

# REQUEST FOR PROPOSALS

## DEVELOPMENT OF CONSOLIDATED METHODOLOGY FOR IMPROVED THERMAL ENERGY GENERATION UNITS

17 JUNE 2022

### INTRODUCTION

Verra is a global leader helping to tackle the world's most intractable environmental and social challenges. As a mission-driven non-profit organization, Verra is committed to helping reduce greenhouse gas emissions, improve livelihoods, and protect natural resources across the private and public sectors. We support climate action and sustainable development with standards, tools, and programs that credibly, transparently, and robustly assess environmental and social impacts and enable funding for sustaining and scaling up projects that verifiably deliver these benefits. We work in any area where we see a need for clear standards, a role for market-based mechanisms, and an opportunity to generate significant environmental and social value.

### PROJECT BACKGROUND AND OBJECTIVE

Verra is seeking a consultant to develop a VCS methodology that quantifies greenhouse gas (GHG) emission reductions from the deployment of improved thermal energy generation units.<sup>1</sup> The methodology will consolidate elements of the heat generation unit methodologies eligible under the VCS Program<sup>2</sup> and include additional project activities, represent best practices and streamline monitoring approaches.

The deployment of improved thermal energy generation units is an important climate mitigation solution. Efficient units can reduce GHG emissions from deforestation and fossil fuel use by introducing more efficient combustion methods and cleaner fuels. Furthermore, improved heating units have many co-benefits such as improving indoor air quality and increasing time savings from gathering firewood.

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<sup>1</sup> Thermal energy generation units include, but are not limited to, cookstoves, ovens, and dryers. Improved thermal energy generation units that employ technologies with higher efficiency and/or cleaner fuels than in the business-as-usual scenario for functions like cooking, space heating, and water heating. Thermal energy generation units may also be referred to as heat generation units or heating units.

<sup>2</sup> The cookstove methodologies eligible for use under the VCS Program are: AMS-II.G., Energy efficiency measure in thermal applications of non-renewable biomass, Version 12.0; AMS-I.E., Switch from non-renewable biomass for thermal applications by the user, Version 12.0; and VMR0006, Methodology for installation of high efficiency firewood cookstoves, v1.0.

Verra has received several requests to revise and expand the scope of the existing methodology *VMR0006 Methodology for Installation of High Efficiency Firewood Cookstoves*.

Therefore, taking into account the different requests, Verra seeks proposals from a qualified consultant or consulting team to:

- a) Consolidate existing heat generation unit methodologies into a single methodology or methodology framework;
- b) Include additional project types for improved heat generation units that are not (fully) covered under the existing methodologies; and
- c) Include procedures and requirements for baseline, additionality, GHG quantification and monitoring required for the new project types.

Verra will fund and manage the development and assessment process for the methodology revision, including costs for the validation/verification body (VVB).

## SCOPE OF WORK

In order to develop a consolidated thermal energy generation unit methodology, the consultant is expected to carry out the tasks described below and follow the steps outlined in the [VCS Methodology Approval Process](#). The consultant is expected to have regular calls with Verra to exchange views and discuss draft products, as necessary. Principal tasks and responsibilities will include the following:

- **TASK 1: Gather and review relevant information and prepare a methodology proposal.**

The information to be analyzed includes, at a minimum, the following:

- CDM methodology AMS-II.G., Energy efficiency measures in thermal applications of non-renewable biomass, Version 12.0;
- CDM methodology AMS-I.E., Switch from non-renewable biomass for thermal applications by the user, Version 12.0;
- VCS methodology *VMR0006 Methodology for Installation of High Efficiency Firewood Cookstoves, v1.0*;
- VCS Program documents, including the *VCS Program Guide*, *VCS Standard* and *VCS Methodology Requirements*; and

- Inputs from relevant stakeholders, which will be agreed upon with Verra. The inputs may include ad-hoc bilateral meetings and previously submitted ideas and revisions from the stakeholders.

Based on the information gathered from the sources above, the consultant will assess the market's need and the feasibility of a new, consolidated methodology, including, but not limited to, the following potential options:

- Introducing a modular approach for different baseline scenarios and cookstove types. The consultant is expected to assess and develop approaches for the following:
  - Baseline scenarios for fossil fuels (e.g., kerosene, coal), non-renewable biomass, and renewable biomass.
  - Thermal energy generation unit types, which include, but are not limited to, cookstoves (e.g., biomass, electric, solar), ovens, and dryers.
- Additionality approaches based on thermal energy generation unit types and project scale (i.e., capacity limits, efficiency limits, simplified additionality approaches for least developed countries);
- Introducing innovative and robust monitoring approaches (e.g., digital monitoring); and
- Improvements and updates to the existing approach of the CDM methodologies and VMR0006 to represent best practices. For example, improved leakage quantification, sampling methods, renewable biomass fuel sources, and fraction of woody biomass determination.

