

CDM-PA7726-RULE01

Ruling note

Request for issuance for “Kainji
Hydropower Rehabilitation Project, Nigeria”

Version 01.0



United Nations
Framework Convention on
Climate Change

1. The CDM-Executive Board decided to reject the proposed request for issuance for CDM project activity for the monitoring period of 1 January 2013 – 31 December 2017 on 25 September 2020, in accordance with the "CDM project cycle procedure for project activities" (PCP-PA), version 02.0, paragraphs 239. Further, in accordance with paragraph 249 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 (RINA SERVICES S.p.A., RINA) failed to:
 - (i) Verify the calculation of emission reductions as per equation 8 of the applied methodology ACM0002, version 12; registered PDD (p 22) and paragraph 373(c) of VVS-PA, version 2.0 prior to submitting the request for issuance;
 - (ii) Resolve the discrepancy with respect to the amount of emissions reductions reported in the revised monitoring report, CER spreadsheet and revised verification report submitted in response to the review request.
 - (b) The relevant requirements are:
 - (i) The applied methodology ACM0002, version 12, equation 8 states "If the project activity is the retrofit or replacement of an existing grid-connected renewable power plant, the baseline scenario is the continuation of the operation of the existing plant.....EGPJ,y (quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the CDM project activity in year y (MWh)) is calculated as follows:

$$EG_{PJ,y} = EG_{\text{facility},y} - (EG_{\text{historical}} + \sigma_{\text{historical}}); \text{ until DATE}_{\text{BaselineRetrofit}}";$$
 - (ii) VVS-PA, version 02.0, paragraph 373(c) states "The DOE shall determine whether: (c) The calculations of baseline GHG emissions or baseline net GHG removals, project GHG emissions or actual net GHG removals, and leakage GHG emissions have been carried out in accordance with the formulae and methods described in the registered monitoring plan, the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents".
 - (c) The reasons and rationale for the final decisions are:
 - (i) The DOE, in response to the review request, concluded that the CDM project activity has not achieved the amount of GHG emission reductions that would not have occurred in the absence of the project activity and issued a negative verification opinion;
 - (ii) The DOE failed to verify the calculation of emission reductions as per equation 8 of the applied methodology ACM0002, version 12; paragraph 373(c) of VVS-PA, version 2.0 and registered PDD (page 22) prior to submitting the request for issuance. With correct application of provisions and since the values of $EG_{\text{historical}}$ and $\sigma_{\text{historical}}$ for current five years monitoring period are higher than the quantity of net electricity generation ($EG_{\text{facility},y}$), the $EG_{PJ,y}$ results in negative value and therefore the CDM project activity has not achieved the amount of GHG emission reductions that would not have occurred in the absence of the project activity;

- (iii) The DOE failed to resolve the discrepancy with respect to the amount of emissions reductions reported in the revised monitoring report as the CER spreadsheet and revised verification report submitted in response to the review request indicate emission reductions of -3,853,721 tCO₂, whereas revised monitoring report indicates emission reductions of 2,651,087 tCO₂ which did not discount the annual average historical net electricity delivered to the grid and its standard deviation as per the applicable methodology for retrofit project activities.
2. Please note that in accordance with paragraph 256 of the PCP-PA, the DOE may re-submit the request for issuance with revised documentation if the reasons for the rejection can be addressed by means of a revised verification report, based on a revised monitoring report as appropriate.

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Document information

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01.0	13 November 2020	Initial publication Related to CDM project cycle procedure for project activities, version 02.0 (Paragraphs 239, 249 & 256)

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