

Discussion paper for CDM round table-8: Requirements for application of standardized baselines

Eight CDM Round Table

Bonn, Germany, 17 June 2013



Requirements related to application of Standardised baselines

Why?

Many aspects related to **implementation and use** of standardized baselines can neither be treated as procedural matters, nor can they be considered as validation, verification and project development matters.

How?

The document/s will be developed with a specific focus to serve as a standard stipulating **requirements** of projects using standardized baseline, while also being a **user-friendly reference**. The document will build upon **lessons learned** on the application of standardized baselines.

The secretariat will follow EB73 request: “The Board requested the secretariat to explore the possibility of developing a separate chapter on standardized baselines in the CDM project standard in place of developing a new standard on the application of standardized baselines”.



Requirements related to application of Standardised baselines

What?

The requirements will include amongst other issues the following elements:

- ❑ **Principles** for the use of standardized baselines in projects (those agreed by the Board and those further necessary). The principles may need to respond to policy questions.

- ❑ **Rules and requirements** applicable to CDM project activities using standardized baselines, e.g. version of standardized baselines to be used for the registration of a CDM project activity. These may include those agreed by the Board and those further necessary.



Categories of Standardized Baselines

	Type 1 (Demonstrating additionality)	Type 2 (Establishing baseline scenario)	Type 3 (Establishing baseline scenario and estimating baseline emission factor)	Type 4 (Demonstrating additionality, establishing baseline scenario and estimating baseline emission factor)
Approach 1 (Using the Guidelines for the establishment of sector specific standardized baselines)	NA	NA	NA	Category 1
Approach 2 (Using a methodological approach contained in an approved methodology)	Category 2	Category 3	Category 4	Category 5
Approach 3 (Using a methodological approach contained in an approved tool)	NA	NA	Category 6	NA



Issue 1: Selection of approved SB vis-a-vis approved CDM methodology

- a) **Option-1**: The PP is allowed to select either of them for developing their PDD.
- b) **Option-2**: The project participant is allowed to select either of them for developing PDD for all the situations except where the approved methodology also uses a benchmark approach (48(C)) for the determination of baseline and demonstration of additionality, where the use of standardised baseline is mandatory.
- c) **Option-3**: The project participants shall always use the approved SB.
- d) **Option-4**: Project participant shall always use the approved SB, except for the cases where sound justifications are provided on why the project activity cannot feasibly achieve or cross the baseline and additionality thresholds established by approved SB.

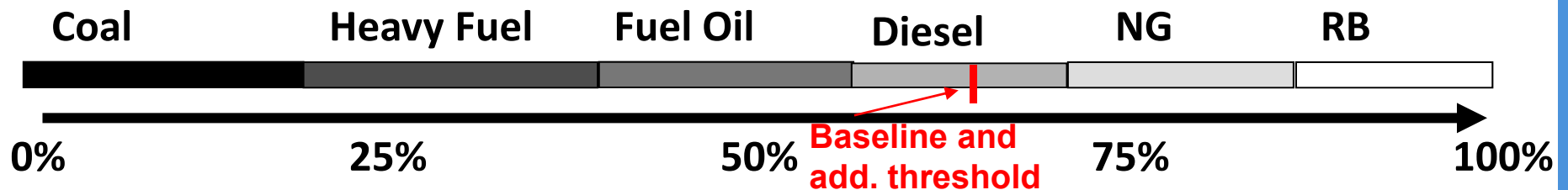
Q: What is your view on above options? Which option should be selected?



Issue 2: Treatment of facilities having technology in positive list before implementing CDM project as per the approved SB

Options for the use of SB in the project activity of such facilities.

- a) **Option-1:** The PPs of such facilities can use the positive list of technologies/fuels/feedstock to demonstrate additionality, however they shall use historical emissions to claim emission reductions. In such case the PPs shall use either an approved methodology or propose a new methodology for estimation of baseline emissions.
- b) **Option-2:** The full use of SB, including positive list and BEF, is allowed for the PPs of such facilities.



Q: What is your view on above options? Which option should be selected?



Issue 3: Validity of a SB to project activities and PoAs

EB 70 agreed principles on the validity of SB to a project activity

- The updated SB shall not impact already registered projects up to the end of their first crediting period;
- The version of SB to be used for the registration of CDM project activities shall be the approved version applicable at the time of uploading the document for stakeholder consultation;

For PoA, following options can be considered:

- **Option 1:** The version of SB to be used for the inclusion of CPAs shall be the approved version applicable at the time of submission of CPA-DDs to a validation DOE;
- **Option 2:** The version of SB to be used for the registration of CDM PoA shall be the approved version applicable at the time of uploading the document for stakeholder consultation

Q: Which option should be chosen for application of a version of SB applicable to CPAs of a PoA?



Issue 4: Double counting of ERs due to existence of CDM projects registered before the use of SB

- The data from CDM registered plants/facilities is collected for development of standardised baselines (as defined in an approach in discussion paper on proposed revision of SB guidelines).
- Due care should be taken while issuing the credits against projects registered using SBs in the plants that already have a registered CDM project (e.g. using CDM methodology) to avoid double counting.

Q: What kind of approaches should be applied in order to avoid double counting?

