



PUBLIC CONSULTATION ON VCS PROGRAM METHODOLOGY CHANGE AND REQUANTIFICATION PROCEDURE

July 9, 2024

1 INTRODUCTION

Verra is launching a public consultation on a new *Methodology Change and Requantification Procedure*, which will provide a pathway for projects to voluntarily update to a new methodology, requantify previously verified GHG emission reductions and carbon dioxide removals (reductions and removals), and reconcile issued Verified Carbon Units (VCUs).

Project proponents may use this procedure to enable their verified VCUs from past monitoring periods to be eligible for an Integrity Council for Voluntary Carbon Markets (ICVCM) Core Carbon Principles (CCP) label or other market label such as a carbon dioxide removal or GHG emission reduction (removals and reductions) label.

This consultation fulfils Verra's commitment to provide such a pathway which was announced in the November 21, 2023 Statement on Verra's Application for ICVCM Assessment. This new procedure provides guidelines for project proponents to apply a different methodology, or the most recent version of the current applied methodology, to a previously verified monitoring period in order to re-quantify reductions and removals and reconcile issued Verified Carbon Units (VCUs).

In order to ensure that the procedure meets the needs of stakeholders, this public consultation is seeking input on the procedure's clarity and ease of use for stakeholders, in particular for project proponents, validation/verification bodies, and holders of active VCUs.

The full procedure text is included as an annex to this public consultation document.

1.1 Consultation Process and Timeline

The planned timeline for implementing the consultation and publishing the final procedure document is set out in the table below.

Tentative Date(s)	Activity
July 9 – August 9, 2024	30-day public consultation
July 16, 2024	Consultation webinar
August 2024	Review comments and finalize document
September 2024	Publish Procedure

Comments may be submitted electronically via the provided [Google Form](#) by August 9, 2024. After the consultation, we will use the input provided to finalize the proposed *Methodology Change and Requantification Procedure*.

We look forward to your feedback. Please let us know if you have any questions as you engage in this consultation at programupdates@verra.org.

2 OVERVIEW: METHODOLOGY CHANGE AND RE-QUANTIFICATION PROCEDURE

2.1 Background

Verra has created a pathway for proponents to update voluntarily to a new methodology in order to re-quantify previously monitored data and reconcile their already verified VCUs.

The procedure, which is included in the annex to this document below, includes guidance on when and how a project may update to the new methodology, how to prepare the project documentation to submit the requantification and VCU reconciliation request, and details the reconciliation process for previously verified VCUs. Project proponents are responsible for completing the methodology change and requantification request and having it audited by a verification and validation body. Once approved, each VCU holder can decide whether to reconcile their VCUs.

Projects will be charged an upfront review fee to process the request, and VCU holders will be charged a fee for the retroactive labeling of the eligible issued VCUs. These fees are intended to cover the capacity cost incurred by Verra to review and approve the requantification request and process the VCU reconciliation requests, and to ensure that the influx of requests does not negatively impact other project review timelines.

2.2 Summary of the Procedure

Projects are only eligible to update methodologies and reconcile VCUs where:

- 1) The project meets all the applicability conditions of the most recent version of a different active methodology or most recent version of the current applied methodology.
- 2) The project proponent has all the data required by the new methodology.

- 3) The verification periods being re-quantified are consecutive and include the latest approved verification period.

Project proponents are only permitted to make certain changes to their project through this procedure, to limit any retroactive project design changes.

Project proponents are required to notify Verra of their intention to submit a requantification and VCU reconciliation request at the start of the validation/verification activities. This is so Verra can compile a list of projects that intend to reconcile previously issued VCUs and send regular notifications to all holders of active VCUs which may be issued from those projects.

Once a requantification request has been approved, each VCU holder may choose to reconcile VCUs and pay a retroactive labeling request fee to receive the corresponding label on their reconciled VCUs. Reconciliation is optional for each VCU holder after receiving a notification from Verra; it is not mandatory.

Note that there are several new templates referenced throughout the procedure draft that will be developed and published alongside the launch of the finalized procedure.

