

CleanBC Industrial Incentive Program (CIIP) Verification Policy

Verification Requirements

CIIP applicants must ensure they meet the following verification requirements, as applicable:

- (1) All applicants must meet the verification requirements for their facility, if applicable, as part of their reporting operation verification requirements under the Greenhouse Gas Emission Reporting Regulation (GGERR).
- (2) For an application for either:
 - a. a facility that is a Single Facility Operation (SFO) for which verification is required under GGERR, or
 - b. a facility that is part of a Linear Facilities Operation (LFO) if that facility emitted 25,000 tCO₂e or more, not including reporting-only emissions, in the current or any of the past three reporting periods,

the applicant must also ensure that they submit a verification statement relating to the product¹ and energy² data in their CIIP application that has been prepared by an accredited third-party verification body in accordance with CIIP requirements and uploaded to your CIIP application. Do not submit verification statements via email.

Verification Bodies

Verifications under the CIIP must be completed by an accredited third-party verification body (VB).

If a facility applying to CIIP has verification requirements under GGERR, the verification body conducting that verification may also conduct the verification of product data and energy data for CIIP purposes. The CIIP-related verification statement must be uploaded to your CIIP application by the CIIP application deadline of June 30. Deadline extension requests may be considered in extenuating circumstances.

A person is qualified to act as a verification body in relation to a CIIP application if they meet the definition set out in section 26(1) of the Greenhouse Gas Emission Reporting Regulation under the GGIRCA.

¹ 'Product' in this document means a benchmarked product as defined in the applicable CIIP sector guidance and published at <https://www2.gov.bc.ca/gov/content/environment/climate-change/industry/cleanbc-industrial-incentive-program>.

² 'Energy' in this document means purchased or sold energy as defined in the applicable CIIP sector guidance and published at <https://www2.gov.bc.ca/gov/content/environment/climate-change/industry/cleanbc-industrial-incentive-program/ciip-resources>

A person is not qualified to act as a verification body in relation to a CIIP application if they are not qualified to act as a verification body in relation to the corresponding emission report in accordance with section 26(2) of the GGERR.

The Ministry of Environment and Climate Change Strategy ('the Ministry') may refuse to accept a verification statement in relation to a CIIP application if the circumstances set out in section 26(3)(a) or (b) of the GGERR apply to the verification body.

A verification body that is under investigation by the member of the International Accreditation Forum that accredited it must immediately give notice of the investigation to the Ministry and to the operator of any reporting operation in respect of which a verification of a CIIP application is in progress, or who requests that a verification body performs a verification.

Verification process

The verification process used to prepare a verification statement for a CIIP application must comply with the requirements of this policy, ISO 14064-3 and IAF MD4.

The verification process must include:

- application by the verification body of verification procedures at a reasonable level of assurance.
- preparation of a verification plan by the verification body, including an evidence-gathering plan.
- the verification body's review of records relevant to the verification of product and energy data, including as applicable but not limited to:
 - Inventory and stock records.
 - Sales records and contracts.
 - Onsite and offsite delivery records.
 - Purchase and delivery records for inputs.
 - Product and fuel measurement records.
 - Electricity, energy and/or thermal transaction records.
 - Equipment rated capacity/power, run time and load factor.
 - Other information that provides financial or direct measurement information about total product and energy data reported.
- the number of data checks required, in the professional judgment of the verification body, to conclude with reasonable level of assurance whether the total reported product and energy data are free of material error, omission and misstatement.
- an analysis of any error, omission, and misstatement discovered in accordance with error correction requirements.
- a comparison of the verification body's own calculated results with the applicant's reported product data to confirm the extent and impact of any error, omission, and misstatement noted.
- a comparison of the verification body's own calculated results with the applicant's reported energy data to confirm the extent and impact of any error, omission, and misstatement noted.
- one or more site visits conducted by the verification body.
- any activities that, in the professional judgment of the verification body, are required in the verification process, including:

- Interviews with relevant operation and facility personnel, including those responsible for preparation and accounting of product and energy data.
- Making direct observation, in person or virtually, of equipment and elements of the facility and operation that are material for the verification process.
- Reviewing relevant financial transactions necessary to confirm the complete and accurate reporting of product and energy data.
- Conducting data checks in accordance with the evidence-gathering plan that:
 - focus on the largest and most uncertain estimates of product and energy data.
 - ensure the accuracy of product data.
 - Ensure the accuracy of energy data.
 - enable the verification body to conclude with reasonable assurance whether the total reported product, energy, and fuel data are free of material errors, omissions, or misstatements.
- Reviewing meter and analytical instrumentation measurement accuracy and calibration for consistency with manufacturer's specifications.
- Identifying and assessing the validity of any data substitutions in accordance with best industry practice, or with the directions of the Ministry, if any.
- the verification body's evaluation of whether the product and energy data, and the methodologies used to quantify that information, are consistent with the requirements of the CIIP.
- the verification body's assessment of:
 - the materiality of any errors, omissions, or misstatements in the product and energy data.
 - whether data substitutions used in quantifying the product and energy data, if any, are reasonable.
 - whether the applicant has corrected any errors identified in the verification process that can be corrected in a reasonable amount of time applying a reasonable effort.

