DRAFT

Annex 2

DRAFT GUIDELINES FOR THE REPORTING AND VALIDATION OF PLANT LOAD FACTORS

A. Background

1. The ex-ante determination of baseline emissions in a CDM-PDD to be validated and the conduct of investment analysis for some project activities applying ACM0002 and AMS-I.D, and other methodologies related to renewable energy generation, may require the determination of a plant load factor for the proposed project activity

2. The correct determination and validation of this parameter is a vital component of ensuring the environmental integrity of the CDM, and concerns about this issue have lead to the rejection of previous requests for registration. The Board therefore adopts this guideline to provide clarity on how to define and validate this parameter.

B. Ex-ante definition of the plant load factors

3. The plant load factor shall be defined ex-ante in the CDM-PDD according to one of the following three options:

(a) The plant load factor provided to banks and/or equity financiers while applying the project activity for project financing, or to the government while applying the project activity for implementation approval;

(b) The plant load factor determined by a third party contracted by the project participants (e.g. an engineering company);

(c) The plant load factor determined in accordance with any subsequent guideline prepared by the Meth Panel and approved by the Executive Board.

C. Validation of plant load factors

4. In assessing whether a plant load factor has been defined correctly in a CDM-PDD, a DOE shall verify whether it derives from the above requirements under sections 3(a), (b) and (c).

5. DOEs are responsible for the validation of the veracity of statements and information provided in CDM-PDDs for which they are undertaking validation.

6. To achieve this DOEs shall determine whether the defined value in the CDM-PDD has been determined in accordance with best practices by a credible source. The DOE shall also cross checks with available data for projects employing similar technology and operating in similar conditions.

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