CDM-PA4463-RULE01

Ruling note

Rationale for rejection of PRC-4463-001

Version 01.0

United Nations
Framework Convention on
Climate Change

1. The CDM-Executive Board decided to reject the proposed request for post-registration changes for CDM project activity 4463 on 15 November 2016, in accordance with the *Clean development mechanism project cycle procedure* (CDM-EB65-A32-PROC, version 09.0), paragraph 171 and 177 (the procedures).

   (a) The DOE (EPIC Sustainability Services Private Limited) failed to substantiate the compliance of the revision of the monitoring plan with CDM Project Standard version 09 paragraph 285, and CDM Validation and Verification Standard (VVS) version 9 paragraph 314.

   (b) The relevant requirements are:

      (i) CDM Project Standard (PS) version 09, paragraph 285 states that:

         a. If the proposed changes to the monitoring plan refer to a later version of the applied methodology in the registered PDD, PoA-DD or CPA-DD, the project participants or the coordinating/managing entity shall justify that all the requirements in the later version of the methodology have been met and that the application of the later version of the applied methodology does not impact the conservativeness of the monitoring and verification process, including the related emission reduction or removal calculations.

      (ii) CDM Validation and Verification Standard (VVS) version 9, paragraph 314 states that:

         a. In cases where the proposed changes refer to a later valid version of the applied methodology and/or the applied standardized baseline in the registered PDD, PoA-DD or CPA-DD, the DOE shall determine whether the application of all the requirements in any later valid version of the applied methodology and/or the applied standardized baseline does not impact the conservativeness of the monitoring and verification process, including the related emission reduction calculations.

   (c) The reasons and rationale for the final decisions are:

      (i) The emission reduction calculation in the revised PDD is not in line with ACM0016 version 4 and the relevant tool in totality. For example, (and not limited to):

         a. Paragraph 12 and page 10 of the tool "Baseline emissions for modal shift measures in urban passenger transport" version 01 (i.e. referred in ACM0016 version 4, paragraph 40) requires ex-ante determination of vehicle specific fuel consumption, however the specific fuel consumption of baseline buses (i.e. paragraph SFC_B) is to be annually monitored (page 32 and 59 of the revised PDD);

         b. Paragraph 18 of the same tool above requires application of technology improvement factor in calculating baseline emissions annually, however the technology improvement factor is not applied for the baseline buses.

(ii)   The empirical evidence referred by the DOE (i.e. monitoring data of PA 0672) does not support DOE's argument on the conservativeness of the revised monitoring plan (i.e. travel mode shifts towards high polluting vehicles) as per paragraph 285 of PS version 09 and paragraph 314 of VVS version 9, since the data indicates that travel mode shifts towards low polluting vehicles (i.e. share of bus usage increases from 89% in 2006 to 92% in 2010).

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Document information

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01.0	25 November 2016	Initial publication.
		Related to CDM project cycle procedure, version 09.0 (CDM-EB65-A32-PROC) (Paragraphs 171 & 177).

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