

EB-109

Interaction with the AIE/DOE Coordination Forum

DOE/AE Forum | *Werner Betzenbichler* | 01 Mar 2021

Topics

- **One regulatory issue of the AA**
- **One further request for general clarification by EB**
- **One issue not yet considered under temporary measures**

Regulatory Issue of the AA

Annex 1 - Draft clarification: Regulatory requirements under temporary measures for post-2020 cases

Requests for registration or renewal of crediting periods of PA or PoAs with emission reductions from 01/01/2021 needs

- i) to apply the lowest GWP,
- ii) to raise a FAR in the validation report to update PDD after CMP decision, and
- iii) Risk acknowledgement and acceptance form.

There is no regulation that covers projects (incl PoA) with registration or renewals being approved before the 108th meeting report was issued but with a crediting period starting after 01/01/2021 (example: project 9856)

→ Clarification is sought whether registered PDDs require temporary updating or may remain unchanged until future CMP decisions

Request for general Clarification by EB

Article 275 of PCP-PA

Project participants may not appoint a DOE in the context of a renewal of the crediting period that has performed verification for the same registered CDM project activity unless the project activity is a small-scale one or the DOE is authorized by the Board to do so.

- **Clarification is sought whether the same strict conditions apply in case PPs wants to appoint a DOE for the renewal of the 3rd crediting period who performed verification only for the 1st crediting period and did not performed during the 2nd crediting period**

Issue not yet considered under temporary measures

DOEs that have to go through the re-accreditation process in 2021 see a strong competitive disadvantage and, on the cost side, they face risky decisions

- Accreditation fees of a five-year period to be covered completely in 2021 despite of unsecure market perspectives
- Transition to Art 6.4 as incentive to maintain accreditation only clarified at the end of 2021
- Expectation that temporary measures will anyway result in a further reduced market volume in 2021
- Current fee structure for reaccreditation is \$15,000, with one payment of \$7,500 at the time of the application and a second payment of \$7,500 within one year

Issue not yet considered under temporary measures (2)

Suggestions for potential solutions to protect DOEs in this provisional period

- Extend current accreditations until after the COP has clarified the future of the CDM (this is probably the best solution, given the uncertainty)
- Keep the current accreditation timelines but postpone the payment of the fees until after the COP has clarified the future of the CDM
- Waive reaccreditation fees during the temporary measures in a similar way that has been done for issuance fees
- Stagger the fees more evenly over the course of the 5 year accreditation – e.g. \$3,000 per year (rather than paying it up-front as now)
- Reduce the reaccreditation fees to a more manageable level e.g. \$7,500 total. This would reflect the smaller size of the current market.

Thank you for your attention!

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