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To cdm-info@unfccc.int
From gareth.phillips@pd-forum.net
Date 28 June 2011
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Subject **Treatment of monitoring reports spanning 2012 and 2013**

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Dear Ms Lingorsky,

Following our discussion on the subject topic in Barcelona on Friday 3rd June, members of the Project Developer Forum discussed the issues and we invite you to consider our thoughts on the subject.

First however, we would like to thank the Secretariat for reaching out to seek our input on this important matter at an early stage. We are confident this will benefit all involved in this process.

Regarding the treatment of monitoring report that span both commitment periods (CP), we submit the following:

1. We propose that a single monitoring report be allowed to include reductions which occur in both CP1 and CP2.
Allowing a single monitoring report reduces the amount of work required by PPs, DOEs, the secretariat and the EB, and thus reduces the transaction costs for all CDM projects. While a large volume of submissions must be expected in early 2013, allowing a single monitoring report avoids a wave of submissions in early 2013 which would cause long backlogs in the process.
2. A monitoring report which spans CP1 and CP2 would be treated as a single monitoring report and a single request for issuance.
 - a. The monitoring report would contain a table to identify the emission reductions into the respective commitment period in which they were achieved.
 - b. This would provide the information needed for the CDM Registry to properly identify and serialize the CERs. If needed, two separate payments of SOP and two separate forms for the transfer of CERs may be used to separate reductions which occurred in the distinct CPs.
3. Handling of Methodologies
 - a. Our members identified one methodology which requires data from the entire campaign to complete the monitoring report – AM0034. In this case, we propose that CERs are pro-rated proportional to nitric acid production before and after 31 December 2012. There may be other methodologies which have this same issue and those could be handled similarly.
 - b. In all other methodologies, we propose that PPs be requested to gather one set of verifiable data as close to the end of CP1 as possible. This data can be verified by

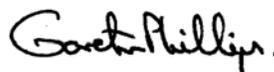
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the DOE. If the data is read at midnight on 31 December, then this data may be used to calculate exact CERs related to each CP. If the data is read earlier or later, then once verified, it may be used as the basis to estimate the readings at midnight prior to pro-rating CERs.

- c. We should consider permitting small scale projects to directly interpolate between the start and end of the reporting period, without the need for any additional data points.
4. In support of 3.b. above, in order to ensure proper identification and serialization of the reductions and subsequent CERs:
 - a. Project Participants (PPs) would provide at least one verified data set as close as possible to midnight on 31 December 2012.
 - b. The suggested verified data point should occur within one (1) month before or after 31 December 2012.
 - c. The data set would then be used as a basis to interpolate between the start date and end date of the monitoring period.
5. Finally, we wish to note two important aspects with regards to accounting for CERs generated in 2012 and 2013:
 - a. The outcome does not impact upon the environmental integrity of the CDM. The sum of emission reductions before and after 31/12/12 equals the total emission reductions generated throughout the reporting period. The EB may provide guidance on the rounding to whole tonnes, to ensure that the sum of the reductions which occurred in CP1 and CP2 are equal to or less than the total for the entire reporting period.
 - b. While the environmental integrity is absolutely safeguarded, the distribution of reductions in one or the other CP can only be exact if readings are taken at midnight on 31/12/2012 (but it may not necessarily be possible to cross-check such reading against, for example, invoices). We believe that any scope for the distribution of reductions between CP1 and CP2 to be affected is minimal and will only amount to a small number of CERs with no overall impact on environmental integrity. The extent of any potential variation in the distribution will be restricted by the procedures which we have described above, and needs to be decided by the Board, weighing the additional burden, in particular for small scale projects, and the increased exactness of the distribution of reductions over the CPs.

We look forward to continued collaboration with the secretariat to ensure the transition from CP1 to CP2 is as smooth as possible while maintaining full environmental integrity.

With kind regards,



Gareth Phillips
Chairman

Cc: Conor Barry