, a new version number for the methodology will be issued (i.e. Version 3.0 to Version 4.0). Modifications to eligibility, applicability, project activities, and/or baseline assumptions are likely to trigger the full process stipulated in Section B. Minor modifications to correct quantification errors or provide clarification on monitoring requirements may not require the full process stipulated in Section B.

3. New Methodologies

New methodologies proposed to ACR for approval always require internal screening, public consultation and blind scientific peer review as described in section B.

B. ACR's Internal Review, Public Consultation and Scientific Peer Review Process

The following process is applied to new methodologies and certain methodology modifications. In such cases, ACR coordinates a process of internal review, public stakeholder consultation and a blind scientific peer review. The process is administered by ACR, with fees charged to the methodology author.

1. The Project Proponent submits the proposed new or modified methodology to ACR. ACR has templates posted at www.americancarbonregistry.org for some proposed methodologies. Where ACR has a posted template, Project Proponents must submit their proposed methodology using this template in order to reduce the time and cost of the approval process for both Project Proponent and ACR.
2. ACR screens the methodology against ACR requirements, communicates any corrections or clarifications that are immediately needed, and informs the methodology author of its judgment whether the methodology is ready for public consultation and peer review. ACR conducts this internal review at currently published fees. If the methodology author elects to proceed, the methodology author addresses any corrections and clarifications identified in the ACR review and resubmits the methodology.
3. ACR coordinates a public consultation process. The methodology is posted publicly on the ACR website for a minimum of 30 days and ACR sends out a public notice inviting comments. During this period, the methodology authors may also elect to conduct a webinar with ACR to present the draft methodology and solicit additional comments. At the conclusion of the public comment period, ACR compiles all comments by methodology section and forwards a compiled report to the methodology author. The methodology author incorporates revisions and/or documents responses to each comment, which are posted on ACR's website.
4. The revised methodology is provided to a team of independent subject matter experts for a blind scientific peer review process. ACR may consult the relevant ACR Technical Committee in the selection of reviewers. The lead reviewer compiles comments and recommendations from the peer review team, and prepares a summary report. ACR delivers to the methodology author a peer review report, organized by section of the methodology, to which the methodology author must respond by incorporating revisions and/or documenting justifications for the proposed approach. Generally, several rounds of peer review are necessary. Timing and cost of peer review depends on the complexity, scope and quality of the methodology and the availability of peer reviewers. The cost of peer review is borne by the methodology author.
5. Once all required corrections have been made, ACR approves the new methodology and publishes it on the ACR website. An approved methodology may be used by any Project Proponent, including but not limited to the methodology author, in preparing GHG Project Plans and registering projects on ACR.

6. ACR posts process documentation – including all public comments and documented responses, and all peer review comments and documented responses – along with the public comment version of the methodology, and the final approved methodology.

Scientific peer review teams are selected from a pool of potential reviewers with applicable subject matter expertise. ACR actively identifies and qualifies candidates for inclusion in this pool, and also publicly solicits applications from interested parties. Applications are reviewed for sector expertise, GHG quantification experience, and impartiality. Throughout and after the peer review process, the experts selected for each review team remain unknown to the methodology author as well as the public.

C. Updates to ACR-Approved Methodologies and Tools

From time to time ACR may update *ACR-Approved Methodologies and Tools*. Such updates occur when significant changes to GHG accounting best practice or the legislative and/or regulatory context justify an update; when sufficient new data is available to revise eligibility and/or additionality requirements; when ACR becomes aware of clarifications that should be made; or for other reasons.

For methodologies that employ a performance standard for additionality assessment, ACR shall review the validity and underlying assumptions of the performance standard for all projects except forestry every five years, at minimum and for forestry projects every ten years, at minimum.

D. Roles of the ACR Technical Committee(s)

ACR from time to time may establish Technical Committees for particular sectors (e.g., AFOLU), to provide independent advice to ACR on methodology acceptance, methodology modifications and project deviations, selection of peer reviewers, and related issues. The responsibilities of the Technical Committees include, but are not limited to:

- Review proposed new methodologies and tools submitted to ACR for approval.
- Advise ACR on the selection of appropriate peer reviewers for a proposed new methodology or methodology revision.
- Make final determinations in the event consensus on a particular methodological issue is not reached by the peer review team or between the peer reviewers and the methodology author.
- Advise ACR on continuous improvements to its AFOLU standards, including issuance of new versions at appropriate intervals.
- Advise ACR on decisions to commission new methodologies and tools using internal resources.

ACR Technical Committees are constituted via calls for applications to select the most relevant experts.

CHAPTER 8: ENVIRONMENTAL AND COMMUNITY SAFEGUARDS

ACR supports a broad and diverse set of offset project activities, each of which has its own potential to generate both positive and negative environmental and social impacts. Positive impacts can contribute to sustainable development objectives, and negative risks and impacts can be identified, evaluated and managed through appropriate safeguard procedures.