2.3 Requested Feedback

Verra is requesting feedback on the following:

1. Do you have any comments or concerns about the proposed eligibility criteria?
2. For project proponents:
 - a. How likely are you to use this methodology change and requantification procedure?
 - Extremely likely
 - Somewhat likely
 - Not likely at all
 - b. For question 2a above, please justify your answer and indicate your primary motivation to use this procedure (e.g. to switch to the newest version of the applied methodology, to attain CCP labels, or to attain Removals labels).
3. For project proponents:
 - a. What projects would you choose to requantify and why?
 - b. How many projects in your portfolio do you expect to update using this procedure? (individual responses to this question will be kept confidential)
 - c. Approximately how many VCUs (including VCUs that are approved by Verra but not issued) do you expect to reconcile? (individual responses to this question will be kept confidential)
4. For VCU holders,
 - a. How likely are you to use the opt-in procedure to reconcile your VCUs and receive eligible labels?
 - Extremely likely
 - Somewhat likely
 - Not likely at all

- b. For question 4a above, please justify your answer and indicate the type of label of most interest to you (CCPs, Removals, Reductions).
 - c. For VCU holders, approximately how many VCUs do you expect to reconcile? (individual responses to this question will be kept confidential).
5. For active VCU holders, how often would you like to receive notifications from Verra about the list of projects that have submitted a *Requantification Notification*?
 - Weekly
 - Bi-Weekly
 - Monthly
6. Are there any specific improvements that you would suggest to any part of the procedure? Please provide the Section reference and suggested text where applicable.



**Verified Carbon
Standard**

A VERRA STANDARD

Methodology Change and Requantification Procedure

9 July 2024

v0.1 - For Public Consultation

ABOUT VERRA

Verra sets the world’s leading standards for climate action and sustainable development. We build standards for activities as diverse as reducing deforestation, improving agricultural practices, addressing plastic waste, and achieving gender equality. We manage programs to certify that these activities achieve measurable high-integrity outcomes. We work with governments, businesses, and civil society to advance the use of these standards, including through the development of markets. Everything we do is in service of increasingly ambitious climate and sustainable development goals – and an accelerated transition to a sustainable future.

Verra’s certification programs include the [Verified Carbon Standard \(VCS\) Program](#) and its [Jurisdictional and Nested REDD+ \(JNR\) Framework](#), the [Climate, Community & Biodiversity \(CCB\) Standards Program](#), the [Sustainable Development Verified Impact Standard \(SD VISta\) Program](#), and the [Plastic Waste Reduction Program](#).

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INTRODUCTION

This document provides a procedure for proponents of Verified Carbon Standard (VCS) projects who wish to update their project to a different methodology, requantify previously verified GHG emission reductions and carbon dioxide removals (reductions and removals) and reconcile the associated Verified Carbon Units (VCUs). To do so, project proponents make a requantification approval request. This request is a stand-alone request separate from a typical registration or verification approval request. It is also distinct from a request to switch to a different methodology as a project description deviation.

Before submitting the request to Verra, the updated project documents must be validated and verified by a validation/verification body. Verra then reviews the requantification request documents in line with Section 4.3 of the *Registration and Issuance Process, v4.5*.

Once a project's requantification request is approved, VCU holders may use this procedure to reconcile verified VCUs from past monitoring periods and request a request label for the reconciled VCUs to indicate that the VCUs meet the requirements of a market label. For example, a project proponent that wishes to apply the Integrity Council for Voluntary Carbon Markets (ICVCM) Core Carbon Principles (CCP) labels to previously issued VCUs may use this procedure to update to an eligible methodology, requantify the reductions and removals from past monitoring periods, and reconcile the difference in VCUs to enable labelling. A project proponent may also use this procedure to requantify and label VCUs from mixed reductions and removals projects, where an updated version of the applied methodology specifies how to separate the reductions and removals.