Site visits

The verification body must conduct site visits to the applicant facility and/or related headquarters or other location of central data management as required to apply verification procedures at a reasonable level of assurance.

A verification body may conduct the required site visit activities to meet requirements for an emission report under the GGERR and for an application under the CIIP during the same site visit.

A site visit must be conducted in person or virtually, as required or allowed under the GGERR.

Despite the GGERR allowing virtual site visit for an emission report of a facility applying to CIIP, the verification body may decide at its discretion, should circumstances warrant, that an in-person site visit is required to verify CIIP product or energy data.

Virtual site visits must be conducted in accordance with the International Accreditation Forum standard called "IAF Mandatory document for the use of information and communication technology (ICT) for auditing/assessment purposes", as amended from time to time.

Despite the above, the Ministry may require an in-person site visit to be conducted as part of the verification process if the Ministry considers it otherwise necessary.

Materiality

For the purposes of the verification body's determination of whether errors, omissions or misstatements related to the product and energy data are material:

- the verification body concludes that, for the purpose of assessing an incentive payment, it is probable that the judgement of a reasonable person, having knowledge of the business of greenhouse gas emission and production accounting, would be materially changed or influenced by the individual or aggregate effects of the errors, omissions, or misstatements, or
- based on the verification, the verification body concludes that the total reported volume or quantity of a product or energy in the CIIP application is less than 95% accurate using the following equation:

$$PA = 100 - \left[\left(\frac{SOU}{TRPoF} \right) \times 100 \right]$$

where

PA = percent accuracy;

SOU = The net result of summing overstatements and understatements resulting from errors, omissions, and misstatements related to the total reported volume or quantity of a product or energy.

TRPoF = the total reported volume or quantity of a product or energy.

Requirement to correct an error, omission, or misstatement

A verification body must not provide a positive and/or unmodified opinion in the verification statement if:

- The CIIP application contains any errors, omissions, or misstatements related to the reported product and energy data that can be corrected in reasonable amount of time at a reasonable effort, and

- The aggregate effects of errors, omissions, or misstatements related to reported product data, for a product, results in an inaccuracy of greater than 0.1% of the total reported quantity of that product.

Verification bodies should consider the facts, circumstances, and any guidance from the Ministry, and exercise professional judgment in determining, in consultation with applicants, whether an error, omission or misstatement can be corrected in a reasonable amount of time at a reasonable effort for the purpose of submitting an accurate and complete application to the CIIP.

Requirements of verification statement

Verification bodies are required to use and follow instructions contained in the CIIP verification statement template.

The verification statement must contain the opinion of the verification body as to whether, based on the processes and procedures conducted by the verification body, the product and energy data included in the CIIP application is materially accurate, free of errors, omissions, and misstatements, and a fair and accurate representation of the CIIP Facility's product and energy data for the reporting period, in accordance with the CIIP Verification Policy.

If the Verification Body determines that a qualification and/or modification to the opinion contained in the verification statement exists, that information must be documented in the verification findings and referenced in the opinion.

A CIIP applicant who receives a qualified and/or modified opinion in the verification statement is still eligible to apply, but the Ministry may require additional information to be provided and/or corrective actions to be taken by the applicant prior to issuing a payment and/or as a condition of payment.

Contents of verification statement

For clarity, applicants are required to meet any applicable verification requirements under the GGERR, including for submission of that information separately through the Single Window Reporting System (SWRS).

A verification statement in relation to product and energy data included in a CIIP application must be prepared and completed using the required verification statement template provided by the Ministry.

The verification statement in relation to product and energy data included in a CIIP application must include:

- identification of:
 - errors, omissions, and misstatements related to the reported product and energy data that were corrected as part of the verification process,
 - errors, omissions, and misstatements related to the reported product and energy data that were not corrected as part of the verification process, and,
 - the materiality of errors, omissions, and misstatements related to the reported product and energy data included in the CIIP application.
- a signed conflict of interest report attached in Appendix B.
- a signed declaration by the lead verifier on behalf of the verification body that:

- the lead verifier represents an accredited verification body,
- the evidence obtained during the verification is sufficient and appropriate to support the verification opinion,
- the verification statement is true, accurate and complete, and
- the verification work documented in the statement was performed in accordance with CIIP requirements and the Regulation, as applicable;
- a signed declaration from an independent peer reviewer that:
 - the independent peer reviewer was not involved in the verification documented in the verification statement, other than by providing an independent peer review, and
 - the verification used to produce the verification statement was appropriate.

Requirement to provide all required information needed to conduct a verification

Applicants must:

- ensure full and timely access to all records and information relevant to the verification.
- if required and consistent with CIIP guidance and requirements and/or the GGERR, make such corrections and revisions to the CIIP application and/or an emission report submitted under the GGERR.
- exercise due diligence to minimize the potential for:
 - qualifications to the opinion of the verification body contained in the verification statement, and
 - errors, omissions, and misstatements contained in the CIIP application.

Requirement to retain records

Verification bodies must ensure the applicant is provided with records related to the verification process.

Applicants must retain records related to the verification process and provide this to the Ministry on request within 10 business days.