



One Thomas Circle, NW
Suite 1050
Washington, DC 20005
www.verra.org

Request for Proposals

Legal advice – Projected Carbon Units

June 2021

1. Mandate

Verra intends to engage legal counsel to advise on US regulatory considerations associated with the issuance and trading of a new instrument: the Projected Carbon Unit (PCU).

2. Context

Verra, a Washington DC-based nonprofit organization, administers the Verified Carbon Standard (VCS) Program. Under the VCS Program, Verra:

- a) Registers projects with the potential to reduce or remove greenhouse gas emissions; and
- b) Issues, and operates infrastructure to record transactions of, instruments known as Verified Carbon Units (VCUs), which correspond to emission reductions or removals that registered projects have achieved.

Verra wishes to establish a new type of instrument: PCUs. Whereas VCUs are issued after emission reductions or removals are achieved, PCUs would be issued at an earlier stage in the project cycle, such as the time of project registration, and would correspond to emission reductions or removals that are projected to be achieved. Once issued, PCUs could be transacted between market participants. PCUs would be converted into VCUs after the corresponding emission reduction or removals are achieved.

PCUs would provide proponents of registered projects with instruments that could be transacted at an early stage of the project cycle. This consideration may be especially relevant, though not exclusive, to nature-based carbon removal projects (e.g., Afforestation, Reforestation and Revegetation (ARR), wetlands restoration), which typically take a significant length of time to achieve emission reductions or removals. PCUs would also provide other market participants with the ability to transact in instruments representing projected emission reductions or removals. Such instruments could help reduce contracting and delivery risks, build market liquidity, and facilitate transactions.

3. Description of work

Verra contemplates the following components of work, while welcoming proposals that recommend additional or different components.



One Thomas Circle, NW
 Suite 1050
 Washington, DC 20005
www.verra.org

- 1) Assessing whether issuances and transactions of PCUs would be excluded from substantive US regulation, including by the Securities and Exchange Commission (SEC) and/or the Commodity Futures Trading Commission (CFTC);
- 2) Advising on whether to request staff letters, including which type of letter, from the SEC and/or CFTC and, if applicable, requesting and obtaining such letters;
- 3) Advising on the design of the PCU instrument in light of the above findings.

Timeline

The below table sets out a timeline for milestones and deadlines, noting that proposals can suggest alternative milestones and deadlines if that is deemed a better approach.

Milestone	Deadline
1) Review all materials regarding the PCU	19 July 2021
2) Provide legal memorandum assessing whether PCU issuances and transactions would be excluded from substantive US regulation, including by the SEC and CFTC	End July 2021
3) Advise whether to request SEC and CFTC staff letters and, if applicable, request such letters	End July 2021
4) Advise on the design of the PCU instrument in light of findings made	Ongoing

Skills & Qualifications

The legal advisor should have:

- In-depth legal experience regarding the regulatory considerations associated with SEC and CFTC regulation of instruments such as PCUs;
- Good understanding of the legal and political context of environmental and social markets;
- Proven track record executing mandates with high-quality outputs in allotted time frames and in a manner respecting client expectations on cost and budget;
- While not required, applied experience with carbon markets is desired.

Responses to the RFP

Proposals should not exceed three pages total and should include the following:

- Description of how the legal advisor plans to undertake the described scope of work;



One Thomas Circle, NW
Suite 1050
Washington, DC 20005
www.verra.org

- Description of the legal advisor's qualifications to undertake the described scope of work and examples of similar projects or clients;
- Detailed breakdown of time and costs (not to exceed one page) and, as any follow-up work would be conducted on a retainer basis, daily or hourly rate(s) for ongoing advice and support;
- Description of how the legal advisor would manage any conflict of interest in conducting the work;
- Short bios of (or links to the bios of) the people who will work on the project.

All proposals must be submitted to Robin Rix, Chief Policy and Markets Officer, at rrix@verra.org. Verra will start reviewing proposals on 12 July 2021 and intends to select a legal advisor by mid-July 2021.

Note: All proposals submitted to Verra will be kept confidential.

Legal Nature of this RFP

This RFP is an invitation for proposals and Verra is under no legal obligation to accept any proposal or proceed with the RFP. Verra reserves the right to amend the requirements at any time.