



**CDM: FORM FOR SUBMISSION OF A "LETTER TO THE BOARD"
(Version 01.2)**

This form should be used only by project participants and other stakeholders for submitting a "Letter to the Board" in accordance with the latest version of the *Modalities and procedures for direct communication with stakeholders*

<i>Name of the stakeholder¹ submitting this form (individual/organization):</i>	Sujatha Ramasamy Emergent Ventures India Private Limited
<i>Address and contact details of the individual submitting this form:</i>	5 th floor, Universal Trade Tower, Gurgaon –Sohna Road, Gurgaon, Haryana, India Telephone number: +91-9600180708 E-mail address: sujatha@emergent-ventures.com
<i>Title/Subject (give a short title or specify the subject of your submission)</i>	Query on considering subsidy issued by government agencies for small scale renewable energy projects in establishing additionality
<i>Please mention whether the submitter of the form is:</i>	<input type="checkbox"/> Project participant <input checked="" type="checkbox"/> Other stakeholder, please specify Consultant
<i>Specify whether you want the letter to be treated as confidential²:</i>	<input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)
<i>Please choose any of the type(s) below³ to describe the purpose of this submission.</i>	
<input type="checkbox"/> Type I: <input checked="" type="checkbox"/> Request for clarification <input type="checkbox"/> Revision of existing rules <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input checked="" type="checkbox"/> Others. Please specify reference "Clarifications on the consideration of national and/or sectoral policies and circumstances in baseline scenarios, EB 22, Annex 3, Version 02 <input type="checkbox"/> Type II: Request for Introduction of new rules <input type="checkbox"/> Type III: Provision of information and suggestions on policy issues	
<i>Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).</i>	

¹ DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.

² As per the applicable modalities and procedures, the Board may make its response publicly available.

³ Latest CDM regulatory documents and information are available at: <http://cdm.unfccc.int/Reference/index.html> .

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We would like to draw attention of the CDM Executive Board to an issue related to considering subsidy issued by government agencies to promote small scale hydro power projects in establishing additionality.

Ministry of Non Conventional Energy Sources (MNES), Government of India, introduced subsidy scheme for the hydro projects upto 999kW in 2003 (SHP Administrative Approval Order No. 14 (5) 2003-SHP dated 29.7.2003)⁴. Ministry of New & Renewable Energy (MNRE) revised this scheme in late 2006 and included hydro projects upto 25MW (F.No. 14/8/2004-SHP dated 26.12.2006⁵). In India, Hydro power projects up to 25 MW is classified under small scale.

As per "Clarifications on the consideration of national and/or sectoral policies and circumstances in baseline scenarios" paragraph 6, Annex 3, EB 22

(http://cdm.unfccc.int/EB/022/eb22_repan3.pdf) the Board agreed to differentiate the following two types of national and/or sectoral policies that are to be taken into account when establishing baseline scenarios:

- (a) National and/or sectoral policies or regulations that give comparative advantages to more emissions-intensive technologies or fuels over less emissions-intensive technologies or fuels
- (b) National and/or sectoral policies or regulations that give comparative advantages to less emissions-intensive technologies over more emissions-intensive technologies (e.g. public subsidies to promote the diffusion of renewable energy or to finance energy efficiency programs)

As per paragraph 7(b), Annex 3, EB22 - National and/or sectoral policies or regulations under paragraph 6 (b) that have been implemented since the adoption by the COP of the CDM M&P (decision 17/CP.7, 11 November 2001) need not be taken into account in developing a baseline scenario (i.e. the baseline scenario could refer to a hypothetical situation without the national and/or sectoral policies or regulation being in place.

Considering the above mentioned clarification given in paragraph 7 b) Annex 3, EB 22 and also the scenario that subsidy mechanism in India for small hydro power projects, to promote penetration of renewable energy is introduced in 2003 onwards and thus after 2001, we would like to understand from the Chair, whether the impacts of such subsidies can be exempted while carrying out the analysis for establishing additionality of small hydro power projects.

Clarification is being sought on the expressed issue. Executive Board is requested to take the matter for its kind consideration and action.

⁴ http://gvep.servebots.com/p/Upload/idb/admin/f/MNES_guidelines_states_Remote%20village%20electrification.pdf

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⁵ <http://kredl.kar.nic.in/grid-ipgp.pdf> Page no 6

<i>Please provide any specific suggestions or further information which would address the issue raised in the previous section, including the exact reference source and version (if applicable).</i>	
>> [replace this bracket with text, the field will expand automatically with size of text]	
<i>If necessary, list attached files containing relevant information (if any)</i>	<ul style="list-style-type: none"> [replace this bracket with text, the field will expand automatically with size of text]
Section below to be filled in by UNFCCC secretariat	
Date when the form was received at UNFCCC secretariat	16 November 2012
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History of document

Version	Date	Nature of revision
01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
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