



# SUCCESSFUL CLEAN DEVELOPMENT

A DOE perspective

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# DNV's climate change related services

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- Emissions trading
  - Validation, verification and certification of corporate GHG inventories, CDM/JI, EU ETS, voluntary schemes in all sectors globally and all schemes in Australia and NZ
  - 803 CDM projects registered
- Cleaner energy
  - Wind, wave, tidal, hydro, hydrogen including certification of 90% of offshore wind farms
- Carbon capture and storage (CCS)
  - Involved in most international projects including technology qualification and development of guidelines
- Energy efficiency
  - Fuel efficiency for ships
- Climate change risk assessment and advisory services
- Competence and capacity building services



# Carbon portfolio management – managing risk

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- Organisations have an opportunity to benefit from primary offset markets such as the CDM
- That requires an understanding of the unique risk profile produced by the different carbon offset trading schemes
- Steering a carbon offset project all the way from project initiation through to the issuance of carbon credits can be a long and rocky journey
- A number of obstacles contribute to increasing risk for potential carbon offset projects
- Liable entities and others considering primary CERs benefit from understanding what makes a successful CDM project



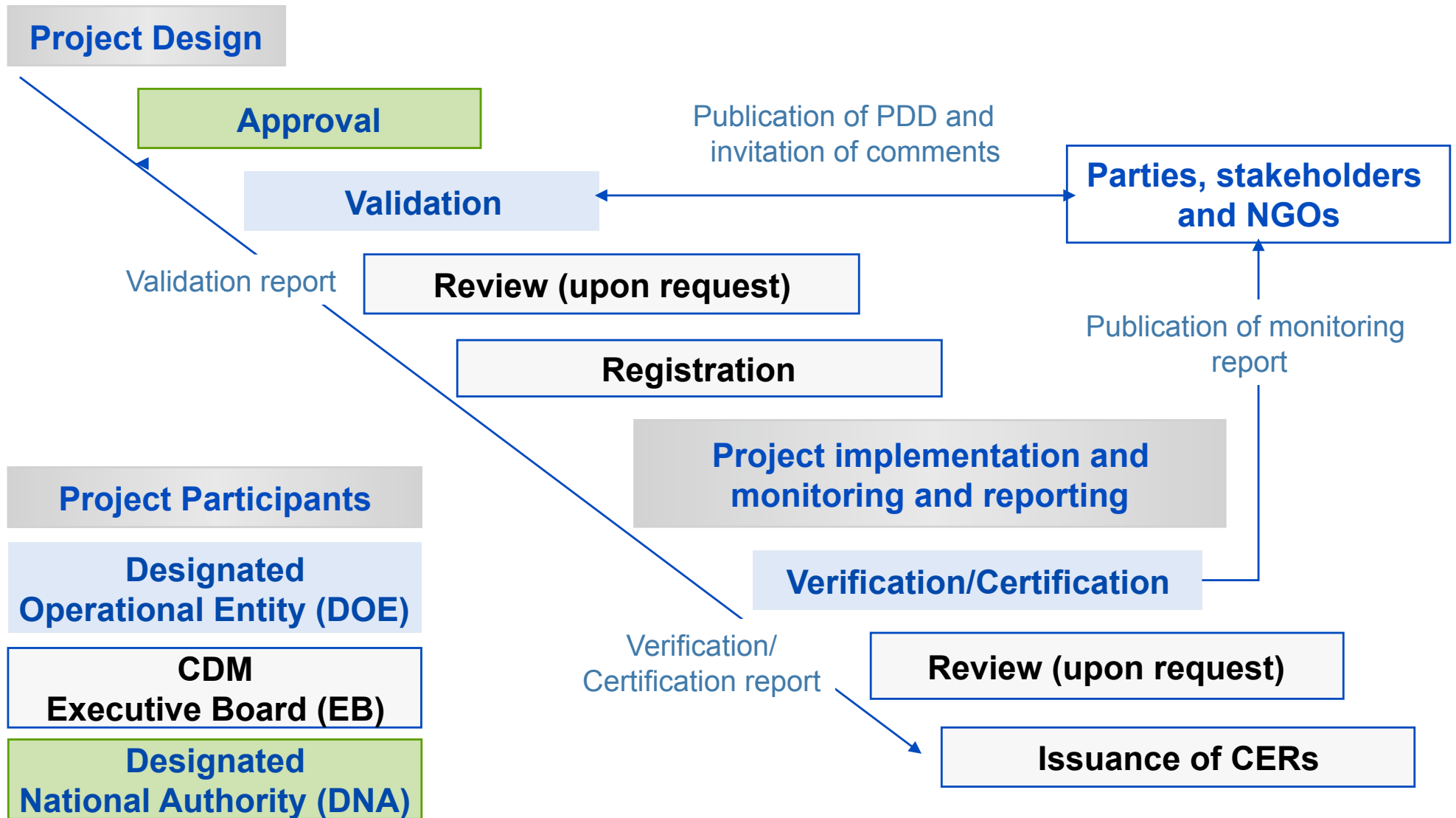
# CDM projects must

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- Contribute to the **sustainable development** of the host country
