



SUMMARY OF COMMENTS & RESPONSES DRAFT DAIRY DIGESTER FORECAST METHODOLOGY VERSION 1.0

Two sets of comments were received during the public comment period for the Climate Forward draft Dairy Digester Forecast Methodology version 1.0. Staff have provided responses to the comments below. The public comment period for the draft methodology took place from June 6, 2019 to July 12, 2019.

The comment letters can be viewed on Climate Forward's website at <https://climateforward.org/program/methodologies/dairy-digesters/>.

COMMENTS RECEIVED BY:

1. ClimeCo Corporation (ClimeCo)
2. Latham & Watkins LLP (Latham)

General Comments

1. ClimeCo thanks the Reserve for the opportunity to develop and submit this methodology, and for the opportunity to provide public comments on the released draft. ClimeCo and its partners strongly support the Climate Forward Program. **(ClimeCo)**

RESPONSE: The Reserve would like to thank ClimeCo for its support for the development of this methodology and the Climate Forward Program, and for providing feedback on this methodology.

2. Latham & Watkins have extensive global experience on climate change policy, related transactions including carbon allowances and offset credits, as well as regulatory compliance including the California Environmental Quality Act (CEQA). Latham & Watkins commends the Reserve for developing the Climate Forward Program. The Reserve's unwavering commitment to the highest of environmental standards and its diverse and experienced leadership allows the Reserve to bring such ground-breaking, yet necessary, program to reality. We believe the Program and this methodology are well-designed, and that the ex-ante approach is well justified and supported by the requirements of this methodology. **(Latham)**

RESPONSE: The Reserve would like to thank Latham & Watkins for its support for the development of this methodology and the Climate Forward Program, and for providing feedback on this methodology.

Section 3.5 Regulatory Compliance

3. The methodology in Section 3.5 uses terms which are undefined and appear too broad. In particular the term 'implementation' implies this requirement applies pre-project. ClimeCo recommends clarifying what is required, and making the guidance more method specific. ClimeCo also recommends the Program refer to and include language used in the existing U.S. Livestock Project Protocol (January 23, 2013) for guidance on Regulatory Compliance treatment and materiality of violations. In line with this guidance, we recommend that the Reserve clarify further that only a violation of (1) a requirement having a bearing on the integrity of the potentially generated forecasted mitigation units (FMUs); or (2) an environmental and health and safety requirement associated with the installation and operation of the biogas control system that captures and destroys the methane, be considered within this regulatory compliance review. **(ClimeCo)**

RESPONSE: The Reserve thanks ClimeCo for their comment. The Reserve has updated the guidance in Section 3.5 on Regulatory Compliance, to make it clear that this requirement only applies to the undertaking of project activities, from the start date. The Reserve declines to make further clarifications within the methodology, but notes that further guidance is provided in the Program Manual.

Section 7.3.1 Reporting and Confirmation Period

5. **Initial Project Confirmation.** ClimeCo did extensive research regarding resiliency measures that would mitigate the risk of projects not meeting forecasted emission reductions, culminating in 10 mandatory resiliency measures which must be met. Introducing a further one year delay prior to the commencement of confirmation activities adds no

further value in terms of resiliency, and would act as a barrier to the uptake of projects. ClimeCo recommends removing or reducing such delays. **(ClimeCo)**

RESPONSE: The Reserve thanks ClimeCo for the extensive work they have undertaken to explore and mitigate risks to project resilience. The Reserve has modified this requirement to reduce the period of delay between the project start date and when confirmation activities can commence, to three months. The Reserve believes that facilitating a confirmation of a project that has had a BCS operational for at least three months, would provide significant additional assurance that the BCS and all related project systems and processes are functioning effectively, as described in project documentation.