

## Ninth CDM Roundtable

Wrap-up session: Revision of CDM project standard, validation and verification standard and project cycle procedure (Part I)

Bonn, Germany, 23 August 2013



- **Key issue 1 (Prior consideration check)**

- **Issue 1:** It is not clear what exact information needs to be provided in prior consideration notifications, and whether and/how the DOE should check the information as part of validation.
- **Proposal 1:** Elaborate what exact information needs to be included in the prior consideration notification, and whether and/how the DOE shall validate the information, including possible cross-checking with PDD.
- **Inputs from RT9:** No objection to the proposal, except for requiring the DOE to validate the information, since, at the prior consideration stage the project activity might not be in an advanced stage, therefore, there is no need for a DOE to validate the information submitted in the prior consideration as it may have changed substantially.



- **Key issue 1 (Prior consideration check) – cont.**

- **Issue 2:** Timeframe for proposing a new or revised methodology, as a way to be exempted from prior consideration notification, is missing.
- **Proposal 2:** Clearly state the timeframe for proposing a new or revised methodology as a substitute of prior consideration notification.
- **Inputs from RT9:** No objection to the proposal.



- **Key issue 2 (Changes to published PDD before registration)**
  - **Issue 1:** It is not clear what types of changes to the composition of the project participants or to the contractual arrangement would necessitate the republication of PDD for global stakeholder consultation. Also, there is no provision on the cases where the DOE is replaced by another DOE.
  - **Issue 2:** Currently there is no provision on the cases where other changes occurred to the PDD whether it would require republication of PDD, other than the change to the methodology.



- **Key issue 2 (Changes to published PDD before registration) – cont.**
  - **Proposal:** Redefine and clarify the conditions under which the republication of PDD is required:
    - For changes to project participants: It is not required to republish PDD if at least one project participant with contractual arrangement remains;
  - **Inputs from RT9:** No objection to the proposal.



- **Key issue 2 (Changes to published PDD before registration) – cont.**

- **Proposal:** Redefine and clarify the conditions under which the republication of PDD is required:
  - For changes to DOE:
    - Option 1: It is always required to republish PDD by the new DOE
    - Option 2: It is not required to republish PDD provided that the former DOE gives its consent, the new DOE accepts the work done by the former DOE on stakeholder comments, and the new DOE is accredited for the relevant sectoral scope
- **Inputs from RT9:** No objection to Option 1. For Option 2, concerns were raised about the attribution of responsibilities between the two DOEs involved.



- **Key issue 2 (Changes to published PDD before registration) – cont.**

- **Proposal:** Redefine and clarify the conditions under which the republication of PDD is required:
  - For other changes: It may be worth considering to clarify that other types of changes do not require the republication of PDD, *unless the change is “substantial”* in the area of, e.g. location, processes/technologies, baseline, additionality demonstration and emission reductions
- **Inputs from RT9:**
  - A definition of what “substantial changes” mean would be required.
  - Some suggestions were to:
    - Not consider a change in emissions reductions as a substantial change
    - Consider changes that affect stakeholders as substantial



- **Key issue 3 (Direct communication on specific project cases)**
  - **Issue:** Currently, if a request for registration/issuance is rejected after being placed under review, there is no opportunity for the DOE or project participants to request direct communication (a telephone call) to the secretariat for hearing the reason and rationale for the rejection.
  - **Proposal:** Create a step allowing the DOE or project participants to request direct communication for the cases rejected after placed under review, similar to the existing one.
  - **Inputs from RT9:** Supported the proposal. A comment was made that the secretariat resources in direct communication should be prioritized for providing quick clarifications to project participants.





- **Key issue 4 (Project design vs. implementation)**

- **Issue 1:** For the methodologies requiring to check whether the applicability conditions are met at the implementation stage, there may be some methodologies that do not explicitly mention it as a monitoring requirement.
- **Proposal 1:** Introduce a general requirement that the project participants shall demonstrate that the applicability conditions of methodology are met during the monitoring period.
- **Inputs from RT9:**
  - No objection to the proposal.
  - If possible, this requirement should be specified in the relevant methodologies.
  - Related issue: First verification may need to be conducted differently from subsequent verifications.



- **Key issue 4 (Project design vs. implementation) – cont.**
  - **Issue 2:** There may be events/situations that occur at the implementation stage that could impact important areas other than the applicability of methodology, e.g. additionality, baseline scenario, project boundary or monitoring and calculation of emissions reductions.
  - **Proposal 2:** Expand the scope of the existing requirement to describe the events/situations in the monitoring report that could impact on important areas.
  - **Inputs from RT9:**
    - Considering any substantive change requires to go through the post-registration change process, the intent of this proposal is not clear.
    - This proposal has a risk of leading to re-assessment of additionality.
    - “Additionality” should be removed from the proposal.