- Result in **real, measurable** and long term benefits in terms of climate change mitigation
- Generate reductions that are **additional** to any that would have occurred without the project
- Meet all other relevant UNFCCC requirements



# The CDM process is complex



# Some projects don't make it

- 1834 projects have been registered
- 743 projects have failed validation – or 3 in every ten

Home CDM JI CC:Net TT:Clear



Your location: CDM-Home > Project Activities

## - Registered

This interface provides information on the last 15 CDM project activities that have been registered by the CDM Executive Board. CDM project activities to interface.

Registered	Title	Host Parties	Other Parties
25 Oct 09	5 MW Chirchind Grid-Connected SHP in Himachal Pradesh, India	India	
23 Oct 09	Kitroongruang Biogas Energy Project	Thailand	United Kingdom, of Great Britain and Northern Ireland
19 Oct 09	Taeon Solar Farm PV(photovoltaic) power plant project	Republic of Korea	
18 Oct 09	Avoidance of GHG emissions in rigid Poly Urethane Foam (PUF) manufacturing by ...	USA	
17 Oct 09	Fertinal Nitrous Oxide Abatement Project	Sweden	
17 Oct 09	Ping An Yiji 6MW Hydropower Project in Chongqing City		
16 Oct 09	Guohua Chenbaerhu Qi Phase I 49.5MW Wind Farm		

UNFCCC Google Search

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CDM Home

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About CDM

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Executive Board (EB)

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Panels / Working Groups / Teams

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Programme of Activities

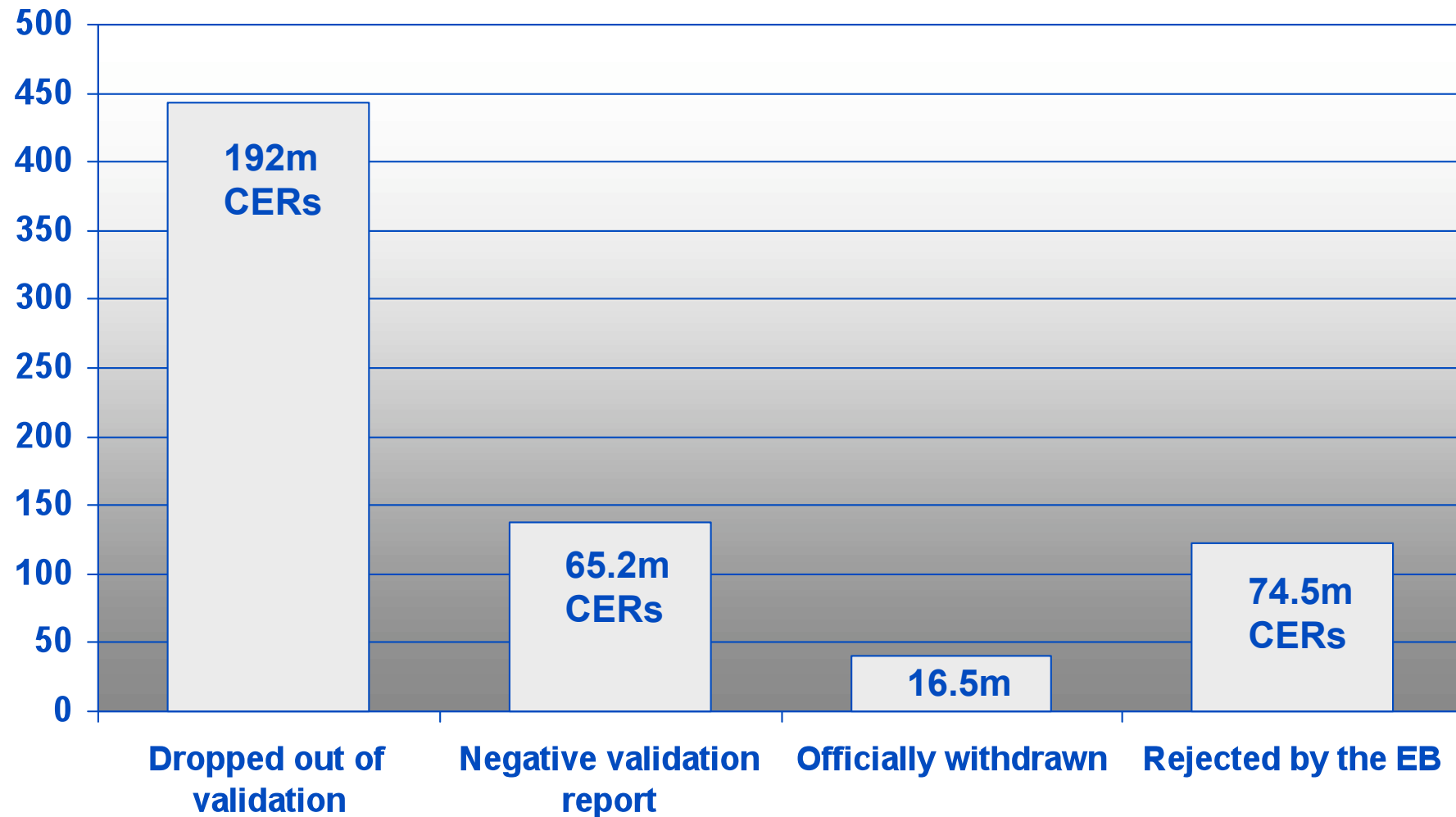
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**Project Activities**

