Program Fee Schedule

(Previous Version)

1 | Introduction

This document sets out the fees that apply under the VCS Program, as may be updated on a periodic basis. It also sets out further information in respect of such fees.

This document will be updated from time-to-time and readers shall ensure that they are using the most current version of the document.

2 | Fee Schedule

Fee	Rate
Registration fee	For each project registration request: • Where registration is requested without submission of verification report, or registration is requested with submission of verification report and verification period is at least one year: (Estimated annual volume of emission reductions[1]) x (USD 0.10); capped at USD 10,000 • Where registration is requested with submission of verification report and verification period is less than one year: (Verification period quantity) x (USD 0.10); capped at USD 10,000 The registration fee is credited toward future VCU issuance levies[2].

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[1] Estimated annual volume of emission reductions shall be calculated as the average estimated annual emission reductions for the first ten years of the project crediting period.

[2] For example, a project with estimated annual emission reductions of 30,000 tonnes of CO_2e per year (as specified in the validation report) would incur a fee of USD 3,000 at registration, and no VCU issuance levy would be due on the first 30,000 VCUs issued.

VCU issuance levy	For cumulative VCU issuances from a project occurring within a calendar year[3]:

# of VCUs issued		$ / VCU
For the first 1 million	1-1,000,000	USD 0.10
For the subsequent 1 million	1,000,001-2,000,000	USD 0.09
For the subsequent 2 million	2,000,001-4,000,000	USD 0.08
For the subsequent 2 million	4,000,001-6,000,000	USD 0.06
For the subsequent 2 million	6,000,001-8,000,000	USD 0.04
For the subsequent 2 million	8,000,001-10,000,000	USD 0.02
For each VCU over 10 million	>10,000,000	USD 0.01

Single issuance events of greater than 500,000 VCUs are eligible to be issued prior to payment of the VCU issuance levy. Please contact Verra directly for more information.

VCU issuance levy, conversion of GHG credits from approved GHG programs	USD 0.05 per VCU
Retroactive label fee	USD 1,500 flat fee for each retroactive label event[4]
Methodology approval process administration fees	For new methodologies and substantive methodology revisions[5]: • USD 2,000 methodology concept note application fee (non-refundable); plus

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[3] The calendar year is defined as 1 January – 31 December. The sliding scale for the VCU levy shall be applied as cumulative issuances within the calendar year cross each volume threshold. The cumulative issuance volume for each project shall restart on 1 January of each year.

For example, where 4.7 million VCUs were issued from a project within one calendar year, the total VCU issuance levy for the VCUs issued during that calendar year would be: ($0.10 x 1m) + ($0.09 x 1m) + ($0.08 x 2m) + ($0.06 x 0.7m) = $392,000. Note that there is no limit on the number of issuance events which may occur within the calendar year, meaning that the 4.7 million cumulative issuance may have been reached over any number of issuance events.

[4] A retroactive label event refers to a retroactive application of a VCU label to previously issued VCUs. Note that the retroactive label fee is charged in addition to any label fees charged by the additional certification standard.

[5] See VCS document *Methodology Approval Process* for information on what constitutes a substantive or minor methodology revision.

	• USD 8,000 processing fee where Verra accepts the methodology element into the approval process For modules, tools and minor methodology revisions: • USD 1,250 methodology concept note application fee (non-refundable); plus • USD 3,750 processing fee where Verra accepts the methodology element into the approval process
Methodology compensation rebate	For cumulative VCU issuances from each project applying the applicable methodology within a calendar year[6] (see Section 3 for payment terms):

# of VCUs issued by each project		$ / VCU
For the first 1 million	1-1,000,000	USD 0.02
For the subsequent 1 million	1,000,001-2,000,000	USD 0.018
For the subsequent 2 million	2,000,001-4,000,000	USD 0.016
For the subsequent 2 million	4,000,001-6,000,000	USD 0.012
For the subsequent 2 million	6,000,001-8,000,000	USD 0.008
For the subsequent 2 million	8,000,001-10,000,000	USD 0.004
For each VCU over 10 million	>10,000,000	USD 0.002

Expert application fee	AFOLU experts: USD 375 per project category (for the purpose of assessment, the following two combinations are each considered as one category: IFM+REDD and ALM+ACoGS) Standardized methods experts: USD 375
Validation/verification body annual fee	USD 2,500 per year
Gap analysis fee	Determined on a case-by-case basis; contact Verra

3 | Payment Terms for

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[6] For example, where the total volume of VCUs issued by projects using the applicable methodology totals 5.2 million VCUs, with one project issuing 4.7 million VCUs within the calendar year and a different project issuing 500,000 VCUs within the calendar year, the total methodology compensation rebate would be: [($0.02 x 1m) + ($0.018 x 1m) + ($0.016 x 2m) + ($0.012 x 0.7m)] + [($0.02 x 0.5m)] = [$78,400] +[$10,000] = $88,400.

