United Nations Framework Convention on Climate Change

The status of renewable energies in the CDM and the UNFCCC actions to overcome obstacles

PDF side event

Bonn, Germany

16 June 2011

UNFCCC Secretariat

SDM programme

OVERVIEW

I. Importance of renewable energy for mitigation of GHG emissions

II. Renewableenergy in the CDM

III. Challenges and actions to overcome them

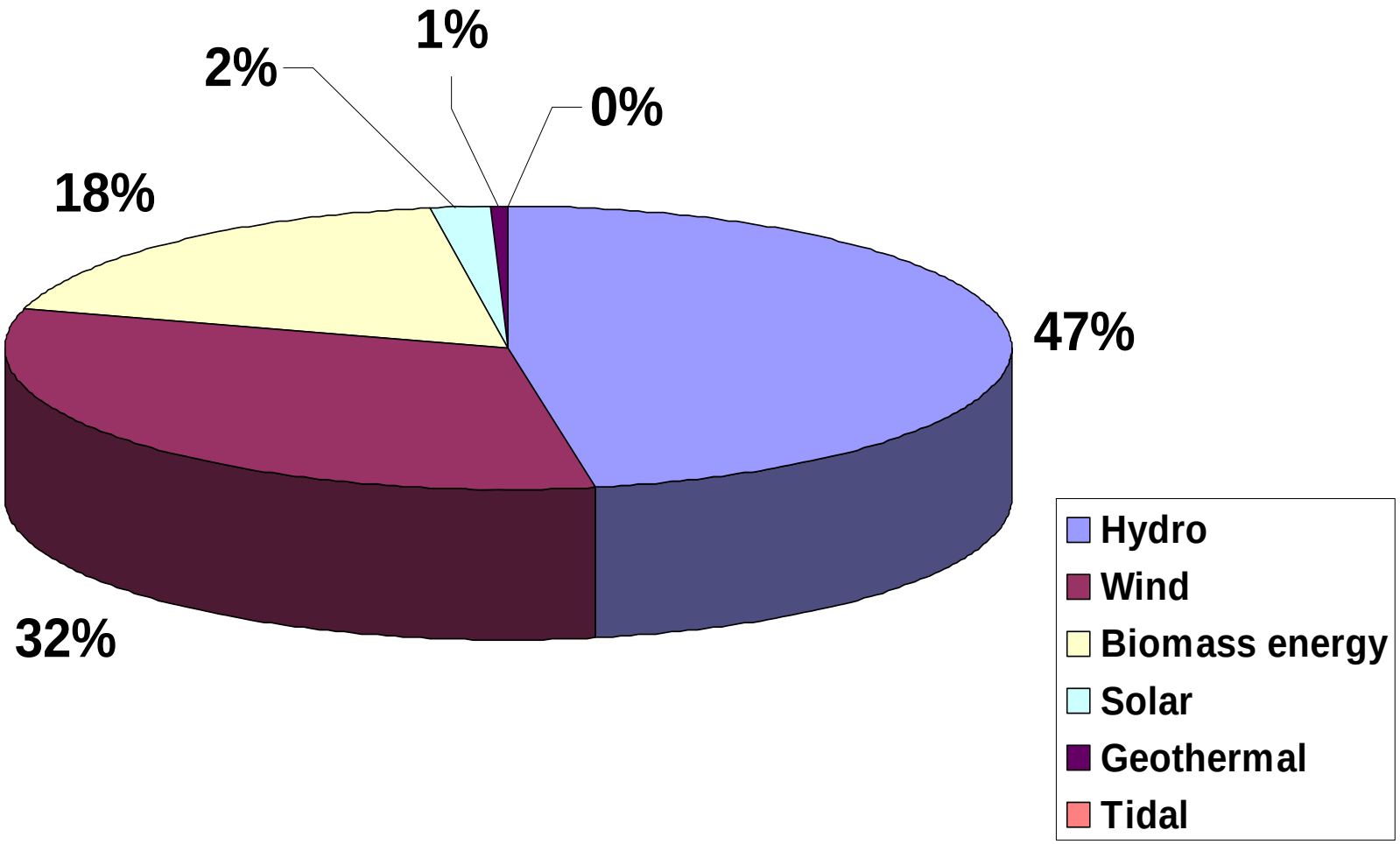
IMPORTANCE FOR MITIGATION OF GHG EMISSIONS

