

## CLARIFICATIONS TO VCS PROGRAM RULES AND REQUIREMENTS

Publication date: 19 April 2022; updated 21 April 2022

This document provides clarifications applicable to the program documents referenced in the table below. Such clarifications are effective on the effective date listed in the table. Project proponents and validation/verification bodies shall apply and interpret the Verified Carbon Standard (VCS) Program documents consistent with the clarifications set out in this document. The clarifications will be incorporated into the next issued versions of the program documents.

Clarification	Description	Document and Section Reference	Effective Date
Clarification 1	Rule to establish VCS project start dates for CPAs registering as VCS projects	<i>VCS Standard, v4.2</i> <i>Section 3.20.3(3)</i>	19 April 2022
Clarification 2	Definitions for 'project start date' and 'project crediting period start date'	<i>VCS Program Definitions, v4.1</i>	19 April 2022
Clarification 3	Eligibility conditions (effective dates) for CPA-issued credit conversion requests	<i>VCS Standard, v4.2</i>	19 April 2022
Clarification 4	Grace periods for use of previous versions of methodologies	<i>Methodology Approval Process, v4.0</i>	19 April 2022

# 1 CLARIFICATION 1: VCS STANDARD, V4.2 SECTION 3.20.3(3), RULE TO ESTABLISH VCS PROJECT START DATES FOR CPAS REGISTERING AS VCS PROJECTS (19 APRIL 2022)

## 1.1 Background

The intended purpose of *VCS Standard, v4.2* Section 3.20.3(3) was to serve as a check on the additionality of Clean Development Mechanism (CDM) Component Project Activities (CPAs). However, on 5 February 2021 Verra updated the VCS Program to set out eligibility conditions (effective dates) for projects registered under other GHG programs, and credits issued to such projects, to transition to the VCS Program by way of project registration or credit conversion.

As of that update, Section 3.20.3(3) no longer served as an additionality check. By establishing a common start date for all CPAs in the same CDM Program of Activities (PoA), Section 3.20.3(3) precluded some CPAs from transitioning to the VCS Program as standalone projects. By using the start date of the first CPA in the same PoA to begin reducing or removing emissions, VCS validation of some CPAs that joined PoAs later could not be completed by the relevant project start date deadline.

Verra has removed line (3) of Section 3.20.3 within the *VCS Standard, v4.2* as indicated below. For clarity, each CPA will be assigned a VCS project start date reflecting the date on which the specific CPA began reducing or removing GHG emissions. Further specification was added related to the implications of such start date for VCS validation deadlines.

## 1.2 Clarification to *VCS Standard, v4.2, Section 3.20*

3.20.3 For projects registered under the CDM as a program of activities (PoA), the following applies:

- 1) Each component project activity (CPA) shall be registered with the VCS Program as a separate project accompanied by its associated program of activities design document.
- 2) **[ADDED TEXT]** The CPA shall have been included under the associated PoA within the relevant timeframe for projects to complete validation that is set out in Section 3.7. For example, for non-AFOLU projects, the inclusion date on the CPA inclusion form shall be within two years of the project start date.
- 3) **[REMOVED TEXT]** ~~Each such~~ **[ADDED TEXT]** The project shall be **[ADDED TEXT]** gap validated in accordance with Section 3.20.5(1) below.
- 4) **[REMOVED TEXT]** ~~The project start date for such projects is the date on which the first activity under the program of activities began reducing or removing GHG emissions.~~
- 5) ~~Validation shall be completed within the relevant project start date deadline, as set out in Section 3.20 (in this case, validation refers to validation of the first CPA under the associated PoA).~~

## 2 CLARIFICATION 2: VCS PROGRAM DEFINITIONS, V4.1, DEFINITIONS FOR 'PROJECT START DATE' AND 'PROJECT CREDITING PERIOD START DATE' (19 APRIL 2022)

### 2.1 Background

The VCS *Program Definitions, v4.1* included definitions for 'project start date' and 'project crediting period start date' that could result in inconsistencies in assigning a VCS project crediting period. The project crediting period must start on the same day as the project start date.

Verra has revised the definitions of 'project start date' and 'project crediting period start date' as follows.

### 2.2 Clarifications to Program Definitions, v4.1

#### Project Crediting Period Start Date

The date on which the ~~[REMOVED TEXT] first monitoring period commences~~ **[ADDED TEXT]** project began generating GHG emission reductions or removals; equal to "Project Start Date"

#### Start Date

- The date on which the project began generating GHG emission reductions or removals; **[ADDED TEXT]** equal to "Project Crediting Period Start Date". Also referred to as "Project Start Date"; or....

### 3 CLARIFICATION 3: VCS STANDARD, V4.2, ELIGIBILITY CONDITIONS (EFFECTIVE DATES) FOR CPA-ISSUED CREDIT CONVERSION REQUESTS (19 APRIL 2021)

#### 3.1 Background

This clarification provides additional detail about effective dates in Clarification 3 of *Errata & Clarifications, VCS Standard, v4.0 and Registration and Issuance Process, v4.0*; specifically for credit conversions for credits issued to CDM CPAs.

