

 <p>CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” (Version 01.2)</p> <p>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</p>	
Name of the stakeholder ¹ submitting this form (individual/organization):	First Climate (Switzerland) AG
Address and contact details of the individual submitting this form:	Address: Stauffacherstr. 45 CH-8004 Zürich, Switzerland Telephone number: +41 (0) 44 298 2800 E-mail address: luca.morganti@firstclimate.com
Title/Subject (give a short title or specify the subject of your submission)	Amendment of the registration date for Project Activity #6116 “Tanghe Tailong Cement WHR Project”
Please mention whether the submitter of the form is:	<input checked="" type="checkbox"/> Project participant <input type="checkbox"/> Other stakeholder, please specify
Specify whether you want the letter to be treated as confidential ² :	<input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)
Please choose any of the type(s) below ³ to describe the purpose of this submission.	
<input checked="" type="checkbox"/> Type I: <input type="checkbox"/> Request for clarification <input checked="" 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: Tool to calculate the emission factor for an electricity system, Ver.3.0 <input type="checkbox"/> Type II: Request for Introduction of new rules <input type="checkbox"/> Type III: Provision of information and suggestions on policy issues	
Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).	
<p>Date 15th October 2013</p> <p>Dear Members of the CDM Executive Board,</p> <p>This letter aims at addressing an ambiguity in the CDM procedures and consequently requesting an amendment of the registration date of Project Activity (PA) #6116, which has been affected by such unclarity, causing a delay in the registration process.</p>	

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>.

PA #6116 was registered on 29 July 2013 (registration action) with registration date 19 March 2013, when the latest versions of the project Validation Report (VR, version 4 as of 15 March 2013) and PDD (version 6 as of 6 March 2013) were submitted in reply to a Request for Review (RfR). Formally the registration date setting is done in accordance with the Project Cycle Procedure (PCP).¹

However, it has to be noted that the updated VR and PDD differ materially from the previous versions (respectively v3 of 11 December 2012 and v5 of 10 November 2012) only in the fact that the Emission Reductions calculations used an updated grid emission factor based on data from years 2008-2010, instead of the previous value based on data from years 2005-2007.

This update was suggested by the RfR (issue n.2) and further confirmed to be necessary in the clarification phone call held by First Climate, DNV and the Secretariat on 4 March 2013. However, the necessity of such update is in our opinion unclear due to an ambiguity in the tool used for the grid emission factor calculation. Indeed, the Tool to calculate the emission factor for an electricity system, Version 2.2.1, requires² to “use a 3-year generation-weighted average, based on the most recent data available at the time of submission of the CDM-PDD to the DOE for validation”.

Given that the PDD was firstly submitted to DNV on 07 Nov 09 (see first Link to information uploaded for public availability³), PPs and DNV interpreted that the data to be used for the grid emission factor calculation should be the most recent ones available at that time, i.e. those related to the period of 2005-2007. In the clarification call, instead, the Secretariat was of the opinion that the second public period (since the project had to be re-published for stakeholders consultation), started on 01 May 12 (see second Link to information uploaded for public availability⁴) was to be considered, and therefore confirmed that an update of the VR and PDD, using data from 2008-2010, was required to comply with the Tool. At the same time, however, the Secretariat acknowledged that there was ambiguity in the Tool for those cases where two submissions of the PDD to the DOE for validation had occurred (see attached letter from DNV confirming the content of the Clarification Call).

In summary, we claim that, if the Tool had not been ambiguous with regard to which submission of the PDD to the DOE was to be considered in case of two submissions, the DOE would have been able to properly validate the project grid emission factor and avoid the RfR. In such case, the registration date would have been considerably before 19 March 2013, as currently set.

To complete the above analysis, it has to be mentioned that the other issues raised in the RfR only required a more detailed explanation by the DOE, which could have been provided in a letter (instead of a complete resubmission of VR and PDD), and therefore, according to the PCP⁵, it would have not caused a change in the registration date.

Lastly, it has to be noted that, after the submission for registration on 1 June 2012, the project also received an incompleteness notification at the I&R stage, in which the issue of the reference years for the calculation of the grid emission factor was not raised, indicating that the Secretariat, at that stage, did consider the approach of the DOE to be in line with the Tool.

