GHG OFFSET SERVICES

To: A6.4mechanism-info@unfccc.int

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RE: Input regarding Draft Standard Requirements for activities involving removals under the Article 6.4 mechanism version 01.0

Thank you for the opportunity to provide comments on the draft standard. I believe there are three main areas that could be improved, including:

- Terminology made clear and consistent within the standard and across all A6.4 documents.
- The approach to include the reporting of reversals within monitoring reports becomes highly problematic, suggest a separate process of more frequent reversal-focused reporting in both the crediting and post-crediting periods instead.
- Include, as most programs do, a buffer pool operation feature of holding rather than retiring or cancelling buffer units in the event of recoverable unavoidable reversals.

Title

1. It is unclear from terminology whether this standard applies to only activities involving removals or any that store carbon dioxide. If it is the intent to include the latter suggest changing title to 'activities involving removals *and carbon dioxide storage'*. Then accordingly apply the addition of 'and carbon dioxide storage' throughout where appropriate.

Definitions

2. Paragraph 8 (a) the definition of removals redefines the common outcome definition of being the opposite of an emission of "the release of greenhouse gases and/or their precursors into the atmosphere over a specified area and period of time", which for removals is "the absorption/withdrawal of greenhouse gases and/or their precursors from the atmosphere over a specified period of time". It adopts instead subset of the recent definition of carbon dioxide removals (CDR) from the IPCCC. Redefining removals in this way will be problematic. This appears to be an issue of defining activities within the scope of the standard.
3. Paragraph 8 (b) is not so much a definition but explanatory application or scope text.
4. Paragraph 8 (c) creditable removals would seem to overlap with net removals and it is not clear why a second term is required. Removal activities always include emissions and the potential for emissions also, applying removals in isolation is unclear and problematic when more detailed requirements or specifications are made especially for land-based project-level activities that include carbon pools.
   'Net removals' is used across other A6.4 documents. Suggest a cross-cutting process to align all terms and definitions for A6.4 documents.

   The terms used to both express the net GHG benefit from all mitigation activities and the expressions to identify the GHG processes (sources and sinks) that are suitable for

all activity types are unclear and problematic and become more so as the requirements and specifications become more detailed or specific. This lack of clarity can be resolved by combining the terms to provide equal relevance across mitigation activity types. Instead of emission reductions or 'net removals', GHG reduction defined including both emissions and removals resolves this problem, "GHG reduction: calculated difference in GHG emissions and removals between a baseline scenario and the project". A GHG reduction refers to a reduction in greenhouse gases in respect to the atmosphere. Similarly, instead of source or sink a combined 'GHG process' resolves this "GHG process: any process, activity or mechanism which releases or absorbs a greenhouse gas, an aerosol, or a precursor of a greenhouse gas into or from the atmosphere".

5. Paragraph 8 (d) suggest using the following definition for net removals that also defines a reversal clearly and simply within.

> **Net removals**: Net removals are calculated as the net emissions or removals occurring in the baseline scenario minus the net emissions or removals occurring in the mitigation activity, minus any net emissions from leakage.
>
> Note 1: GHG emissions are denoted as positive (+) and GHG removals are denoted as negative (-).
>
> Note 2: Where the calculation above results in a positive (+) number the outcome is a net removal, if the calculation above results in a negative (-) number, the outcome is a reversal.

6. Paragraphs 8 (e) and (f) suggest not including potential lists (that may change) within the definition of avoidable and unavoidable but simply leaving under control, lists can be included later within specifications (as they are). Text is very close to VCS Program Definitions where Verra copyright their material. Suggest using intentional rather than avoidable as intent will be easier to show/justify/determine and avoid disputes.
7. Paragraph 8, it is clearer and more accurate to refer to the GHG reservoirs when setting specifications in respect to reversal monitoring in particular (this also has equal relevance to all carbon dioxide storage activity types if that is the intent of the standard). Can be defined as:

> **GHG reservoir:** A component of the climate system, other than the atmosphere, which has the capacity to accumulate, store or release GHGs.
>
> Note 1: Components of the climate system other than the atmosphere include the biosphere, geosphere and hydrosphere.
>
> Note 2: The biosphere includes ecosystems and living organisms, including derived dead organic matter.

<u>Requirements</u>

8. Paragraph 9 Suggest change to "Activities involving removals and carbon dioxide storage subject to reversals" if that is the scope of the standard.

<u>Monitoring</u>

9. Paragraph 10 suggest change removals to net removals or ‘GHG reservoirs’ or ‘removals and carbon dioxide storage’ if they are included.
10. Paragraph 11 should be emission reductions or net removals (ideally would be GHG reductions) instead of removals in isolation. Delete final ‘removal’ for activities types just leaving according to type. All mitigation activities also include emissions both from other GHG processes and from carbon pools in respect to land-based activities.
11. Paragraph 12 use of net removals does not allow for GHG reservoirs that are emission reduction activities such as CCS. If these are to be included add ‘emission reduction or’.
12. Paragraph 13 instead of removals make ‘emission reductions or net removals’.
13. Paragraph 15 the scope of indirectly affected could be very large depending on how it is interpreted or applied.
14. Paragraph 16 under this standard the reporting of reversals is incorporated into normal monitoring plans and monitoring reporting. Suggest it is crucial to separate these two processes requiring more frequent (annual) and targeted reporting of reversal events. This will resolve a number of problems arising from this approach.
15. Note: as included in the note these requirements seem to overlap with those already contained within the Activity Standard. If there is a missing element, could they be included within the methodology assessment requirements instead?

