

CDM-Development Options for RE

Can programme and policy CDM
promote renewable energy technology?

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Programme CDM - open questions

- „A local/ regional/national policy or standard cannot be considered as a CDM project activity ... project activities under a programme of activities can be registered ...“(COP/MOP 1, 4/CMP.1)
- At present of the 172 currently registered CDM, 27 involve programmes or bundles.
- What type of programme of activities are eligible?
- Can a programme be implemented in more than one country?
- Double counting?

Household Sector / Transport: A Role for Programm CDM

- Renewables in household sector and transport: program CDM is often the only possibility
 - Ex ante definition of clear inclusion criteria, but ex post identification of activities participating in a program (bundling: ex ante)
 - Program implementing agent can be the only CDM project participant (bundles: each participant)

Structural Deficits of CDM in Support of Renewables

- High CDM specific transaction costs
- Most of these are up-front, CER revenues only ex-post
- Buyers' primary consideration is large CER volumes at low price

Post 2012: Linking national RE incentive schemes with the CDM?

- Renewable Energy feed-in-law (REFIL) very efficient - not for only for climate reasons
- Distribution of costs of incentive program: REFIL and CDM
- Different from sectoral approach: incentive structure fits: the actor gets the incentive - not the free rider;
- Different from project based approach: the government get's an incentive for and not (because of additionality) against new regulation;
- reduces transaction costs
- if gold standard compatible: higher CER-revenues;
- Better co-operation of renewable energy community and climate community

Open Questions

- Additionality?
- Enough demand? - caps in industrialised countries?
- Conditional ear-marked caps?
- Incentive for host country to add to incentive framework
- Host country: Continuity of incentive framework after CDM crediting period?