

## Eighth CDM Roundtable

# Improving standards, guidelines, and procedures for PoAs

Bonn, Germany, 17 June 2013



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  - Draft revisions to PoA standard and sampling standard
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## Update from EB 73

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Issue 1: Renewal of an A/R PoA (ICERs) and its CPAs

EB 73: Crediting periods of CPAs of A/R PoAs that issue ICERs to be aligned with PoA renewal

Issue 2: Synchronised issuance request for CPAs of a PoA

EB 73: Acknowledged the issue, tasked secretariat to continue exploring a solution; for any potential solution estimate time and resource needed to adjust the workflow ( work on going)

Issue 3: Pragmatic approaches to meet predefined reliability targets

EB 73: Both discounting and use of conservative defaults in methodologies should be included as options

Issue 4: Definition of a CPA for dispersed technologies/units

EB 73: Proposed development of simplified LSC methodologies (CDM-MAP 2013) would address the issue, separate efforts would not be required



## Update from EB 73

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Issue 5: Separate generic CPA-DDs for each CPA type

EB 73: Allow cross-referencing to avoid repeating every section of CPA-DD;

Issue 6: Implications of changes to PDD form to the registered PoAs

Issue 7: Application of the sampling standard to early mover PoAs

EB 73: Allow a grace period ( relative versus absolute precision)

Issue 8: Inclusion of an additional measure/technology to an already included CPA

Issue 9: Sampling for DOE validation/verification

EB 73: explore alternative options to acceptance sampling, on-site visits by a DOE on the basis of a set of criteria (e.g. project size, location, quality of CME monitoring system, etc.);

Issue 10: Innovative sampling methods

Issue 11: Single sampling plan



## Pragmatic approaches to meet predefined reliability targets

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16 (b) Apply a correction to the estimates using one of the two options below<sup>19</sup>:

- (i) Discounting the ER by either,
  - Taking the lower or upper bound of 90 or 95 per cent confidence interval (as the case may be); or
  - Discounting by no less than three times (X3) the percentage precision points missed; only eligible for survey efforts done during the first two years of monitoring period of the project activity or CPAs and when the attained precision is equal to or better than 90/15;
- (ii) Using a conservative default value<sup>20</sup> included in the applied methodologies (e.g. 3.5h for lighting usage for AMS-II.J, conservative default failure rates provided in equation 3).