1 METHODOLOGY CHANGE AND REQUANTIFICATION PROCEDURE

1.1 Eligibility Criteria

1.1.1 Project proponents are eligible to use this procedure where all of the following apply:

- 1) The project meets all the applicability conditions of the most recent version of a different active methodology or the most recent version of the current applied methodology.
- 2) The project proponent has all the data required by the most recent version of a different active methodology or most recent version of the current applied methodology.
- 3) The verification periods being requantified are consecutive and include the latest Verra-approved verification period.

1.1.2 Project proponents using this procedure shall make only the following changes to the project for the requantification approval request:

- 1) Applying the most recent version of a different active VCS methodology or most recent version of the current applied methodology to the project in full.
- 2) Reassessing the baseline scenario for projects that are subject to baseline reassessment requirements.
- 3) Updating the monitoring approach based on the different or updated methodology version, including data and parameters to be monitored.
- 4) Quantifying the estimated reductions and removals for future monitoring periods, and the reductions and removals achieved in past monitoring periods.

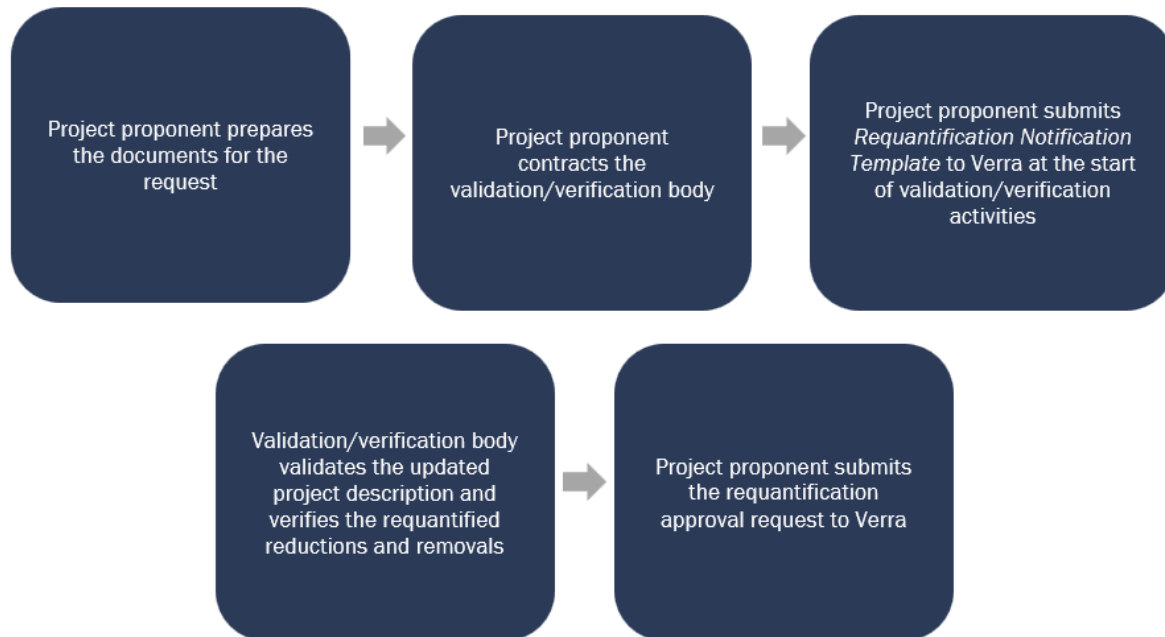
1.1.3 Project proponents shall only be eligible to make one requantification approval request per project.

1.1.4 Retired VCUs are not eligible for reconciliation.

1.2 Timing of the Request

1.2.1 The project proponent shall notify Verra of its intention to make a requantification approval request by emailing the Verra Registry at registry@verra.org and by uploading a completed *Requantification Notification Template* to the Verra Registry. Project proponents shall notify Verra of its intent at the start of validation/verification activities with the contracted validation/verification body.

Figure 1: Summary of requantification procedure



1.3 Notification of VCU Holders

1.3.1 Verra periodically notifies all holders of active VCUs of the projects that have submitted a completed *Requantification Notification Template*. If VCUs from the project are transferred to another account holder after this initial notification, the previous VCU holder shall be responsible for notifying the new VCU holder that a *Requantification Notification* for the project has been submitted.

