



Annex 3

KOREA ENERGY MANAGEMENT CORPORATION MODALITIES OF THE SUSPENSION

1. The Board, taking into consideration the recommendation of the CDM-AP, the response of the DOE including the proposed corrective actions, the oral presentation at the hearing and the outcome of the appeal panel assessment¹, decided, in accordance with paragraph 48 (c) of the CDM Accreditation Procedure, to reject the application for re-accreditation of "Korea Energy Management Corporation" (KEMCO).
2. The decision of the Board was based on two outstanding issues identified in the re-accreditation assessment:
 - (a) The VVM requirements, despite the many opportunities that were provided, are still not fully integrated into KEMCO's system;
 - (b) The DOE had not demonstrated its compliance with the accreditation standard requirements regarding the qualification of personnel. The DOE system allow qualification of its personnel on the basis of energy auditing only. The Board consider that this is not in accordance with paragraph 57 (a) of the CDM Accreditation Standard.
3. Noting that KEMCO's accreditation for sectoral scopes 1-15 is valid until March 2012, the Board further decided to recommend to CMP to partially suspend the accreditation and designation of the KEMCO in sectoral scopes 2, 4 and 6-15 with immediate effect.
4. The Board agreed that KEMCO may continue to undertake all activities related to validation and verification in sectoral scopes 1, 3 and 5.
5. The Board further agreed that KEMCO could continue to process existing activities in relation to requests for registration and issuance in sectoral scopes 2, 4 and 6-15 that have been submitted to the Board prior to this suspension. KEMCO may therefore:
 - (a) Respond to issues related to completeness checks of requests for registration and issuance, requests for revision of monitoring plan, and notifications/requests for approval of changes from PDD;
 - (b) Respond to issues raised in reviews and requests for reviews of requests for registration and issuance;
 - (c) Submit documentation requested by the Board as part of the outcome of a previous request for review or review;
 - (d) Respond to clarification requests raised in requests for deviation at issuance, requests for revision of monitoring plan, and notification/request for approval of changes from PDD.

¹ The Board took note of an appeal panel report, its outcome and recommendations. The Board noted that the appeal panel had concluded that the questions raised in the appeal were not substantiated. The Board also noted that by undertaking a review and providing associated recommendations, the Appeal Panel had gone beyond its mandate as specified in paragraph 7 and 8 of appendix 3 of the accreditation procedure.



6. Until termination of the suspension, KEMCO may continue to undertake activities related to validation and verification in sectoral scopes 2, 4 and 6-15 under existing contracts, with the exception of the following:

- (a) Upload PDDs for public comments as part of the validation process;
- (b) Upload monitoring reports as part of the verification process;
- (c) Submit new requests for registration for CDM project activities;
- (d) Submit new requests for issuance of certified emission reductions;
- (e) Submit new requests for renewal of crediting period;
- (f) Submit new requests for revision of monitoring plan;
- (g) Submit new requests for deviation; and
- (h) Submit new notifications/requests for approval of changes from the PDD.

7. The Board further agreed that the DOE shall undertake a full root cause analysis to identify adequate corrective actions to address the remaining areas of non compliance with the accreditation standard.

8. The Board also agreed that the DOE shall undertake corrective actions within a period of six (6) months to revoke the suspension. On the request of the DOE the CDM-AP shall undertake a further on-site assessment to verify the implementation of the corrective actions.

9. The Board further agreed to withdraw the accreditation status of the DOE if implementation of CAs is not adequate or not completed within the six (6) month period.

Ref. No. E-0011	EB 53, Annex 3, 26 March 2010	Decision Class: Ruling Document Type: Information Note Business Function: Accreditation
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