

## DOE/AE Forum

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Date 22 September, 2013  
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Subject **Call for public input on "Issues included in the annotated agenda of the seventy-fifth meeting of the CDM Executive Board and its annexes"**

Honourable Members of the CDM Executive Board,

This input has been prepared by the Chair of the DOE/AIE Forum after inviting all members of the DOE/AIE Forum to provide feedback on their experiences, concerns and to make suggestions for improvement. The following focuses on those aspects within the annotated agenda with specific relevance for DOEs.

### Draft standard: CDM accreditation standard (Annex 5)

The revised standard contains a lot of elements that have been discussed and suggested at the last CDM roundtable. In particular most DOE representatives commend the new list of scopes and technical areas.

The following provides comments on individual paragraphs where adjustments or further amendments for clarification have been requested.

- Cover note, paragraph 17: extra surveillance of implementation  
While the general implementation plan is reasonable and fair, an assessment against version 5 of the standard as required by (d) would be depend on when the additional guidance document for demonstration of competence is available. There should be at least a 4 months period for a DOE to implement the provisions in this guidance document. Moreover, we object to the suggestion in (e) that additional regular surveillances may be carried out to check implementation of version 05. The self-declaration by all DOEs within 1 October 2014 as required by paragraph 184 (c) and the assessment of implementation through the normal regular surveillances as foreseen in the accreditation procedure are considered sufficient.
- Paragraph 23. (b); selection of members of technical review by the DOE management  
It can be complex to implement this requirement for large DOE operating in many

countries. The value of having the management doing the scheduling of the verifiers/technical reviewers is questioned.

- Paragraph 43/48:  
There is a high risk that CDM accreditation assessment teams interpret subjectively how a DOE shall mitigate familiarity risks based on the given provisions. There is a need to provide more guidance by the EB under which conditions rotating verification teams on the same project are necessary. Rotation may be done by a DOE as long as this is feasible and the DOE has sufficient resources in the relevant region. However, any strict requirement would impose an unreasonable burden on DOEs and especially on markets in underrepresented regions.
- paragraph 54 and footnote 7; employment of management staff  
Depending on the DOE organization structure, this requirement would immediately lead to non-compliance although the performance of such DOEs has not been questioned. An option would be to require the management personnel to formally be authorized with regard to their functions and that they are required to report to the highest management of the accredited entity.
- Paragraph 104b, examinations  
This paragraph as it stands would create series of meaningless internal examinations of persons that demonstrated competence since many years. Examinations should be applicable to the ones having no previous experience.
- paragraph 112 (a), on-the-job performance evaluation  
If the examination as per paragraph 104(b)/108 includes on-the-job performance evaluation, there is no need of a further on-the-job performance evaluation of the first validation/verification after qualification. Anyway the prescriptive way how this method of evaluation is requested may create additional costs in a market under pressure and leave no flexibility. We would prefer to keep the responsibilities and the choice of methods at the DOE side than introducing costly burdens everywhere.
- Paragraphs 157 and 158, annual internal audits at offices with outsourced activities  
Larger DOEs are concerned that this requirement could create considerable costs. Some DOEs may stop their CDM activities in some part of the world since it will not be profitable to perform CDM validation/verification activities there. It is recommended to allow a risk based approach for the internal audit planning of non-central site.
- Paragraph 183 a and b, transitional provisions for individuals  
The given numbers of validations/verifications are deemed challenging especially for smaller entities and would disqualify existing staff and some DOE at least for some of their sectoral scopes they are recently accredited for.  
Furthermore, due recognition of technical area expertise provided on projects as a part of the technical review team is essential. The technical area expert might not have undertaken a site visit but would have been involved in desk based review of the files.
- Appendix 1: outsourcing of technical reviews  
The rationale for not allowing the outsourced body to carry out technical review is not clear given that appointment of technical review teams is already restricted to the DOE. We suggest that outsourcing of the actual execution of technical reviews is

allowed as long as only the DOE is allowed to appoint the technical review teams. Furthermore there is an inconsistency within the given table which refers to paragraph 60 (recruitment) although this paragraph has been deleted. Anyway the topic recruitment appears to be treated inefficiently. While a DOE may set recruitment principles, it has to remain under the responsibility of outsourced bodies to recruit individuals to be engaged in the CDM, if necessary.

- Appendix 2:  
There is inconsistency between the description of TA 1.1 in table 1 of Appendix 2 and table 1 following paragraph 185. In the latter TA 1.1 is indicated to be for thermal energy generation only while the former also mentions power generation.

Draft procedure: Implementation of voluntary cancellation of CERs in the CDM registry (Annex 19)

We object to the proposal in paragraph 16 that *“there would be no guarantee from the Board that any cancellation of CERs voluntarily done that is attributed to erroneous verification would protect a DOE against a future requirement to cancel CERs or other Kyoto units as a result of a finding of significant deficiencies in any future procedure endorsed by the Parties in relation to the same project activity”*. While we acknowledge that a voluntarily cancellation does not protect a DOE against further actions in accordance with the accreditation procedure, such as spot check or additional performance assessments, we cannot see why erroneously issued CERs should be potentially cancelled/replaced twice. At least, the already cancelled CERs would have to be taken into account in a possible future claim to cancel CERs or other Kyoto units as a result of a finding of significant deficiencies in any future procedure endorsed by the Parties in relation to the same project activity.

Concept note: Transitional measures for implementation of the revised CDM accreditation procedure (Annex 20)

There are the following comments to individual paragraphs:

- Paragraph 10, entering into force  
We clearly favour option (a). We cannot see that option (b) provides more oversight by the UNFCCC as the CDM-AT still can carry out regular surveillances and spot checks, if deemed necessary. Not immediately implementing a five year period in 2014 for all DOEs is in our opinion an unjustified further delay of CMP decision of last year.
- Paragraph 16: amount of surveillance audits  
The statement that “as of 16 September 2013 no DOE had been subject to more than one RS since its date of accreditation” is not correct. It may be correct if one only counts regular surveillances to the central office. However, DOEs reported that had e.g. three regular surveillances at non-central sites since the last re-accreditation assessment. We suggest that all regular surveillances carried out since the last re-accreditation audit need to be taken into account. If two or more regular surveillances have already been performed, it should be sufficient to have only one additional regular surveillance assessment until the next re-accreditation audit.

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- Paragraph 17: assessments in 2014  
The six months period from 1 March to 31 August 2013 is not representative for the number expected issuance requests in 2014. The number of issuance requests has significantly declined in the second half of 2013 and there have been exceptional high verification activities in the first quarter of 2013.

More details on the addressed annexes/topics will be provided and hopefully discussed during the regular interaction.

Kind regards,

A handwritten signature in black ink, appearing to be 'Werner Betzenbichler', enclosed within a circular scribble.

Werner Betzenbichler  
Chair of the DOE/AIE Forum