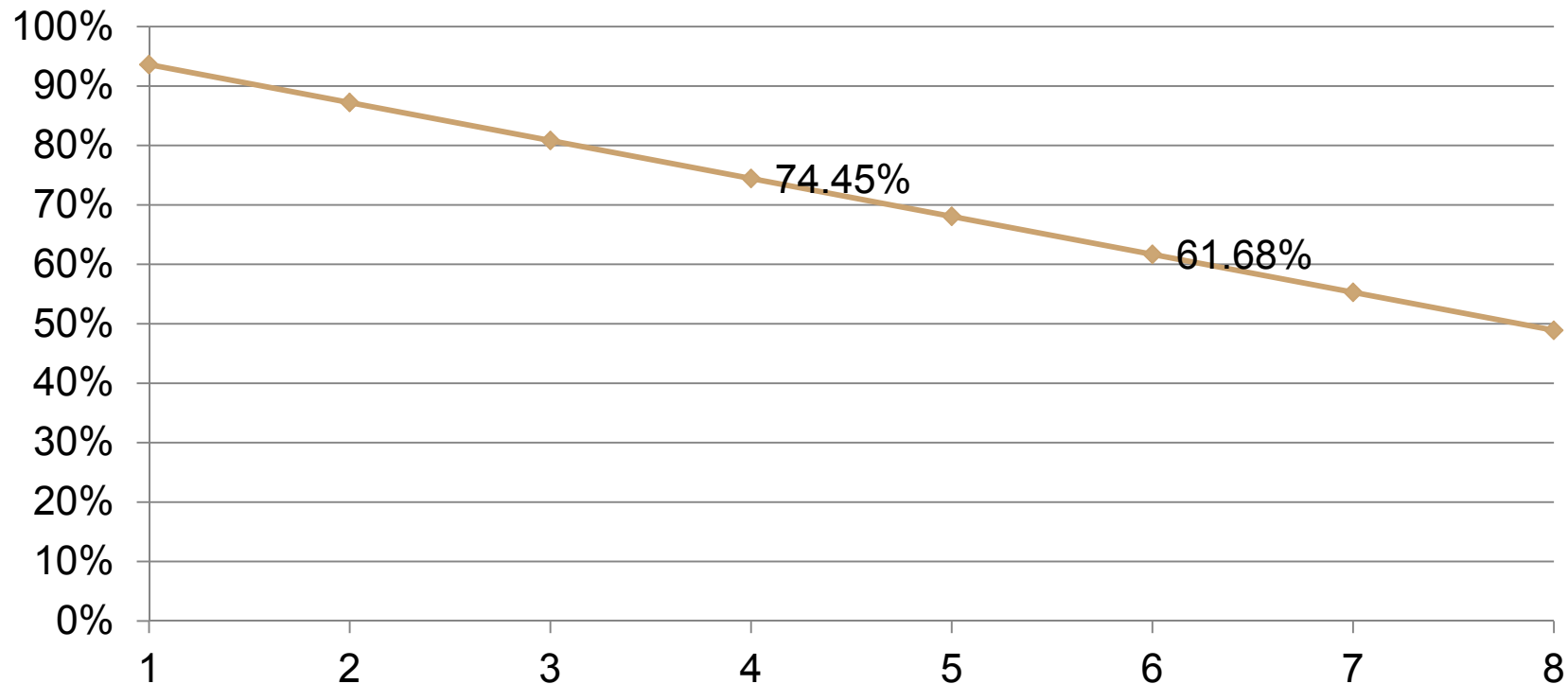
*Footnote 19. Procedures for 'temporary deviation from the monitoring plan as described in the registered PDD, PoA-DD, generic CPA-DD, or the monitoring methodology' of PCP do not need to be applied for this case.*

*Footnote 20. Default values chosen should be conservative, for example by applying the failure rates of year X+2 for year X using the calculation method indicated in equation 3.*

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## Pragmatic approaches to meet predefined reliability targets



- An example from AMS II J efficient lighting project
- In above case energy saving will be reduced by  $74.45 - 61.68 = 12.78\%$ , if methodology default option is chosen when survey does not meet the reliability target.



## Grace period for use of precision in absolute term

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11. (a) As a relative<sup>9</sup> unit when the parameter of interest is a proportion (or a percentage).

*Footnote 9. CDM projects/PoAs registered or have requested registration before the approval of :Option 1: [version 3.0 of this standard i.e. before 13 September 2012] Option 2: [version 2.0 of this standard i.e. before 25 November 2011]*

*with the interpretation of 10 per cent precision as an 'absolute' unit in the PDD or PoA-DD shall apply the requirement of 'relative' unit for the precision through a revision of the sampling plan*

*Option 1: [no later than 3 years from the date of approval of the version [2.0] [3.0] this standard] Option 2: [at the first renewal of the crediting period of the project or renewal of the PoA which is 7 years from the date of registration of the PoA].*

*Procedures for post registration changes indicated in the project cycle procedures shall be followed.*

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## Sampling by DOE

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28. DOE may apply sampling with a different confidence/precision than the ones indicated for PPs (i.e., 90/10 for SSC, 95/10 for LS);
- Acceptance sampling maximum error changed from 5% to 10%;
  - Table for Sample size and acceptance number included as reference;
  - A DOE may choose a different sample size under certain situations (e.g. by choosing a different value for the consumer risk such as 20% consumer risk or by other means). The criteria for justification shall include:
    - a) Estimated volume of ERs being verified;
    - b) Security conditions in the project region (e.g. conflict zones);
    - c) Logistics, time and cost of site visits relative to ERs;
    - d) Quality of CME monitoring system including track record of the CME in monitoring.