In conclusion, we consider that, due to the Tool ambiguity, the project has been unfairly delayed in reaching registration, which, otherwise, would have been set on 17 December 2012, when the previous versions of the VR and PDD were submitted, following the incomplete message. We, therefore, kindly ask the Executive Board to consider changing the date of registration to 17 December 2012.

REFERENCES:

- [1] The PCP, version 4.0, at paragraph 98, requires that:
“The effective date of registration in such cases [Request of Review] shall be the day on which the latest revisions to the validation report and/or supporting documentation were submitted.”
- [2] Tool to calculate the emission factor for an electricity system, Version 2.2.1, Step 3, page 5.
- [3] <http://cdm.unfccc.int/Projects/Validation/DB/B1UG0EV0W8D117JQX6DHLNIIIE4XSZ/view.html>
- [4] <http://cdm.unfccc.int/Projects/Validation/DB/FD1PN3VRR76OFYM4RM6SRU9NG6C7M9/view.html>
- [5] The PCP, version 4.0, at paragraph 82, requires that:
“For each issue (or sub-issue) raised in the request for review, the project participants or the coordinating/managing entity, and the DOE, shall either:
(a) Respond by making any revisions to the PDD or PoA-DD and/or validation report, that they deem necessary to ensure, inter alia, that all facts are clearly stated and sufficiently validated; or
(b) Respond in writing by addressing why no revisions to the PDD and/or validation report are necessary.”

<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>	
>> 1) Rectify the registration date of Project Activity 6116 to 17 December 2012 2) Amend the Tool to calculate the emission factor for an electricity system, Version 3.0, which still presents the same ambiguity (e.g. para 36) as Version 2.2.1.	
<i>If necessary, list attached files containing relevant information (if any)</i>	<ul style="list-style-type: none"> Letter from DNV confirming content of the clarification call with Secretariat
Section below to be filled in by UNFCCC secretariat	
Date when the form was received at UNFCCC secretariat	15 October 2013
Reference number	2013-317-S, INQ-01212-S7N4

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.
Decision Class: Regulatory Document Type: Form Business Function: Governance		

15 October 2013

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2013-317-S, INQ-01212-S7N4, 16 Oct 2013



First Climate (Switzerland) AG
Stauffacherstrasse 45
8004 Zürich
Switzerland

DNV CLIMATE CHANGE
SERVICES AS
*Accredited Climate Change
Services*

Veritasveien 1
1322 Høvik
Norway
Tel: +47-67579900
Fax: +47-67579911
<http://www.dnv.com>
NO 945 748 931 MVA

Att: Luca Morganti

Your ref.:

Our ref.:

Date:

2013-10-10

Tanghe Tailong Cement WHR project (6116)
Data vintage for determining the simple OM emission factor

DNV would like to herewith note that the requirement in the Tool to calculate the emission factor for an electricity system regarding the data vintage to be used to determine, using the ex-ante option, the simple OM emission factor (paragraph 36 (a) of the tool) does not explicitly address the situation where a PDD was published more than once for global stakeholder comments. DNV's interpretation had been that "the time of submission of the CDM-PDD to the DOE for validation" is to be considered the time the first CDM-PDD was submitted for validation and made publicly available for stakeholder comments. Hence, it was DNV's interpretation that the data available at the time the PDD was published the first time should be considered. DNV has in some instances also accepted the use of data available at a later publication of the PDD given that the use of this data resulted in a lower and thus more conservative OM emission factor. However, in DNV's opinion, the requirements in the tool did not provide the basis for requesting PPs to consider the data available at the most recent publication of a PDD for stakeholder comments in case a PDD has been published more than once, and DNV thus accepted that projects applied the data available at the time of the first publication of the PDD even if data available at later publications would have resulted in a more conservative OM emission factor.

Only in the context of the requests for review of project activity 6116 and the conference call with the Secretariat on 4 March 2013 to clarify the issue raised in the requests for review, DNV became aware of the interpretation by the UNFCCC Secretariat that for projects for which a PDD was published more than once, the data used to determine the simple OM emission factor should be the data available at the most recent publication of the PDD.

Yours faithfully
for DNV CLIMATE CHANGE SERVICES AS

Michael Lehmann
Director of Services and Technologies