



MANAGING RISK

Baseline data for CDM projects in the electricity sector



– DOE experiences

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Presentation outline

- Background
- Key validation issues
- Key verification issues
- Conclusions

- A number of CDM methodologies now refer to the same approach for determination of baselines and grid emission factors
- There is little differentiation between small-scale and large scale methodologies in this determination
- In come countries baseline data are not readily available
- In other countries, authorities have started to simplify presentation of baseline and grid data to facilitate CDM project development
- The present modus operandi requires DOEs to check that the data applied is accurate, transparent and conservative

Key validation issues

- What if grid data cannot be verified?
 - Requests for deviations
 - Use of proxies (China and Brazil examples)
- If not applying the preferred options, who is to determine what is a justifiable approach?
- What if the methodology does not reflect the real situation in the host country?
- In general, standardisation through the methodologies have eased and improved assessment of baselines and GEFs. At a cost?

Key verification issues

- Is the correct factor applied in the monitoring period?
 - Ex-ante factors are not a problem
 - Ex-post factors can pose a problem...
- How can it be evidenced that this is correct?
 - This required transparent documentation from the PDD or an elaborated monitoring plan
- Updates in data from national authorities
 - Frequency
 - Delays
 - Frequency
 - Inclusion of IPPs

Conclusions

- Already some standardisation through AMS and AM methodologies
- This comes at a cost
- What about the update frequency if this is centralised?
- What if different approaches are used by national authorities?
 - Frequency of update
 - Inclusion of data
- What about reliability of national provided factors?
- Centralised baseline data need continuous updates and reviews in order to meet requirements for transparency, accuracy and conservativeness.



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Thank you!