Practitioners Workshop on CDM Standards

SESSION II: STANDARDIZED BASELINES

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Background

- Impact Carbon
  - 501c3 nonprofit organization in San Francisco
  - Previously CEIHD, a research center in the School of Public Health, University of California Berkeley
  - Contributed to development of Gold Standard Stove Methodology
- Global Alliance for Clean Cookstoves (GACC)
  - Target: 100 million by 2020
  - Carbon Finance Working Group

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Practical experience with standardized baselines

KEY POINTS

- Gold Standard Methodology: Technologies and Practices to Displace Decentralized Thermal Energy Consumption V3 - 11/04/2011:
- **NRB** still difficult and burdensome to assess -- would benefit from standardization
- **Additionality**: Blanket additionality applied at <20% penetration of project improved technology
- **Baseline**: Project field monitoring not required until post-registration and prior to verification. Ex-ante estimation of baseline based on literature review, surveys, or relevant studies.

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Benefits of post-registration baseline determination

Subcategory	Number	In Validation	Registered	Rejected/Withdrawn	Requested Registration	Credits to 2020 (ktCO2e)
Stoves	20 [8]	14 [3]	3 [2]	1	2	5281 [3170]
Lighting	52	31	19	2	0	18370

KEY POINTS

- **Post-registration monitoring** combined with standardized baselines will alleviate registration bottleneck and:
  - **Reduce investor uncertainty:** Providing conservative baseline enables PP to more easily approach investor
  - **Lower cost of risk capital:** Cost burden delayed to post-registration, much easier to find investment.
  - **Shorten time:** Streamline process and fee burden with DOE, EB, consultants.
  - **Improve environmental integrity:** Field monitoring is more representative if conducted on mature project

Source: http://cdmpipeline.org/cdm-projects-type.htm#1 (As of June 1st, 2011)
Note: [Bracket] in table excludes 12 China-based projects Hebei Combined Heat and Stove.

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Further CDM Standardization Needed

Subcategory	AMS-II.G	AMS-I.E	AMS-I.C.	AMS-II.J	AMS-II.C	AMS-I.A	AMS 46	AMS 70	AMS-III.X.	Total
Stoves	6	1	13 [0]	N/A	N/A	N/A	N/A	N/A	N/A	20
Lighting	N/A	N/A	N/A	42	7	2	2	N/A	N/A	53
Appliances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	2
%Meth. per Subcategory	30% [86%]	5% [14%]	65% [0%]	79%	13%	4%	4%	50%	50%	

KEY POINTS

- AMS-II.J: Standardization accelerated development

- AMS-II.G: Default parameters for thermal efficiency still requires PP Input (field measurement of fuel consumed). CDM should provide further standardization of:
  - ✓Baseline and project fuel consumption
  - ✓NRB default values
  - ✓Additionality applicability

Source: http://cdmpipeline.org/cdm-projects-type.htm#1 (As of June 1st, 2011)
Note: [Brackets] in table excludes 12 related China-based projects, and 1 rejected Indonesia-based project.

Baseline fuel consumption

KEY POINTS

- Flexibility: Include standardized baselines under existing methodologies, and option to upgrade to project-specific monitoring after registration
- Meta-analysis: Fuel consumption determined from literature to establish range and standard metric
  - **Deemed value by vintage**: Fuel consumption set at mean or top 20% for each type (3-stone vs. contained combustion)
  - **Per-unit**: Assign conservative single ER per stove (eg. 1 tCO2e/stove), or ER per person-meal.
- Data available for regional and possibly global aggregation
- Usage is a critical monitored parameter

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Additionality

KEY POINTS

- **Expand current threshold** for micro scale "positive list" from 20 GWh (60 GWh th) to include 60 GWh (180GWh th).
  - Streamlines CPA inclusions

- Optional barriers test based:
  - Product penetration - precedent in CDM 5% penetration, GS 20%
  - Performance-based efficiency threshold - Lab efficiency benchmarks over current default efficiency parameters (10-20% baseline)

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Fraction of non-renewable biomass

KEY POINTS

- Regional values for registration using default tables
- Proof of burden may be required post-registration using project-specific monitoring

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Thank you!

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