The consultant will propose a recommended scope for the new heat generation unit methodology in the summary proposal. The proposal will include key elements like project activities, project boundary, applicability conditions, GHG quantification, additionality approaches and monitoring procedures.<sup>3</sup> Provisions such as applicability conditions and procedures to ensure environmental integrity must be provided.

The proposal will be assessed against the rules and requirements of the VCS Program. Verra will review the proposal, and the consultant should further adapt it through an iterative process until it can proceed to the next stage.

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<sup>3</sup> See Section 3 of the [Methodology Approval Process v4.0](#),

**Deliverable 1:** A presentation to Verra describing the outcomes of the assessment and a summary proposal outlining the proposed methodology.

- **TASK 2: Prepare the draft methodology and manage the preliminary review process**

Following step 1 and taking on Verra’s feedback, the consultant will develop a draft of the new methodology and submit it to Verra. Verra will review and provide the relevant findings in a review report. The consultant should further refine the approach and adapt the methodology in an iterative process until all findings are closed.

**Deliverable 2:** Draft methodology that can be posted for public consultation.

- **TASK 3: Review and respond to public comments, and produce an updated draft of the revised methodology.**

Verra will coordinate a 30-day public consultation on the proposed methodology. The consultant should respond to each substantive issue raised during the consultation period. They should use the inputs from the public and expert consultations, as well as Verra’s comments, to produce a next draft of the methodology.

**Deliverable 3a:** Summary of the comments received during the consultation period and a description of how they are addressed in the updated draft methodology.

**Deliverable 3b:** An updated draft of the methodology.

- **TASK 4: Manage the progression of the methodology through a VVB assessment.**

Following the public consultation, Verra will select and contract an independent VVB to review the methodology. The VVB will produce an assessment report with findings. The consultant will respond to the findings and update the methodology until all findings are resolved.

**Deliverable 4a:** VVB assessment report (issued by the VVB).

**Deliverable 4b:** An updated draft of the methodology.

- **TASK 5: Manage the final review process and produce the final methodology.**

Verra will conduct the final review and provide the relevant findings in a review report. The consultant should address any findings in an iterative process with Verra and the VVB until all findings are closed.

**Deliverable 5:** The final version of the proposed methodology.

## MILESTONES & TIMELINE

The duration of this consultancy will be about 9 months. An indicative timeline for meeting key milestones and deliverables follows:

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|--|------------|
| TASK 1: Gather and review relevant information and prepare a concept note                              | 1.5 months |
| TASK 2: Prepare the draft methodology revision and manage the preliminary review process               | 1.5 months |
| TASK 3: Review and respond to public comments and produce an updated draft of the methodology revision | 2 months   |
| TASK 4: Manage the progression of the methodology through a VVB assessment                             | 3 months   |
| TASK 5: Manage the final review process and produce the final methodology                              | 1 month    |

## CRITERIA FOR EVALUATION

Verra will use the following criteria for evaluating proposals:

- Experience in developing new and revised GHG accounting methodologies;
- Understanding of VCS Program rules, such as overarching rules in the *VCS Standard*, *VCS Program Guide* and *VCS Methodology Requirements*;
- Depth of understanding of existing heat generation unit methodologies (i.e., VMR0006, AMS-II.G. and AMS-I.E.);
- Depth of understanding of the heat generation unit market, different heating unit types, monitoring technology and project development;
- Degree of analytical and innovative thinking when developing new solutions; and
- Cost, to ensure that the proposed level of effort is consistent with the outcomes.

## RESPONSES TO THE RFP

Respondents are requested to submit the following as part of their proposals:

- High-level technical proposal for the scope of work and deliverables. The technical proposal must not exceed four pages and must include the following elements:
  - A summary of proposed thermal energy generation unit technologies that will be included in the methodology;
  - A summary of proposed baseline scenarios for the thermal energy generation unit technologies;
  - A summary of proposed additionality approaches for different project scales; and
  - Technical plan for each of the five tasks outlined above.

Applicants are also encouraged to describe any innovations/value-added propositions that they think would enhance the scope of work requirements.

- Cost proposal/budget not to exceed USD60,000, including total estimated costs based on a daily or hourly rate. (Note: This does not include the cost of VVB review.)
- Description of how the consultant would avoid any potential conflict of interest in undertaking the scope of work.
- One-page summary of consultant or consulting team qualifications and separately appended resumes/CVs (not to exceed two pages each).

All application materials submitted to Verra will be kept confidential and must be submitted by email with the subject “Proposal Consolidated Thermal Energy Generation Unit Methodology” by close of business on Friday, 08 July 2022 to: Cai May Tan, Senior Program Officer, [cmtan@verra.org](mailto:cmtan@verra.org).

Respondents should feel free to submit clarifying questions to the same email address with the subject “Clarification Consolidated Thermal Energy Generation Unit Methodology” on any of the above information.

Verra will set up interviews of short-listed candidates and/or request clarifying information by 15 July 2022 to finalize the selection by end-July.

**Legal Nature of RFP:** This RFP is an invitation for proposals and Verra is under no legal obligation to accept any proposal nor proceed with the RFP. Verra reserves the right to amend the requirements at any time.