ACR requires that projects adhere to environmental and community safeguards best practices to:

- Ensure that projects “do no harm” by maintaining compliance with local, national and international laws and regulations;
- Identify environmental and community risks and impacts;
- Detail how negative environmental and community impacts will be avoided, reduced, mitigated or compensated and how mechanisms will be monitored, managed and enforced;
- Ensure that the rights of impacted communities and other stakeholders are recognized, that they have been fully and effectively engaged and consulted;
- Ensure that ongoing communications and grievance redress mechanisms are in place, and that impacted communities will share in the project benefits.

Environmental and Community Impact Assessment Requirements

ACR requires that all projects prepare and disclose as part of the GHG Plan an environmental and community impact assessment. ACR does not require that a particular process or tool be used for the impact assessments as long as basic requirements are addressed, as detailed below. ACR projects can follow internationally recognized approaches such as The World Bank Safeguard Policies or can be combined with the Climate Community and Biodiversity Alliance (CCBA) Standard or the Social Carbon Standard for the assessment, monitoring and reporting of environmental and community impacts.

Environmental and community impacts of projects should be net positive. Project Proponents shall include in their GHG Project Plan a description of impacts of the project on communities and the environment in the immediate project area. This shall include changes in community well-being due to the Project Activity and an evaluation of any negative impacts on community groups. Project Proponents shall base these estimates on defined and defensible assumptions about how the Project Activity will alter social and economic well-being, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities for the project duration.

The assessment should include the following:

1. An overview of the project activity and geographic location
2. Applicable laws, regulations, rules and procedures and the associated oversight institutions
3. A description of the process to identify community(ies)¹⁷ and other stakeholders¹⁸ impacted by the project and, as applicable, the community consultation and communications plan
4. An assessment of the project's environmental risks and impacts including but not limited to factors such as climate change mitigation and adaptation, biodiversity, air quality, water quality, soil quality, ozone quality, as well as the protection, conservation or restoration of natural habitats such as forests, grasslands and wetlands. The assessment shall: 1) identify each risk / impact 2) categorize the risk / impact as positive, negative or neutral and substantiate the risk category; 3) describe how any negative impacts will be avoided, reduced, mitigated or compensated; 4) detail how risks and impacts will be monitored, how often and by whom; and 5) (Optional) describe how positive impacts contribute to sustainable development goals.
5. For any community-based project, an assessment of the project's community risks and impacts including but not limited to factors such as land and natural resource tenure, land use and access arrangements, natural resource access (ie: water, fuelwood), food security, land conflicts, economic development and jobs, cultural heritage and relocation. The assessment shall: 1) briefly describe the process to identify community risks / impacts, 2) identify each risk / impact, 3) categorize the risk / impact as positive, negative or neutral and substantiate the risk category; 4) provide detailed information regarding the community stakeholder consultation process (meeting minutes, attendees), including documentation of stakeholder comments and concerns and how those are addressed; 5) provide evidence of Free, Prior and Informed Consent (FPIC) for the project activity, as applicable, 6) provide evidence of no relocation or resettlement (voluntary or involuntary), as applicable, 7) describe how any negative project impacts will be avoided, reduced, mitigated or compensated; 8) detail how risks and impacts will be monitored, how often and by whom; 9) describe the mechanism for ongoing communications with the community and grievance mechanisms, as applicable, and 10) (Optional) describe how positive impacts contribute to sustainable development goals

¹⁷ A community as defined by CCBA includes all groups of people including indigenous peoples, mobile peoples and other local communities, who live within or adjacent to the project area as well as any groups that regularly visit the area and derive income, livelihood or cultural values from the area. This may include one or more groups that possess characteristics of a community, such as shared history, shared culture, shared livelihood systems, shared relationships with one or more natural resources (forests, water, rangeland, wildlife, etc.), and shared customary institutions and rules governing the use of resources

¹⁸ Other Stakeholders are defined as groups other than Communities who can potentially affect or be affected by the project activities and who may live within or outside the Project Zone.

Ongoing Disclosure and Enforcement

Project Proponents shall disclose in their Annual Attestations to ACR any negative environmental or community impacts or claims of negative environmental and community impacts and the appropriate mitigation measure.

ACR reserves the right to refuse to register or issue credits to a project based on community or environmental impacts that have not or cannot be mitigated, or that present a significant risk of future negative environmental or community impacts.

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CHAPTER 9: VALIDATION AND VERIFICATION

This chapter provides a general overview of ACR requirements for validation of GHG Project Plans, and *ex post* verification of GHG assertions, by a competent and independent third-party VVB approved by ACR. Further detail on ACR verification requirements is included in the *ACR Validation and Verification Guideline*, available at www.americancarbonregistry.org.

A. Definitions

ACR conducts a detailed screening of every GHG Project Plan against applicable requirements of the ACR Standard, relevant sector standard and methodology. ACR may request clarifications and corrections regarding GHG Project Plan documentation before allowing a project to commence validation. Validation is the systematic, independent and documented process for the evaluation of a GHG Project Plan against applicable requirements of the ACR Standard, sector standard and approved methodology.

Verification is the systematic, independent and documented assessment by a qualified and impartial third party of the GHG assertion for a specific reporting period.

Validation and verification must be conducted by an ACR-approved independent third-party VVB. Validation and verification may be conducted by the same entity, and may occur simultaneously.

