



C-Capsule Code

QP-01: Methodology Approval

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1 Introduction

This document describes the approval procedure by which new Methodologies and Methodology revisions are approved under the C-Capsule Code for CDR. Before any Methodology submitted to C-Capsule can be approved, it shall undergo the following multi-stage process:

1. Initial internal evaluation,
2. External expert evaluation
3. Public consultation; and
4. Revision.

1.1 Purpose

The purpose of this procedure is to define the controls required:

- To provide detailed requirements and practical guidance on the process;
- To approve new methodologies for adequacy prior to issuance;
- To review and update as necessary and re-approve documents;
- To ensure that changes and the current revision status of Methodologies are identified; and
- To prevent the unintended use of obsolete Methodologies.

1.2 Scope

This document is intended for use by Methodology developers, Registrants, Verification Authorities and any other parties who intend to follow the Methodology approval process.

The following are subject to the Methodology approval process:

- New Methodologies; and
- Methodology revisions.

2 Terms and Definitions

2.1 Defined Terms

Unless expressly given, the terms in this document that are identified by capitalisation have the meanings assigned to them in the C-Capsule Code or International Attribute Tracking Standard.

Term	Definition
Methodology Concept Note	A preliminary outline for new methodologies or updated revisions seeking approval for use in C-Capsule.
Methodology Developer	The entity or person that creates or revises a Methodology.
Expert Group	The entity or group of individuals responsible for providing independent assessment of a Methodology.

2.2 Interpretation

The singular of a term defined in section 2.1. shall include the plural and vice versa.

Where a word or phrase is given a particular meaning in section 2.1, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

In this document, the following verbal forms are used:

- "Shall" specifies a requirement.
- "Shall not" specifies an act that is prohibited.
- "Should" specifies a recommendation.
- "May" specifies a permission.
- "Can" specifies a possibility or a capacity.

3 Responsibilities

3.1 Code Manager

C-Capsule is the primary entity responsible for the execution of this procedure. C-Capsule oversees the Methodology approval process from beginning to end. The responsibilities of C-Capsule include:

1. Receiving and preliminary review of a Methodology Concept Note and documentation;
2. Providing feedback and making approval or rejection decisions at different stages;
3. Overseeing public consultations and ensuring that all comments are properly considered; and
4. Coordinating with the Expert Group and managing the final approval of Methodologies.

3.2 Methodology Developers

The Methodology Developers are responsible for creating and revising the Methodologies. Their responsibilities include:

- Writing the Methodology and corresponding concept note;
- Responding to comments and feedback from C-Capsule, the Expert Group, the Advisory Council, the International REC Standard ("Foundation"), and the public; and
- Modifying the Methodology based on feedback and resubmitting it for review.

3.3 C-Capsule Advisory Council

The Advisory Council is a body that provides consultation and advice to C-Capsule during the Methodology approval process. The Advisory Council may send any methodologies to the Foundation for final approval, or C-Capsule and the Methodology Developer for further refinement.

3.4 International REC Standard Foundation

The Foundation is involved at the final stage in the approval process of any Methodology. They are responsible for ensuring that the approved Methodologies meet their global standard for attribute tracking.

3.5 Expert Group

The Expert Group is responsible for providing independent assessment of prospective Methodologies. Their responsibilities include:

- Conducting an independent assessment of the Methodology;
- Writing an assessment report detailing their findings; and
- Collaborating with C-Capsule during the assessment and final approval process.

This process ensures a comprehensive and independent review of new methodologies and methodology revisions to maintain the high standard of C-Capsule's suite of adopted methodologies.

4 Content Requirements

4.1 Overview

C-Capsule is committed to ensuring transparency, credibility, and verifiability in carbon removal projects. On this basis, any methodology wishing to be onboarded onto C-Capsule shall include a comprehensive baseline provision. This baseline will serve as the reference scenario for quantifying carbon removals in order to clearly set out the emissions that would have occurred in the absence of the project activity. Specifically, the baseline shall adhere to the criteria set out in this Section 4.

4.2 Baseline

The methodology shall define a baseline scenario that accurately represents the counterfactual, i.e., what would have occurred without the implementation of the carbon removal activity. This baseline shall be justified through credible data sources, models, and evidence-based assumptions.

