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Ref: Call for public inputs on focus areas for future practitioner workshops for CDM stakeholders

Dear Mr. Mahlung,

The VnCarbon welcomes the opportunity to make suggestions for technical areas on which our members would wish to engage in discussions and consultations with the secretariat, members of relevant Panels and/or Working Groups. The VnCarbon would welcome working with the EB, secretariat, and associated panels and working groups to discuss the following topics:

1. Conflicts of Tools, Guidelines and the baseline methodology

>>How the PP can complain the conflicts of the Tools, Guidelines and the baseline methodology? For example, the methodology AM0029 requests the PPs demonstrate the additionality by applying the Steps 2bs (Option III-Apply benchmark analysis), 2c and 2d. However, in some cases where the identified baseline is not a supply of electricity from the Grid, which is an investment option (e.g new construction of power plant) and not suitable for applying the benchmark analysis as per paragraph 16 of Guideline on the Assessment of Investment analysis (version 03.1), EB51 then how the PPs deal with this problems if the PDD is only under development?

>>The EB should conduct the priority in applying of the baseline methodology, the Tools and Guidelines respectively when the PPs developing the PDD. The regulations shall be clearly made to all the DOEs, and the PPs to avoid the confusion in the process of development and validation of a CDM project.

2. Revision of the large scale methodology

>> The EB should facilitate the PPs to communicate with the Board when they discover the errors or mistakes of the approved baseline methodology in the process of their PDD preparation without DOE dependency.

>>The EB should make the baseline methodology transparently and objectively and technologically could apply for all regions or countries correctly. For instance, the methodology ACM0012 (version 03.2, EB51) indicates two options W1, W2 which is considered to seem similar the DOE (hidden name) when validating a WHR project in Vietnam asked that WECM must be burn before it to be released to the atmosphere (although the technology applied in this project activity is clean and emitted gases is inert gas) as they saw that almost WHR projects in China, where almost CDM projects coming from, must combust the WECM before it is escaped from the facility.

3. Guideline on the Assessment of Investment analysis (referred as Guideline) and the Tool for demonstration and assessment of additionality (referred as Tool).

>>As for the Guideline, considering the differences in point of view of making a financial analysis between the guidelines issued by the host country(ies) and that given in the



Guideline which could lead to the confusion in validation process it is suggested that the EB should added Annex(es) which present in a very clear manner on how the financial indicators (e.g Project IRR, Equity IRR or Economic IRR...) will be calculated as per international standard which will make the DOE easy in their validation and the PPs are easy in developing their CDM projects. The EB should also make it clear in case where the fair value is included in cashinflow as normally if the depreciation is completely finished then fair value should be zero. Also, how the lifetime of project shall be addressed when making financial analysis accordance with international standard?

>>As for the Tool, the EB should add more the choices of benchmark for comparison as currently the Tool only shows the choice of benchmark if IRR indicator is calculated? What is the benchmark if indicator of levelised cost for electricity generation (\$/kwh) or B/C...is selected for calculation and comparison? The guidelines on selection of the benchmark should be made very clear to avoid debates during validation.

4. E+/- policies, the tariff and plant load factor

>>The EB should have very easily understandable guidelines to avoid the confusion during development and validation of a CDM project. How the PPs would deal with the E+/- policies in their country' circumstances and how the PPs deal with the tariff in association with the E+/- policies and how the PPs demonstrate the plant load factor of the facility to the DOE? What is the limitation of plant load factor?, e.g it only applies for hydro power plant or for all of power plants and electricity power generation units? The EB also should make clear on how the DOE will validate the tariff?

5. Monitoring issues

>> The EB should in its approved baseline methodology precisely and clearly indicate the parameters will have to be monitored in the future (e.g the monitoring of electricity generation should clearly state net or gross electricity will be monitored? And where it will be installed for monitoring?) and how these parameters will be monitored (e.g how the PPs will measure the reservoir area of hydro power after project activity?) and with what is the standard it must comply?

>>It is better if the EB could issue a monitoring guidebook for all kinds of projects where it shows out the standards for compliance with monitoring procedures (e.g what and where the meter will be installed for monitoring of electricity or gas flow..). This is a key issue during validation and verification afterwards and it is needed to avoid the debate between the PPs and DOEs during validation process.

Best regards,

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