

***Alberta Offset System
Offset Verification Report
(Version 2, February 2013)***

Introduction

All projects being serialized on the Alberta Emissions Offset Registry (the registry) must undergo an independent, third party review (verification). More information on verification is available in Section 6 of the *Technical Guidance for Offset Project Developers*.

This document describes minimum requirements for the verification report. While the layout may be adjusted to suit individual preferences, all categories identified below must be included. Where a category is not relevant to a particular verification, justification must be provided.

Verification is an objective and independent review of the project and associated greenhouse gas assertion. The verifier will assess the offset project, greenhouse gas assertion, and supporting data against the offset project plan (how the project developer set up the project), offset project report (how project performed) and relevant government criteria including the approved quantification protocol. The verifier will use a 5 percent materiality threshold to assess errors, omissions and discrepancies in the project to a **reasonable** level of assurance.

Final verification documents include:

- A verification report
- A signed statement of verification
- A signed statement of qualifications
- A signed conflict of interest checklist

These documents must be submitted to the registry and are part of the required project documentation needed to serialize offset credits.

All offset projects submitted to Alberta Environment and Sustainable Resource Development (AESRD) as a compliance option under the *Specified Gas Emitters Regulation*, are subject to additional government review and may be flagged for government audit. See Section 7 of the *Technical Guidance for Offset Project Developers* for more information on government audits.

Additional information on conducting greenhouse gas verifications at reasonable assurance is available in the *Technical Guidance for Greenhouse Gas Verifications at Reasonable Level Assurance*.

Offset Verification Report for Enter project title

Verifier: Enter Verification Company Name

Project Developer: Enter Project Developer Company Name

Date: Enter Date

1) Project Summary Information

Project Title:	Enter Project Title (Must match what is posted on the registry)
Project Description	Provide a brief description of the project and baseline conditions
Project Location	<p>Include the latitude and longitude for each unique location or installation¹</p> <p>Legal Land Location:</p> <p>Latitude:</p> <p>Longitude :</p> <p>Provide additional details to assist in identifying the unique location. Note, projects must be located in Alberta and result in reductions / removals of provincial greenhouse gas emissions.</p> <p>Aggregated and bundled projects must include a completed Subproject Tracking Form for all subprojects being included.</p>
Project Start Date:	Enter the project start date. This must include any pilot or testing phases associated with the project. Note, projects must have a start date on or after January 1, 2002 to be eligible in the Alberta offset system. The pilot or testing phase may occur prior to January 1, 2002 and must have sufficient supporting records to justify this.
Credit Start Date:	Enter the start date for offset credit generation ²

¹ Aggregated projects must complete a subproject tracking form with detailed location information as part of the registration package for the project. This information is kept confidential and is not posted on the registry and may only be disclosed to AESRD upon request. Templates can be requested by emailing AEOR@climatechangecentral.com.

Credit Duration Period:	<p>Enter credit duration period, including the credit start date and the credit end date (must be specific dates).³</p> <p>If the project has been granted a 5-year extension, provide dates for the extension period.</p>
Expected Lifetime of the Project:	<p>State the expected lifetime of the project, including expected lifetime of any technology installations. Note, the project life is different from the credit duration period.</p>
Actual Emissions Reductions / Removals Achieved:	<p>Provide actual emissions reductions / removals achieved by the project during the reporting period.</p>
Applicable Quantification Protocol(s):	<p>State the relevant government approved quantification protocol(s) being applied to this project. Include the year and version of the protocol(s) used.</p>
Other Environmental Attributes:	<p>Identify if other environmental attributes are being claimed. State which registry or system these attributes are being claimed in.</p> <p>If there is an opportunity for double counting, describe assessments taken to ensure no double counting has occurred.</p>
Project Registration:	<p>List any other systems or greenhouse gas programs this project is either registered in, or attempted register in.</p> <p>If emissions reductions achieved by the project are being allocated to several different projects in different systems (e.g., a portion are being transacted as RECs and a portion as offsets), clearly state calculations used to ensure no double counting results.</p>
Ownership	<p>Entre project owner. For aggregated projects, identify ownership structure being used.</p>

²Offset projects are eligible to generate credits for 8-years with a possible 5-year extension from project creation (registration) on the registry. Project creation, including posting the offset project plan, must occur in the same calendar year in which the project developer wishes to start claiming offset credits. More information is available in Section 3.2.5 of the *Technical Guidance for Offset Project Developers*.