#### 3.2 Clarifications to VCS Standard, v4.2, Appendix 2 Document History

GHG credits issued to projects registered under an approved GHG program, with activities that are included within the scope of the VCS Program (see *VCS Standard, v4.2* Section 2.1), shall only be eligible to be converted into VCUs where one of the following is demonstrated:<sup>1</sup>

- a. For GHG credits issued to a project that does not include afforestation and/or reforestation activities:
  - i) The project has an original project crediting period start date on or after 1 January 2016 with an approved GHG program; or
  - ii) Where the project has an original project crediting period start date from 1 January 2013 to 1 January 2016, the project has issued credits during the period 1 January 2016 to 5 March 2021, or has a status of “issuance requested” on the CDM Registry by 5 March 2021.
- b. **[ADDED TEXT]** For GHG credits issued to a CDM Component Project Activity (CPA) that does not include afforestation and/or reforestation activities:
  - i) The CPA is part of a Program of Activities (PoA) with an original program crediting period start date on or after 1 January 2016; or
  - ii) Where the CPA is part of a Program of Activities (PoA) with an original program crediting period start date from 1 January 2013 to 31 December 2015 and where the CPA has an original crediting period start date from 1 January 2013 to 31 December 2015, the CPA has issued credits during the period 1 January 2016 to 5 March 2021, or has a status of “issuance requested” by 5 March 2021; or
  - iii) Where the CPA is part of a PoA with an original program crediting period start date between 1 January 2013 and 31 December 2015 and where the CPA has an original crediting period start date on or after 1 January 2016, no prior credit issuance is required.

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<sup>1</sup> GHG credits are deemed to have met these timelines where Verra confirmed (in writing, to the project proponent or an authorized representative) the credits’ eligibility on or before 4 February 2021.

- c. For GHG credits issued to a project with afforestation and/or reforestation activities, the project was registered with an approved GHG program on or after 1 January 2013.<sup>2</sup>
- d. **[ADDED TEXT]** For GHG credits issued to a CDM CPA with afforestation and/or reforestation activities, the CPA is part of a PoA that was registered on or after 1 January 2013.

Further, the following applies with respect to vintages:<sup>3</sup>

- a. For GHG credits issued to a project that does not include afforestation and/or reforestation activities, only GHG credits with vintages beginning on or after 1 January 2016 are eligible for conversion into VCUs.
- b. For GHG credits issued to a project with afforestation and/or reforestation activities, only GHG credits with vintages beginning on or after 1 January 2013 are eligible for conversion into VCUs.

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<sup>2</sup> Note that for a project seeking to convert GHG credits to VCUs, a project with activities within the Agriculture, Forestry, and Other Land Use (AFOLU) sector must register under the VCS Program and the project will be required to deposit credits into the AFOLU pooled buffer account, in accordance with the *AFOLU Non-Permanence Risk Tool*. Such a project must first register under the VCS Program before any GHG credits may be converted into VCUs, given the risk of non-permanence (see *VCS Registration and Issuance Process, v4.1* Section 4.2.15(5)).

<sup>3</sup> A project is deemed to have met these timelines where Verra confirmed (in writing, to the project proponent or an authorized representative) the project's eligibility on or before 4 February 2021.

## 4 CLARIFICATION 4: METHODOLOGY APPROVAL PROCESS, V4.0, GRACE PERIODS FOR USE OF PREVIOUS VERSIONS OF METHODOLOGIES (19 APRIL 2021)

### 4.1 Background

The VCS *Methodology Approval Process, v4.0* Section 7.3 addresses revisions to VCS methodologies. Specifically, Section 7.3(3) describes the process for withdrawing the prevailing version of a methodology and the grace period for its use after publication of a revised version. This clarification provides more detail about the grace period. The clarification applies to the VCS *Methodology Approval Process* document, though the language will also be incorporated into the VCS *Standard* in due course.

### 4.2 Clarification to Methodology Approval Process, v4.0, Section 7.3

- 3) Where the methodology revision is approved by Verra, the prevailing version of the methodology is withdrawn and the revised methodology replaces it **[REMOVED TEXT]** ~~for up to six months from the date it was withdrawn~~ **[ADDED TEXT]**, and the following applies:
  - a) Projects that have not yet completed validation: The previous version of the methodology may be used where the project is listed on the VCS project pipeline by the date the methodology is withdrawn and a validation report is issued within six months of such date.
  - b) Registered projects: Registered projects shall be updated to use the latest version of the methodology at crediting period renewal or baseline reassessment (when such reassessment is required; see the VCS *Standard* for detail). The previous version of the methodology may be used by projects where the validation of a crediting period renewal or baseline reassessment is completed within six months of the date the methodology is withdrawn.