4.3 Conservativeness

The baseline should be set conservatively, ensuring that the calculated removals do not overestimate the impact of the project. Where there are uncertainties, the methodology shall favour assumptions that avoid inflating removal claims.

4.4 Dynamic Adjustments

The methodology shall include provisions for periodic reassessment and potential adjustments to the baseline over the project's duration. This ensures that changes in external factors, such as economic conditions, regulatory frameworks, or technological advancements, are reflected, preventing the baseline from becoming outdated. These reassessments shall occur at a minimum of every five years after the beginning crediting period for any individual facility.

4.5 Data Integrity

The baseline shall be established using reliable, transparent, and verifiable data. The methodology should detail the types of data used (e.g., historical emissions data, satellite data, industry benchmarks) and outline procedures for data collection, processing, and validation.

4.6 Third-Party Validation

The baseline shall be validated by an independent, accredited third party to ensure it meets the registry's quality and integrity standards. The validation process should assess the appropriateness of the chosen

baseline scenario, the conservativeness of the assumptions, and the robustness of the data used.

4.7 Compliance with Industry Standards:

The methodology's baseline provision shall be aligned with existing best practices and standards for carbon removal, such as the IPCC guidelines or similar frameworks recognised within the carbon removal community.

4.8 Emission Leakage

To maintain the integrity and environmental effectiveness of carbon removal projects, methodologies wishing to be onboarded onto the C-Capsule registry shall include a comprehensive strategy to prevent emission leakage. Emission leakage occurs when a carbon removal project inadvertently causes an increase in emissions outside the project boundary. To address this risk, methodologies shall adhere to the criteria listed below.

1. **Identification of Leakage Risks:** The methodology shall identify and thoroughly assess potential sources of emission leakage that could result from the project activities. This includes direct and indirect leakage, such as displacement of emissions to other locations or sectors, changes in land use, or shifts in economic activities.
2. **Leakage Mitigation Strategy:** A detailed strategy shall be provided outlining how the methodology will mitigate identified leakage risks. This strategy should include measures to prevent emissions from shifting to other areas or sectors as a result of the project. Methodologies should prioritise preventive actions and design project activities that minimise unintended emission increases.
3. **Quantification of Leakage:** Where leakage risks cannot be entirely eliminated, the methodology shall include provisions to quantify potential leakage emissions. This should be based on transparent and verifiable data, using conservative assumptions to ensure that the overall impact of the project is not overstated.
4. **Inclusion of Leakage in Net Removal Calculation:** Any emissions resulting from leakage shall be deducted from the total carbon removals claimed by the project. The methodology shall include clear procedures for integrating leakage estimates into the final net removal calculations to ensure an accurate representation of the project's climate impact.
5. **Monitoring and Reporting of Leakage:** The methodology shall outline a process for ongoing monitoring and reporting of leakage throughout the project's lifecycle. This should include provisions for updating leakage estimates based on new data or changes in project conditions.

and should ensure transparency in the reporting of any detected leakage. This data will be reported on the public facing facility register.

6. Third-Party Validation of Leakage Prevention: The methodology's approach to leakage prevention and mitigation shall be validated by an independent, accredited third party. This validation should confirm that the methodology has effectively addressed leakage risks and that any adjustments to removal claims are based on reliable data. This will be completed as part of the facility audit.
7. Compliance with Industry Best Practices: The methodology's provisions for preventing and managing emission leakage shall align with established best practices and standards in carbon removal, including guidance from the IPCC or other recognised frameworks.

5 Methodology Approval Process

5.1 Concept Note

The Methodology Developer shall comply with the requirements set out in this procedure and any other requirements established in the C-Capsule Code for CDR and Subsidiary Documents. Please refer to *SF-05: Methodology Concept Note Template* before sending any proposal.

The Methodology Developer shall prepare the Methodology concept note that will be subject to evaluation by C-Capsule, the Advisory Council and ultimately the Foundation. This concept note shall be developed when the Methodology Developer wants to submit new Methodologies and Methodology revisions.

Once the concept note has been developed, the Methodology Developer shall submit the concept note via email to methodologies@c-capsule.com. C-Capsule shall evaluate the Methodology concept note against the following criteria:

- **Unique:** Distinct from an existing approved Methodology.
- **Measurable:** Robust CDR quantification method.
- **Durable:** Demonstrates minimum 100-year sequestration.
- **Additional:** Technology or process covered requires carbon financing .
- **Verifiable:** Describes how third-party verification is carried out.
- **Environmental and Social Safeguards:** Demonstrate procedures for mitigating environmental and social risks.

