

OBSERVATIONS IN RELATION TO CATEGORY ASSESSMENT MAY 2024

Purpose of these observations

The Governing Board of the Integrity Council for the Voluntary Carbon Market (ICVCM), when considering the assessment of methodologies related to landfill gas capture (and utilisation) identified that it would be beneficial to make public the Integrity Council's observations in relation to this Category, for the purpose of supporting the future development of methodologies in this Category.

These observations are non-binding and do not impact or form any part of the Assessment Framework, Assessment Procedure, or any Decision (as defined under the Assessment Framework) and are published by the Integrity Council for the purpose of information only.

The Integrity Council may, from time to time, publish other observations for other Categories where it considers this may be useful for CCP-Eligible Programs and other stakeholders, and may update and revise its observations from time to time based on further assessment processes or information. Observations are not an exhaustive set of views of the Integrity Council and not all aspects addressed in assessment processes are included. No reliance may be placed on observations, as they are for the purpose of information only and observations published are without prejudice to other ongoing assessments.

Observations relating to landfill gas capture (and utilization) methodologies

Landfill gas capture mitigation activities ensure capture of a potent greenhouse gas, methane; this potency means methane capture activities are an important tool in mitigating climate change.

The methodologies for landfill gas capture and utilization mitigation activities (projects) are generally viewed as generating high-integrity credits by many methodological experts, with some activity-to-activity variance being identified. Mitigation activity-level assessment is outside the scope of the ICVCM assessment process, which focusses on programs and categories (types of carbon credits).

Oxidation factors

The oxidation factor is used to estimate the percentage of methane that is naturally oxidised in a landfill; when methane is oxidised, it no longer acts as a greenhouse gas. The extent of oxidation occurring in any landfill is dependent on many variables, one of which is the cover type of the landfill. Owing to the numerous variables that influence oxidation (including temperature and time), it cannot be easily measured.

The Governing Board, supported by the work of ICVCM Experts, observes that **oxidation factors** used in current and historical methodologies for landfill gas project methodologies are applied in different ways. There is no clear scientific consensus on the best oxidation factor to be used in most landfill gas mitigation activities.

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The Governing Board also observes that the Paris Agreement Crediting Mechanism (PACM) (Article 6.4) supervisory body is working on potential updates to oxidation factors¹.

Given the above observations, the Governing Board expects programs to remain informed about that work and other work on oxidation factors in Landfill Gas projects and review and/or revise oxidation factors in new versions of methodologies, as appropriate.

Landfill gas cover types

Some landfill gas methodologies require the landfill cover type to be reported, others do not.

The Governing Board, supported by the work of expert panel members, observes that the lack of consistency in reporting the type, extent and composition of the cover, with the above-mentioned apparent absence of scientific consensus on the best oxidation rates means it is not currently possible to fairly differentiate methodologies based on their rules related to oxidation rates and cover types.

The ICVCM will consider whether the next version of the Assessment Framework may include a requirement for Landfill Gas methodologies to require information about landfill cover types, and associated oxidation rates (by geography or region). The ICVCM may also consider a requirement to apply remote sensing technologies to enable accurate measurement of greenhouse gas emissions. The ICVCM notes that it may include the latter issue as part of the Digital Measurement, Reporting and Verification (MRV) Continuous Improvement Work Program that will commence later in 2024.

Observations relating to Clean Development Mechanism (CDM) Additionality Tools²

Methodologies that use CDM Tools 1, 2 and 21 do not always have further evidential requirements that mean that conformity with the requirements of the <u>ICVCM Assessment Framework</u> can be determined with confidence. The Assessment Framework recognizes a number of ways to demonstrate additionality and includes requirements that ensure transparent and robust demonstration of that additionality³.

Given the above, the Governing Board encourages programs using the above CDM Additionality Tools to consider reviewing and/or updating their methodologies/tools to be in line with Assessment Framework requirements on additionality and to consider introducing specific guidance on the validation of incentives and regulatory additionality in landfill gas mitigation activities.

In addition, the Governing Board observes that the Paris Agreement Crediting Mechanism (Article 6.4) supervisory body is reviewing CDM methodological tools and methodologies, including these CDM Tools for potential use in the PACM. The ICVCM will closely monitor those processes and expects CCP-Eligible Programs to remain informed about that work and review and/or revise the use of these tools, as appropriate.

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¹ Underway as part of the Methodological Expert Panel's <u>Work on revision of CDM methodologies / methodological tools / Standard / Guidelines</u>

² Tools for the demonstration and assessment of additionality.

³ Please refer to ICVCM <u>Assessment Framework</u> Criterion 8.1: Additionality Demonstration, as well as to Paragraph 3.3 and footnote 6 of the ICVCM <u>Assessment Procedure</u>.