B. Materiality Threshold

A material misstatement is an inaccurate assertion of an offset project's GHG emission reductions/removals, which may reasonably be expected to influence decisions or actions taken by the users of the GHG project information. To accept a verification statement, ACR requires that discrepancies between the emission reductions/removal enhancements claimed by the Project Proponent and estimated by the VVB be immaterial, i.e. be less than ACR's materiality threshold of $\pm 5\%$. Individual or aggregation of errors or omissions greater than the ACR materiality threshold of $\pm 5\%$ require re-stating before a verification statement will be accepted.

The below equation is to be used in order to calculate the percent error in an emission reduction assertion:

$$\% \text{ Error} = \left(\frac{\text{Project Emission Reduction Assertion} - \text{Verifier Emission Reduction Recalculation}}{\text{Verifier Emission Reduction Recalculation}} \right) \times 100$$

C. Validation and Verification Interval

Validation of the GHG Project Plan only occurs once per Crediting Period. Renewal of the Crediting Period requires a new validation. Per Section 6.D, if project-specific changes that require revision to baseline or additionality assessments occur after the initial validation, these changes must be disclosed in the Project Monitoring Report and validated at the Project's subsequent verification.

ACR requires verification of GHG assertions at specified intervals in order to issue new ERTs¹⁹. ERTs may be created and issued annually, or at the Proponent's request, more or less frequently. At each request for issuance of new ERTs, the Project Proponent must submit a verification statement from an approved verifier. No less than once every five years, Proponents must submit a verification statement based on a full verification including a field visit to the project site²⁰. This five year verification requirement begins on the date that the project is registered in the ACR. The scope of this verification should include (in the case of AFOLU projects) an updated assessment of risk of reversal and an updated buffer determination, as applicable.

D. Validation/Verification Body Requirements

Verification is a risk-based process carried out in conformance with ISO 14064-3:2006 and ISO 14065:2007.²¹ VVBs shall be accredited for project validation and verification in the sector of the applicable methodology, and shall meet the competence requirements as set out in ISO 14065:2007.

All VVBs must be approved by ACR and accredited under ISO 14065 by the American National Standards Institute (ANSI); or be accredited by the UNFCCC as Accredited Independent Entities approved under Joint Implementation or Designated Operational Entities approved under the Clean Development Mechanism.

A list of currently approved VVBs and the sectors for which they are approved to conduct validation and/or verification is provided at <http://americancarbonregistry.org/carbon-accounting/verification>.

In order to conduct validation or verification, all VVBs must be in good standing; have completed the application process described at <http://americancarbonregistry.org/carbon-accounting/verification>, including submitting an application form and Attestation of Validation/Verification Body which details requirements for conflicts of interest and makeup of the verification teams; document technical capabilities for each of the sectoral scopes in which the verifier seeks to conduct validation or verification; and have submitted for ACR's approval a project-specific Conflict of Interest Form.

¹⁹ Verification activities may begin only after the completion of a project's reporting period.

²⁰ A field visit must occur at the first verification for the project.

²¹ ISO 14065:2007 references to 'GHG Programme' shall mean the American Carbon Registry.

E. Verification Report and Statement

On completion of verification, the Project Proponent shall submit a verification report and verification statement to ACR. Verification documents shall be in English. They shall describe the verification process, any issues raised during the verification and their resolutions, and the conclusions reached by the VVB. The verification report shall:

- Describe the level of assurance of the verification statement;
- Describe the objectives, scope and criteria of the verification against the ACR Standard and relevant sector standards;
- Describe whether the data and information supporting the GHG assertion were hypothetical, projected and/or historical in nature;
- State the actual number of ERTs associated with the project-specific monitoring report that the verifier has verified;
- Include the GHG assertion, signed by the lead verifier;
- Include the verifier's conclusion on the GHG assertion, with any qualifications or limitations;
- For projects requiring Project Proponents to assess risk of reversal and apply an ACR-approved risk reversal mitigation option, include the verifier's opinion on the risk assessment and adequate risk reversal mitigation.

More detail on contents of the verification report and statement is provided in the *ACR Validation and Verification Guideline*.

The VVB shall keep all documents and records in a secure and retrievable manner for at least two years after the end of the relevant project Crediting Period, even if it does not carry out verification throughout the project Crediting Period.

F. Verification Acceptance

ACR will review and accept, request corrections or clarifications, or reject the verification report and statement. If ACR requests corrections or clarifications, the Project Proponent and verifier shall make all necessary corrections and clarifications and resubmit the verification statement.

If ACR accepts a verification statement, and has already completed all other required steps, then ACR will register the project; post the GHG Project Plan, verification report and statement, and other documentation to the ACR website; and issue ERTs to the Project Proponent's account.

Projects must be verified without reservation, with Project Proponents having addressed all clarifications and corrections required by the verifier. ACR reserves the right to accept or reject verification from an approved VVB.

G. Rotation of Verification Bodies

ACR requires that Project Proponents utilize a different VVB at a minimum of every five years or five verifications, whichever comes first.

