PROJECT DEVELOPER FORUM

A Project Developer's view on lessons learned and challenges with PoAs (module 2.2)

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Mischa Classen
Executive Committee, Project Developer Forum
First Climate Group

Aim

– To discuss the standards and rules related to PoAs in order to calibrate their understanding among relevant stakeholders, discuss lessons learned and challenges faced by them during their implementation.

– Focus on what further improvements of PoA standards can be done in longer term

Flash back

– Workshop on PoA early May 2011

– Integrated Workshop on PS, VVS & PoA Standards in August 2011

– Topics discussed back then
  - additionality test and eligibility
  - additionality of policy backed PoAs
  - micro-/SSC limits for CPAs with many small scattered activities
  - CPA inclusion and liability

What has been achieved?

- Standard on

    - additionality demonstration ☑

    - eligibility criteria ☑

    - application of multiple methodologies ☑

    - sampling and surveys ☑

- Not addressed

    - Micro-/SSC limits for dispersed PoAs

    - Additionality in the context of existing policies

Where do PoA stand today? I

- Not yet much experience with new standards
- PoA often replication of stand-alone PAs
- Lacking validation experience causes delays
  - Interpretation of rules, cautious validators
- Only few examples as of today
  - Validation 1.5 to > 2 years, quite resource intensive
  - Inclusion 3 - 6 months at up to half the cost compared to stand alone PAs

Where do PoA stand today? II

– No Issuance yet

– First monitoring reports available

– New sampling standard is conservative

- Standard may help a lot

- Potential for a prohibitive large number of scattered samples

- Cross CPA sampling needed

Where do PoA stand today? III

- Investor's perception
  - Complex and costly projects with small volumes
  - High transaction costs and uncertainty
  - BUT: Not true for highly replicable types

- Highly standardised and replicable PoAs can leverage economies of scale
  - Less costly inclusions, streamlined monitoring and verification
  - Recognition by investors

Challenges on the way forward I

– CPA inclusions and liability

- CME to take on liability for autonomous inclusions

– Micro / SSC limits for CPAs

- rules to address very small household level activities (CFL, cook stoves, rice patches, etc.)

- more automatic additionality, remove limits altogether

– Standardisation is key for PoAs

- Limit subjectivity

- Increase predictability, processing time

- Less issues at validation, inclusion, verification

Challenges on the way forward II

– Future will see focus on inclusion and issuance

- Design changes over time

- Exchange of CMEs

- Liability management on inclusion & verification

- Availability of DOEs to verify: capacity, accreditation, alternation

– Main challenge lies with CER demand post 2012

Thank you for listening

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