

# **Validation of Programme of Activities (PoAs): Analysis of CARs and CLs**

Preparation Meeting for Capacity Building of Potential Thai DOEs

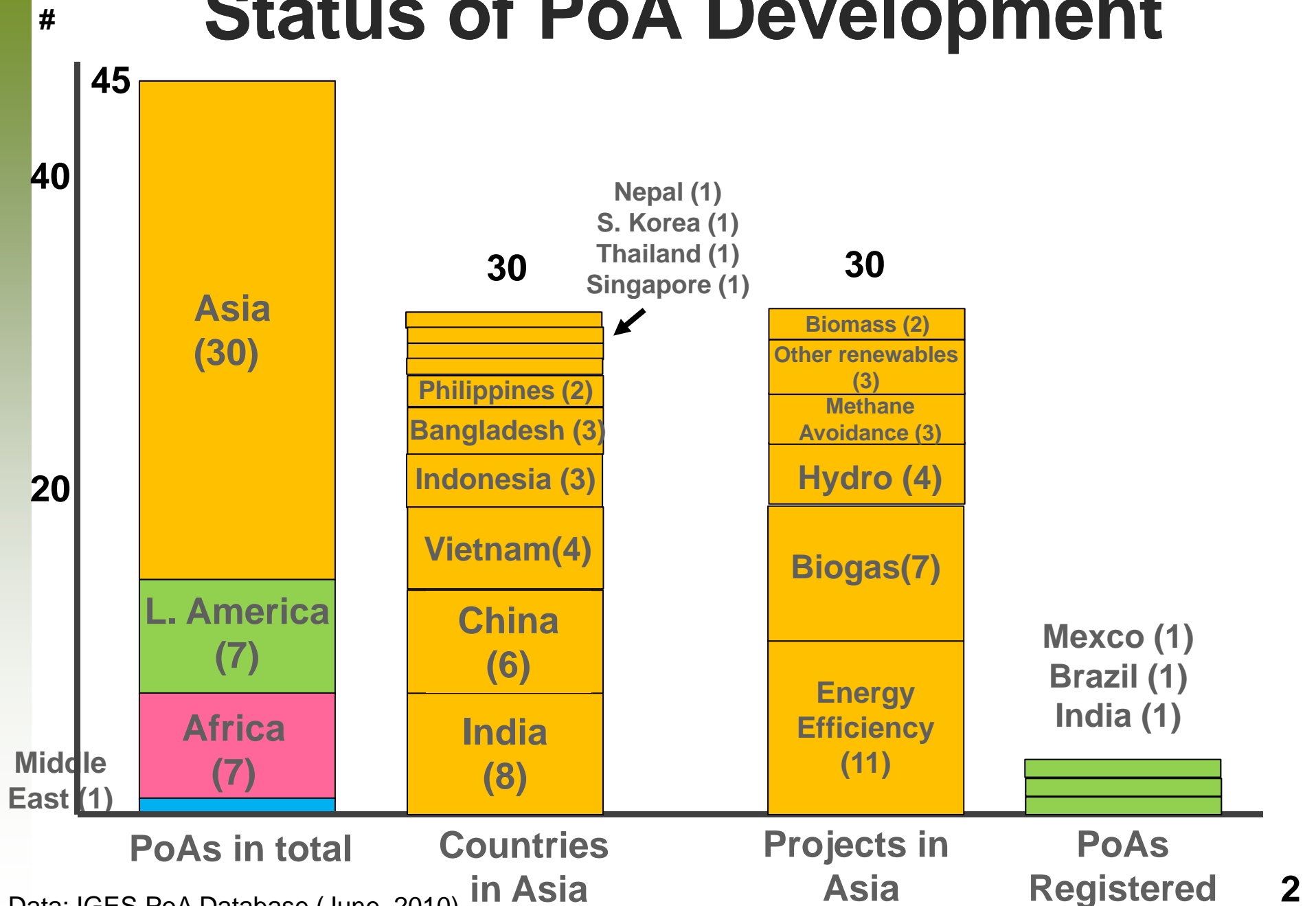
7 July 2010

Nozomi OKUBO

Institute for Global Environmental Strategies

Market Mechanism Group