1.4 Preparing a Requantification Approval Request

- 1.4.1 To requantify previously verified reductions and removals, the project proponent shall select the most recent version of a different active methodology or the most recent version of the current applied methodology.¹
- 1.4.2 The project proponent shall revise the following sections² of their project description: 1.4, 1.11, 1.14, Section 3, Section 4, and Section 5. Section 1.4 shall demonstrate that the project meets the eligibility criteria described in Section 1.1 above.

¹ Where projects have been verified using *VM0009 Methodology for Carbon Accounting for Mosaic and Landscape-scale REDD Projects* before transitioning to *VM0048*, the reconciliation process under *VM0048* Section 8.1.2 replaces the procedure described in this document.

² Section numbers are based on the *VCS Project Description Template, v4.4*.

Table 1: Project Description Section Headings

1.4	Project eligibility
1.11	Project scale and estimated ERRs
1.14	Conditions prior to project initiation
3.1	Title and reference of methodology
3.2	Applicability of methodology
3.3	Project boundary
3.4	Baseline scenario
3.5	Additionality
3.6	Methodology deviations
4.1	Baseline emissions
4.2	Project emissions
4.3	Leakage emissions
4.4	Estimated reductions and removals
5.1	Data and parameters available at validation
5.2	Data and parameters monitored
5.3	Monitoring plan

Note – project proponents who change project methodologies and requantify verified reductions and removals per this procedure are not required at the subsequent verification to submit a project description deviation describing this change per Section 3.21 of the VCS Standard, v4.7.

- 1.4.3 The project shall conform with all requirements for the quantification of reductions and removals in the most recent applicable version of the *VCS Standard*.
- 1.4.4 The project shall conform with all requirements of the most recent version of the different active methodology or most recent version of the current applied methodology.
- 1.4.5 Where the project has an associated non-permanence risk, the project proponent shall use the most recent applicable version of the *AFOLU Non-Permanence Risk Tool*³ to calculate an updated non-permanence risk rating. The new rating is applied to the requantified reductions and removals.
- 1.4.6 Project proponents shall use the *VCS Requantification Report Template* to assess monitored data using the new methodology and report the revised quantity of reductions and removals and the percentage of VCUs to be reconciled (see Table 2).
- 1.4.7 A separate *VCS Requantification Report Template* may be used for each verification period being requantified. The start and end date of the period included in the *VCS Requantification Report* shall match exactly the start and end date of the verification period being requantified. Where multiple verification periods are requantified in a single *VCS Requantification Report Template*, the reductions and removals must be reported for each verification period and calendar year.

³ Note that projects proponents that wish to be eligible to receive Core Carbon Principles (CCP) labels must use the most recent version of the AFOLU Non-Permanence Risk Tool, *including* the use of the 40-year longevity period, where the project has an associated non-permanence risk.

Table 2: Example reconciliation table

Year	Original Quantification of Reductions and Removals (t CO ₂ e)	New Quantification of Reductions and Removals (t CO ₂ e)	Percentage of VCUs to be Reconciled (%)	Number of VCUs to be Canceled or Withheld
2018	250 000	169 652	67.8	80 348
2019	375 000	254 478	67.8	120 522
2020	375 000	254 478	67.8	120 522
2021	1 000 000	678 608	67.8	321 392

1.4.8 A validation/verification body (VVB) shall validate the updated project description and verify each *VCS Requantification Report* and the underlying reductions and removals calculations using the *VCS Requantification Verification Report* template.

Note – the VVB rotation requirements in the VCS Standard do not apply to requantification. To be eligible to validate the updated project description and verify the Requantification Report, VVBs must hold accreditation under the VCS Program to perform validations.