³All projects in the Alberta offset system excepting conservation cropping projects and afforestation projects are subject to an 8-year with possible 5-year extension. For more information, see Section 3.2.6 of the *Technical Guidance for Offset Project Developers*.

Project Activity:	State how the project activity meets all the eligibility criteria for the Alberta offset system.
Project Contact	Entre Project Contact including mailing address, phone number and email address.

2) Verification Summary Information

Objective	State the objective of the verification
Summary	Provide a summary of the verification
Lead Verifier	Entre the Lead Verifier Name
Team Members	List verification team members
Subject Matter Experts	If applicable, list subject matter experts used to support the verification
Peer Reviewer	Entre the Peer Reviewer Name
Designated Signing Authority	Entre the Designated Signing Authority. This person may be the Lead Verifier.
Verification Dates	Entre time period for verification
Site Visit Dates	Entre dates of site visits
Report Date	Entre date of verification report

3) Introduction

Describe the offset project, baseline condition, and boundaries. This should include the geographical location, organizational structure, activities and processes, greenhouse gas emissions / removals inventories, relevant greenhouse gases, time period covered.

Identify any changes in the baseline and project condition that have occurred since the project start date.

Aerial photo graphs / process flow diagrams can assist in the understanding of the scope of the project.

4) Objective

Discuss the objective of the verification expressed as an opinion rather than a conclusion.

5) Scope

Discuss the scope of the verification. The scope should align with the description of the offset project. Justification must be provided for any discrepancies observed.

Include the level of assurance and materiality threshold being used.

6) Program Criteria

Assess the project against program eligibility criteria:

- Occur in Alberta;
- Result from actions not otherwise required by law and be beyond business as usual and sector common practices;
- Result from actions taken on or after January 1, 2002;
- Occur on or after January 1, 2002;
- Be real, demonstrable, quantifiable, and verifiable;
- Have clearly established ownership; and
- Be counted once for compliance purposes.

List all additional criteria used, including:

- The approved quantification protocol (version and date);
- The *Specified Gas Emitters Regulation*,
- The *Climate Change and Emissions Management Act*,
- The *Technical Guidance for Offset Project Developers*, and
- Any additional criteria used.

Note, ISO 14064-3, ISAE 3410, etc. are verification standards not program criteria.

7) Verification Strategy

Describe the verification strategy used for the verification, including rationale for the approach. Note, if a controls reliance is used, provide justification for how the project is able to support this approach.

8) Verification Plan

Provide the final verification plan. This should include an overview of procedures used to test the data, risks identification, a summary of unadjusted differences, etc.

9) Sampling Plan

Include the final sampling plan.

10) Verification Schedule

Provide a list of verification activities and dates.

11) Verification Findings

Provide a list of verification findings. Findings must be separated into material and immaterial findings. Include a summary of unadjusted differences.

Quantitative findings must be assessed using net and absolute values to assess findings against program materiality. Immaterial findings that exceed 5 % on a net and absolute basis are considered a material error for the project. **The verifier cannot issue a Statement of Verification for offset projects with unresolved material errors.**

Qualitative discrepancies must be identified. Assessment of qualitative findings is based on the professional judgment of the verifier.

12) Confirmations

Document confirmations conducted consistent with AESRD requirements stated in the *Technical Guidance for Greenhouse Gas Verifications at Reasonable Level Assurance*.

13) Statement of Verification

See the Statement of Verification template below.

14) Appendices

Include the signed Conflict of Interest Checklist.

Include the signed Statement of Qualifications.

Include any additional supporting information. If not included in the body of the report, include the verification plan and sampling plan, process flow diagrams, data flow diagrams, etc.

Statement of Verification

AESRD requires all projects being serialized on the registry to have a reasonable assurance verification using ISO 14064-3. Other assurance standards such as CSAE 3410 may be used in addition to ISO 14064-3. All assurance standards being used must be clearly documented.

Offset projects must have a clean assurance statement before the project can be serialized on the registry. Projects with unresolved material errors will not be accepted for serialization on the registry.