## Ninth CDM Roundtable

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Bonn, Germany, 23 August 2013



- **Key issue 5 (Post-registration change process)**

- **Issue:** Current definitions of post-registration changes or deviations and the tracks to be followed for approval by the Board (“prior-approval track” or “issuance track”) may not be appropriate.
- **Proposal:** Review the current definitions and categorization of post-registration changes/deviations to be approved under the prior-approval track and issuance track, and elaborate and reclassify them, as appropriate.
- **Inputs from RT9:** No objection to the proposal.



- **Key issue 6 (Revision and withdrawal of monitoring report)**

- **Issue 1:** It is not clear whether and what types of changes to a monitoring report could be made by project participants after its publication, not as a result of corrective action request by the DOE, and whether additional site visit by the DOE is necessary.
- **Proposal 1:** Clarify whether project participants may make changes to a monitoring report after its publication, and if yes, define what types of changes can be made and the criteria for requiring additional site visit by the DOE.
- **Inputs from RT9:** No need to clarify or create a new process/requirement, since the revision of a monitoring report initiated by project participants frequently happens in the course of verification.



- **Key issue 6 (Revision and withdrawal of monitoring report) - Continued**
  - **Issue 2:** There is no process whereby DOEs or project participants can request the withdrawal of published monitoring reports, causing a difficulty for cases where project participants and the DOE terminate the contract on the verification.
  - **Proposal 2:** Introduce a process for DOEs or project participants to allow the withdrawal of published monitoring reports.
  - **Inputs from RT9:** Supported the proposal. (While the case in which the DOE is changed is a clear case in which there might be a need for the withdrawal of the monitoring report, questions were raised regarding in which other cases there would a need for a process allowing the withdrawal of a monitoring report.)



- **Key issue 7 (Data vintage for ex-post determination of grid emission factor)**
  - **Issue:** For projects applying a methodology allowing ex-post determination of grid emission factors, there is a contradiction in the requirement on the data vintage between the VVS and the tool.
  - **Proposal:** Remove the inconsistency between the VVS and the tool based on the recommendation by MP.
  - **Inputs from RT9:** No objection to the proposal.



- **Key issue 8 (Withdrawal and resubmission of request for issuance)**

- **Issue:** For the cases where a request for issuance is withdrawn, it is not clear whether it is only allowed to make a resubmission of the request for issuance for the exactly the same monitoring period, or it is allowed to submit a monitoring report and the corresponding request for issuance for a different monitoring period covering the period in the withdrawn request, and if yes, whether it requires the prior approval by the Board.
- **Proposal:** Clarify that the submission of a request for issuance for a different monitoring period that covers the period in a withdrawn request for issuance is allowed, provided that a new monitoring report has been published. The necessity of prior approval by the Board shall follow the same principle currently defined for each withdrawal type.
- **Inputs from RT9:** Submission of request for issuance covering the period in the withdrawn request should be allowed. Furthermore, a question was raised on the need for prior approval by the Board for such cases as well as in the existing regulations.





- **Key issue 9 (Renewal of crediting period)**

- **Issue:** If there is a delay in the notification of the intention of renewing the crediting period, it is not clear when will be the start date of the renewed crediting period, and whether and how the length of the renewed crediting period would be reduced due to the delay.
- **Proposal:** Clarify that if there is a delay in the notification of the intention of renewing the crediting period, the renewed crediting period starts on the date when the crediting period is deemed renewed, allowing a possible gap from the previous crediting period, and the length of the renewed crediting period is reduced by the gap.



- **Key issue 9 (Renewal of crediting period)**

- **Inputs from RT9:**

- The period during which the CERs cannot be claimed should be equivalent to the delay from the 180-day deadline. (Concerns were raised regarding whether to allow to obtain CERs during the gap period due to the late notification and the decision of renewal might be a too punitive consequence on the project participants.)
- Crediting periods may better be consecutive, instead of allowing a gap period, as some methodologies may require the monitoring data of the possible gap period.
- In any case, it is important to require the monitoring should be continuous during the gap period, if any.
- A suggestion was made to consider that unless otherwise notified by project participants, the renewal of crediting period should be the “default option” for all projects.



- **Key issue 10 (Deregistering/terminating project activity)**

- **Issue:** The current CDM process does not reflect the cases where registered CDM project activities are terminated. Also, there is no process whereby project participants can voluntarily withdraw a registered CDM project activity.
- **Proposal:** Introduce provisions that deal with voluntary withdrawal, force majeure termination and termination under other circumstances.
- **Inputs from RT9:**
  - Supported to introduce provisions for voluntary withdrawal of projects.
  - Concerns were raised about the circumstances that could justify a deregistration of a project activity in those cases different from a voluntary withdrawal. Therefore, a suggestion was made to consider at a later stage to extend the provisions to other types of withdrawal/termination.
  - A comment was made that there is a need to ensure avoidance of double-counting with units in other market mechanisms.