H. Validation and Verification Body Oversight

In addition to the accreditation processes that all ACR VVB's must adhere to, ACR reserves the right to conduct oversight activities during validation and/or verification performance by the VVB's operating under the ACR program. Oversight activities are conducted to ensure an adequate level of quality control and are intended to supplement accreditation body oversight and audit processes. Oversight activities conducted by ACR representatives include the following:

- Review of information and supplementary documentation submitted by VVBs regarding project-specific conflict of interest determinations;
- Review of VVB documentation such as verification and sampling plans;
- Review of validation and verification reports and verification statements;
- Project-level audits.

Should a project be selected by ACR for a project-level audit, the VVB must include ACR on communications with the project proponent, include ACR in substantive meetings with the project proponent, and make project-level data and information subject to validation and/or verification available to ACR for review. During a project-level audit, ACR may choose to send, at ACR expense, a representative to the validation and/or verification site visit to observe on-site verification activities. At the conclusion of a project-level audit, ACR will communicate its observations via written report directly to the VVB. The report will document, as applicable, any items of concern noted during validation and/or verification performance including areas for improvement and non-conformities with ACR validation and verification procedures.

CHAPTER 10: LINKAGES TO OTHER GHG PROGRAMS & REGISTRIES, EMISSION TRADING SYSTEMS AND NATIONAL OR SECTORAL GHG EMISSIONS REDUCTION TARGETS

A. Policies to Prevent Double Issuance, Double Use and Double Selling of Offsets

Projects Registered on ACR and Other Voluntary or Compliance GHG Programs or Registries

ACR allows for offset project Registration simultaneously on ACR and other voluntary or compliance GHG programs or registries only in cases where: 1) The simultaneous Registration is disclosed and approved by both programs / registries, including explicitly through regulation; and 2) Offsets issued for the same unique emissions reductions do not reside concurrently on more than one registry.

To prevent double issuance, double use and double selling of offsets for projects registered simultaneously on ACR and another GHG program: 1) Offsets representing the same emissions reduction must be publicly canceled from one registry before they can be converted and re-issued on another registry; or 2) Offsets can be issued to a project by both programs as long as the registration of the project under more than one program is disclosed to the GHG Program and the verifier, and the offset represents unique emissions reductions in terms of location (project boundary) and/or vintage.

Transferred Projects Previously Registered on ACR and Other Voluntary or Compliance GHG Programs or Registries

For projects transferring from another GHG program to ACR, the project must be validated and verified by an ACR approved VVB to comply with the ACR Standard and relevant methodology. To avoid double-issuance, double-use and double selling of the same GHG reduction or removal, any offsets that had been issued that were not transferred, sold or retired must be canceled from the other program's registry before conversion and re-issuance by ACR.

For projects transferring from ACR to another GHG program, Project Proponents must cancel from ACR all offsets that have not been transferred, sold or retired, in order to allow for conversion and re-issuance of offsets by the other GHG program on its registry.

B. Policies to Prevent Double Claiming of Emissions Reductions

Double claiming may occur if the climate benefit of a specific GHG emissions reduction is declared by more than one entity. While this may be a concern if the emissions reduction is double-sold (monetized by both parties claiming the reduction), double claiming does not always raise environmental concerns.

For example, no environmental integrity concern is raised in the case that an offset is sold and the emissions reduction is claimed and counted by both a buyer resident in a given host country and the host country itself towards a national emission reduction target. The emission reduction occurred in the host country, and therefore there is no issue with regard to accounting for that reduction towards the national target as long as the host country is not monetizing or trading the reduction to another country towards its national target.

In the event that specific emissions reductions are being transferred or sold from the host country to another entity or country to count towards its emissions reduction targets, the opportunity for double claiming exists. Accounting procedures at both the national and international level must be in place to track emissions reductions sold to buyers towards meeting their targets. In these instances, any applicable emissions reductions can be added back in to the host country national inventory.

ACR requires that project offsets that are being sold or transferred from the host country for use towards a national or sector-wide emissions reduction target obtain a written acknowledgement from the project host country UNFCCC National Focal Point²² in order to avoid double claiming of the emissions reductions. Receipt of satisfactory acknowledgement shall be indicated on the Registry System.

C. Previous Rejection by a GHG System

ACR may consider a project rejected by other voluntary or compliance GHG programs, due to procedural or eligibility requirements, if the project complies with all aspects of the *ACR Standard* and any relevant sector standard. The Project Proponent for such a project shall: 1) Include a statement in the GHG Project Plan that lists all other programs to which the Project Proponent has applied for registration, was rejected, and the reason(s) for the rejection. Such information shall not be considered Commercially Sensitive Information; and 2) Provide the actual rejection document(s), including any additional explanation, to ACR and its verifier.

²² http://unfccc.int/parties_observers/parties/national_focal_points/items/9336.php

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APPENDIX A: DEFINITIONS

Additionality

ACR's additionality requirements are intended to ensure that project offsets are in addition to reductions and/or removals that would have occurred in the absence of the Project Activity and without carbon market incentives. A Project Proponent must demonstrate that the GHG emission reductions and removals associated with an offset project are above and beyond the "business as usual" scenario. ACR requires that every project either pass an approved performance standard and a regulatory additionality test, or pass a three-pronged test to demonstrate that the project activity is beyond regulatory requirements, beyond common practice, and faces at least one of three implementation barriers.

