

 <p><b>CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” (Version 01.2)</b></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 <i>Modalities and procedures for direct communication with stakeholders</i></p>	
<i>Name of the stakeholder<sup>1</sup> submitting this form (individual/organization):</i>	EKI Energy Services Limited
<i>Address and contact details of the individual submitting this form:</i>	Address: EKI Energy Services Limited, 325-Block C, Prem Trade Centre, Maharani Road, Indore - 452007 State: Madhya Pradesh, India Telephone number: +91 9993577610 E-mail address: <a href="mailto:jimmy@enkingint.org">jimmy@enkingint.org</a>
<i>Title/Subject (give a short title or specify the subject of your submission)</i>	Communciations between PP and DOE
<i>Please mention whether the submitter of the form is:</i>	<input checked="" type="checkbox"/> Project participant <input type="checkbox"/> Other stakeholder, please specify
<i>Specify whether you want the letter to be treated as confidential<sup>2</sup>:</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) below<sup>3</sup> to describe the purpose of this submission.</i>	
<input checked="" type="checkbox"/> <b>Type I:</b> <input type="checkbox"/> <b>Request for clarification</b> <input checked="" type="checkbox"/> <b>Revision of existing rules</b> <input checked="" type="checkbox"/> Standards. Please specify reference paragraph 33 (a), (b) and Para 42 (a), 47 of the Accreditation Standard Version 05.2 <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference  <input checked="" type="checkbox"/> <b>Type II: Request for Introduction of new rules</b> <input type="checkbox"/> <b>Type III: Provision of information and suggestions on policy issues</b>	
<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>	

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

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

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

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**Issue 1:**

In cases where a project participant has a number of projects going on parallelly for validation and verification activities with the same DOE. The DOE at times keeps the project execution on hold due to payment issues in either of the one project. Thus leading to delay in validation/verification process. Though such practices by DOE comes under violation of Accreditation procedure, we wish that the same should be explicitly mentioned in the Accreditation procedure.

**Rationale:** The number of DOEs currently working in a geographical location have reduced, thus many project participant are forced to work with a few number of DOEs. Further due to current uncertain future of many CDM projects (based on the CER prices), many DOE contracts are stuck up for execution.

Typical example of the case

DOE : XZY has a contract for 4 projects with a ABC Limited

Project 1: Verification of bundled small scale wind project

Project 2: Verification of Large scale wind project

Project 3: Validation of Bundled large scale wind project (considering many individual PPs)

Project 4: Validation of bundled small scale wind project

Execution of all the above listed 4 projects initiated at the same time and the first stage invoice raised by the DOE to PP & the first stage invoice amount released by PP to DOE.

However during the Validation stage, the PP is not able to sign any forward contract for sale of CERs and is awaiting a contract with buyer for the 2 validation projects, thus the payment for next stage raised by DOE to PP cannot be cleared by the PP.

In this situation DOE stops the work for all 4 projects due to the non-payment of 2 Validation projects.

As the payments for the 2 Verification projects are already cleared & stopping the work on verification project is a clear violation of AccreditationCriteria & the contracts.

As there is no explicit clarification by UNFCCC for the above mentioned situation, PP is becoming helpless & forced to borne a huge loss in terms of money and loyalty.

**Issue 2:**

In the above example for the 2 validation projects. In case the PP wants to terminate the project and issues a termination letter, the DOE does not terminate the project citing non-payment issue. And the project status at the CDM website is stated as "Validation activities are still ongoing". Thus not allowing the DOE to start fresh. This is again a clear violation of Accreditation procedure para 47 (j) which states that DOE's contracts with project participants shall not link the DOE's payments to the final outcome of the validation or verification/certification activities".

*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).*

Request to EB: Please provide an explicit guideline to DOE not to link project execution to payments of other projects of the same PP.

In the event of above mentioned situations the PP must have a dedicated protocol at UNFCCC to complain against DOE.

*If necessary, list attached files containing relevant information (if any)*

- [none]

**Section below to be filled in by UNFCCC secretariat**

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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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