1.5 Submission of Approval Request and Verra Review

1.5.1 The project proponent shall submit the following documents via the Verra Registry:

- 1) The updated project description with only the revised sections specified in Section 1.4.2 completed.
- 2) The completed *VCS Requantification Report(s)*.
- 3) An updated *Non-Permanence Risk Report* (where applicable).
- 4) An updated ex-ante GHG emission reduction and carbon dioxide removal calculation spreadsheet and updated ex-post reductions and removals calculation sheets for each verification period.
- 5) A *Requantification Representation*, signed by the project proponent.
- 6) A *Reconciliation Representation*, signed by the project proponent.
- 7) A *VCS Requantification Verification Report*, completed by the validation/verification body.

1.5.2 The project proponent shall pay the requantification request review fee before Verra processes the requantification request submission.

1.5.3 Verra reviews the requantification approval request following the procedure in Section 4.3 of the *Registration and Issuance Process, v4.4*.

2 RECONCILIATION PROCEDURE

2.1 Notification of VCU Holders

2.1.1 Verra notifies the project proponent and all VCU holders when the requantification request has been approved.

2.2 VCU Holder Requests for Reconciliation of VCUs

2.2.1 VCUs held by the project proponent are reconciled by default.

2.2.2 Each other VCU holder may choose to reconcile their VCUs to reflect the requantification and receive the corresponding label(s) on their reconciled VCUs. VCU holders choosing to reconcile their VCUs shall submit a *Reconciliation Representation* to registry@verra.org within 30 days of receiving the notification from Verra.

2.2.3 Verra assumes that VCU holders who do not reply to the notification within 30 days do not wish to reconcile their VCUs.

2.3 Procedure to Cancel and Re-issue Previously Verified Reductions and Removals

2.3.1 Verra reconciles VCUs for each VCU batch that the VCU holder has chosen to reconcile, once the 30-day notice period is complete.

2.3.2 The percentage of VCUs to be reconciled applies equally to all issuance batches in a vintage period that the holder has chosen to reconcile. Where VCUs have been issued for only part of a verification report volume, the remaining volume of VCUs eligible for issuance is adjusted according to the same percentage as issued VCUs from that vintage period.

2.3.3 Per Section 3.21.3 of the *VCS Standard, v4.7*, the total quantity of newly issued VCUs and reductions and removals eligible for VCU issuance shall not exceed the quantity of reductions and removals previously approved for issuance as VCUs.

2.3.4 To implement the reconciliation, the Verra Registry cancels all VCUs associated with the requantified issuance batches within the verification period(s),⁴ and then follows the steps laid out in Sections 2.3.5–2.3.7 below. Where only certain vintages or issuance batches are affected, the unaffected issuance batches of VCUs will not be canceled.

2.3.5 Each VCU holder that does not reply or declines to reconcile is issued the same amount of new VCUs as previously held. Such VCUs are considered to have been issued under the original

⁴ Registry functionality improvements are underway to enable cancelation of only those VCUs within an issuance batch that are to be reconciled.

methodology version and are not eligible for any additional label resulting from the reconciliation.

- 2.3.6 Each VCU holder that requests reconciliation is issued the revised number of VCUs based on the *VCS Requantification Report*. Such VCUs are considered to have been issued under the methodology used for the requantification, which is indicated by a *VCU Reconciliation Table* published on the Verra Registry, and are eligible for VCU labels applicable to the new methodology.
- 2.3.7 Each VCU holder that chooses to reconcile their VCUs shall pay the retroactive labeling request fee before Verra applies the retroactive label to the reconciled VCUs. Reconciled VCUs eligible for labeling that have not yet been issued are not subject to the retroactive labeling request fee.
- 2.3.8 The Verra Registry reconciles the number of buffer credits in the AFOLU pooled buffer account by canceling the relevant portion of the deposited credits from the applicable project verification period.

APPENDIX 2: DOCUMENT HISTORY

Version	Date	Comment
v0.1	July 9 2024	Draft version released for public consultation.



Standards for a Sustainable Future



**Verified Carbon
Standard**



**Jurisdictional
& Nested REDD+**



**Climate, Community
& Biodiversity Standards**



**Sustainable Development
Verified Impact Standard**



**Plastic Waste
Reduction Standard**