Aggregate

The grouping of multiple project instances, fields, producers or facilities into a single project registered on ACR. An Aggregate must be coordinated by a Project Proponent (public or private entity) serving as the aggregator. The GHG Project Plan will define the overall project boundary and baseline conditions encompassing all project instances, fields, producers or facilities. An Aggregate will have a single Start Date and Crediting Period.

Agriculture, Forestry and Other Land Use (AFOLU)

A broad category of ACR-eligible project activities that reduce GHG emissions and/or enhance GHG removals through changes in agriculture, forestry and land-use practices.

American Carbon Registry® (ACR)

A leading carbon offset program founded in 1996 as the first private voluntary GHG registry in the world, ACR operates in the voluntary and regulated carbon markets. ACR has unparalleled experience in the development of environmentally rigorous, science-based offset methodologies as well as operational experience in the oversight of offset project verification, registration, offset issuance and retirement reporting through its online registry system.

ACR-approved Methodology

ACR-approved methodologies include those published by ACR after public consultation and scientific peer review, and methodologies approved for use by the CDM Executive Board provided they are implemented in developing countries or otherwise have ACR approval for use in the U.S. or other Annex I nation. Methodologies approved by other GHG programs may be submitted to ACR for approval through the public consultation and scientific peer review process.

Annual Attestation Statement

The statement that a Project Proponent provides annually to ACR relating to the continuance, ownership, and community and environmental impacts of a project. The Attestation is required in order to continue crediting.

Baseline Scenario

The project baseline is a counterfactual scenario that forecasts the likely stream of emissions or removals to occur if the Project Proponent does not implement the project, i.e., the "business as usual" case. It also reflects the sum of the changes in carbon stocks (and where significant, N₂O and CH₄ emissions) in the carbon pools within the project boundary that would occur in the absence of the Project Activity.

Buffer Pool

ACR risk mitigation mechanism whereby the Project Proponent contributes an adequate number of ERTs to a buffer pool managed by ACR to replace unforeseen losses in carbon stocks. The buffer contribution is a percentage of the project's reported offsets, determined through a project-specific assessment of the risk of reversal. The buffer contribution may be made in ERTs of any type and vintage.

Carbon Dioxide

Carbon dioxide (CO₂) is a chemical compound comprising two oxygen atoms bonded to a single carbon atom, and is the primary greenhouse gas implicated in global warming.

Carbon Dioxide-equivalent (CO₂e)

Carbon dioxide equivalence (CO₂e) is a metric to compare GHGs based on their global warming potential (GWP) relative to CO₂ over the same timeframe. The Intergovernmental Panel on Climate Change publishes GWP values for converting all GHGs to a CO₂e basis.

Carbon Offset

A carbon offset, also referred to as a carbon credit or offset credit, is a reduction, removal, or avoidance of GHG emissions that is used to compensate for GHG emissions that occur elsewhere. In a regulated market offsets are GHG reductions from projects undertaken outside the coverage of a mandatory emissions reduction system for which the ownership of verifiable GHG emission reductions can be transferred and used by a regulated source to meet its emission reduction obligations."²³ The ACR registers both voluntary market and compliance-eligible offsets.

²³ Adapted from Pew Center on Global Climate Change. *Climate Change 101: Cap and Trade*. <http://www.pewclimate.org/docUploads/Cap&Trade.pdf>.

Carbon Pool

A reservoir of carbon that has the potential to accumulate or lose carbon over time. Common forest carbon pools are aboveground biomass, belowground biomass, litter, dead wood, soil organic carbon, and wood products.

Carbon Stocks

Carbon stocks represent the measured, estimated or modeled quantity of carbon held in a particular carbon pool. Quantifying GHG emissions and removals for terrestrial carbon offset projects involves estimating, for the baseline vs. project scenario, changes over time in carbon stocks in relevant pools.

Cohort

A group of Project Participants (participating sites, fields, parcels or facilities), meeting all eligibility, project boundary, baseline and additionality criteria of project and sharing the same implementation start date within a project under a Programmatic Development Approach (PDA).

Clean Development Mechanism (CDM)

The CDM allows GHG emission reduction and removal projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one metric ton of CO₂, which can be sold and used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol. The CDM is intended to stimulate sustainable development and emission reductions, while giving industrialized countries flexibility in how they meet their emission reduction targets.²⁴

Commercially Sensitive Information

Trade secrets, financial, commercial, scientific, technical or other information whose disclosure could result in a material financial loss or gain, prejudice the outcome of contractual or other negotiations, or otherwise damage or enrich the person or entity to which the information relates.

Community

A community includes all groups of people including indigenous peoples, mobile peoples and other local communities, who live within or adjacent to the project area as well as any groups that regularly visit the area and derive income, livelihood or cultural values from the area. This may include one or more groups that possess characteristics of a community, such as shared history, shared culture, shared livelihood systems, shared relationships with one or more natural resources (forests, water, rangeland, wildlife, etc.), and shared customary institutions and rules governing the use of resources.²⁵

²⁴ <http://cdm.unfccc.int/about/index.html>.

