

Agenda item 4.1

Paragraph 17 of the annotated agenda, annexes 2 and 3 to annotations

Amendments to version 02.0 of the PS-PoA, VVS-PoA and PCP-PoA; and revision of the Glossary: CDM terms

CDM EB 104

Bonn, Germany, 9 to 12 September 2019



Background

- The Board, at its 103rd meeting, **agreed** that the **renewal of the PoA period is not a precondition for issuance of CERs for CPAs** whose crediting periods have not expired by the end of the PoA period.
- On the issue of separating the monitoring results of CPAs that were included or updated in accordance with different versions of the PoA-DD into separate requests for issuance, the Board **requested** the secretariat **to consult with the Project Developer Forum and the DOE/AIE Coordination Forum** and to report back to the Board.
- The Board **requested** the secretariat to prepare **draft amendments to relevant regulatory documents** reflecting above agreement and the outcome of the consultation.



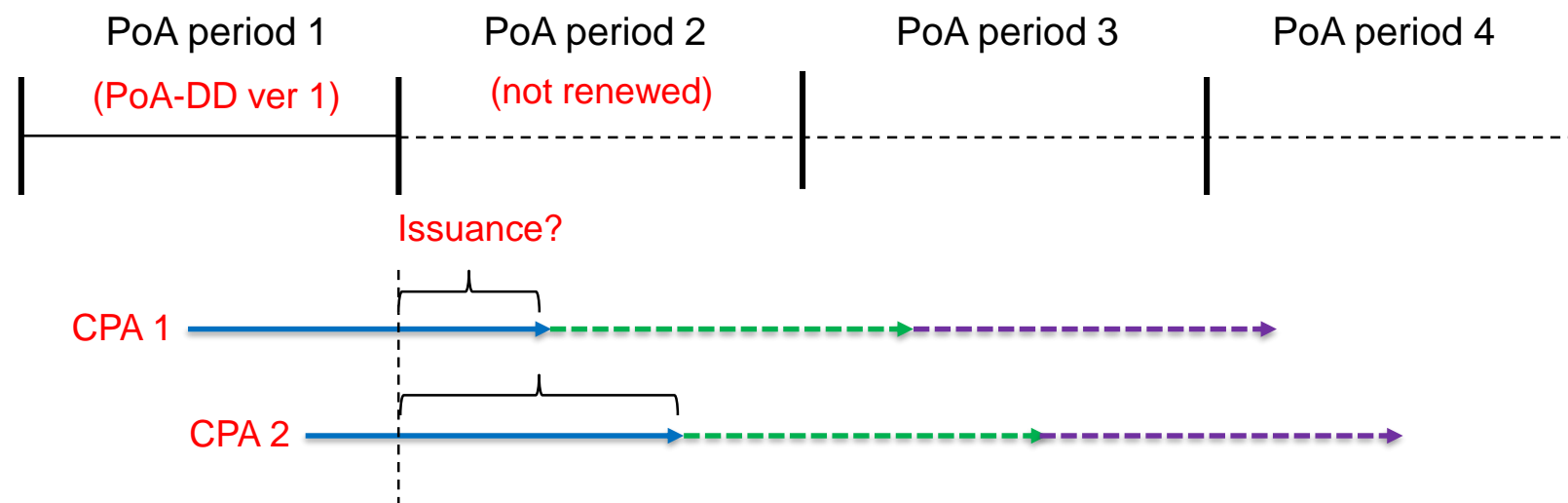
Purpose

- The purpose of the amendments to the PS, VVS and PCP for PoAs is to:
 - a) Clarify the rules relating to requests for issuance for PoAs;
 - b) Correct errors and inconsistencies found in the current versions of the PS, VVS and PCP for PoAs.
- The purpose of the revision to the glossary is to amend the definition of “[Renewal of crediting period/PoA period](#)” to align with the clarification provided by the Board at EB 103.



Key issues: (1) PoA renewal as precondition for issuance for CPAs

1. Current regulations are silent on whether PoA renewal is a precondition for issuance for CPAs whose crediting periods have not expired at the turn of the PoA period



