

THE CDM AS A TOOL FOR OTHER USES: RECOMMENDATION

15 APR 2016

Opportunity	Increase in demand of CDM project developments for ETS compliance installations and carbon credit traders by reducing uncertainties of ever changing policy background																		
Item	Introduction of CER Savings Account																		
Description	<p>Introduction of <i>Savings Account</i> in align with Pending and Holding Accounts. Any CERs deposited (or “saved”) in the Savings account will have maturity year of 3, 5, or 10 years. In the maturity year, the CER saver will receive the reimbursement of the CERs, the same amount deposited, without interest, with vintage of the reimbursement year.</p> <p>Example : If a company deposits 100tCER with Vintage-2015, with 5-year maturity :</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Action</th> <th>Saving</th> <th>Reimbursement</th> </tr> </thead> <tbody> <tr> <td>Year</td> <td style="text-align: center;">2015</td> <td style="text-align: center;">2020</td> </tr> <tr> <td>Saving Amount</td> <td style="text-align: center;">100tCER</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Reimbursement amount</td> <td style="text-align: center;">-</td> <td style="text-align: center;">100tCER</td> </tr> <tr> <td>CER vintage</td> <td style="text-align: center;">2015</td> <td style="text-align: center;">2020</td> </tr> <tr> <td>Interest</td> <td colspan="2" style="text-align: center;">Not applicable</td> </tr> </tbody> </table> <p>General conditions : Eligibility of CERs for Savings :</p> <ol style="list-style-type: none"> 1. p-CERs 2. Saving shall be made within 2 years of the CER issuance to avoid abuse for vintage renewal (eg., Vintage-2015 CERs may only be saved in 2015 or 2016 at the latest) <p>Additional description :</p> <ol style="list-style-type: none"> 1. Reimbursement CERs in the maturity year would be the CERs from other CER savings in the year made by other parties. 	Action	Saving	Reimbursement	Year	2015	2020	Saving Amount	100tCER	-	Reimbursement amount	-	100tCER	CER vintage	2015	2020	Interest	Not applicable	
Action	Saving	Reimbursement																	
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Benefits	<ol style="list-style-type: none"> 1. Continuous demand of CDM project development (systematic transition of current CERs into future CERs that are “usable” in the future market of the maturity year) 2. Reduction of project development risks (taking emission reduction action now still ensures the usability of CERs) 3. Avoidance of double counting (CER transitions from the saving party to the reimbursement party)
Background	<p>There are many ETS compliance installations and carbon credit trading firms that are looking for international offset credits like the CERs to use in coming years, but are hesitating to develop or invest in such projects due to ever changing policy background. While the recent CDM EB has announced that the CDM Mechanism will survive in the Paris Period, the demand for CDM projects can rise if the mechanism could provide the “secure” circumstance by reducing policy uncertainties which ensures the potential CDM demanders that the credits from current CDMs will be “safe” and “usable” in the future markets.</p>

Organization Information :

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