



TÜV NORD

Regional Workshop on Programme of Activities Bangkok

**PoA Regulatory Aspects from the viewpoint of a DOE
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TN Experience in PoA

- CDM PoA
 - Hydraulic Rams for Irrigation, China (VAL)
 - Promotion of Biomass Boilers, India (VAL)
- JI PoA (Track 1)
 - Efficient Boilers in Germany (VAL)

Recent Regulatory Achievements

- 6 Months liability identification period after issuance
- 12 Months liability identification period after inclusion of a CPA
- Start date of a CPA not before validation commencement of the PoA
- Procedures for review of erroneous inclusion of a CPA
- Procedures for approval of the application of multiple methodologies to a PoA
- If independent subsystems/measures < 1% small scale thresholds, i.e., 150kW, 0.6 GWh or 0.6ktCO₂e, CPA is exempted from de-bundling check

■ First CPA

Is the first real case CDM-CPA-DD (PoA Procedures para 10) that will be validated and uploaded together with the CDM-PoA-DD and generic CDM-CPA-DD for request for registration considered as ‘**registered CPA**’ or ‘**included CPA**’, i.e., is this first CPA exempted from the potential erroneous inclusion and review of erroneous inclusion, since this CPA will go through the normal “procedures for registration of a CDM project activity as referred to in paragraph 40 of Decision 3/CMP.1 and the procedures for review as contained in Annex III to Decision 4/CMP.1” (PoA Procedures para 14), while requesting registration of the PoA?

EB33 Report para60, The board clarified that the registration fee for a PoA is based on the total expected annual emission reductions of the CPA(s) that will be submitted together with the request for registration of the PoA.’

Liabilities remain for the whole CPA Lifetime

- In respect to PoA Procedures para 22 the wording leaves room for interpretation which opens the possibility to extent the liability of the DOE. Due to the wording the following scenarios are possible:
- A) Within one year after renewal of the crediting period of one CPA, i.e. at the 8th year or 15th year of this CPA, if any error is identified and this CPA is excluded by the EB, CERs issued to this CPA for the past 7 or 14 years, have to be paid back by the DOE that “included” this CPA at the very beginning, not the DOE that “renewed” this CPA.
- B) Within six (6) months after the issuance of CERs for one CPA at the end of ist maximum crediting period, e.g., at the 21st year, if any error is identified and this CPA is excluded by the EB, CERs issued to this CPA for the past 21 years, have to be paid back by the DOE that “included” this CPA at the very beginning.

- **PoA / CPA Eligibility Criteria**
- The consequences are not clearly defined in case the eligibility criteria included in the registered CDM-PoA-DD are identified as insufficient on a later stage.
- Will the CPAs which already have been included using the insufficient eligibility criteria automatically lead to the understanding that such CPAs fall under the definition of erroneous inclusion?
- In addition, does the DOE who performs inclusion of CPAs have the task and possibility to re-validate the eligibility criteria in the registered PoA (which might have been validated by another DOE) in order to ensure no erroneous inclusion will occur?

- **Sampling Procedure**
- As sampling procedures are allowed under the PoA, the consequences of partial failure of CPAs which will be detected at the verification stage have to be clarified. What will be considered as erroneous inclusion?

- **Potential conflict of interest**
- Several possible solutions are possible in theory to ensure that the DOE can utilize the (erroneously) issued CERs out of of CPA which has been excluded by the EB.
- Usually the DOE is not allowed to receive CERs out of projects for which validation / verification services have been carried out
- It is not clear whether the EB will consider a possible approach to temporarily withhold a certain ammount of issued credits in order to mitigate the associated risk as a conflict of interest.

- **„Payback“ Period of 30 days**
- As per the DOE's point of view, the transfer period of 30 days might be too short. Due to the fact that DOEs are requested to find possible solutions regarding their liability (especially in respect of the DOE's liability for actions / omission of the PP) on the contractual level with their respective clients, the period of 30 days shall at least be interrupted if the DOE and the client have entered into court proceedings. The period might start again once a final and binding court settlement has been reached.

- **EB 47 revision of the PoA procedures has led to significant clarifications and improvements**
- **Nevertheless the liability issue is not solved for the DOEs – it is more or less the same than before.**
- **Additional clarifications are necessary**
- **To find appropriate solutions to mitigate the involved risks to an acceptable level to all involved parties without unacceptable cost effects is still ongoing – inputs on this are welcome**



Thank you

for your interest

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