§ 300.11 Independent verification.

(a) General. Entities are encouraged to have their annual reports reviewed by independent and qualified auditors, as described in paragraphs (b), (c), and (f) of this section.

(b) Qualifications of verifiers. (1) DOE envisions that independent verification will be performed by professional verifiers (i.e., individuals or companies that provide verification or “attestation” services). EIA will consider a report to the program to be independently verified if:

(i) The lead individual verifier and other members of the verification team are accredited by one or more independent and nationally-recognized accreditation programs, described in paragraph (c) of this section, for the types of professionals needed to determine compliance with DOE’s 1605(b) guidelines;

(ii) The lead verifier has experience managing an auditing or verification process, including the recruitment and allocation of other individual verifiers, and has been empowered to make decisions relevant to the provision of a verification statement; and

(iii) All members of a verification team have education, training and/or professional experience that matches the tasks performed by the individual verifiers, as deemed necessary by the verifier accreditation program.

(2) As further guidance, all members of the verification team should be familiar with:

(i) The subject matter covered by the scope of the verification;

(ii) The requirements of this part;
(iii) Greenhouse gas emission and emission reduction quantification;
(iv) Data and information auditing sampling methods; and
(v) Risk assessment and methodologies and materiality analysis procedures outlined by other domestic and international standards.

(3) An individual verifier should have a professional degree or accreditation in engineering (environmental, industrial, chemical), accounting, economics, or a related field, supplemented by specific training and/or experience in emissions reporting and accounting, and should have his or her qualifications and continuing education periodically reviewed by an accreditation program. The skills required for verification are often cross-disciplinary. For example, an individual verifier reviewing a coal electric utility should be knowledgeable about mass balance calculations, fuel purchasing accounting, flows and stocks of coals, coal-fired boiler operation, and issues of entity definition.

(4) Companies that provide verification services must use professionals that possess the necessary skills and proficiency levels for the types of entities for which they provide verification services. Continuing training may be required to ensure all individuals have up-to-date knowledge regarding the tasks they perform.

(c) Qualifications of organizations accrediting verifiers. Organizations that accredit individual verifiers must be nationally recognized certification programs. They may include, but are not limited to the: American Institute of Certified Public Accountants; American National Standards Institute’s Registrar Accreditation Board program for Environmental Management System auditors (ANSI-RAB-EMS); Board of Environmental, Health and Safety Auditor Certification; California Climate Action Registry; Clean Development Mechanism Executive Board; and the United Kingdom Accreditation Scheme.

(d) Scope of verification. (1) As part of any independent verification, qualified verifiers must use their expertise and professional judgment to verify for accuracy, completeness and consistency with DOE’s guidelines of: (i) The content of entity statements, annual reports and the supporting records maintained by the entity; (ii) The representation in entity statements (or lack thereof) of any significant changes in entity boundaries, products, or processes; (iii) The procedures and methods used to collect emissions and output data, and calculate emission reductions (for entities with widely dispersed operations, this process should include on-site reviews of a sample of the facilities); (iv) Relevant personnel training and management systems; and (v) Relevant quality assurance/quality control procedures.

(2) DOE expects qualified verifiers to refer to the growing body of literature on methods of evaluating the elements listed in paragraph (d)(1) of this section, such as the California Climate Action Registry Certification Protocol, the Climate Leaders Inventory Management Plan Checklist, and the draft ISO 14064.3 Protocol for Validation, Verification and Certification.

(e) Verification statement. Both the verifier and, if relevant, an officer of the company providing the verification service must sign the verification statement. The verification statement shall attest to the following:

(1) The verifier has examined all components listed in paragraph (d) of this section;
(2) The information reported in the verified entity report and this verification statement is accurate and complete;
(3) The information reported by the entity has been compiled in accordance with this part;
(4) The information reported on the entity report is consistent with information submitted in prior years, if any, or any inconsistencies with prior year’s information are documented and explained in the entity statement;
(5) The verifier used due diligence to assure that direct emissions, emission reductions, and/or sequestration reported are not reported by any other entity;
(6) Any emissions, emission reductions, or sequestration that were
§ 300.12 Acceptance of reports and registration of entity emission reductions.

(a) Acceptance of reports. EIA will review all reports to ensure they are consistent with this part and with the Technical Guidelines (incorporated by reference, see §300.13). EIA will also review all reports for completeness, internal consistency, arithmetic accuracy and plausibility. Subject to the availability of adequate resources, EIA intends to notify entities of the acceptance or rejection of any report within six months of its receipt.

(b) Registration of emission reductions. EIA will review each accepted report to determine if emission reductions were calculated using an acceptable base period (usually ending no earlier than 2002), and to confirm that the report complies with the other provisions of this part. EIA will also review its records to verify that the reporting entity has submitted accepted annual reports for each year between the establishment of its base period and the year covered by the current report. EIA will notify the entity that reductions meeting these requirements have been credited to the entity as “registered reductions” which can be held by the reporting entity for use (including transfer to other entities) in the event a future program that recognizes such reductions is enacted into law.

(c) Rejection of reports. If EIA does not accept a report or if it determines that emission reductions intended for registration do not qualify, EIA will return the report to the sender with an explanation of its inadequacies. The reporting entity may resubmit a modified report for further consideration at any time.

(d) EIA database and summary reports. The Administrator of EIA will establish a publicly accessible database composed of all reports that meet the definitional, measurement, calculation, and certification requirements of these guidelines. EIA will maintain separate subtotals of direct emissions, indirect emissions and carbon fluxes. A portion of the database will provide summary information on the emissions and registered emission reductions of each reporting entity.