- Guide to do a CDM project activity
- Project Search
- Registered**
- Undergoing completeness check
- Requesting registration

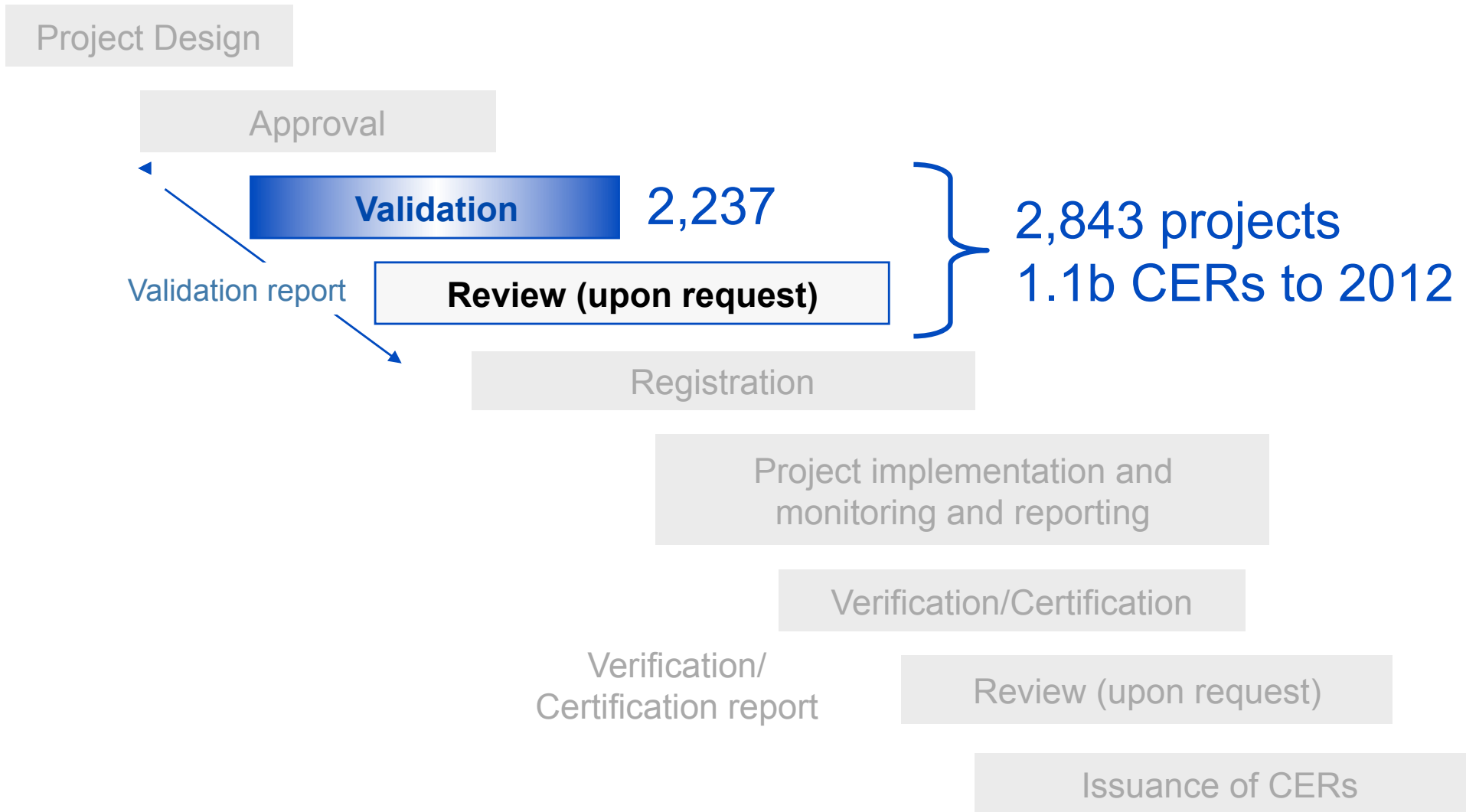
As at 30 September 2009 Source: GTZ Climate Protection Programme, CDM Highlights 76 October 2009, [www.gtz.de/climate](http://www.gtz.de/climate)