²⁵ CCB Standards - Project Design Standards. Second Edition (2008). Climate, Community & Biodiversity Alliance.

Community and Environmental Impacts

Community and environmental impacts are the effects, both positive and negative, that the Project Activity may have on the socioeconomic well-being of affected communities or environmental quality in the project area. ACR requires that the Project Activity provide net benefits to affected communities and the environment, that negative impacts be mitigated or compensated and monitored throughout the project.

Crediting Period

Crediting Period is the finite length of time for which a GHG Project Plan is valid, and during which a project can generate offsets against its baseline scenario. The baseline must be re-evaluated in order to renew the Crediting Period. ACR sector standards and methodologies specify Crediting Period for particular project types.

De Minimis

The ACR sets a *de minimis* threshold of 3% of the final calculation of emission reductions or removals. For the purpose of completeness, any decreases in carbon pools and/or increases in GHG emission sources that exceed the *de minimis* threshold must be included. Any exclusions using the *de minimis* principle shall be justified using fully documented *ex ante* calculations.

Do no harm

Offset projects must be in compliance with applicable local, national and international laws and regulations.

Double Claiming

Double claiming may occur if the environmental benefit of a specific unit GHG emissions reduction or removal is counted towards more than one national or sector-wide emissions reduction target. Accounting procedures at both the national and international level must be in place to track emissions reductions sold to buyers towards meeting their targets. In these instances, any applicable emissions reductions can be added back in to the host country national inventory.

Double Issuance

An instance in which a specific unit is issued more than once for the same emissions reduction or removal. This can be avoided by having preventative program rules and oversight processes in place, such as cancelation of units by one program prior to re-issuance by another.

Double Selling

An instance in which a specific unit of GHG emission reduction or removals is sold to multiple buyers. This can be avoided by having program rules and oversight processes in place to prevent double issuance and double use.

Double Use

An instance in which a specific unit of GHG reduction or removal is owned by more than one entity at a given time.

Emission Reduction Ton (ERT)

The “ERT” is the ACR unit of exchange for tradable, project-based carbon offsets. ERTs refer to both emission reductions and enhancements in sequestration. ACR issues one ERT for each metric tonne of CO₂e emission reductions or removals verified against an ACR standard and methodology.

Geologic Sequestration

Geologic sequestration is the process of capturing carbon dioxide from a stationary source and injecting it deep underground through a well, with or without enhanced oil recovery. Geologic sequestration is also called carbon capture and storage (CCS).

Greenhouse Gas (GHG)

A GHG is any gaseous compound that absorbs infrared radiation in the atmosphere and contributes to the warming of the atmosphere. The primary GHGs regulated under the Kyoto Protocol are carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). The Intergovernmental Panel on Climate Change lists, and periodically updates, GHGs in its assessment reports. ACR’s scope includes all GHGs (including Ozone-Depleting Substances) listed in the IPCC *Fourth Assessment Report* (AR4), Working Group 1, Chapter 2, Table 2.14.²⁶

GHG Emission Reductions and Removals

A GHG emission reduction is the measured decrease of GHG emissions over a specified period of time relative to an approved baseline. A GHG removal is the mass of GHGs removed from the atmosphere over a specified period of time relative to an approved baseline.

GHG Emission System/Trading Program

A voluntary or regulated program that allows for trading in project-based GHG emission reductions or removals, government-issued credits, and/or allowances.

GHG Project Plan

A GHG Project Plan is a document that describes the Project Activity, satisfies eligibility requirements, identifies sources and sinks of GHG emissions, establishes project boundaries, describes the baseline scenario, defines how GHG quantification will be done and what methodologies, assumptions and data

²⁶ See http://www.ipcc.ch/publications_and_data/ar4/wg1/en/ch2s2-10-2.html.

will be used, and provides details on the project's monitoring, reporting and verification procedures. ACR requires every project to submit GHG Project Plan using an ACR-approved methodology.

Global Warming Potential (GWP)

Global warming potential is a relative scale translating the global warming impact of any GHG into its CO₂ equivalent over the same timeframe. The Intergovernmental Panel on Climate Change periodically updates the list of GHGs and their GWP factors, based on the most recent science. ACR requires Project Proponents to calculate GHG reductions and removals based on the 100-year GWPs in the IPCC *Fourth Assessment Report* (AR4), Working Group 1, Chapter 2, Table 2.14.

Intergovernmental Panel on Climate Change (IPCC)

The IPCC is “the leading body for the assessment of climate change, established by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) to provide the world with a clear scientific view on the current state of climate change and its potential environmental and socio-economic consequences.”²⁷

Leakage

Leakage refers to a decrease in sequestration or increase in emissions outside project boundaries as a result of project implementation. Leakage may be caused by shifting of the activities of people present in the project area, or by market effects whereby emission reductions are countered by emissions created by shifts in supply of and demand for the products and services affected by the project.

