

PoA on the threshold of breakthrough: current requirements, latest guidance and remaining obstacles



Stephan Hild
Head of Sales
Carbon Management Service
TÜV SÜD Industrie Service GmbH

- **Relevant references**
- **Issues when contracting a DOE for PoA Validation**
- **Latest guidance of EB47: addressed issues regarding PoA regulation**
- **Remaining obstacles in the regulatory framework**

- UNFCCC: Procedures for Registration of a Programme of Activities as a single CDM Project Activity and Issuance of Certified Emission Reductions for a Programme of Activities (Version 3) (**PoA-Procedures**)
- UNFCCC: Glossary of CDM terms (Version 4) (**Glossary**)
- UNFCCC: Procedures for review of Erroneous Inclusion of a CPA (Version 01) (**Erroneous-Inclusion-Procedures**)

- UNFCCC: Procedures for approval of the application of multiple methodologies to a PoA (version 01) **(Multi-Meth-Procedures)**
- UNFCCC: PoA sections in approved baseline methodologies **(Methodologies)**
- UNFCCC: PDD templates **(forms)**

- **Definition of a CPA**
 - „unambiguously“, „typical“ (see: Procedures B.4 (f))
 - *One* „real case“ (see: PoA-Procedures C.10 (c))
- **Eligibility criteria**
 - (see: PoA-Procedures B.4(g), B.5 (e)(i), C.12 (b), as well as: forms)
- **Measures for the avoidance of double counting / MR record keeping system / Sampling approach**
 - Increased assessment complexity (see: PoA-Procedures B.4 (i), C.12 (c), H.30 (a), B.4 (k))

➤ **Determination of Additionality**

- Demonstration of Additionality of the PoA „as a whole“ (see: PoA-Procedures B.4 (e), C.12 (a))
- Eligibility criteria „for the demonstration of additionality of the CPA“ (see: PoA-Procedures B.4 (g), B.5 (e), C.12 (b)) => Thorough assessment!

➤ **Obtaining letters of authorisation**

- Second type of LoAs necessary (see: PoA-Procedures B.8)

➤ **Re-Validation upon methodology revision**

- (see: PoA-Procedures E.15–18)

- **Combination of baseline methodologies possible**
 - (see: PoA-Procedures B.4 (f), C.12 (e) / Multi-Meth-Procedures)
 - Additional effort and extended timelines
 - Remaining questions: positive list of combinations?
- **Starting date of a CPA**
 - Earliest GSP-Start of PoA-Validation (see: PoA-Procedures B.5 (d))
 - Consequences for business case: Pre-CDM-PoA-VERs
 - Early mover exemption: EB47, report, para 72
- **Verification frequency *lower than every 3 months* (see: PoA-Procedures H.35)**



➤ **Debundling**

- Eased debundling rules for PoA (see: Annex 32 of EB47 – Guidelines on assessment of de-bundling for SSC project activities)

- **Liability of DOEs for the consequences of erroneous inclusion of CPAs**
 - (see: PoA-Procedures F.22-23 / Erroneous-Inclusion-Procedures)
 - A DNA or **one** EB member
 - **Any** error
 - 1 year after inclusion **or** 6 months after issuance, i.e. practically **always!**
 - Multi-step review process is triggered, involving third DOE („*who pays for that?*“)
 - Exclusion of CPA: validating DOE is penalized with the amount of issued CERs (due 30 days).

- DOEs do not „like“ to be liable? It is not a question of being liable for something you do but for something you do *not* do!
- The liability question has not been adressed at all!
- Three ways out:
 - full validation of CPAs (contradicting the logic of PoA);
 - or entering into liability agreement with coordinating/managing entity;
 - or: EB takes the issue serious and picks it up again.

The end



Industrie Service

Thank you for your attention

**Stephan Hild
TÜV SÜD Industrie Service GmbH
Carbon Management Service**

stephan.hild@tuev-sued.de