Methodology Compensation Rebate

Verra sends to the methodology developer, on a quarterly basis, a report detailing the methodology compensation accrued since the beginning of the calendar year. Upon receipt of such report, the methodology developer may submit an invoice to the Verra to receive payment of the compensation rebate. Methodology developers shall, at a minimum, submit an invoice to the Verra for the last report of the calendar year to receive payment accrued for the year.

APPENDIX 1: DOCUMENT HISTORY

Version	Date	Comment
v3.0	8 Mar 2011	Initial version released under *VCS Version 3*.
v3.1	15 Jul 2011	Addition of AFOLU expert application fee (effective on issue date).
v3.2	19 Oct 2011	Addition of validation/verification body annual fee (effective on signature of new VVB agreement).
v3.3	1 Feb 2012	Main updates (all effective on issue date) 1) Addition of standardized methods expert and ACoGS expert application fee (Section 2). 2) Update to payment terms for methodology compensation rebate (Section 3).
v3.4	8 Oct 2013	Main updates (all effective on issue date) 1) Clarified that readers *shall* use the most current version of this document (Section 1). 2) Updated payment terms for methodology compensation rebate (Section 3).
v3.5	12 Jan 2015	Main updates (effective on issue date, unless otherwise stated): 1) Addition of registration fee (Section 2). Effective from 1 July 2015. 2) Introduced sliding scale on VCU issuance levy depending on issuance volume (Section 2). 3) Revised methodology approval process administration fee (Section 2). Effective from 6 months after release of new screening procedure in VCS document *Methodology Approval Process*. 4) Updated validation/verification body annual fee (Section 2). Effective 1 January 2015. 5) Removed temporary accreditation fees (formerly Section 4).
v3.6	21 Jun 2017	Main updates (effective on issue date, unless otherwise stated): 1) Addition of retroactive label fee (Section 2). 2) Removed reference to out-of-date fees and renamed the "application fee" to the "methodology concept note application fee" (Section 2).
v3.7	17 Nov 2017	Main updates: 1) Extended the VCU levy sliding scale to account for larger issuances, and replaced the 'issuance event' restraint with a 12-month period within which the sliding scale shall apply (Section 2). Effective retroactively from 1 January 2017. 2) Introduced a sliding scale on methodology compensation rebate rates. Effective from 1 January 2018.
v3.8	1 Dec 2018	Main updates (effective on issuance date, unless otherwise stated): 1) Clarified that the estimated annual volume of emission reductions that is used to calculate the registration fee shall be calculated as the average estimated annual emission reductions for the first ten years of the project crediting period (Section 2).

2) Revised the timeframe over which the VCU levy sliding scale is calculated. Specifically, the VCU levy sliding scale was formerly calculated based on issuances from a given project and verification report over a "12-month issuance period", starting on the date of the first issuance from a given verification report. This was updated such that the VCU levy sliding scale applies to cumulative VCU issuances from a project occurring within a calendar year (i.e., 1 January – 31 December) (Section 2).

Effective 1 December 2018. Any VCUs issued in December 2018 will be charged at the applicable rate of the VCU levy sliding scale based on the cumulative volume of VCUs issued from the project since 1 January 2018. Projects that started a 12-month issuance period on or before 31 December 2018 will be required to complete that period. Beginning from the end of such 12-month period in 2019, VCUs issued from the project will be charged at the applicable rate of the VCU levy sliding scale based on the cumulative volume of VCUs issued from 1 January 2019 through the end of the 12-month issuance period.

For example, where a project started its 12-month issuance period for a particular verification report on 1 March 2018, the 12-month issuance period would cover 1 March 2018 – 28 February 2019. If the project issued 500,000 VCUs through 31 December 2018, 1 million VCUs from 1 January – 28 February 2019, and 2.25 million VCUs from 1 March – 31 December 2019, the VCU levy would be equal to: [($0.10 x 0.5m)] + [($0.10 x 0.5m) + ($0.09 x 0.5m)] + [($0.09 x 1m) + ($0.08 x 1.25m)] = $335,000. Such project's cumulative issuance volume shall restart on 1 January 2020 to align with a calendar year schedule.

3) Revised the timeframe over which the methodology compensation rebate sliding scale is calculated to align with the revision to the VCU levy sliding scale, as described above (Section 2).

Effective 1 December 2018, though the methodology compensation rebate for VCUs issued from projects that started a 12-month issuance period on or before 31 December 2018 will be calculated according to the grace period described in (2) above, *mutatis mutandis.*

4) Introduced a delayed payment option for VCU issuance events greater than 500,000 (Section 2).

5) Replaced references of "VCSA" and "VCS" with "Verra" (throughout).

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