Methodology

A methodology is a systematic approach that establishes requirements for a Project Proponent to develop the project baseline scenario(s) and to measure, monitor, report and verify emissions reductions or removals by following scientific good practice. Good practice entails that a methodology be conservative, transparent, and thorough.

Methodology Deviations and Revisions

A methodology deviation is a project-specific change to an existing approved methodology due to a change in the conditions, circumstances or nature of a project. A deviation may be accepted for a specific project but does not result in an approved modification to the methodology. A methodology revision is a fundamental change in an existing approved methodology due to a change in conditions, circumstances or general developments in knowledge. ACR approval of methodology deviations and modifications is determined by the relevant ACR Technical Committee. Approval of methodology revisions requires public consultation and peer review.

²⁷ <http://www.ipcc.ch/organization/organization.htm>.

Methodological Tools

An approved component of a methodology (i.e., a stand-alone methodological module to perform a specific task) or a calculation tool (i.e., spreadsheets or software that perform calculation tasks) that a Project Proponent uses to quantify net GHG reductions/removals or meet other ACR requirements.

Minimum Project Term

The minimum length of time for which a Project Proponent commits to project continuance, monitoring and verification.

Net Emissions Reductions

Net Emissions Reductions are GHG emission reductions or removals created by a project activity, minus the baseline scenario and any deductions for leakage.

Ozone-Depleting Substances

Ozone-depleting substances (ODS) include controlled substances under Annexes A, B, C and E of the Montreal Protocol.²⁸ Many ODS are also potent GHGs. The Montreal Protocol controls the consumption, production and international trade of ODS, but not emissions, and thus destruction of ODS in already existing facilities and equipment worldwide has the potential to prevent significant GHG emissions.

Permanence

GHG removal enhancements may not be permanent if a project has exposure to risk factors, including unintentional reversals (e.g., fire, flood, insect infestation etc. for terrestrial projects; unanticipated releases of CO₂ for geologic projects) and intentional reversals (e.g., landowners or Project Proponents choosing to discontinue project activities).

Permanence Risk Analysis

To account for and mitigate against the risk of reversal in some projects, ACR requires Project Proponents to conduct a risk analysis to determine the number of offsets that must be set aside in the ACR buffer pool (unless the Proponent elects a different ACR-approved risk mitigation mechanism). The risk analysis evaluates several types of risk – project, economic, regulatory, and social and environmental/natural disturbance – and must be conducted using an ACR-approved risk analysis/buffer determination tool.

Programmatic Development Approach (PDA)

A project in which successive Cohorts of fields, producers or facilities are added incrementally to a project over time. A PDA must be coordinated by a Project Proponent (public or private entity) that must use an approved baseline and monitoring methodology that defines the appropriate boundary, avoids double-

²⁸ See http://ozone.unep.org/Publications/MP_Handbook.

counting, accounts for leakage, and ensures that the emission reductions are real, measurable, verifiable, and additional to any that would occur in the absence of the project.²⁹

Project Boundaries

GHG project boundaries include a project's physical boundary or implementation area, the GHG sources, sinks and reservoirs (or pools) considered, and the project duration.

Project Proponent

An individual or entity that undertakes, develops, and/or owns a project. This may include the project investor, designer, and/or owner of the lands/facilities on which project activities are conducted. The Project Proponent and landowner/facility owner may be different entities. The Project Proponent is the ACR account holder.

Registry System

An online platform operated by ACR and powered by APX that tracks ownership of offsets, houses a public database of all ACR projects, offset issuances, cancellations and retirements, and provides transparent public access to project documents. <https://acr2.apx.com/mymodule/mypage.asp>

Reversal

An intentional or unintentional event that results in the emissions into the atmosphere of stored or sequestered CO₂-e for which carbon offsets (ERTs) were issued.

Standard

A standard is an established norm or requirement in a formal document that establishes uniform engineering or technical criteria, methods, processes and practices. Standards may provide general guidance across all project types, such as this document, or be sector-specific. While ACR may accept methodologies and tools from other GHG programs, ACR only registers projects meeting ACR's own standards.

Start Date

ACR defines the Start Date for all projects other than AFOLU as the date on which the project began to reduce GHG emissions against its baseline. ACR defines the start date for AFOLU projects as the date on which the Project Proponent began the activity on project lands, with more specific guidance in the relevant ACR sector standards.

²⁹ Adapted from Clean Development Mechanism Rulebook at <http://cdmrulebook.org/452>.

Validation

Validation is the systematic, independent and documented process for the evaluation of a GHG Project Plan against applicable requirements of the ACR Standard, sector standard and approved methodology.

Validation/Verification Body

A competent and independent person, persons or firm responsible for performing the validation and/or verification process. To conduct verification the VVB must be ACR-approved.

Verification

Verification is the systematic, independent and documented assessment by a qualified and impartial third party of the GHG assertion for a specific reporting period. The verification process is intended to assess the degree to which a project complies with ACR-approved methodologies, tools, eligibility criteria, requirements, and specifications, and has correctly quantified net GHG reductions or removals. Verification must be conducted by an independent third-party verifier.