C-Capsule will take up to 30 business days after concept note submission to evaluate and submit any questions or comments to the Methodology Developer before the final decision.

After evaluation period, C-Capsule shall notify via email one of the following outcomes:

- **Acceptance:** The Methodology concept note has been approved and can continue with the general approval process.
- **Observations:** These are required to be attended by the Methodology Developer before the concept note can be accepted.
- **Rejection:** The methodology concept note has not been approved. The Methodology Developer may resubmit the methodology concept note after the current has been rejected.

5.2 Methodology Documentation

After the methodology concept note has been approved, the Methodology Developer shall develop and prepare the Methodology that will be subject to independent and public evaluation.

The Methodology shall be prepared in accordance with the C-Capsule Code and Methodology Guidelines. The Methodology Documentation shall be written in a logical, clear, and precise manner. The Methodology shall clearly state the date on which it was issued and its version number.

5.3 Methodology Review

Once the Methodology Developer completes the Methodology, they shall submit via email to methodologies@c-capsule.com.

C-Capsule shall conduct a quality review of the Methodology, ensuring that the documentation has been completed in accordance with the C-Capsule Code and Methodology Guidelines.

If the C-Capsule review of the Methodology reveals that; it is not yet of the requisite standard; may empower politically or ethically contentious technologies; or may impact the integrity of the C-Capsule Code or broader carbon market, C-Capsule reserves the right not to advance the Methodology into the approval procedure.

5.4 Expert Group

Once an internal review is complete, C-Capsule will consult with the Advisory Council on the next steps, including independent assessment by an Expert Group. Experts are expected to have relevant academic or hands-on experience with the technologies and methods utilised by the methodology. Once the Expert Group has been engaged, the Methodology Developer shall respond to any enquiry/findings raised by the Expert Group. Their assessment shall contain the following information:

- Members of the Expert Group or Assessment Body, including roles and qualifications;
- Observations or findings;
- Summary of all the methods, processes and criteria that shows the adherence to the C-Capsule Code and Methodologies Guidelines; and
- A recommendation for approval/rejection.

The Expert Group shall send the assessment via email to C-Capsule methodologies@c-capsule.com and the Methodology Developer for final revision and approval.

Where a Methodology has already been approved and adopted by an ICROA Endorsed Standard or granted IC-VCM accreditation, the Expert Group assessment may be bypassed at the discretion of the Advisory Council.

5.5 Public Stakeholder Consultation

After the successful completion of the Expert Group's assessment, C-Capsule and the Foundation shall post the Methodology on their respective websites for a period of 30 days. The purpose of this action is to invite public comment on the Methodology and any supporting documentation.

C-Capsule may host an online or in-person presentation with the Methodology Developer during the period of public consultation.

Once the public consultation period is over, C-Capsule shall provide all the comments and observations to the Methodology Developer via email. The Methodology Developer shall amend and update the Methodology or justify why these changes are not needed.

5.6 Final Approval

The Methodology Developer shall submit the amended Methodology to C-Capsule via email at methodologies@c-capsule.com

C-Capsule reviews the amended methodology based on the feedback provided by the Expert Group, carefully evaluating the proposed changes and assess how well the Methodology Developer addressed the comments and suggestions put forward by the experts.

After conducting the internal review, C-Capsule will share with the Advisory Council, to inform their final recommendation based on a collective evaluation of the Methodology. The Advisory Council's recommendation, together with C-Capsule's assessment, is then presented to the I-TRACK Foundation Board for the final decision.

Upon the Foundation Board's decision, the Methodology Developer will be promptly notified of the outcome. If the Methodology is approved, the developer will receive confirmation, and their methodology will be officially posted on the C-Capsule website with a unique reference number. This public listing signifies the methodology's compliance with the C-Capsule Code and its acceptance as an approved Methodology.

If the Methodology is not approved, the Methodology Developer shall be informed of the decision along with detailed reasons for the rejection.

5.7 Periodic Review

After the approval and adoption of a methodology by the I-TRACK Foundation for use on the C-Capsule Registry it will become necessary to hold periodic reviews of the methodology. This will be done every five years and include a public consultation period with a minimum duration of 30 days.