- **Two major long-term energy challenges:**
  - **Response to CC**
  - **Energy supply**
- **Big potential that is largely untapped**
- **Demand of energy will continue to grow**
- **Cover all types of applications, and**
- **Available under one or several forms in all regions**

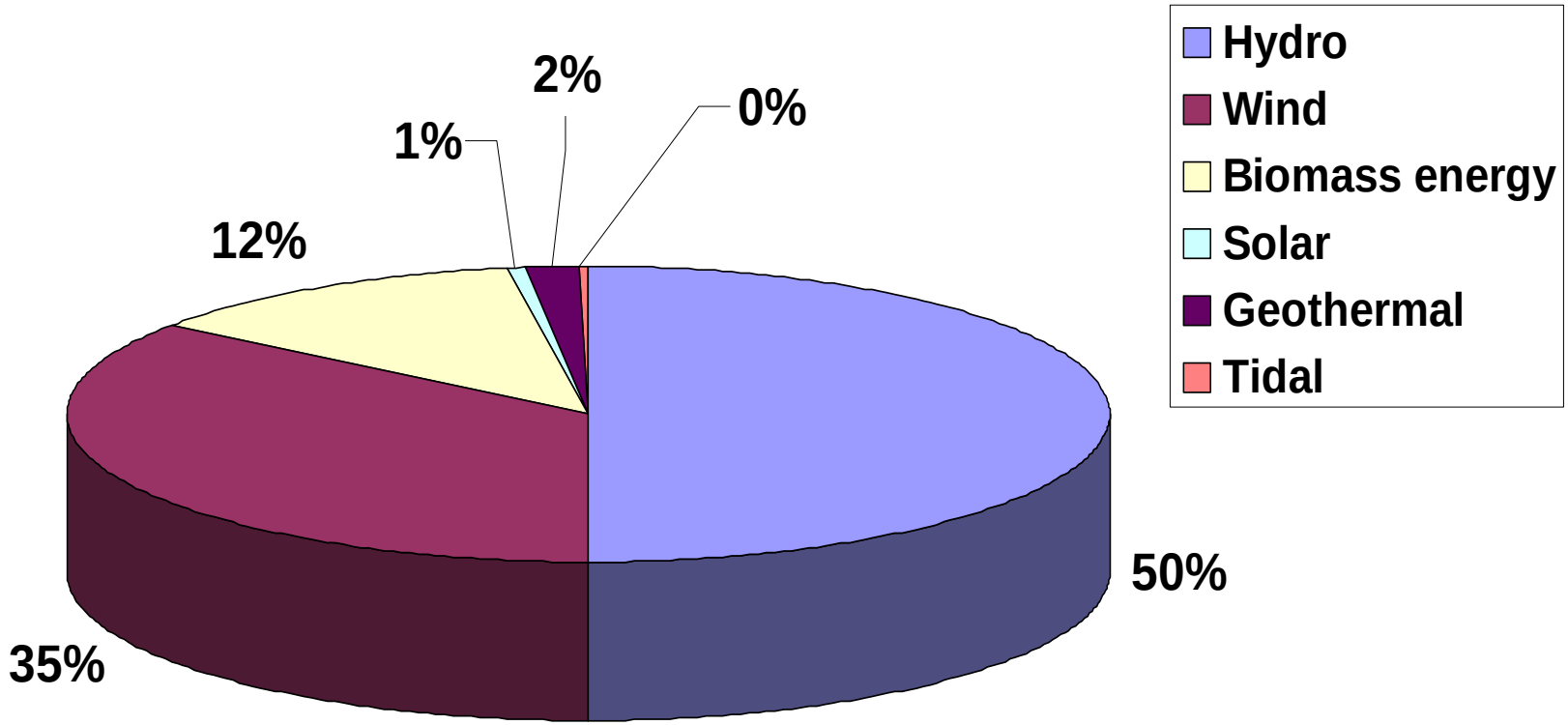
RENEWABLE IN THE CDM

- **Methodologies**
  - 10 SSCs and 19 large-scales
- **Registration**
  - 64% in terms of number of projects
  - 39% in terms of CERs
- **Validation**
  - 62% in terms of number of projects
  - 51% in terms of CERs
- **Issued CERs**
  - 64% in terms of number of projects
  - 15.6% in terms of CERs