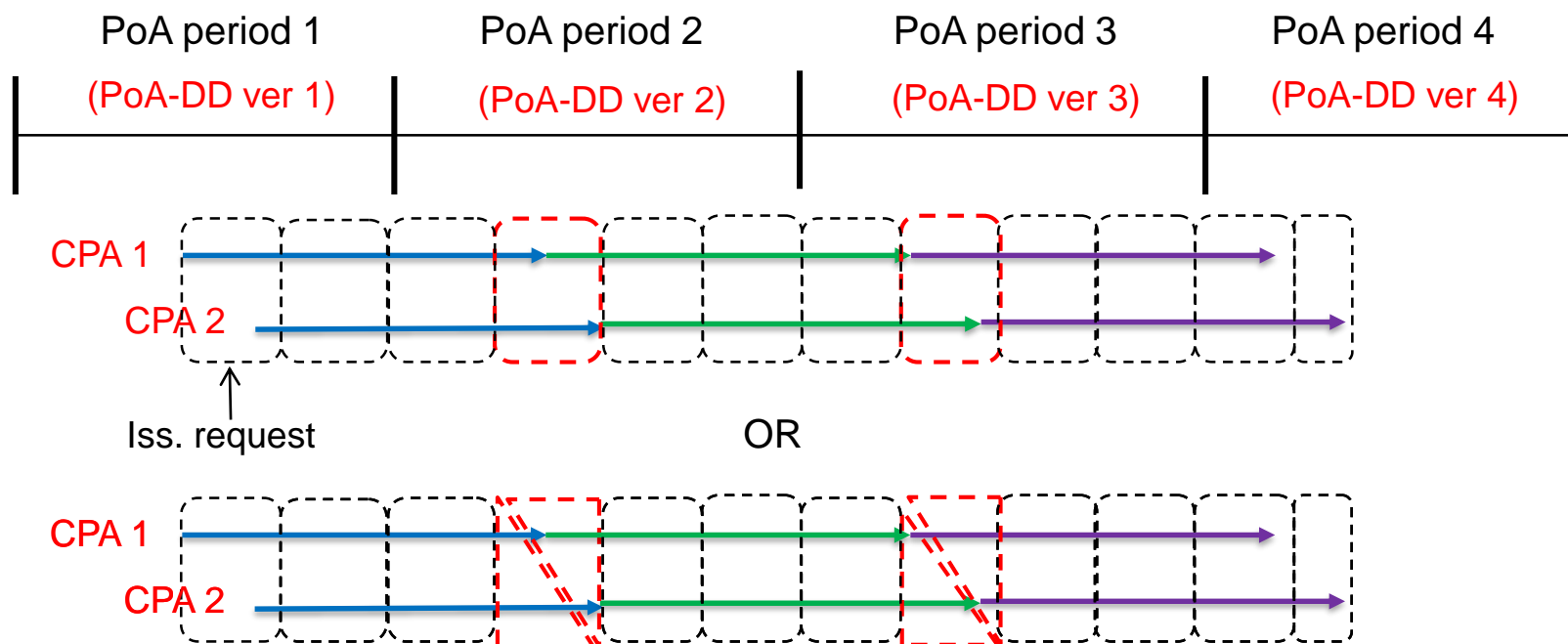
EB 103 considered this issue and agreed that the renewal of the PoA period is not a precondition for issuance of CERs for CPAs whose crediting periods have not expired by the end of the PoA period.

- Amendments to PCP-PoA (paragraph 283_{bis}, Annex 2, Appendix 3)
- Revision of glossary (Annex 3)



Key issues: (2) Separating monitoring results of CPAs per PoA period

1. Current regulations are silent on whether a request for issuance for a PoA may cover monitoring results of CPAs that are included or renewed in different PoA periods



Key issues: (2) Implication due to current unclear regulations

- **Complexity** for preparing the issuance requests, and verifying and assessing monitoring results:
 - a) Possible use of different versions of a methodology(ies), and as result, use of different monitoring requirements and/or sampling requirements;
 - b) Significantly more time needed to process the cases, increase the risk of errors in verification by DOEs and assessment by the secretariat.
- Possible compromise in **transparency** of the information on included/updated CPAs, their monitoring results and issued CERs to each CPA:
 - a) Each PoA period has its own “page” on the CDM website. All information is grouped by PoA period and presented on the same page;
 - If one monitoring report (and the subsequent request for issuance) contains monitoring results that follow different versions of the PoA-DD, they would have to be published in multiple pages, making it confusing to track the monitoring results and issued CERs for each CPA.



Key issues: (2) Consultation with stakeholders

- Input from **Project Developer Forum**:
 - a) Understands the intention to keep the process simple and easy;
 - b) Urges that the process, to allow separate requests for issuance against different PoA-DD versions, be made as simple as possible in order to efficiently process verification requests which will minimise transaction costs;
 - c) Proposes, that clear references to the PoA-DD version be included in each CPA monitoring and verification report;
 - d) Reiterates its support of the current practice of grouping multiple CPA issuance requests in a single monitoring report;
 - e) Suggests to cluster the CPAs related to specific PoA-DD versions in different sections of the monitoring report, to overcome the complexity of different PoA-DD versions.
- No input received from **DOE/AIE Coordination Forum**.



