




F-CDM-RtB

 <b>CDM: FORM FOR SUBMISSION OF “LETTER TO THE BOARD” (Version 01.1)</b> <i>(To be used only by the Project Participants and other Stakeholders for submitting Letter to the Board as per Modalities and Procedures for Direct Communication with Stakeholders)</i>	
Name of the stakeholder <sup>1</sup> submitting this form (individual/organisation):	Project Developer Forum Gareth Phillips (Chair)
Address and Contact details of the individual submitting this Letter:	Address: 100 New Bridge Street, London, EC4V 6JA Telephone number: +65 6578 9286 E-mail Address: <a href="mailto:gareth.phillips@pd-forum.net">gareth.phillips@pd-forum.net</a>
Title/Subject (give a short title or specify the subject of your submission)	Recommending changes to Annex 11 Guidelines for First of its Kind technologies
Please mention whether the Submitter of the Form is:	<input type="checkbox"/> Project participant <input checked="" type="checkbox"/> Other Stakeholder, please specify
Specify whether you want the Letter to be treated as confidential <sup>2</sup> :	<input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)
<b>Purpose of the Letter to the Board:</b>	
Please use the space below to describe the purpose for submitting Letter to the Board. (Please tick only one of the four types in each submission )	
<input type="checkbox"/> <b>Type I:</b> <input type="checkbox"/> <b>Request Clarification</b> <input checked="" type="checkbox"/> <b>Revision of Existing Rules</b> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input checked="" type="checkbox"/> Guidance. Please specify reference <a href="#">EB63 Annex 11</a> <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference	
<input type="checkbox"/> <b>Type II: Request for Introduction of New Rules</b> <input type="checkbox"/> <b>Type III: Provision of Information and Suggestions on Policy Issues</b>	
Please use the space below to describe in detail the issue that needs to be clarified/revised or on which the response is requested from the Board as highlighted above. In doing this please describe the exact reference source including the version (if any).	

<sup>1</sup> Note that DNAs and DOEs shall not use this form to submit letter to the Board.

<sup>2</sup> Note that the Board may decide to make this Letter and the Response publicly available



## PROJECT DEVELOPER FORUM

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**To** cdm-info@unfccc.int  
**From** gareth.phillips@pd-forum.net  
**Date** 09 October 2011  
**Subject** **Recommending changes to Annex 11 Guidelines for First of its Kind technologies**

Dear Chair,

We would like to take this opportunity to congratulate the EB with the genuine progress achieved on some of the issues during EB63. In this letter we would like to raise our concern with the First of its Kind guidelines in Annex 11 that were adopted. We have both procedural and substantive concerns and will propose some possible solutions.

First, we would like to raise a procedural concern:

The EB requested inputs from stakeholders on the first of its kind practice from 18 July to 15 August, which was provided by stakeholders. Then, the annotated agenda for EB63 (annex 15) proposed text, to which further comments were invited, from 12 to 18 September, and inputs given. However, the final guidelines adopted bear no resemblance to the documents available in advance of the meeting. We believe this is both a failure to take seriously the inputs from stakeholders despite the good intentions of the Board, and the cause of the substantive problems below, as EB members did not have time to prepare and understand the text.

Secondly, we would like to raise several substantive concerns which we believe make these guidelines unworkable:

1. As with our comments on the Common practice guidelines, the new definitions are unclear. The “applicable geographical area” was one of the elements of the common practice in the additionality tool that needed to be clarified, but it has become less clear and less workable than before. There seems to be little limit to the area that may have to be taken into account – and potentially this could expand to cover the whole of non-Annex I. This problem is now extended to the definition of first of its kind. The use of “measures” is confusing and does not seem to relate to the analysis. The definition of “different technologies” fails to encourage the development of new technologies. For example, a switch from biomass combustion to biomass gasification would require the adoption of a new technology but according to the definitions given in the guidelines, it would not be different since the fuel remains the same. Likewise, for example, solar films would not be considered new technology if solar PV is already present.
2. The strict application of “first” fails to recognise the fact that early adopters of technology face a number of barriers including issues such as a lack of access to guaranteed performance contracts (probably the major limiting factor when considering a new technology against a prevailing or common technology), lack of trained engineers and staff, accessible spare parts, maintenance contractors etc. These barriers are not removed by the installation of the very first piece of new technology.



3. We do not agree with the text in paragraph 5b which links first of its kind technologies with a 10 year crediting period. PPs should be free to choose between the two options on the basis of whether they expect the baseline to remain valid in the future. Not all first of its kind technologies become common practice and some may remain FOIK for their lifetimes. Removing this safety net from new technology projects will discourage investors from taking on the additional risks involved in pioneering a new technology.

Finally, we refer the CDM EB to the PD-Forum's response to the call for input on FOIK and Common Practice in July/ August this year, which proposed a holistic approach to the understanding of technology penetration and the creation of a class of technologies which are considered "rare practice" in conjunction with common practice and prevailing practice.

With kind regards,

**Gareth Phillips**  
Chair of the PD-Forum

Please use the space below to any mention any suggestions or information that you want to provide to the Board. In doing this please describe the exact reference source including the version (if any).

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If necessary, list attached files containing relevant information (if any)

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**Section below to be filled in by UNFCCC secretariat**

Date when the form was received at UNFCCC secretariat

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**History of document**

Version	Date	Nature of revision
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.



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