# 743 Validation failures » 358 million CERs



As at 30 September 2009 Source: GTZ Climate Protection Programme, CDM Highlights 76 October 2009, [www.gtz.de/climate](http://www.gtz.de/climate)

# Where we are heading right now



As at 30 September 2009 Source: GTZ Climate Protection Programme, CDM Highlights 76 October 2009, [www.gtz.de/climate](http://www.gtz.de/climate)

# A successful CDM project needs

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- A successful Project Design Document (PDD)
- A successful monitoring plan
- Successful implementation



# Successful PDDs are simple and persuasive

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- Keep it simple
  - comply with requirements and don't make undeliverable promises
- Project participant is actively involved and well aware of writing of PDD
  - is well aware of its reach and responsibilities
  - realises that a registered PDD becomes the commitment against which they'll be measured
  - understands the PDD is nothing but a persuasive essay
- Utilises latest available public information for benchmarking and analysis
- All supporting information is presented in an accessible format and is easy to understand
- All “assumptions” are referenced, quoted and justified



# Successful monitoring plans are visionary

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- Monitoring Plan is feasible
- Equipment specifications are correct
  - Specify the requirements for monitoring equipment (e.g. accuracy) without necessarily already specify the type of equipment to have some flexibility in implementation
- Committed calibration conforms to meth requirements and will be implemented
- Benchmarked against other monitoring reports which have worked well
- All variables and parameters committed can be controlled and monitored



# Successful implementations are meticulous

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- Implementation follows exactly what is described in PDD and Monitoring Plan
  - equipment specifications and installations are correct
  - early awareness of need for deviation or revision
  - adequate calibration certificates on time
    - frequency, uncertainty, independent third party
- Project owner understand the importance of each parameter and regularly follow-up on monitoring results
  - keep all logs and data easily available at site visit
- All calculations are presented in an accessible format and are easy to understand
- “Practical solutions” are not accepted
- Make use of pre-validation & initial verification services
- Changes are managed



# Managing risk

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- A number of obstacles contribute to risk for potential carbon offset projects
- Poor documentation or misinterpretation of requirements may prevent the successful validation and registration of a project
- Incomplete monitoring or changes in the operation of a project could jeopardise the issuance of carbon credits
- To avoid the pitfalls, make sure you get experienced, competent assistance and involve an experienced validator early in the process



# Safeguarding life, property and the environment

[www.dnv.com](http://www.dnv.com)



MANAGING RISK

DNV



## **Clean Development Mechanism Workshop**

### **Noel Peters**

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**MANAGING RISK**

