

Sixth CDM Roundtable

Session V: Standardized baselines

– Concept Note on Database on the Cost and Efficiency of Technologies

Bonn, Germany, 12 October 2012



Background

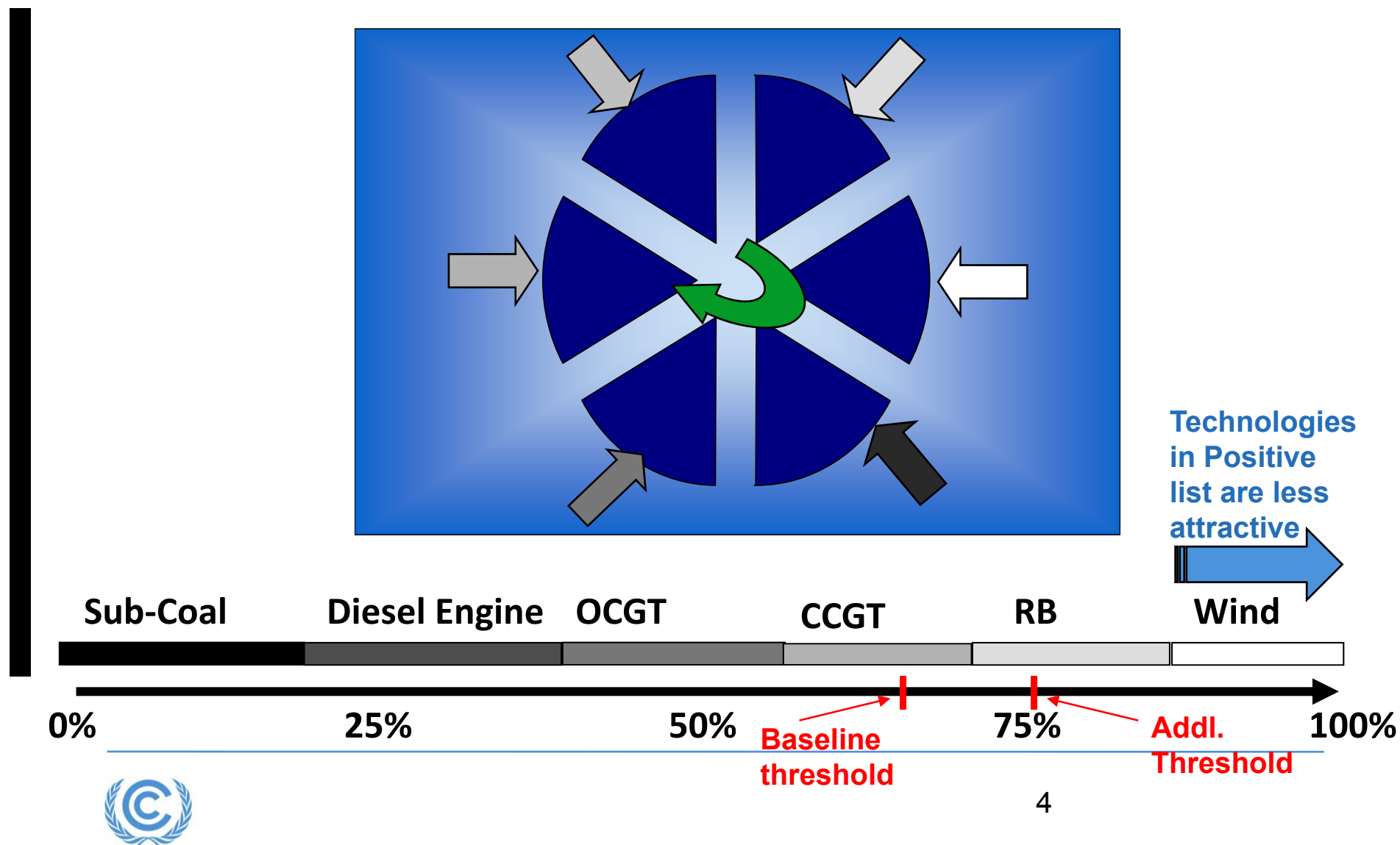
- The Board developed the work programme for implementation of standardized baselines (EB65, annex 22). The work programme contains the proposed work of collection of data on the cost of technologies.
- This proposed work is also the part of CDM management plan adopted by the Board for 2012 (EB66, Annex 2).
- EB68 provided the mandate to develop the database for priority sectors (cement and cook stoves) in 2013 taking into account the stakeholders' inputs.
- Call for public inputs was launched between 6 to 19 August 2012 and stakeholder's comments received.

Objectives

- According to “Guidelines for the establishment of sector specific standardized baseline (EB65, Annex23)”, additionality of projects using SB shall be demonstrated through positive lists of technologies.
- The objective of the database on cost and efficiency of technologies is to help SB developers establishing positive lists by;
 - a) Providing data on **efficiency of technologies** (to identify carbon intensity of technologies),
 - b) Providing data on **cost of technologies** (to ensure that technologies in the positive list are less commercially attractive than any of the other technologies).



