

## Annex 11

### **Draft guidance on double-counting in CDM project activities using blended biofuel for energy use**

The following draft guidance serves to avoid double-counting of emission reductions that could occur in project activities if both biofuel production and biofuel use are eligible to generate CERs and where such double-counting could occur at different points in the production chain.

In the case of:

#### **1) Cultivation, harvesting and preparation of biofuel**

Emissions associated with the production of biomass used to produce the biofuel shall be accounted for when calculating emission reductions achieved by the blended biofuel project activity. However, in the case that it can be demonstrated that the project activity is using biomass originating from a registered A/R project activity (i.e. through contractual agreement for procurement of biomass), emissions related to the production of the biomass need not be accounted for (see EB 25 para 38).

#### **2) Competing claims for the same emission reductions**

The producer of biofuels can claim CERs for biofuel production only if it is demonstrated that the biofuel is actually consumed as a fuel in non-Annex I countries. The consumers of biofuels can claim CERs for increased biofuel consumption only if, the producer of the biofuel, used by the consumer, is identified and it is ensured that the producer will not claim CERs for the same biofuel supplied to the consumer.

#### **3) Export of biofuels to Annex I countries**

Biofuel production that is exported to an Annex I country cannot generate CERs under the CDM. If biofuel from a CDM project is exported to an Annex I country, this amount shall be monitored. The CERs of the CDM project shall be limited to only that fraction of biofuel production that is not exported and that is consumed as fuel. The producer of the biofuel shall provide detailed audited accounts and/or certified information on the sale of the production to wholesalers and on the sale of production from the wholesaler to the fuel retailers, and such information shall correspond to the production of biofuel used to calculate and claim emission reductions.

A proposed methodology shall therefore ensure that any portion of blended biofuel from a retailer or a customer of the retailer that cannot be verified as sold and used as fuel in a Non-Annex I country shall be deducted from the emissions reductions for that retailer or customer (e.g. if it is found that a retailer or a customer of the retailer exported the blended biofuel to an Annex I country, all the sales to that customer shall be deducted from the emissions reductions).