<u>Reporting</u>

16. Paragraph 18 b add ‘emission reductions or’ to ‘net removals’ if the standard covers all GHG reservoirs.
17. Paragraph 18 d the concept of a potential observed event is unclear and potentially highly problematic. It is unclear under what conditions this is enacted. Suggest annual reversal reporting and possibly punitive measures (greater buffer contribution or additional cancellation requirements post crediting) for failure to report instead. Annual reversal reports verified at monitoring report verifications.
18. Paragraph 18 f is this not covered in the Activity Standard paragraph 8 c?
19. Paragraph 19 as noted seems redundant.
20. Paragraph 20 I do not believe methodologies should define minimum monitoring frequency nor that they be based on reversal risk. A large part of risk variation will be location and methodologies should not be regionally restricted. Monitoring reporting and verification is a costly and burdensome process and should not be combined with reversal reporting as indicated in item 14 above. This and the inclusion of the observed event are resolved by requiring, separate to the monitoring report, an annual reversal report. This incorporation into the monitoring report seems to be overly complicated but the outcome of both this and a report required if a potential observed event is informed by anyone could result in annual monitoring and verification. The unknown cost burden will all but eliminate the participation by smaller scale participants, and likely only allow the least additional larger scale activities, if any. Suggest introducing a separate process to monitoring of an annual reversal report instead.
21. Paragraph 22 the inclusion of this concept of a potential observed event is unclear how/when it would be applied and potentially very problematic representing an unknowable significant cost burden in the current construct. As per item 17 above suggest an alternative approach is used.

22. Paragraphs 23 to 26 will create considerable cost burden and uncertainty for activities involving removals. Believe a different approach should be considered that does not create this.

Post-crediting period monitoring and reporting

23. Paragraph 28 not sure what 'active' adds to crediting periods? Suggest deleting. Last crediting period is sufficiently clear or clearer.
24. Paragraph 29 seems redundant as cannot be issued A6.4ERs out of crediting periods.

Accounting for Removals

25. Section name not inclusive of emission reduction activities if they are to be included.
26. Paragraph 32 the options specified are unclear and overly complex, as per item 5 above having a definition of net removals (or ideally a combined emission reduction-net removal definition) would resolve this clearly. Suggest deleting all options/paragraph 32 and using definition suggested in 5 above in definitions.
27. Paragraph 33 is this not already within the Activity Standard also paragraph 33. Net removals referred to not the possibility of emission reductions if they are to be covered. Using combined source/sink term of GHG processes makes this accurate, balanced and clear.
28. Paragraph 34 as per above suggest using annual reversal reports that are verified with each monitoring report in the crediting periods and periodically verified in the post-crediting period.
29. Paragraph 35 is unclear and highlights problematic terminology issues. Combines only removals with emission reductions, should be net removals to be equivalent. GHG reduction would resolve this clearly.

Reversal risk assessment

30. Paragraph 38 as above in definitions suggest using intentional rather than avoidable. Some of the terms and text are also very close to that of the VCS program.
31. Paragraph 39 text restricts to removals only, not including emission reductions if they are to be included. Suggest not locking in a risk assessment *tool* but referring to risk assessment procedures. Suggest add 'and carbon dioxide storage' to 'removals'. Suggest delete 'tool' and replace with 'procedures'.

Reversal-related notifications and actions

32. Paragraph 44 as per suggestion 17 above the concept of a potential observed event is problematic. Suggest this section refers to notification of a reversal by the activity participants, to be followed up within annual report and possibly punitive measures where notification has not been provided either in a timely manner or within annual report or is underestimated.
33. Paragraph 48 suggest there is a notification requirement as well as annual report and that within that process are required details of whether the event is recoverable.

Remediation of reversals

34. Paragraph 54 suggest removals add 'and carbon dioxide storage' or GHG reservoir if included.
35. Paragraph 56 suggest removals add 'and carbon dioxide storage' or GHG reservoir if included.

36. Paragraph 56 suggest including a third function of ‘holding’ buffer units in the situation of a recoverable event. Add ‘or holding’ after cancellation.
37. Paragraph 56 (a) it is unclear why buffer remediation only applies during crediting periods, should it not be both pre and post.
38. Paragraph 56 (d) suggest this is highly problematic this would undermine the purpose of the buffer pool.
39. Paragraph 57 seems to suggest if the buffer pool is not large enough unintentional reversals will fall back to the activity. This will undermine investment in such activities. The holding feature suggested in item 36 above should work to ensure this is not required and not included as a fallback feature.
40. Paragraph 57 (b) cancellation only allowed using A6.4ERs with negligible risk will restrict options and create investment risk and reduced uptake.
41. Paragraph 58 it is unclear why 57 (c) requires an insurance policy. Is this not supposed to be an alternative to contributing to the buffer pool? Would suggest an insurance policy covering the timeframes in context is unlikely to be feasible or financially viable. If this insurance vehicle is to facilitate recovery following a recoverable reversal suggest this is more clearly specified. Suggest specifications in this regard are included.

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