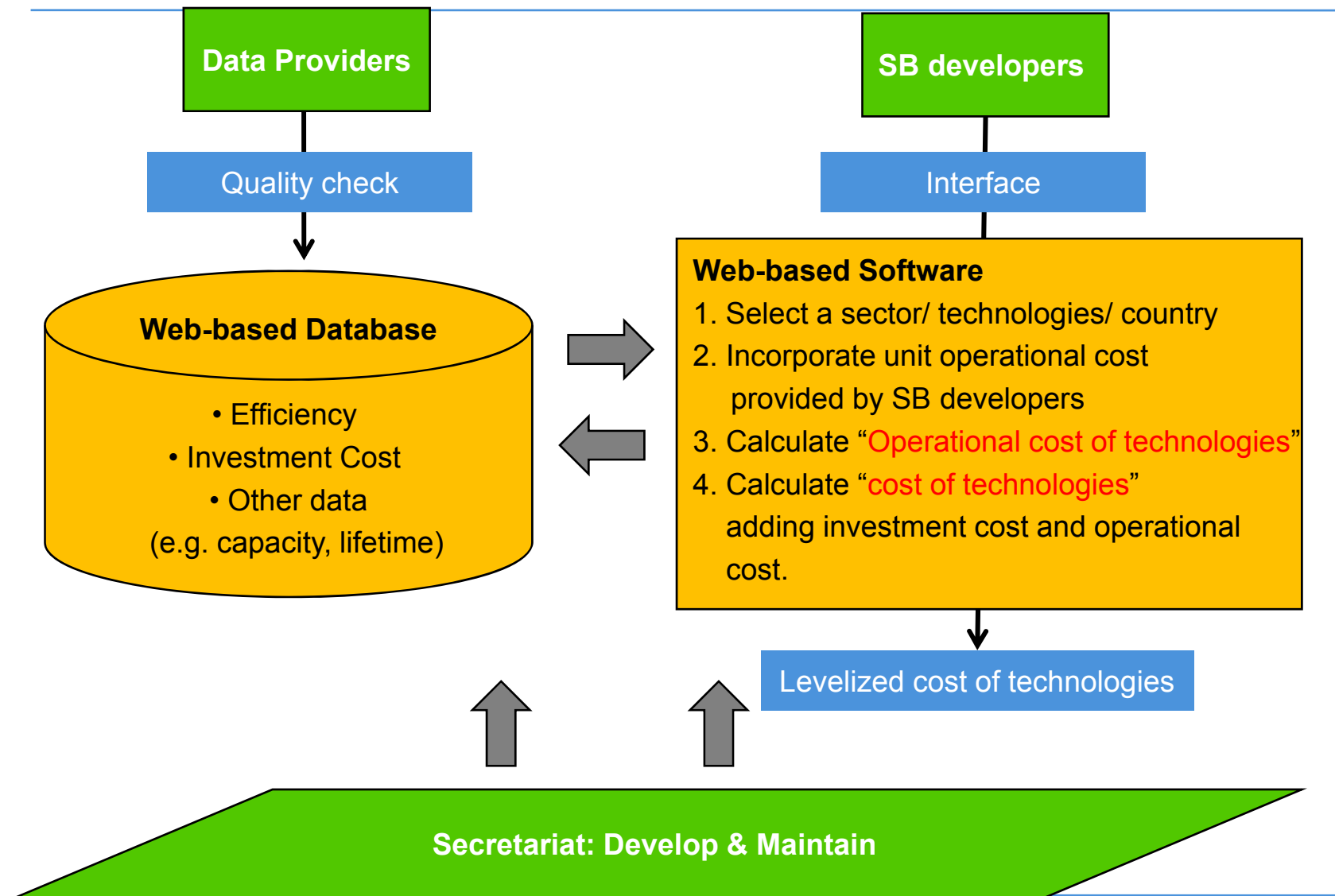
Overview of approach of SB guidelines



Overview of the document-Key concepts

- **Technologies:** Broadly defined as the entire plant comprising of the full set of production equipment and utilities to produce the output under consideration.
- **Efficiency of technologies:** Expressed in terms of specific energy and/or raw material consumption. The database will contain design values based on manufacturer's specifications
- **Cost of technologies:** To be calculated by the software as levelized cost (cost/unit output) by combining:
 - 1) **Investment cost:** including ex-works cost plus installation and commissioning of technologies. Total investment cost will be divided by the total output generated over the lifetime, which will generate "investment cost per unit output"
 - 2) **Operational cost:** including country-specific cost data of the electricity, fuel and raw materials, which will generate "operational cost per unit output".

Overview of the document-Usage of web-based database & software



Overview of the document - Steps to develop the database

1. **Prioritize sectors** (Cement and Cook stoves)
2. **Identify data sources through international organizations and international/national industry associations**
Through surveys some potential data sources and willingness for collaboration are already identified (66 respondents showed willingness to support)
3. **Prepare the list of technologies in each selected sector, identify and contact the key reputable manufacturers of technologies, publications on technologies and turn key contractors/ project consultants.**
4. **Collect data on cost and efficiency of technologies**
5. **Design the database and develop the algorithm for the software**
6. **Operationalize the database by end of 2013.**

Note

Global sectors and country-specific sectors: It is assumed that globally applicable data will be available for all sectors. Country-specific data will be collected only where the criteria for selection of technologies varies from country to country or no global data.

Relative values for comparison purpose: The database will not aim to collect highly accurate values as long as approximate values suffice for comparison.



THANK YOU!

