

**CDM-MP94-A05**

## Information note

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Compilation and summary of stakeholder inputs - revision of additionality-related provisions in “ACM0002: Grid-connected electricity generation from renewable sources”

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

## 1. Procedural background

1. The Executive Board (hereinafter referred to as the Board) of the clean development mechanism (CDM), at its 121<sup>st</sup> meeting, considered the request of MP93 to provide a mandate to seek public input regarding the revision of “ACM0002: Grid-connected electricity generation from renewable sources”, and requested the Methodologies Panel (hereinafter referred to as the MP) to report back to the Board on the outcome of the call. The call was open for 21 days from 25 March until 22 April. Five inputs were received during the call.

## 2. Purpose

2. The purpose of this information note is to inform the Board with an analysis of the inputs from the call conducted by the MP in response to the Board’s request indicated in paragraph 1 above.

## 3. Key issues and proposed solutions

3. The MP at its 93<sup>rd</sup> meeting requested the Board to launch a call for public input on the potential revision to the “ACM0002: Grid-connected electricity generation from renewable sources”. In doing so, the MP had prepared an information note highlighting the issues identified by the MP in the current approach to demonstrate additionality in ACM0002, including those concerning the activities that involve a competitive bidding process, for consideration by the Board. The MP thanks the Board for agreeing to launch a public call.
4. A focused call for public input was launched on a possible revision of the methodology “ACM0002: Grid-connected electricity generation from renewable sources” in relation to the additionality demonstration for grid-connected electricity generation activities, including activities that involve a competitive bidding process, which, the MP noted did not encompass all the issues listed in the internal note that was shared with the Board at its last meeting.
5. As a result, the 5 inputs<sup>1</sup> received from stakeholders in India were mainly focussed on the necessity of the financial incentives provided by carbon market for the renewable energy projects and did not address the issues listed in the internal note.
6. The MP reviewed and took note of all the comments received. It noted that some changes could be made in the additionality section of ACM0002 to provide more clarity, for example, on the treatment of project activities where electricity sales prices are determined through a bidding process.
7. Regarding the specific comments received, the MP noted that these pertain to three main issues:
  - (a) Risks associated with renewable energy projects, including those related to climatic factors.

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<sup>1</sup> See [https://cdm.unfccc.int/public\\_inputs/2024/2203\\_02/index.html](https://cdm.unfccc.int/public_inputs/2024/2203_02/index.html)

- (b) Approaches (bidding, reverse bidding, etc.) for determining the tariff received by selected renewable energy project developer and in particular whether the common-practice analysis in the case of reverse bidding approaches should not be restricted to projects implemented under this same approach.
- (c) Availability of additional revenue streams, for example, from green attributes, and their implications on the financial viability of the project activities.

## 4. Recommendations to the CDM Executive Board

- 8. The MP recommends the Board to consider this information note and provide guidance on addressing the issues it raised as mentioned above.

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### Document information

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