

**CDM-PA3531-RULE01**

## Ruling note

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Request for renewal of the crediting period  
for “Adavikanda, Kuruwita Division Mini  
Hydro Power Project”

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

1. The CDM-Executive Board decided to reject the proposed request for renewal of the crediting period for CDM project activity “Adavikanda, Kuruwita Division Mini Hydro Power Project” on 1 April 2020, in accordance with the “CDM project cycle procedure of project of activities” (PCP-PA), version 02.0, paragraphs 286 and 110. Further, in accordance with paragraph 117 of the PCP-PA, the ruling shall contain an explanation of the reasons and rationale for the final decision, which are as follows:
  - (a) The DOE (TÜV Nord) failed to justify how it has validated the calculation of the Operating Margin and Build Margin emission factors in line with paragraph 412(a)(iv) of version 2.0 of the Validation and Verification Standard for Project Activities (VVS-PA) since neither the requested spreadsheet nor justifications for not providing the spreadsheet were submitted, along with supporting documents to justify that “low-cost/must-run” plants are composed by a mix of thermal based power plants.
  - (b) The relevant requirement is:
    - (i) VVS-PA, version 02.0, paragraph 412(a)(iv) states - “In its validation report for renewal of crediting period of the registered CDM project activity, the DOE shall: (a) Provide all its applied approaches, findings and conclusions on whether: (iv) The baseline, the estimated GHG emission reductions or net anthropogenic GHG removals, and the monitoring plan in the updated PDD comply with the applicable requirements in the “CDM project standard for project activities”, and the valid version of the methodologies and, where applicable, the standardized baselines and the other methodological regulatory documents that are applied in the updated PDD”;
  - (c) The reason and rationale for the final decisions are:
    - (i) The DOE failed to validate the methodological choices and assumptions and the compliance of the calculation of the Operating Margin and Build Margin emission factors with the relevant steps and requirements from the “TOOL 07: Tool to calculate the emission factor for an electricity system” as the DOE did not submit any documentation to support the justification provided by the PP that a mix of thermal power plants are considered “low-cost/must-run”. Also, this justification contradicts with the fact that the PP does not consider any thermal power plants as “low-cost/must-run” when calculating the share of generation from low-cost/must-run power plants in the ER calculation spreadsheet. Further, when comparing the total thermal power generation described in the ER spreadsheet and the generation from thermal power plants (oil and coal) mentioned in the table 4.7 of Sri Lanka Energy Balance 2017, it is observed that the values are the same which could be concluded that no thermal power plants are considered “low-cost/must-run” in the calculation.
2. In accordance with paragraphs 286 and 124 of the PCP-PA, version 2.0 if the project participants wish so, this renewal of crediting period may be resubmitted for validation and request for renewal of crediting period by a DOE provided it meets the CDM requirements.

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### Document information

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01.0	4 May 2020	Initial publication Related to CDM project cycle procedure for project activities, version 02.0 (Paragraphs 110, 117 & 286)

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