



**PROJECT
DEVELOPER
FORUM**

**PDF-DIA TECHNICAL ROUNDTABLE
WS3 on MATERIALITY and NON-SIGNIFICANT
ISSUES**

2nd and 3rd February 2011

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TOPIC

OUTCOME AIMED FOR

Workstream 3:

Treatment of non-significant issues in validation/verification reports

Leaders: Michael, Susanne

1. Common submission to the EB with bottom-up examples on issues that should be dealt with by the DOE in a transparent manner without having to go through a RfDC, RfR, RfDev, RfMPC
 2. Concrete text to be inserted in validation/verification reports and the VVM
 3. Prepare input by 28th of March 2011 to the UN secretariat as per para 31 of the Cancún decision "Further guidance relating to the clean development mechanism"
 4. Discuss concerted communication with SBSTA/EB and training: Side events, VVM workshops etc.
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What do we want?

A common understanding on how to deal with non-significant issues in a most efficient way while safeguarding the mechanism's environmental integrity

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Treatment of non-significant issues

The assessment against each criteria leads to minor findings that have no influence on the validation/verification opinion. The following issues have been noted but not resulted in a CAR/CL/FAR, request for deviation, design or monitoring plan change:

1. Change in amount of meters
2. Meter accuracy change
3. Meter location change
4. Sharing of meters
5. Diesel back-up generator
6. *Change from ex-ante to ex-post calculated emission factors and vice versa*
7. *Minor model/parameter changes of equipment*
8. Back-up line
9. ...

Further non-significant issues will be highlighted during the coming pages addressing the validation/verification findings.

Verification

1. *Amount of meters*

Explain that

- The number of meters can change, especially for wind and hydro projects where new projects might share the same meter, that
- The number of meters has no influence on the overall meter accuracy and that
- Based on your sectoral knowledge, the meters are confirmed to be sufficient to guarantee accurate measurements.

2. *Meter accuracy*

Explain that

- The actual accuracy is in line with national standards, that
- Based on your sectoral expertise, the accuracy is confirmed to be sufficient to guarantee accurate measurements.

3. *Meter location: same as for amount of meter*

4. *Shared meters: same as for amount of meters*

Verification

5. *Diesel back-up generators for hydro projects*

Explain that

- Diesel back-up generators produce far below 0.1% of emission reductions, that
- It is impossible to measure a diesel generator's consumption with a meter when they are only turned on for maintenance, that
- The methodologies ACM0002 and AMS-I.D. explicitly state that there are no project emissions, that
- The footnote in the VVM is simply an example (and should actually be deleted in the updated version), and that
- The SSC working group has acknowledged explicitly that these emissions are non significant, and that
- Based on your sectoral expertise, the emissions from back-up diesel generators are not to be included in the monitoring regime.

Verification

6. *Change from ex-ante to ex-post calculated emission factors and vice versa*

Explain that

- Both methods are allowed by the methodology (not for special cases such as AM0029)
- Based on your sectoral expertise, the emission factor is confirmed to have been calculated in line with the latest Tool to calculate the emission factor for an electricity system.

7. *Minor model/parameter changes of equipment*

Explain that

- The parameter change has absolutely no influence on the design of the project in terms of baseline, project or leakage emissions, and that
- Based on your sectoral expertise, the model/parameter change is confirmed to be consistent with the project design as per the registered PDD.

Verification

8. *Backup line for projects*

Explain that

- A back-up line has been added after the project's registration, that
- Back-up lines for hydro and wind projects are most often not used in years, that
- The line has not been used during this monitoring period, and that

The issue will be verified in the same during the next verification (FAR).

Validation (link with VVM?)

- Unit of monitoring parameters. If the unit in the PDD is different from the one in the monitoring methodology, PP shall explain the difference and substantiate the appropriateness of the unit change (e.g. steam in m³ or t).
- Ideally, in the middle to long term, we would simplify the monitoring methodologies and leave the assessment of the monitoring regime to the verifying DOE without addressing it at all in the PDD/validation report. Possible? Desirable?
- Mistakes and inconsistency in the methodology. PP/DOE may directly correct the mistakes in the PDD
- Measurement method: If the methodology says measured and the project wishes to calculate, that should still be OK as long as the DOE confirms it is OK
- Semantics: AMS.I.D VS ACM0002: Metering, measuring, monitoring, recording, reporting
 - ACM0002: Continuous measurement and at least monthly recording
 - AMS.I.D: Continuous monitoring, hourly measurement and at least monthly recording

ER calculations

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Treatment of non-significant issues: In this context, the validation team decided that non-significant issues are those affecting emission reductions by less than 5% for projects with forecast emissions below 500,000 tCO₂ per year (2% for projects with forecast emissions above 500,000 tCO₂ per year).

Changes between the published PDD/Monitoring report and the final PDD/Monitoring report submitted for registration/requesting issuance

The resolution of the CARs and CLs as well as general comments on non-significant issues have led to some changes between the two PDD/Monitoring Report versions as follows:

- **Validation**
 - Adjustment of investment analysis
 - Update of the crediting period
 - ...
- **Verification**
 - Changes to the monitoring diagram
 - Small errors in the excel file
 - ...

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