Key issues: (2) Proposed solutions

- While the PD Forum does not explicitly object to the proposal, suggestions received imply that it favours having a possibility of covering CPAs related to different versions of PoA-DDs in a single monitoring report.
 - However, the PD Forum understands the importance of keeping the process simple and the need for overcoming the complexity of different versions of PoA-DDs that may be referred in a single monitoring report.
 - Therefore, the proposed solution is to separate the monitoring results of CPAs into different monitoring reports and, as a result, different requests for issuance.
- Amendments to PS-PoA, VVS-PoA, PCP-PoA (Annex 2 – table 1, Appendices 1-3)



Key issues: (3) Other changes

- Other substantive changes proposed by the secretariat, include corrections and minor changes, to:
 - a) LoA for PoA supported by multilateral fund - Clarify that the exemption of obtaining the LoA is not related to the host Party but to other Parties participating through a multilateral fund; (PS-PoA, footnote 7)*
 - b) Description of post-registration changes in monitoring report - Add “*the date of notification*” in case of CPAs; (PS-PoA, para 260)
 - c) Authorization of DOE performing both validation and verification - Align the list of relevant validation activities with PCP-PoA; (VVS-PoA, para 295)
 - d) Direct inclusion of CPAs by CME - Correct an oversight of leaving inconsistency regarding a restriction on the frequency of inclusion of CPAs in a registered PoA; (PCP-PoA, para 121)
 - e) Post-registration change to PoA - Clarify the consequence of revised PoA-DD (affects only inclusion of new CPAs and no need to revise existing CPAs immediately); (PCP-PoA, para 165, 166)
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Key issues: (3) Other changes – contd...

- f) Post-registration change to CPA - Include a missing paragraph that clarifies the consequence of revised CPA-DD (affects future issuance request relating to that CPA); (PCP-PoA, para 179_{bis})
 - g) Selection of DOE for verification - Change “*including*” to “*i.e.*” to make the list of examples of relevant validation activities clear and closed; (PCP-PoA, para 203)
 - h) Renewal process for PoA and CPAs - Clarify the rules to add “*mutatis mutandis*” when referring to the registration section; (PCP-PoA, para 285, 307)
 - i) Correct the errors of referencing; (PCP-PoA, para 308, 309)
 - j) Renewal of crediting periods of CPAs - Include a provision of assessment of renewal of crediting period of CPAs by the secretariat on a sample basis, mirroring the process for inclusion of CPAs; (PCP-PoA, para 309)
- Amendments to PS-PoA, VVS-PoA, PCP-PoA (Annex 2 – table 2, Appendices 1-3)
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* Footnote 7

Published for EB104 annotations:

A proposed CDM PoA supported by a multilateral fund involving many host Parties does not necessarily require letters of approval from the DNAs of all Parties participating in the fund. However, those not providing a letter may be giving up some of their rights and privileges in terms of being a Party involved in the PoA.

New proposal:

For Aa proposed CDM PoA supported by a multilateral fund, involving many host Parties does not necessarily require letters of approval from the DNAs of all Parties not all Parties participating in the fund need to be “Parties involved” and provide a letter of approval. However, those not providing a letter may be giving up some of their rights and privileges in terms of being a Party involved in the PoA.



Input from PD Forum (1) – input to annotations

- We would like to thank the EB for noting our inputs on separate CPA issuance requests according to different PoA DD versions. We have reviewed the ‘Amendments to version 02.0 of the CDM project standard, validation and verification standard, and project cycle procedure for programmes of activities’ and have some comments in response to the suggested changes.
- Firstly, we understand that for CPAs that fall under different PoA periods, it would be more straightforward for monitoring results to be reported separately. We consequently support the EB’s rationale and proposal that CPAs included or renewed in different PoA periods and consequently following different PoA-DD versions be monitored separately.



Input from PD Forum (2) – input to annotations

- However, we seek **clarification** as to whether the EB is also suggesting that CPAs which fall under different PoADD versions but within the same PoA period compulsorily be monitored separately? In cases where there are different PoADD versions within the same PoA period, we believe that it should be left to the discretion of the CME whether to monitor CPAs separately or together. There are several situations where new versions of PoADDs are required for changes like boundary or technology expansion, which would not necessitate a change in monitoring procedure. In such scenarios, given the current price of CERs, it would be financially challenging for CMEs to hire consultants and DOEs multiple times merely to fulfil a requirement for separation of monitoring results, when monitoring results for different CPAs can be efficiently and effectively be included in the same report.



Input from PD Forum (3) – input to annotations

- Additionally, we seek a clarification on the language, “a monitoring report can only contain monitoring results of the CPAs that were included or **updated** in the same PoA period.” This wording does not address the possibility that a PoA DD may be revised multiple times during a crediting period. Our **suggestion** would be to **change the wording** to ensure that the CPAs in a particular monitoring report are linked to the PoA DD version that was used to include/revise the respective CPAs included in the monitoring report.



Recommendations to the Board

- The Board may wish to **adopt** the proposed **amendments to PS, VVS and PCP for PoAs** (appendices 1–3 of Annex 2 of the annotations) and the draft revised **Glossary** (Annex 3 of the annotations).
- The Board may wish to **agree** that these documents enter into force with immediate effect (12 September 2019).

