



Annex 1

Analysis of the implications of amending the requirement of a minimum of six months between the revision of approved methodologies

Mandate and background

1. The Board requested the secretariat to undertake an analysis of the implications of amending the requirement of a minimum of six months between the revision of methodologies for consideration of the Board at its thirty-third meeting.

Background Information

2. The Board, at its twenty-eighth meeting had requested the Chair of the Meth Panel to limit the frequent revisions to approved methodologies by ensuring that there is a minimum of 6 months between revisions. This was requested to minimize the difficulties that the project participants face due to frequent revision of methodologies, as at the time of taking this decision project participants only had 8 week grace period after withdrawal of a version in order to submit a project activity for registration using the older version.

3. The Board has since changed the grace period available to project participants using a version of an approved methodology after it has been revised. A project activity using a previous version of an approved methodology, which has published its PDD for public comments before the revised version becomes effect, can submit for request for registration within 8 months of the revised version of that approved methodology becoming effective, for that project activity.

4. To understand the implications of changing the rule it may also be relevant to see the reasons for revision of approved methodologies since 1 January 2006, as contained in table below containing statistics on revisions of approved methodology, as follows:

(a) Approved methodologies were revised 30 times to incorporate the requests for revision or clarifications.

- (i) Broadening the applicability of an approved methodology is normally undertaken as a part of request for revision;
- (ii) Further clarifications to a methodology are primarily in response to request for clarification, but clarification could also be because of guidance from the Board on a particular issue.

(b) 16 methodologies were revised due to recommendation by Board for following reasons:

- (i) To incorporate the tools that had been approved by the Board (12 cases);
- (ii) To address a major flaw in the procedures or equations of the approved methodology, for example AM0006 was revised as it had no monitoring requirement for flares;
- (iii) To incorporate the clarification given by the Board on a request for deviation, for example on alternative ways of estimating grid emission factor when plant specific data is not available.



5. In period since 1 January 2006, there were 8 instances when the approved methodologies were revised in consecutive meetings; these were due to the request from project participants.

6. Since the rule has been implemented, only AM0025 and ACM0001 were revised in less than 6-month period. The revision has been either due to request from project participants or for integrating a new proposed methodology with AM0025. All the changes led to broadening of the applicability of the approved methodologies.

7. The Meth Panel over the last six months have in two occasions delayed the revision of approved methodology in response to request for revision, to comply with the 6-month rule.

The analysis

8. The focus of the grace period for withdrawn version of approved methodology, as well as the 6-month moratorium for revision, was on those project activities that were close to requesting completion. That is, these project activities were nearing completion of validation and in the process of seeking letter of approval from DNA's. For example, version 1 of an example approved methodology was being used by a project activity and the methodology was revised to version 2, while the project participants were about to submit their request for registration. The project activity could not be submitted within 8 weeks of version 1 being withdrawn. Therefore project activity now has at the least 6 months to complete its validation and seek a letter of approval using the version 2, before it could be revised. Another 8 weeks (2 months) to submit even if the version 2 is revised. Therefore, a project activity had in effect a grace period of 8 months.

9. On the other hand the new rule allowing for a grace period to enable the use of withdrawn versions of revised approved methodologies provides a minimum of 8 months for project participants to complete the validation requirements as well as seeking of approval letters from DNA. Minimum because, the PDD can be submitted for registration within 8 months of new version becoming effective, provided the PDD was made public before the new version became effective. This would be the case for most project activities that are in advanced stages of validation.

10. Therefore, the 6-month moratorium could be revised, as it will not affect project activities that are in advanced state of completing the validation process.

11. The 6-months rule may only be relevant for those project activities that have initiated PDD preparation close to the time when an approved methodology used by the project activities is revised. In absence of the 6-month rule, the minimum time period between two revisions can be approximately 11 weeks. This is the period between two Meth Panel meetings, which is 9 weeks, plus the 2 weeks after the Board approval when the revised version becomes effective, i.e., 11 weeks. Therefore, a project activity that was using a methodology that is revised at the a Meth Panel meeting and could not submit the project activity for public comments within the 2 weeks of the Board approving the revision, will have 11 weeks to revise the PDD and publish if the methodology is revised again at the following Meth Panel meeting. Normally the revisions of approved methodology are to expand the applicability of the approved methodology, therefore, possibly not much effort, and time, may be needed to revise the PDD, as procedures applicable to the particular project activity are not affected by a revision. Of the 47 revisions to approved methodology since 1 January 2006, 25 revisions were to expand the applicability of approved methodologies. On 12 occasions it was clarify the applicability of the methodology, thus not affecting any procedures. On 10 occasions the revision were to strengthen the procedures and on each occasion the revision was on the monitoring requirements, of this 10 revisions were undertaken to introduce of methane tool. Such revisions in



general do not lead to significant changes in the PDD, thus a period of 11 weeks is likely to be sufficient to implement the changes.

12. The 6-month moratorium on revisions adversely effects the project participants seeking revision of an approved methodology. The 6-month rule implies that a request submitted immediately after the revision of an approved methodology, will have to spend extra 18 weeks in the system before being approved. Nevertheless, for new project activities (with no project documentation) it is important to note that the revised version of the methodology is effective 14 days after the revision by the Board.

Recommendation

13. The Board may wish to withdraw 6 month moratorium on revisions to approved methodologies, in view of the fact that there is now a sufficient effective grace period (8 months as opposed to 8 weeks previously), which provides amply time for project participants to register their project activity, failing that they may use the revised methodology, amendments to which may have less of an effect on the preparation of pending project activities than initially envisaged.



Approved Methodology	Before the Six Month Rule						After the Six Month rule				
	EB 23	EB 24	EB 25	EB 26	EB 27	EB 28	EB 29	EB 30	EB 31	EB 32	EB 33
AM0027				C							
AM0028				EA	C	C					
AM0034					C						

CP: Clarified Procedure; C- Clarification; EA - Expanded Applicability
