



The Climate Registry

Cover Memo to Accompany General Verification Protocol Version 2.1

DRAFT FOR PUBLIC COMMENT

January 21, 2014

The Climate Registry (The Registry) is pleased to release General Verification Protocol (GVP) Version 2.1 for public comment.

Introduction to GVP v. 2.1

The GVP presents the verification requirements for The Registry's voluntary greenhouse gas (GHG) emissions reporting program. The Registry developed the GVP to provide Registry-recognized verification bodies with clear instructions for executing a standardized approach to the independent verification of annual GHG emissions reported to The Registry.

The Registry's program and policies were originally designed, in part, to prepare companies for mandatory regulation. Over the years, as mandatory state and federal reporting programs have emerged, The Registry's role has evolved from its original mission to its current role of supporting companies on the path to sustainability and recognizing their achievements. For the most part, our current membership uses their verified inventories to inform their climate action programs, to provide their stakeholders with external substantiation of their reported emissions, and to demonstrate leadership.

Over the years, we have updated our program in response to our Members' changing needs by introducing greater flexibility with respect to our reporting requirements (e.g. we have added alternative quantification methodologies, and allowed for self-defined transitional reporting boundaries and exclusion of miniscule sources). In turn, we believe it is time to re-evaluate our verification requirements to ensure we are meeting our Members' needs to our fullest ability, while maintaining the integrity of our program.

In developing the GVP v. 2.1, The Registry has explored many aspects of verification from the standpoint of identifying opportunities to streamline the process and thereby reduce the cost of verification, while also maintaining the integrity of our program. One of the main goals in developing GVP v. 2.1 is to be responsive to feedback that we have received from Members, verification bodies, and other stakeholders that Members should be able to have their inventories verified to a limited level of assurance.

Complete, accurate, consistent reporting remains integral to The Registry's program. While a verification conducted to a limited level of assurance involves less detailed testing (and therefore provides a lesser degree of confidence in the opinion), the criteria for a positive opinion is still 95 percent accuracy and conformance with The Registry's General Reporting Protocol.

In order to inform The Registry's proposed policy on limited assurance, in August 2013, The Registry convened a multi-stakeholder workgroup that included representatives from federal and state mandatory programs, our Board of Directors, verification bodies, financial auditing firms, other voluntary reporting programs, Registry Members, and environmental organizations. The feedback that we received from this workgroup informed and shaped the major changes introduced in this public comment draft of GVP v. 2.1, as outlined below:

1. Level of Assurance:
 - a. Members may choose the level of assurance, reasonable or limited, that best meets their needs on an annual basis. As noted below, The Registry requires reasonable assurance for base years, Climate Registered™ Silver, Gold, and Platinum, and electric power sector (EPS) delivery metrics.
 - b. To ensure transparency to stakeholders, the level of assurance is clearly indicated on verified reports published by The Registry.
2. Climate Registered™ Program:
 - a. Inventories must be verified to a reasonable level of assurance in order to be eligible for Climate Registered™ Silver, Gold, or Platinum or to be labeled/published as a base year report through The Registry.
3. Materiality:
 - a. The verification body must establish a performance materiality threshold for the sample.
 - b. Guidance on evaluating materiality for verifications conducted to a limited level of assurance.
4. Scope of Verification:
 - a. Requirements for verification of renewable energy certificates (RECs) and offsets.
5. Verification Cycle:
 - a. The verification cycle applies only to verifications conducted to a reasonable level of assurance.
 - b. Provisions for a new verification body to conduct a streamlined verification in cases where a Member switches to a new verification body in the middle of a verification cycle.
 - c. Facilities visited by the same verification body in the first verification cycle may be exempt from site visit requirements in second verification cycle if certain conditions are met.

6. Verification Activities:
 - a. Guidance and requirements for verification activities conducted to support a limited level of assurance.
7. Appendix A: Required Forms
 - a. Edits and updates to the required verification forms. The Verification Statement Form provides for verifications conducted to a limited level of assurance.
8. Appendix C2: Electric Power Sector Addendum to the General Verification Protocol Version
 - a. EPS Members seeking to publicly report power delivery metrics for use by their customers must have their inventories and metrics verified to a reasonable level of assurance.

Please refer to the redline draft of GVP v. 2.1 to see these and other tracked changes, including integration of the Updates & Clarifications document dated March 19, 2012.

While The Registry welcomes and encourages comments on all aspects of the GVP, it particularly seeks comments on the major changes outlined above.

Conclusion

The Registry strives to implement a transparent protocol development process that includes the participation of a wide array of stakeholders. We sincerely appreciate your interest in the development of GVP v. 2.1.

Written public comments on GVP v. 2.1 must be submitted using The Registry's comments template to verification@theclimateregistry.org by **February 21, 2014**. Your comments may be publicly posted by The Registry unless you specifically request that The Registry does not reveal your identity/organization. If you have any questions, please contact Jackie Zorovich, Director of Verification Services, at 201-238-2572 or jzorovich@theclimateregistry.org. You may also contact Seth Lalonde, Verification Program Associate, at (415) 230-2284 or slalonde@theclimateregistry.org.

Thank you in advance for your thoughtful feedback and comments. The Registry will consider the public comments that are received in finalizing GVP v. 2.1.