

VCS Program Advisory Group

Meeting Minutes

Tuesday, 6 August 2019, 1600-1800 GMT

Advisory Group Participants: Edwin Aalders, DNV; Tanushree Bagh, SouthPole; Rodrigo Bezerra, BP Target Neutral; Leslie Durschinger, Terra Global Capital; Kyle Holland, EcoPartners; Kelley Kizzier, Environmental Defense Fund (Verra Board); Mike Korchinsky, Wildlife Works Carbon; Christie Pollet-Young, SCS Global; Ed Rumsey, Permian Global; Christine Schuh, LE-EF; Joel Scriven, Shell; Christiaan Vrolijk, Natural Capital Partners; Charlie Williams, Clean Air Action Corporation

Other Participants: Carina Bracer (Market Development Manager, Verra), Sam Hoffer (Director, Verra Programs), Summer Montacute (Forestry and Land Use Advisor, Verra)

Welcome and Review Agenda: One addition was proposed to the agenda, which was to discuss Verra's plans to centralize administration of registry services. The Advisory Group agreed to the agenda.

Verra CORSIA Application: Mr. Hoffer presented the process and timeline for submission of Verra's application for assessment of the VCS Program against the CORSIA emissions unit criteria. This included a discussion of the main elements of Verra's application, the key areas of focus within the application, and Verra's understanding of next steps in the assessment process.

One advisory group member asked a question of clarification regarding the types of project activities Verra had proposed for assessment in its application. Another advisory group member asked a question of clarification regarding any information included in Verra's application regarding vintage restrictions. Mr. Hoffer and Ms. Montacute provided clarification to both questions.

VCS Version 4: Mr. Hoffer summarized the feedback received during the second public consultation, which was held from 11 April – 10 June 2019. Mr. Hoffer also summarized timelines and next steps for release of VCS Version 4. In particular, Mr. Hoffer clarified that Verra still plans to release VCS Version 4 in mid-September 2019. Mr. Hoffer also provided an overview of the main proposals that will ultimately serve as the basis for VCS Version 4.

One advisory group member asked a question of clarification regarding a statement recently published by ICROA in respect scaling private sector action post-2020, and whether that statement had impacted Verra's plans to move forward with its scope revision proposal. Mr. Hoffer clarified that the statement would not impact Verra's plans to move forward with the proposal.

Post-2020 VCS Program: Mr. Hoffer teed up the discussion as an evolution of Verra's thinking on how the VCS Program would operate in the post-2020 landscape. In particular, Mr. Hoffer reminded the group that this thinking

began with Verra's proposal for a new unit, the Domestic Climate Contribution (DCC), which eventually became the VCU+. Mr. Hoffer explained that Verra's thinking had evolved even further along these lines.

Mr. Hoffer provided an overview of the current status of the Article 6 negotiations, and in particular those points that were most relevant to the voluntary markets. Mr. Hoffer described how these ongoing points of negotiations had influenced Verra's latest thinking on the topic. Ms. Kizzier provided additional thoughts and clarification on these points.

Mr. Hoffer provided a summary of a statement published by ICROA in respect of private sector action post-2020. In particular, Mr. Hoffer mentioned that Verra found ICROA's statement to include a number of useful points and conclusions, particularly in respect of double counting risks between voluntary and compliance markets. Mr. Hoffer described how the statement had influenced Verra's latest thinking on the topic. Mr. Vrolijk provided additional thoughts and clarifications on the statement.

Ms. Montacute presented Verra's latest thinking on how it could use its VCU labelling functionality to create distinctions between VCUs being used for (a) voluntary purposes, (b) use in domestic markets, and (c) international compliance. The rationale for this approach is that it would not necessitate the creation of new units (as in the case of the DCC), and would allow flexibility in respect of when VCUs would qualify for these different labels.

In general, the advisory group expressed support for the approach. Points of discussion included:

- Feedback on whether a label for domestic market eligibility made sense (i.e., whether it would be apparent when VCUs were being used for domestic purposes vs. recognizing that domestic markets may have specific eligibility criteria).
- The extent to which Verra actively seeks recognition of its programs under various domestic markets.
- The manner in which host country authorization is expected to work, including the extent to which Verra anticipates actively working to build country capacity in this respect.

Centralizing Verra Registry Administration: At the request of the advisory group, Mr. Hoffer provided a summary of the timeline and process for centralizing administration of Verra registry services.

A few advisory group members expressed discomfort that Verra did not consult its stakeholders more widely prior to moving forward with this initiative. Mr. Hoffer explained that this was an internal operational decision, but that Verra appreciates the point that wider stakeholder consultation would have helped to ensure a smooth transition. Mr. Hoffer stated that he would follow up with the group on how it could be included in next steps of centralizing registry administration.

Other advisory group members requested clarification on the rationale for the initiative, and whether Verra intends to provide the same level of registry services and functionality as is offered currently. Mr. Hoffer provided additional rationale for the initiative, and also clarified that Verra expects that registry services will be streamlined under Verra's administration, while acknowledging that there may be functional elements of the registry which may not be exactly as they are today.

Other advisory group members suggested that Verra should ensure that centralizing registry administration would not impact its interactions or relationships with ICROA and ICAO. Mr. Hoffer expressed that Verra does not expect that this initiative would impact either of these, particularly since other of the major GHG programs also administer their registries in a centralized fashion, but that he would follow up with the advisory group to confirm.

Wrap Up: Mr. Hoffer stated that he would circulate meeting minutes for review in due course. Mr. Hoffer also stated that he would follow up with the advisory group on the open questions regarding Verra's centralizing of registry administration.