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Status Update: RGGI Offset Application & Submittal Materials and Verifier Accreditation Process

The RGGI participating states are cooperating to develop the materials and processes necessary to implement the emissions offset component of the state CO₂ Budget Trading Programs in a consistent manner, including:

- Offset registry and tracking system
- Model offset project applications and monitoring and verification materials
- Model independent verifier accreditation application and submittal materials

This status update is provided to assist prospective offset project developers and offset verifiers in participating in the state CO₂ Budget Trading Programs. Offset project sponsors and project verifiers should read this document for important information about the development status of the offset application and review process and contact state offset program staff in the appropriate state with further questions. A list of state offset program staff contacts appear at the end of this document.

Offset Registry and Tracking System

The RGGI participating states have developed an offsets module for the RGGI CO₂ Allowance Tracking System (COATS). This module is currently being beta tested and will be available in May 2009. The offset module will provide for registration of offset projects and electronic submittal of consistency applications and monitoring and verification reports. While individual states may require state-specific application procedures, COATS will be used for all project registration and for the tracking of offset project submissions and project status. COATS will also provide public accessibility to offset project documentation submitted to RGGI participating states. The offset project module will be available at <http://www.rggi-coats.org>.

Offset Project Applications and Submittal Materials

The RGGI participating states are jointly developing draft model templates for consistency applications and monitoring and verification reports for each of the eligible offset categories:

- Landfill methane capture and destruction
- Reduction in emissions of sulfur hexafluoride (SF₆)
- Sequestration of carbon due to afforestation
- Reduction or avoidance of CO₂ emissions from natural gas, oil, or propane end-use combustion due to end-use energy efficiency
- Avoided methane emissions from agricultural manure management operations

The draft model templates are being made available now to allow prospective offset project sponsors to begin collecting the necessary documentation that will be needed to complete state-specific consistency applications and monitoring and verification reports. The draft model templates are available at www.rggi.org/offsets/update/sponsors. The participating states are using these model templates to develop materially consistent state-specific offset consistency applications and monitoring and verification report materials.¹

The participating states anticipate that state-specific applications and monitoring and verification submittal materials will be available by late May 2009. State-specific applications and submittal materials will be available through links in the Offsets section of the RGGI website (www.rggi.org/offsets). Project sponsors should contact state offset program staff with specific program questions.

Verifier Accreditation & Pre-Engagement Submittals

State Accreditation

Offset consistency applications and monitoring and verification reports must include a signed verification statement and verification report from an accredited independent verifier. The verifier must be accredited by the state in which the offset project is located.²

¹ Note that the look and feel of state-specific applications may differ from the model materials.

² A RGGI participating state may acknowledge the accreditation by another RGGI participating state.

The participating states have jointly developed a draft model template for a verifier accreditation application. The participating states are using this model template to develop materially consistent state-specific accreditation applications.³ The model template is being made available now to allow prospective offset project verifiers to begin collecting the necessary documentation that will be needed to complete state-specific accreditation applications. The model template is available at www.rggi.org/offsets/update/verifiers. The participating states anticipate that state-specific accreditation applications will be available in mid-to-late May 2009. State-specific applications will be available through links in the Offsets section of the RGGI website (www.rggi.org/offsets). It is advised that independent verifiers contact state offset program staff with any specific program questions.

ISO 14065 Accreditation Required

Note that certain regulatory requirements for accreditation under the state CO₂ Budget Trading Programs will be met through demonstration of accreditation to ISO 14065⁴ by the American National Standards Institute (ANSI). The ANSI process is being utilized by the participating states to provide both a robust and streamlined state accreditation process. More information about becoming ISO 14065 accredited through ANSI is available at <http://www.ansi.org>. To ensure a smooth offset project application process, offset project sponsors should ensure that the verifier they intend to engage with for the provision of project verification services has been ANSI accredited.

Pre-Engagement COI Submittal

Prior to engaging with an offset project sponsor to provide verification services, an accredited verifier must submit a pre-engagement conflict of interest (COI) disclosure filing to the respective regulatory agency in the state where the offset project is located. This filing is required for disclosure of potential relationships or other issues that could lead to a COI situation between the verifier and the offset project sponsor or a related party.

The participating states have jointly developed a draft model template for a pre-engagement COI disclosure filing. The participating states are using this model template to develop materially consistent state-specific filing materials.⁵ The model template has been made available now to allow prospective offset project verifiers to

³ Note that the look and feel of state-specific applications may differ from the model materials.

⁴ ISO 14065, *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* (2007).

⁵ Note that the look and feel of state-specific materials may differ from the model materials.

begin collecting the necessary documentation that will be needed to complete state-specific pre-engagement filings. The model template is available at www.rggi.org/offsets/update/verifiers. The participating states anticipate that state-specific filing materials will be available in mid-to-late May 2009. State-specific materials will be available through links in the Offsets section of the RGGI website (www.rggi.org/offsets).

Addressing the June 30, 2009 Application Deadline for Offset Projects Commenced from December 20, 2005 through 2008

To be considered for the award of CO₂ offset allowances, project sponsors of offset projects commenced during the period from December 20, 2005 through December 31, 2008 must submit a consistency application to the state in which the offset project is located by no later than June 30, 2009.⁶ The participating states acknowledge that the finalization of offset project applications and accreditation applications in May 2009 may not provide much time for an offset project sponsor to engage with an accredited independent verifier and include a signed verification report as part of its consistency application. However, a project sponsor must still submit a consistency application by the June 30, 2009 deadline. Contact state offset program staff in the state where the offset project is located for further guidance in addressing the June 30, 2009 deadline. Program contacts for each state are listed below:

State Offset Program Contacts

Connecticut:

Paula Gomez
CT Department of Environmental Protection
Phone: 860-424-3088
E-mail: paula.gomez@ct.gov

Maine:

Eric Kennedy
ME Department of Environmental Protection
Phone 207-287-5412
E-mail: eric.kennedy@maine.gov

Delaware:

Valerie Gray
DE Department of Natural Resources and
Environmental Control
Phone 302-739-9402
E-mail: valerie.gray@state.de.us

Maryland:

Renee Fizer
MD Department of the Environment
Phone: 410-537-4219
E-mail: rfizer@mde.state.md.us

⁶ New Hampshire extended its deadline by rule to December 31, 2009. Offset projects commenced from January 1, 2009 forward must submit a consistency application within six months of project commencement.

Massachusetts:

William Space
MA Department of Environmental Protection
Phone: 617-292-5610
E-mail: william.space@state.ma.us

New Hampshire:

Joseph T. Fontaine
NH Department of Environmental Services
Phone: 603-271-6794
E-mail: Joseph.Fontaine@des.nh.gov

New Jersey:

Christopher Sherry
NJ Department of Environmental Protection
Phone: 609-292-6818
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New York:

John Marschilok
NY Department of Environmental
Conservation
Phone: 518-402-8448
E-mail: jxmarsch@gw.dec.state.ny.us

Rhode Island:

Barbara Cesaro
RI Department of Environmental
Management
Phone: 401-222-2808
E-mail: Barara.Cesaro@dem.ri.gov

Vermont:

Dick Valentinetti
VT Agency of Natural Resources
Phone: 802-241-3840
E-mail: dick.valentinetti@state.vt.us