The Statement of Verification should include the following elements:

- Identify to whom the report is directed⁴;
- Describe the objective of the verification;
- Provide a brief overview of the offset project; including the scope of the project and time period covered by the verification;
- Identify the greenhouse gas assertion, and emissions reductions/removals per vintage year being verified⁵;
- Identify the applicable standards used to conduct the verification;
- Identify the criteria against which the greenhouse gas assertion and supporting evidence was evaluated;
- State a conclusion that conveys the level of assurance being provided and/or any reservation the reviewer may have;
- Identify if any unresolved immaterial discrepancies;
- State the date of the report;
- Identify the verifier company name and lead verifier; and
- Identify the place of issuance of the verification and verification report.

The statement of verification must be signed and dated by the designated signing authority and appended to the verification report.

More information on third party verification is available in Section 6 of the *Technical Guidance for Offset Project Developers*.

⁴ The statement of verification applies to a specific offset project and is done for the offset project developer; however, the final audience for the verification report is AESRD. Verification reports that do not meet minimum program requirements may not be accepted by AESRD and could result in offset credits not being accepted as a compliance option under the *Specified Gas Emitters Regulation*.

⁵ If a project is an aggregated project, the verifier should request and review the subproject tracking form to ensure consistency with the project and emissions reductions being claimed.

Statement of Qualifications

The statement of qualifications must be signed and dated by the designated signing authority. It states that the signing authority for the verification meets or exceeds the qualifications of auditor as stated in Section 18 of the *Specified Gas Emitters Regulation*. This document must be appended to the verification report and is part of the required project documentation for offset projects being registered on the Alberta Emissions Offset Registry.

The Statement of Qualification should not exceed two pages and should include enough detail that demonstrates the verification team and any technical experts have adequate areas of knowledge and experience.

Include relevant training in the approved audit methodology, expertise in the project activity, and if applicable, accreditation information.

Conflict of Interest Checklist

A conflict of interest checklist must be completed and signed before the verification is undertaken. It affirms that the verification team is independent and free from conflict of interest. This document is part of the required project documentation needed to register a project on the registry.

Question	Yes	No	Specifics
<p>1. Can the verifying organization or the verification team members directly benefit from a financial interest in the Project Developer or the Project Developer's Project?</p> <p>For example:</p> <ul style="list-style-type: none"> • Owning shares of the Project Developer; • Having a close business relationship with the Project Developer; • Contingent fees relating to the results of the engagement; • Potential employment with the Project Developer; or • Undue concern about the possibility of losing the verification or other fees from the Project Developer. 			
<p>2. Can the verifying organization or verification team members be in a position of assessing their own work?</p> <p>For example:</p> <ul style="list-style-type: none"> • Provided greenhouse gas consultation services to the project; • Provided validation for the project • If providing non-greenhouse gas work for the company, consideration needs to be given as to how potential and perceived conflict of interests can be managed. • A member of the verification team was previously employed with the company 			
<p>3. Does the verifying organization or a member of the verification team, or a person in the chain of command for the verification, promote or be perceived to promote, a project developer's position or opinion to the point that objectivity may, or may be perceived to be, compromised?</p> <p>For example:</p> <ul style="list-style-type: none"> • Dealing in, or being a promoter of, greenhouse gas credits on behalf of a project developer; or • Acting as an advocate on behalf of the project developer in litigation or in resolving disputes with third parties. 			

Question	Yes	No	Specifics
<p>4. Is one or more of the verification team too sympathetic to the project developer's interests by virtue of a close relationship with a project developer, its directors, officer or employees?</p> <p>For example:</p> <ul style="list-style-type: none"> • A person on the verification team has a close personal relationship with a person who is in a senior greenhouse gas compilation role at the project developer; or • The verification team or a person of influence on the verification team has accepted significant gifts or hospitality from the project developer. 			
<p>5. Is a member of the verification team or a person in the chain of command is deterred from acting objectively and exercising professional skepticism by threats, actual or perceived, from the directors, officers or employees of the Project Developer.</p> <p>For example:</p> <ul style="list-style-type: none"> • The threat of being replaced as a third party verifier due to a disagreement with the application of an greenhouse gas quantification protocol; • Fees from the project developer represent a large percentage of the overall revenues of the verifying organization. • The application of pressure to inappropriately reduce the extent of work performed in order to reduce or limit fees; or • Threats of litigation from the project developer. 			

Designated Signing Authority

Date:

Name:

Title:

City, Province,

Enter date

Enter Name

Enter title

Enter City,
Province, Country