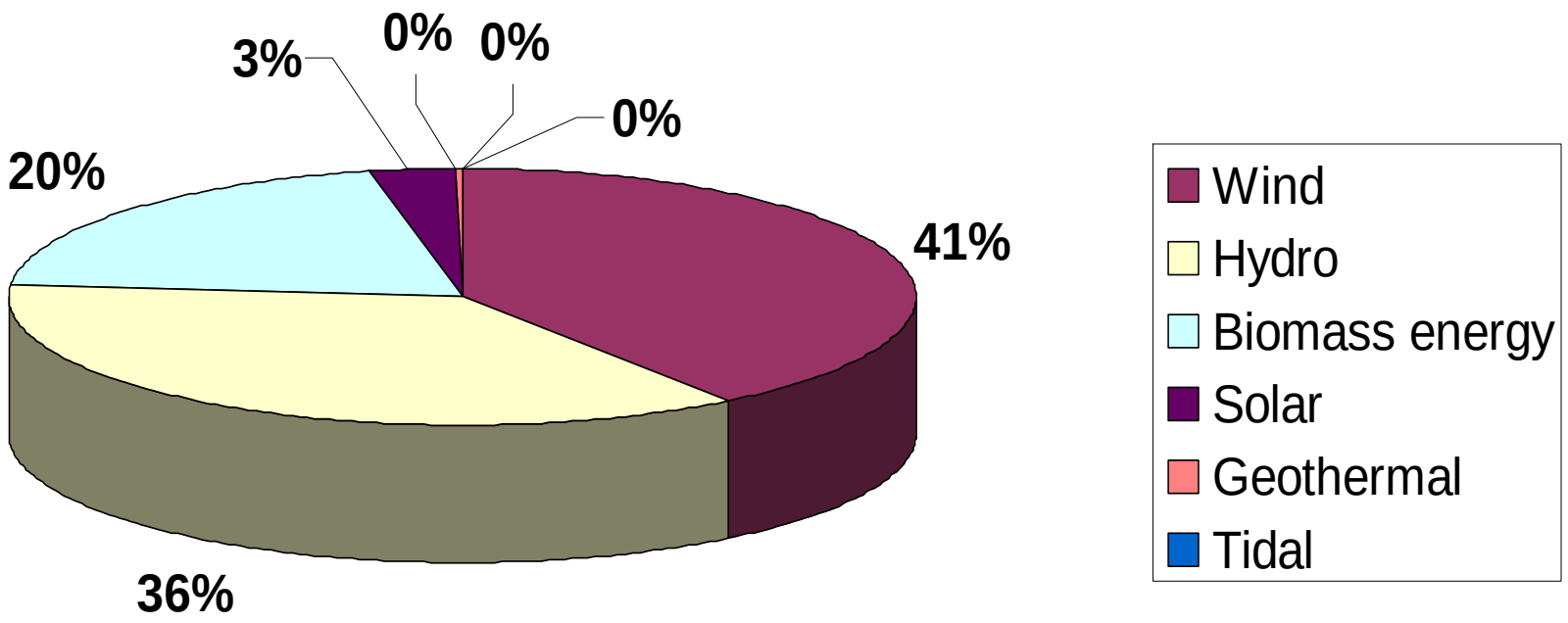
DISTRIBUTION OF REGISTERED PROJECTS



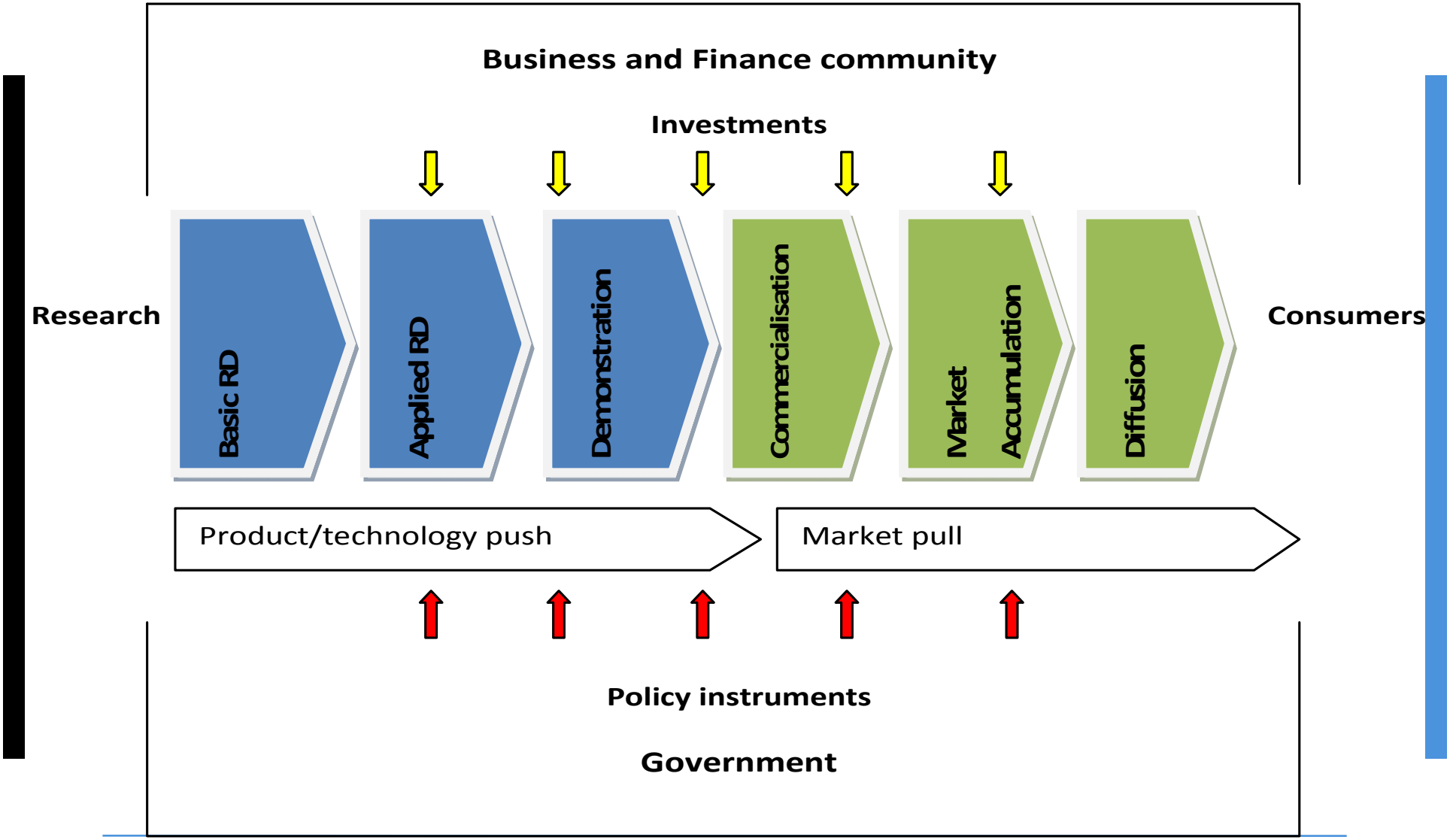
CERs FROM REGISTERED PROJECTS



DISTRIBUTION OF PROJECTS UNDER VALIDATION



WHERE CDM COULD ACT IN THE DEVELOPMENT CYCLE



CHALLENGES FOR RENEWABLES

Low impact of revenues from CERs:

- Low impact of revenues from CERs to the attractiveness of most of the renewable projects

- Mature technologies with mature markets might encounter difficulties in establishing additionality

- Mature technologies with non-mature markets:
  - dispersed emissions reduction presenting barriers related to the transaction costs, and
  - Policy support in addition to carbon finance

CHALLENGES FOR RENEWABLES

- **Baseline**
  - Suppressed demand
- **Monitoring**
  - Dispersed emission reduction, transaction cost
- **Current additionality tool**
  - Input value for the IRR calculation
  - Stop of construction, restart and additional costs
  - Suitability of the benchmark
  - Start date
  - Prior consideration to CDM
- **Alternative approaches for additionality**

THANK YOU FOR YOUR ATTENTION