

DOE/AIE Forum | *Martin Enderlin* | 13 September 2011

# JISC-26: Relations with AIEs and applicant Independent Entities

# Agenda

- Submissions by AIEs since JISC 25
- Inputs by AIEs and DIA to JISC 26 agenda
- Input by AIEs and DIA on JI AP26
- Input by AIEs and DIA at JISC 25

# Submissions by AIEs since JISC 25

- **No new one**
- Pro memoria - before JISC25:  
BVC submission: „Prior consideration in JI“:
  - Request for Clarification submitted on May 6, 2011, as follow-up from a RfC by DNV on behalf of Global Carbon (Feb. 21/18 respectively, 2011) and UNFCCC reply ( March 23, 2011)
- Earlier communications on this issue are somewhat inconsistent and we are awaiting the clarification from JISC to get updated
- This is an important issue concerning additionality determination and the decision will influence the work AIEs do as well as the perception of JI track-2 in the marketplace (see DIA call for input submission 7/11)

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 1: Guidance on criteria for baseline setting and monitoring, V.3
  - Core document, useful clarifications regarding options to determine baseline, incl. JI specific approach (§9-§12)
  - Comparable cases (§13): operationalisation is appreciated. Still:
    - how to define „similar“ (a)-measure vs. „same“ (c)-technology ?
    - no geographic delineation of regions within a big country (e.g. RUS) (b) ?
    - Scale: O1: LS vs. SSC: very open; O2: O2i: +/- 5% output: ok vs. **OR** O2ii: +/- 5% ER estimations (open to manipulation).  
Maybe: „“(i), or (ii) if (i) not applicable“

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 1: Guidance on criteria for baseline setting and monitoring, V.3
  - Annex I: Additionality:
    - 2 months grace period additionality tool (§44c) – inconsistency with revision of §10 (~~two~~ eight months) on purpose ?
    - last 2 §s: still no numeration
    - last § on evidence of JI consideration if starting date is before determination: core issue, but not revised after call for input.
    - pro memoria:  
AIEs favour clear guidance and environmental integrity:  
„If a starting date of a JI project is before the date of determination, **it is ~~not~~ mandatory** to provide evidence that the incentive from the JI was seriously considered in the decision to proceed with the JI project.“

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 2: Draft recommendation on options for building on the approach embodied in JI
  - As @JISC25: refrain from positioning of AIEs/DIA on recommendations to JI evolution (no options).
  - Some personal reservations on JISCs/UNFCCC Sec believe (§24) in JI as a means of increasing cost-effective mitigation and allowing for deeper cuts in emissions (pledges ?) to be made.
  - Idem for JI (§28) as a more decentralized mechanism/policy instrument (implemented at national level under international guidance) that serves domestic purposes in collaboration & with financial support among parties at international level.

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 2: Draft recommendation on options for building on the approach embodied in JI
  - Technical comments: „JI experience report“ – areas for more far-reaching changes (§27b): source with link and elaboration would be appreciated
  - B. Verification process:
    - personal slight disagreement with assessment in §30 (original concern of 2 tracks – not being in position to meet JI eligibility req. – was proven unfounded): 2 EITs suspended, Track2 was fast start track as inventories may take longer.

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 2: Draft recommendation on options for building on the approach embodied in JI
  - B. Verification process:
    - Governing body generally not involved in JI assessment, but strong performance monitoring of AIEs and empowered to take actions (§33):  
  
=> little carrots, little guidance,  
BUT HIGH RISK (§44 JI M&P) AND BIG EXPLICIT STICK  
(spot check, suspension, withdrawal)

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 2: Draft recommendation on options for building on the approach embodied in JI
  - B. Verification process (personal comments):
    - JI mechanism beyond pure offsetting through conservative baseline or discounting (§35): against a basic principle of ET (a tonne is a tonne as a basis for common metrics/currency)
  - C. Governing body: tempted, but no comment
  - D. Eligibility requirements: idem
  - E. Financial resources: idem
  - F. transitional issues: idem

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 3: Draft annual report of JISC to COP/MOP
  - Regular interaction – inviting Co-Chair DOE/AIE Coordination Forum to each meeting (§60)

# Inputs by AIEs and DIA to JISC 26 agenda

- Annex 4: Information note regarding recommendations on amendments to the structure to cover administrative costs relating to activities of JISC
  - Options 4 (party), 5 (comb.) and 6 (PPs after issuance) are not realistic
  - Even Option 3 (T1:++; T2:+): complex
  - You can't spend more than you earn, in particular when your contract ends...: save costs through prioritisation, reduce budget, (accreditation is highly work intensive and costly)

# Inputs by AIEs and DIA to report JI AP26

- Report JI AP26 (incl. Report JISC 25)
  - Revised TORs for experts determinations & review teams (JISC25, §21): expected for JISC26
  - Roster of experts: removal due to CoI (§19)
    - How CoI defined ? Perceived vs. Real CoI (JISC25)
    - What is the procedure and process of determination ? Informed ? Right to be heard ? Possibility to complain and/or appeal ?
    - What is the current status of successful, timely completion of AT training modules, incl. legal consequences ?
  - Accreditation status: JI-E-0012 (last cell left open)

# Inputs by AIEs and DIA to report JI AP26

- Report JI AP26
  - Procedure for accreditation of IEs by JISC:
    - 50 pages, 42 forms, >45-80k \$ Accreditation costs see Annex 7 (w.o. internal costs for systems, update, training time)
      - => operating fixed costs: >100k\$/a
      - => CDM/EB62 same **cost** challenges, but more projects
    - in addition: high and unbalanced risks (spot check costs, appeal costs, liability for excess ERUs - §44 JI M&P) and low prices (no checks yet)

## Input by AIEs and DIA at JISC 25

- EB61, Annex 12: Tool to calculate the emission factor for an electricity system, V.02.2.0
  - Explicitly expressed that the tool is not applicable, if the project electricity system is located partially or totally in an Annex I country
  - Clarification by the JISC report is requested that GEF tool can still be applied in JI
  - Why not clarified ?
- Typos: e.g. Annex 2, JISC 25: threesix (§12)

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on behalf of TÜV SÜD

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