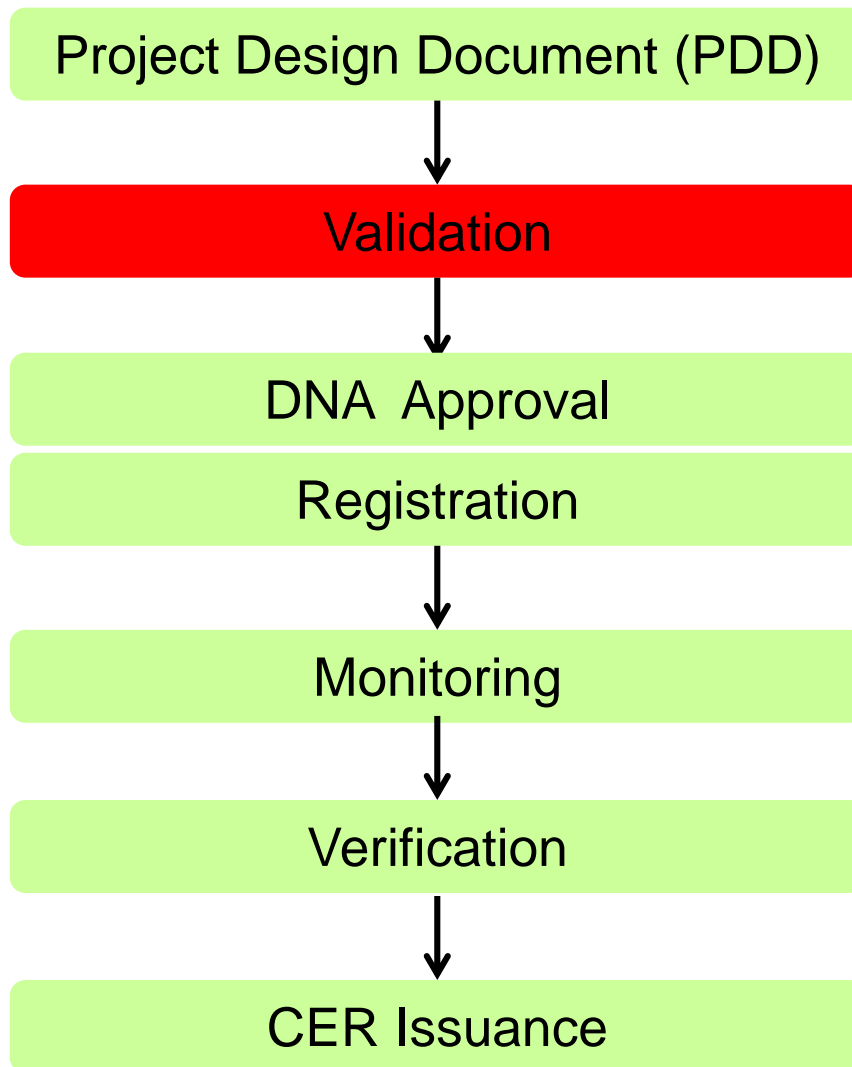
# Status of PoA Development



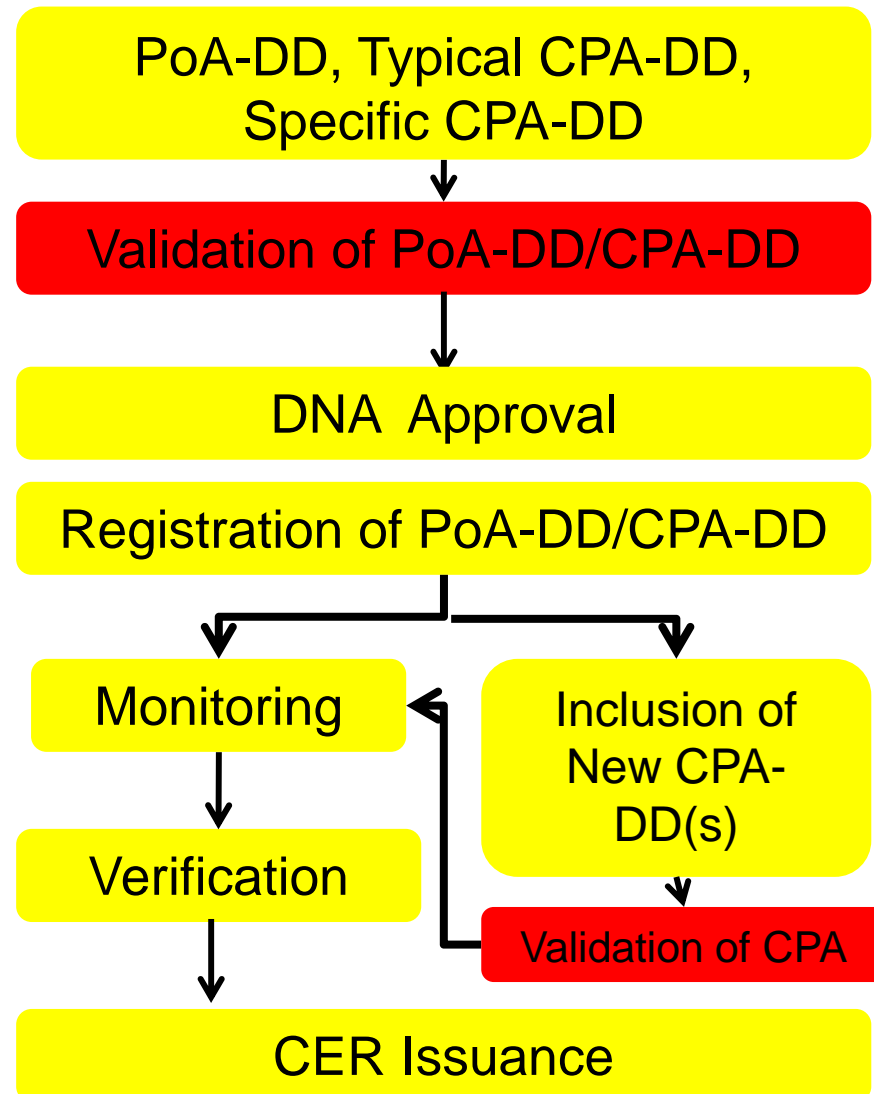
Data: IGES PoA Database (June, 2010)

