



Policy Memorandum

To:	All Project Developers
Date:	February 27, 2025
Re:	Clarification of the Reserve's Variance Request Policy and Increase in the Review Fee

Background

Projects must meet the requirements outlined in the Protocol for which it is listed. However, under certain circumstances, per Section 3.3.4 of the Reserve Offset Program Manual, the Climate Action Reserve (the Reserve) will allow variances from protocol requirements only where Reserve staff determine that such variances are acceptable. Furthermore, the Reserve retains the right to reject any requests, request further documentation, or impose additional constraints and/or discount factors on the proposed variance.

The variance process should only be used in extraordinary circumstances and should not be used in lieu of meeting the protocol requirements. The Reserve expects all project developers to meet the requirements in the applicable protocol, but acknowledges that in certain cases, a project may be unable to meet a specific requirement.

To ensure the integrity of the Reserve program and continue to provide detailed reviews of variance requests, **the Reserve will be increasing the variance request review fee from \$1,350 to \$3,500 as of the effective date of this policy memorandum.**

In an effort to clarify the Reserve's position on requests for variance from protocol requirements we outline the Reserve's policy for variance reviews below.

Repeated Variance Requests

Decisions on variances are considered *sui generis* and are not precedent setting. Each variance determination is limited to a single project for the specified reporting period. Thus, after the Reserve issues a Variance Determination letter, the project is expected to comply with all requirements moving forward. The Reserve will not issue repeated variances, i.e., issue the same variance for more than one reporting periods.

Chronic Issues

Additionally, the Reserve does not issue variances for chronic issues with monitoring equipment that is determined to impact the quality of the data. Under certain circumstances the Reserve may consider approving a variance to cover a chronic issue when it is first identified. It is expected that an impacted device will be replaced within a timely manner and brought back into conformance with the protocol.

Improper Documentation

If monitoring equipment fails to properly document the accuracy readings of the device (i.e., “as found” or “as left” conditions) during a field check, calibration, cleaning and inspection, or other QA/QC requirement outlined in the protocol, the requirement is considered missed.

Project Developer Acknowledgement

After a determination letter has been drafted, the Reserve will request that the project developer review the document for accuracy and confirm that such conditions can be met. Prior to signing the Project Developer Attestation, the project developer should request clarification on the interpretation of the conditions. *This step is used only to confirm the accuracy of the technical conditions outlined in the variance and the Reserve will not consider changes in constraints imposed and/or discount factors.* After both the project developer and Reserve staff sign the determination letter, the variance is considered fully executed and final. If a project is later determined to not be able to meet the conditions within the variance, the project developer must submit a new request and incur another variance review fee, due to the need of the Reserve to conduct another review.

Conclusion

Protocols are designed to ensure that all credits issued are real, additional, permanent, verifiable, and there is no double counting. The variance process allows flexibility for projects that miss a QA/QC requirement due to a discrete, extenuating circumstance and should not be used in lieu of protocol requirements.