

 <p align="center">CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” (Version 01.2)</p> <p align="center">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>	
Name of the stakeholder ¹ submitting this form (individual/organization):	Jimmy Sah, EKI Energy Services Limited
Address and contact details of the individual submitting this form:	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: jimmy@enkingint.org
Title/Subject (give a short title or specify the subject of your submission)	Verification for projects registered under different GHG mechanisms
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: <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Request for clarification <input checked="" type="checkbox"/> Revision of existing rules </div> <div style="margin-left: 40px;"> <input checked="" type="checkbox"/> Standards. Please specify reference Project Standard Version 07 <input checked="" type="checkbox"/> Procedures. Please specify reference Project Cycle Procedure 07 <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference </div> <input checked="" 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).	

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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Verification activities for projects:

With significantly lower prices and demand uncertainty for CERs and VCUs, some of the Project Participants / Project Developers are revisiting their verification strategy. Now, their approach is to ensure new verifications help them in either recovering some of VCS/ CDM costs or provide some additional profits to help their GHG Abatement projects. In this regard, we seek following clarification that might increase CDM/VCS project developer revenue and at the same time provide some additional profits to these economically struggling GHG Abatement projects in developing countries.

1. If the Project is registered under two different mechanisms, is it allowed to switch between carbon mechanisms based on requirement of Buyer of carbon credits?

Background:

With CER trading at around Euro 0.12, it is not covering variable cost of issuing CERs hence many of the Project Participants have stopped doing CDM verification. They would like to switch to VCS for their next verification as some of the buyers are interested in buying VCUs at price better than CER prices.

Example:

A wind power Project is commissioned in Jan 2012 (i.e. starts reducing emission reduction from Jan 2012) gets its CDM registration in Dec 2012. Project is also registered in VCS. Project has completed VCS verification (Pre-CDM) up to Dec 2012 under VCS and also completed CDM verification from Jan 2013 to Dec 2013. Now, Project Proponent is planning 2014 (Jan 2014 to August 2014) verification and they would like to switch back to VCS.

Clarification Request:

With this context, we would like to seek clarification from CDM about switching between CDM and VCS, if Project Proponent assures that emission reduction achieved from the Project during a particular period will be claimed only in one mechanism in order to avoid double counting. The emission reductions for the same period shall be considered as zero in other mechanism, i.e. in the next CDM verification the emission reductions for the period Jan 2014 to August 2014 would be declared as zero.

2. Is it possible to partially verify the project under to different mechanism during same period?

Background:

We came across many wind Projects or Grouped Projects that are registered in both CDM and VCS. But the capacity (number of wind turbines) considered while registering these projects under CDM and VCS are different due to various reasons.

Example:

A Project of 100 MW is registered under CDM in Dec 2012 but only half of its capacity is registered under VCS. Project has already completed VCS verification (Pre-CDM) and now about to start CDM verification for the period of Jan 2012 to July 2014. As mentioned above Project Proponent now prefers VCS verification.

Clarification Request:

Is it possible for a Project Proponent to do VCS verification of its capacity that is registered under VCS (50 MW out of 100 MW) and verify emission reduction from remaining capacity under CDM for the same period (i.e. Jan 2013 to July 2014), provided Project Proponent ensures/declares that emission reduction achieved from a wind turbines during a particular period will be claimed only in one mechanism in order to avoid double counting?

i.e. for the period of Jan 2013 to July 2014 the CERs for the 50 MW shall be declared zero during the CDM Verificaiton activity as those have been claimed under a different GHG mechanism.

We look forward to receive a separate reply considering the above two project cases.

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).

Rationale: The current carbon market scenario has seen a reduction in CER prices to the extent that CER prices are even lower than UN fee. Thus many project participants are resistant to go for CDM verification. Further, many PP have registered their projects under different GHG mechanism hoping to achieve a maximum revenue for their carbon credits.

Guideline: As per PCP version 7 – currently there is no provision to carry out Verification activity considering zero emission reductions for a particular period or particular part of the project. Further, there are no such guidelines considering the above 2 questions.

Suggestion: Current market scenario is such that Project Participants would like to go for verification under the mechanism which gives the maximum returns for a given monitoring period. Thus we would suggest the follows;

1. Provide an option for the project proponents to get the emissions verified under different GHG mechanism during the crediting period. Further during the period when the credits are verified under a different mechanism, a reference to the same shall be provided in the Monitoirng and no credits shall be issued for the common monitoring period, i.e. zero emission reductions for common monitoring period.
2. The above process should also be applicable for part projects in case a part of project is registered under a different GHG mechanism and emissions reductions could be verified for that part project.

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
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01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
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