# Similar Project Cycle Applied to PoA

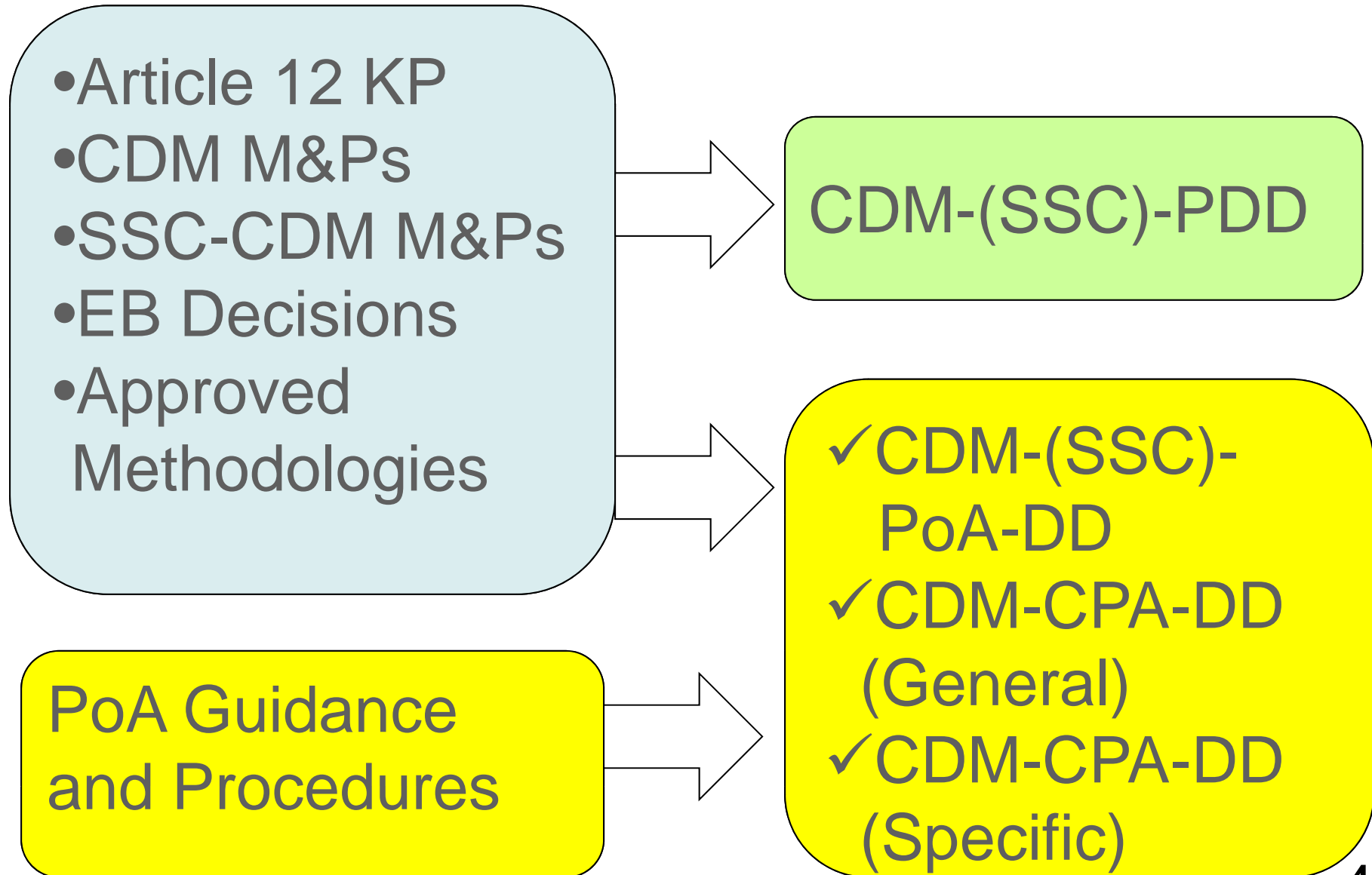
## Normal CDM



## PoA



# PoA Validation Needs Extra Reference



# 3 PoAs registered so far

## **CFLs distribtuion in Mexico**

- Registered in July 31, 2009
- ERs: 520,365 t-CO<sub>2</sub>/y (POA)  
24,283 t-CO<sub>2</sub>/y (CPA)

## **Biogas utilization in Brazil**

- Registered in October 29, 2009
- ERs: 591,418 t-CO<sub>2</sub>/y (POA)  
139 t-CO<sub>2</sub>/y (CPA)

## **CFLs distribution in India**

- Registered in April 29, 2010
- ERs: 34,892 t-CO<sub>2</sub>/y (POA)  
34,892 t-CO<sub>2</sub>/y (CPA)

# Overview of PoA-CFLs-Mexico

<b>PoA Title</b>	<b>CUIDEMOS Mexico (Campana De Uso Inteligente De Energia Mexico) – Smart Use of Energy</b>
<b>Programme Design</b>	<b>To replace incandescent light bulbs (ILBs) with CFLs in households by providing CFLs free of charge.</b>
<b>Baseline</b>	<b>AMS-II.C (ver09) “Demand-side energy efficiency activities for specific technologies” Continued use of ILBs. Sampling procedure will be applied to determine operating hours of CFLs.</b>
<b>Additionality of PoA</b>	<b>The replacement is not required by any law. PoA will face financial barrier.</b>
<b>Additionality of Typical CPA</b>	<b>Simple cost analysis with/without CER revenue. Barrier analysis based on independent study.</b>
<b>Monitoring</b>	<b>No sampling for monitoring; direct verification by DOEs. Scrapping of incandescent light bulbs will also be monitored.</b>

