

Proposal for an enhanced barrier test for project activities that have a potentially high profitability without CER revenues

COMMENTS from Carbon Trade Ltd

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Please take account of the following comments;

In general we approve of the principle of enhanced barrier analysis.

1. Financial models are both difficult to construct and difficult for the Validators to interpret. While Project Participants provide this information in good faith many projects are first of their type in the region and therefore large uncertainty must exist in the financial model.
2. We are concerned at the use of the word 'Greenfield' in the description of applicable project activities. This may be interpreted to prevent development or re-development of processes in industrial or 'Brownfield' sites.
3. We are concerned that the use of the phrase 'producing a product or energy' will exclude projects that have no product, such as the flaring of methane. Methane capture and destruction projects have a very high return in terms of global environmental impact. The IPCC has reasonably selected a 100 year scenario for methane to give a factor of 21 for calculation of CERs however short term destruction of methane actually has a very high 'early years' return (63 on a 10 year scenario). The removal of financial additionality requirements from methane capture projects would provide a significant boost to smaller projects.
4. We would support the inclusion of this text, as modified resulting from the public inputs, in the main text of the Additionality Tool.

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