

EB 50

Relations with Designated Operational and
Applicant Entities

- Content -

1. Clarification request on Procedures for Registration of a Programme of Activities as a single CDM project activity and Issuance of certified emission reductions for a Programme of Activities (version 03) and Procedures for Review of Erroneous Inclusion of a CPA (version 01)
2. Meetings of DOEs/AEs with the Brazilian DNA and ONS regarding the Calculation of the Emission Factor of the National Grid System.

1. Clarification Request : PoA Procedures

Exemption of 1st real case CPA from review

- Reference: PoA Procedures (Annex 29, EB 47), para 10

C. Validation of a programme of activities

10. The coordinating/managing entity shall submit to a DOE the following documentation:
- (a) A completed CDM-POA-DD;
 - (b) A PoA specific CDM-CPA-DD with generic information relevant to all CPAs;
 - (c) A completed CDM-CPA-DD which is to be based on the application of the PoA to one real case.

*Due to the similarity with normal CDM validation and same procedures for registration and review
*it is proposed to exempt the 1st real case CPA from review of erroneous inclusion.

Liability of DOE for erroneous inclusion

- Reference: PoA Procedures (Annex 29, EB 47), para 22

Identification and consequences of erroneous inclusion

22. If a DNA involved in the PoA or a Board member identifies any error, within one year after the inclusion of CPA into a registered PoA or renewal of the crediting period of the CPA, or six (6) months after the issuance of CERs for that CPA, whichever is the later, that disqualifies a CPA from inclusion in the PoA or renewal of the crediting period, the Secretary of the Board shall be notified, in accordance with the “Procedures for review of erroneous inclusion of a CPA”. Such a request for review shall be related to issues associated with the compliance of the CPA with the eligibility criteria specified in the CDM-POA-DD

*An error which will be identified after the period of one year shall have only effect for the future of this CPA.

*An error found during the renewal shall have no affect on the CERs issued during the completed 7 or 14 years crediting period.

*They should have only an influence on the future of the CPA and CERs.

Clearer guidance on eligibility criteria

- Reference: PoA Procedures (Annex 29, EB 47), para 22
Guidelines on Sampling (Annex 27, EB 47)

Identification and consequences of erroneous inclusion

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- *Clearer guidance and descriptions of eligibility criteria should be given by the CDM EB with examples on what should be included, as well as issues related to compliance of eligibility criteria which will disqualify CPA from inclusion of a registered PoA.
- *Whether sampling methods used in the CPAs will be related to an erroneous inclusion needs to be clarified

Clearer guidance on eligibility criteria (2)

- Reference: PoA Procedures (Annex 29, EB 47), para 22

Identification and consequences of erroneous inclusion

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*In case of fabricated data identified during review of erroneous inclusion of CPAs, which was provided by the PP to fulfill the compliance of eligibility criteria, validator DOE should be exempted from the liability of the CPA inclusions/renewal.

Compensation of CERs issued erroneously

□ Reference: PoA Procedures (Annex 29, EB 47), para 11

11. The consequences of the exclusion are that:
- (a) The CPA that has been excluded shall not be re-included again in that or any other PoA, or qualify as a CDM project activity;
 - (b) The DOE that included the CPA, shall acquire and transfer, within 30 days of the exclusion of the CPA, an amount of reduced tonnes of carbon dioxide equivalent to the amount of CERs issued to the PoA as a result of the CPA having been included, to a cancellation account maintained in the CDM registry by the Executive Board.

*Further clarification and guidance on how DOE is allowed to acquire CERs or hold a CER account.

*In case the responsible DOE cannot transfer the CERs within 30days due to the unavailability of the corresponding CERs or incapability of purchasing this amount of CERs, an extension of payback period should be available.

2. Results of Meeting with Brazilian DNA

Background on Meeting with Brazilian DNA

□ Reference: EB-43 Meeting Report, para 64

64. The Chair of the DOE/AE Coordination Forum elaborated the input received from entities for the consideration of the Board, and sought guidance from the Board on the following:

(a) In response to the request for further clarification concerning the validation of grid emission factors made available to project participants for use in CDM project activities by some DNAs, the Board advised on the following:

(i) DOEs may request the DNA for an opportunity to assess that the "tool to calculate the emission factor for an electricity system" was correctly applied in calculating the grid emission factors at the offices of the DNA, observing their specific requirements, including confidentiality and non-removal of data from their offices.

*the Brazilian DNA sent, in January 2009, official letters to several DOEs to grant the opportunity for them to have access to the calculation of the emission factor of the national grid system. Two meeting was held subsequently: 05 Feb (1st) and 24 July 2009 (2nd)

Key findings in assessing GEF in Brazil

- The DOEs members had the opportunity to:
 - assess the formulae used in the calculation spreadsheet;
 - be informed about the sources of data and information used in the calculation spreadsheet; and,
 - discuss and take note of the assumptions adopted by the calculation working group from the Brazilian DNA.
- Between the emission factor calculation spreadsheet provided and Brazilian DNA website, a discrepancy of one value was found:
 - As the emission factor calculation spreadsheet presented in the meeting of 5 Feb was not the latest one.
- Second opportunity was conceded for DOEs to check the Brazilian GEF calculation again:
 - A larger range of samples were assessed and verified

Conclusions

- The DOEs members agreed that the calculations provided in the spreadsheet are clearly and transparently demonstrated.
 - The formulae, equations and steps followed in the calculations are in accordance with the “Tool to calculate the emission factor for an electricity system (Version 01.1)”.
 - The assumptions made in the calculations are considered reasonable and acceptable.
- The DOEs members kindly ask the CDM-EB to publish these Minutes of Meeting and further ask the CDM-EB for clarification:
 - whether the chosen approach for verification of the emission factor is accepted by the CDM-EB;
 - when the DOEs have to again verify the calculation of the emissions factor.