

EB 47

Relations with Designated Operational
and Applicant Entities

DOE Forum Inputs- EB47

DOE Forum Inputs:

A brief update on DoE/AIE Forum Meeting held on 26th April 2009

Main Issues discussed

- Timelines for Validation and Verification
- DIA - Designated Operational Entity and Independent Applicant Entity Association
- Validation and Verification manual- update
- Workshops

Specific DOE Inputs to EB47

- DNV - Start date of programmatic CDM project activities (CPA)
- AENOR- Possible change of the definition of the starting date of the CDM Programme Activities
- SGS - Guidance on reviewing Additionality at Verification/Issuance Stage, Request for clarification on VVM para. 204(b)

Timelines for Validation and Verification

- 180 days for Validation
- 90 days for Verification

- It was agreed that DOEs would adhere to the above timelines
- Not be treated as a rule and these timelines cannot be applied retroactively i.e for contracts signed before December 1, 2008 (8th DOE Forum meeting)
- Also, the above timelines are not applicable if the a project is pending approval of clarifications, deviations, revision of monitoring plan from the CDM EB

Designated Operational Entity and Independent Applicant Entity Association (DIA)

□ Idea floated amongst the DOEs in Bali COP/MOP3

□ Objective:

To establish a secretariat with the following roles:

- draft and develop position papers related to the Association purpose to be presented to the EB, JISC or UNFCCC meetings
- Facilitate better and more timely member input to the EB, JISC (reactive to EB requests, or pro-active for matters of concern to DOE/AIE)
- Represent members' towards other stakeholders
- Provide an analysis service for all Association members of the EB/JISC meetings and review cases with specific focus on the Association purpose
- Monitor developments at the Copenhagen negotiations and future UNFCCC meetings related to the flexible mechanisms within the purpose of the Association

Designated Operational Entity and Independent Applicant Entity Association (DIA) contd..

- 13 out of the 15 representatives of the DOE Forum attending the 9th DOE/AIE forum meeting agreed in principle
- Two of the Forum members (ICONTEC & JQA), deferred the decision for a later stage

Issues:

- It was clarified that the Association will not replace the DOE/AIE forum until all the members of DOE/AIE forum accept membership of DIA, but both DOE/AIE forum and DIA will operate individually in parallel until such time
- The relationship between the Forum and the Association will be further discussed. As a first step, the Association might become a member of the DOE/AIE Forum
- Concerns regarding the cost/fee issue – suggestion that individual membership fees could be agreed, for example, based on the number of PDDs submitted to the CDM EB/JISC
- The travel costs of Board members from developing country entities could potentially also be covered if there was enough justification for the same

Validation and Verification Manual- Update

Three regional CDM VVM workshops will be convened in 2009

- dates and venue for these workshops to be announced asap
- implementation experiences by DOEs to be shared
- DOEs' expectation towards the revision

Proposal that the DOEs shall request for a meeting with the CDM EB to be held immediately before or after EB48 in Grenada to discuss the following:

- Request for Review Cases – ensure common understanding of the issues
- Materiality and Level of assurance – DOEs to present some cases studies of how to apply the concepts of materiality threshold and the level of assurance

In case, the EB is not able to find time to meet with the DOEs immediately before or after EB48, DOEs propose that the EB to mandate the task to the Secretariat to discuss the issues with the DOEs and the summary notes be presented during the next EB meeting

Specific Inputs from DOEs

DNV - Start date of programmatic CDM project activities (CPA)

Issue : CDM Glossary on Terms, EB 36 (26-30 November 2008) revised to include the following definition among others:

The starting date of a CDM programme activity is the earliest date at which either the implementation or construction or real action of a programme activity begins. The starting date of the CPA cannot be before the date of registration of the PoA

- This requirement is different from the requirements for normal CDM projects, where project activities may start prior to the registration of the project.
- Suggestion:
 - For projects that started the validation process more than 6 months after EB 36, the requirement may be revised to state the following:
 - *The starting date of a CDM programme activity is the earliest date at which either the implementation or construction or real action of a programme activity begins. The starting date of the CPA cannot be before the start date of validation of the PoA*

(ref. DNV input for details)

Specific Inputs from DOEs

AENOR- Possible change of the definition of the starting date of the CDM Programme Activities

Details:

- The Glossary of terms (version 04) establishes *“the starting date of a CDM programme activity as the earliest date at which either the implementation or construction or real action of a programme activity begins. **The starting date of the CPA cannot be before the date of registration of the PoA.**”*
- This requirement implies a more restrictive condition for PoAs in comparison with the CDM project activities. Previous consideration of CDM is then not accepted for a CPA.
- Considering the justification below, AENOR propose a change in the definition of the starting date of CPAs as it is established as follows:
*“The starting date of a CDM programme activity as the earliest date at which either the implementation or construction or real action of a programme activity begins. **The starting date of the CPA will be considered as the starting date of the PoA.**”*

(ref. DNV input for details)

Specific Inputs from DOEs

SGS - Guidance on reviewing Additionality at Verification/Issuance Stage

Details:

- Treatment of cases where the actual emission reductions were substantially higher than the projected emission reduction figures in the registered Project Design Document
The issues for such projects could be the following:
 1. The emission reduction figure exceed the capacity/technological limitations of the equipment involved (eg turbine/generators), load factor etc.
 2. The total CER generation reported after implementation of the project is considerably higher than the projected amount in the registered PDD, and thus the projects which used investment analysis for proving additionality may not remain additional any more.

- Guidance sought on whether :
Verifying DOE should request issuance after reviewing the consequences of the increase in emission reductions on additionality and in cases falling under the category 2 above, whether or not:
Limit the issuance of CERs to the projected emission reduction figure in the registered PDD

PS: this is not a suggestion!

Specific Inputs from DOEs

SGS: Request for clarification on VVM para. 204(b)

Details:

- According to VVM, para. 204(b), a request for deviation is not suitable if the version of the approved methodology selected by the proposed CDM project activity is no longer valid.

Proposal:

- Verifying DOE should be allowed to request deviations if the version of the approved methodology selected by the proposed CDM project activity is no longer valid
- DOE-UNFCCC interface should allow submission of deviation requests for projects deviating from the earlier versions of the approved methodologies