## Sampling by DOE

		Producers = 5% Consumers = 5%		Producers = 5% Consumers = 10%		Producers = 10% Consumers = 10%		Producers = 5% Consumers = 20%	
AQL	UQL	Sample Size (n)	Accept. number (c)	Sample Size (n)	Accept. number (c)	Sample Size (n)	Accept. number (c)	Sample Size (n)	Accept. number (c)
1%	10%	61	2	52	2	38	1	29	1
1%	15%	30	1	25	1	25	1	19	1
1%	20%	22	1	18	1	18	1	14	1
0.5%	10%	46	1	38	1	38	1	29	1
0.5%	15%	30	1	25	1	15	0	10	0
0.5%	20%	22	1	18	1	11	0	8	0



## Application of multiple small-scale CDM methodologies

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32 (d) Combinations of technologies/measures and methodologies vary across CPAs within a PoA and/or multiple and disparate methodologies are used in CPAs

- CME shall demonstrate that implementation of activities is integrated through design of programme
  - Example 1. A city wide approach to emission reduction addressing key sectors in an urban context such as energy production, transport, energy efficiency and waste management,
  - Example 2. Electrification of a region through grid connected and off grid renewable energy systems
- CME shall also demonstrate that application of such combinations under one PoA as opposed to developing separate PoAs for each sector will deliver comparable or better results for the environmental integrity of emission reductions estimates ( e.g. reliable monitoring and verification) and for overcoming technical, institutional, financial and political barriers for program implementation
- ~~Foot note 8. Choosing this option may influence the choices for the sampling plan.~~



## Application of multiple large-scale CDM methodologies

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- 35. For PoAs applying large-scale CDM methodologies, only combinations explicitly permitted in the methodologies can be applied without prior-approval by the Board. In other cases, the CME shall submit a request for clarification to the secretariat by following the latest applicable procedure for the eligibility of the proposed combination. To apply methodologies from different sectors under one PoA, justifications as indicated in paragraph 31 (d) should be included in the request for clarification.



## Additionality at PoA level and at CPA level

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- Requirements entail effort at both PoA and CPA level
- Effort varies as per thrust is at PoA level or CPA level
  - a) If investment analysis is chosen, stating additionality tool will be applied for each CPA at inclusion is not sufficient; input parameters should be defined and how the input values will be sourced should be described in the PoA-DD
  - b) If comprehensive EC is included in PoA-DD, reflecting range of relevant technical and economic parameters of CPAs to be included, update of EC as per methodologies applied is required
    - *Ver 13.0.0 of ACM0002 requires EC related to costs, revenues and investment climate be updated every 2 years to correctly reflect technical and market circumstances of a CPA implementation*
    - Procedures for post registration changes as per PCP
- CPAs of PoA comprise of positive list of technologies, check compliance of CPAs proposed for inclusion with the parameters that define the positive list (e.g. size parameters and/or end use)



## Eligibility Criteria

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- 17 (c) The specifications of technology/measure including the level and type of service<sup>7</sup>, performance specifications including compliance with testing/certifications;
- *Foot note 7. Level of service is in comparison with the baseline system being replaced. Specifications shall include the capacity of the systems (e.g. indicating that cookstoves will be of capacity X kW thermal to Y kW thermal or L1xB1xH1 m to L2xB2xH2 m would suffice, however only indicating that all stoves will be of efficiency X% will not be sufficient)*



## CME Management system

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- 20 (a) A clear definition of roles and responsibilities of personnel<sup>12</sup> involved in the process of inclusion of CPAs, including a review of their competencies;
- 20 (f) Measures for continuous improvements of the PoA management system<sup>13</sup>;
- *Footnote 12. It is not necessary to specify the names of personnel, however the descriptions of functions are required*
- *Footnote 13. Improvements may include addition, exclusion or restructuring of functions/posts for which a prior approval by the Board is not required as long as CME is able to demonstrate to the DOE that deliverables of the management system in the registered PoA-DD are fully met.*

