CDM Transition:
Choose your own adventure

Informal Forum on Implementation of Article 6
of the Paris Agreement under the UNFCCC process

June 16, 2019, Bonn, Germany

This presentation focuses on the following:

- Katowice and SBSTA texts (Four categories under consideration: Activities, ER's, methodologies, accreditation standards)

  - Focus on first three

- Identifies where the texts present open questions **and** seeming lack of clarity

- Walks through hierarchy of explicit and implicit options and assumptions. Whoa.

Level 1 Questions

- **Transition or no transition?**

  - Every category and paragraph is bracketed

  - "No transition" makes for a boring session

- **CDM and/or JI elements?**

  - Session focuses on CDM

Level 2 questions: Transition of **activities**

- All options propose **registered** CDM activities "**may be registered**" as A6.4 activities…

  - **Option 1**: Period.

  - **Option 2**: With relevant host Party approval

  - **Option 3**: Via expedited registration process

Level 2 questions: Transition of <u>activities</u>

- **Q1: Which activities**?

  - *All* registered CDM activities can be re-registered under 6.4. Also answer Q2 and Q3 below.

  - <u>*Some*</u>: Only CDM activities registered after X year, in X period, in X locales could register? Functional criteria?

- **Q2: How long is "transitional registration" phase? Any <u>cutoff</u>?**

- **Q3: Does *<u>validation</u>* precede transitional registration?**

  - If *yes*: Option 2 may be redundant. Also answer Level 4 Q's.

  - If *no*: See also Slide 6 =>

Level 2 questions: Transition of <u>activities</u>

- **Q4: In case of expedited or "automatic" transition, what *is* required at registration?**

  - From *Host Party*:

    - (Re-)**<u>Approval</u>**?

    - Authorization *for use toward NDCs*?

  - From ***<u>DOE</u>***: Something like assessment of **<u>renewal</u>**? (If yes, see also Level 4 questions)

  - ***<u>General</u>***: Re-application of SoP for administrative costs?

- **Q5: What is expected with respect to (re-)validation?**

  - At end of current crediting period? (See also Level 4 questions).

Level 3 questions: Transition of __ER's__

- **Q1**: **Transition of _all_ CERs not canceled or retired?**

  - _All_: How automatic, i.e. which entity initiates?

  - _Some_: See also potential limits to source activities in Slide 5 (_Q1: Some_) and text options (_Q5: Slide 8_).

- **Q2: CER's that _are issued_ or _were_ issued?**

- **Q3: Is allowed use specified?** (For NDCs? Non-NDC uses?)

- **Q4: Are CERs re-issued in 6.4 registry?**

  - If _yes_: Is SoP for adaptation re-applied at re-issuance? Under new rules? What about traditional registry fees?

Level 3 questions: Transition of **ER's**

- **Q5: Time limits for <u>CERs eligible to transition?</u>**

  - e.g., If "*prior to* 20[20][21]", is there also a **<u>start date</u>**? If "*after* 20[20][21]", a **<u>cutoff</u>**?

    - ER's achieved between X year and X year? Or

    - ER's from activities registered [after][before] X year?

- **Q6: Time limits for <u>re-issuance</u>?** (e.g., Can be re-issued through X year; Afterward, only new issuances)

- **Q7: Time limits for <u>allowed use</u>?** (e.g., for first NDC)

Level 4 questions: Transition of <u>**Methodologies**</u>

- **Q1: Transition of *all* or *some* methodologies**?

  - *All*: Skip to Q2

  - *Some*: Methodologies associated with Project ID's? Or with CDM activities that re-register?

- **Q2: When to update transitioned methodologies**?

  - <u>No revision</u>

  - Before any application to *new* 6.4 activities

  - Before any application to *transitioned* + *new* 6.4 activities

  - Prior to the first assessment of renewal after transition