# Summary of PoA-CFLs-India

<b>PoA Title</b>	<b>CFL lighting scheme – “Bachat Lamp Yojana”</b>
<b>Programme Design</b>	<b>To replace incandescent light bulbs (ILB) with CFLs in households by providing CFLs</b>
<b>Baseline</b>	<b>AMS-II.J (ver03) “Demand-side activities for efficient lighting technologies” Continued use of ILBs</b>
<b>Additionality of PoA</b>	<b>There are no mandatory legal requirements. Autonomous replacement faces barriers.</b>
<b>Additionality of Typical CPA</b>	<b>Investment Barrier (Net Present Value with/without CER revenue)</b>
<b>Monitoring</b>	<b>Director monitoring of CFLs distribution and destruction of ILBs. Sampling method adopted to determine some parameters related to CFLs. Simple random sampling approach applied.</b>

# Summary of PoA-Biogas-Brazil

<b>PoA Title</b>	<b>Methane capture and combustion from Animal Waste Management System (AWMS) of the 3S Program farms of the Instituto Sadia de Sustentabilidade</b>
<b>Programme Design</b>	<b>To install biogas digesters to treat the manure under controlled conditions and recover/burn the methane.</b>
<b>Baseline</b>	<b>AMS-III.D (ver13) “Methane recovery in agricultural and agro industrial activities” Continuation of the current situation.</b>
<b>Additionality of PoA</b>	<b>There are no mandatory rules to collect and burn the methane in swine manure. High investment cost discourage the utilization of methane.</b>
<b>Additionality of Typical CPA</b>	<b>Investment Barrier (Simple cost analysis) Technological Barrier (no special expertise)</b>
<b>Monitoring</b>	<b>Sampling method to be used by DOEs for verification of ERs. Sample size of 25% of all CPAs.</b>



# 5 Important Points in PoA Validation

## 1. Operation and management of PoA

- Most of the PoAs received CAR/CL for the documentation of the PoA:
  - Number of CPAs expected should be defined.
  - PP/CME in PoA should be clearly mentioned.
  - Starting date of CPA should be confirmed not to be before the start of validation of the PoA.
  
- For more details: **Para 4 (Preparation of a CDM-PoA-DD) (a) to (n)** and **Para 5 (Preparation of a CDM-CPA-DD) (a) to (h)** of **PoA Procedures (EB47, Annex 29)**

# 5 Important Points in PoA Validation

## 2. Additionality of PoA

- Additionality argument of PoA and CPA
  - PoA: clarifications on national/sectoral policy, demonstration of the fact that only coordinated voluntary action overcome the issue.
  - CPA: application of approved methodology. Simple cost calculation is applied in most cases.
- Eligibility criteria for the additionality of CPA should be defined in PoA.
- **Draft guidelines for the demonstration of additionality for CDM PoAs (EB51 Annotations annex 11)** has been under consideration

# 5 Important Points in PoA Validation

## 3. Ensuring no double counting/de-bundling

- Submission of evidence (e.g. spread sheet for identification of each CPA) is often requested.
- This will include the checking system by CMEs
- For more details: **Guideline for Determining the Occurrence of De-bundling under a PoA (EB47 Annex 32)**

## 4. Public Consultation at PoA/CPA level

- PP to choose at which level consultation will be held.
- In some cases, change was made during CARs/CL from PoA to CPA level.

# 5 Important Points in PoA Validation

## 5. Sampling methodology/approach

- All 3 PoAs employ sampling approach for ex-ante/ex-post determination of parameters.
- CARs/CL made for clarification on the formulas and sampling size.
- In most cases, they use below by following the indicative guidance in “**General Guidelines for Sampling and Survey for SSC CDM Project Activities (EB50 Annex 30)**”
  - ✓ Simple Random Sampling
  - ✓ 90% Confidence level
  - ✓ 10% Error margin

# Summary

- Experiences of validating PoAs are yet to be accumulated
- CARs and CL have been requested regarding such points as:
  - Concrete information of CPAs
  - Proof of no double-counting
  - Sampling approach
- DOEs should focus on those points for efficient validation
- Current “Procedures for PoA” as well as “Guidelines for PoA” should serve as a reference for clarification