Verification Statement

A verification statement provides assurance that, through examination of objective evidence by a competent and independent third party, a GHG assertion is in conformity with applicable requirements.

APPENDIX B: NORMATIVE REFERENCES

The *ACR Standard* is based on the foundation laid by the normative reference standards and documents listed in Table A-1. These documents assisted ACR to articulate its own requirements and specifications for the quantification, monitoring, and reporting of GHG project-based emissions reductions and removals, verification, project registration, and issuance of project-based offsets.

The *ACR Standard* builds in particular on the ISO technical specifications for GHG accounting, GHG assertions and verification, and verifier accreditation as set forth in the ISO 14064, Parts 1-3:2006 and ISO 14065:2007 specifications. To the ISO specifications, ACR adds its own mandatory requirements as detailed in the ACR eligibility criteria, additionality determination process, sector standards, and approved methodologies and tools. In the event of conflicts between the *ACR Standard* and the ISO technical specifications or other normative references, the *ACR Standard* shall take precedence.

Table A-1 –Normative References for the ACR Standard

Authoring Body	Document or Standard	Relationship to ACR
Clean Development Mechanism (CDM)	<ul style="list-style-type: none"> Project-level baseline and monitoring tools and methodologies Tool for the Demonstration and Assessment of Additionality GHG sources and sinks significance test 	ACR generally accepts approved CDM methodologies for baselines and monitoring. The CDM additionality tool informs ACR additionality tests and may assist Project Proponents in formulating additionality arguments.
Intergovernmental Panel on Climate Change (IPCC)	<ul style="list-style-type: none"> Guidelines for National GHG Inventories Good Practice Guidance Fourth Assessment Report 	Identification of best practice and options for GHG emission inventory development; methodological guidance and primary seed document for more specific guidance materials and standards
International Standardization Organization (ISO)	<ul style="list-style-type: none"> ISO 14064:2006, Parts 1-3: a set of international standards that address the quantification, reporting, and verification of GHG emissions and project reductions. ISO 14065:2007: verifier accreditation requirements. 	ISO 14064:2006 provides a foundation for the <i>ACR Standard</i> by providing technical specifications for GHG accounting and reporting for organizational inventories, projects, and verification assertions. ISO 14065:2007 specifies requirements for verifier accreditation.

Authoring Body	Document or Standard	Relationship to ACR
USEPA Climate Leaders Program	<ul style="list-style-type: none"> • Set of sector-specific and cross sector guidance that addresses quantification, reporting and verification of GHG emissions reductions • Offset project methodologies for several specific project types 	Provides guidance for developing inventory baselines, accounting, and reporting, and Inventory Management Plans. Provides guidance for specific sectors and offset project methodologies; source of ACR-approved methodologies, tools and emission factors.
WRI/WBCSD GHG Protocol	<ul style="list-style-type: none"> • GHG Protocol for Project Accounting (2005) • GHG Protocol for Corporate Inventory Accounting (2005) 	Guidance related to additionality – common practice test.

APPENDIX C: COMPLAINTS & APPEALS PROCEDURE

A. Complaints Procedure

When a project proponent or ACR stakeholder maintains an objection to a decision made by representatives of ACR or the application of the ACR program requirements, the confidential complaint procedure detailed below shall be followed:

- 1) Project Proponent or ACR stakeholder sends a written complaint via email to ACR@winrock.org. The complaint must detail the following:
 - Description of the complaint with specific reference to ACR Standard and/or ACR methodology requirements, as applicable;
 - Supporting documentation provided for consideration by ACR in the complaint resolution process; and
 - Complainant name, contact details, and organization.
- 2) ACR Senior Management shall assign an ACR representative to research and further investigate the complaint. The ACR representative assigned to handle the complaint shall not have been involved previously with the issue that is the subject of the formal complaint.
- 3) ACR Senior Management will provide a written response, via email, to the complainant detailing ACR's decision on the matter.

B. Appeals Procedure

In the event that a complaint remains unresolved after the conclusion of the complaints procedure, an ACR project proponent or stakeholder may appeal any such decision or outcome reached as a result of the complaint procedure. The following confidential appeals procedure shall be followed:

- 1) Project Proponent or ACR stakeholder sends a written appeal via email to ACR@winrock.org. The appeal must detail the following:
 - Description of the appeal with specific reference to ACR Standard and/or ACR methodology requirements, as applicable;
 - Supporting documentation provided for consideration in the appeal process, including previous communication on the complaint and all relevant details of the previously implemented complaint procedure; and
 - Appellant name, contact details, and organization

- 2) ACR Senior Management shall forward the appeal to the appropriate Winrock Senior Director, who will convene a committee of representatives to review and opine on the matter. The committee will include a member of the Winrock Board of Directors, a member of the Winrock Senior Management team, and an ACR staff member unrelated to the complaint, all of whom will have equal votes. The committee may also include a technical and/or subject matter expert or experts as necessary, who will be non-voting. The specific committee members selected will depend on the subject matter and nature of the appeal.
- 3) The decision reached by the committee shall be communicated, via written response, to the ACR project proponent or stakeholder accordingly. Any decision reached by the committee shall be final.

DRAFT

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