

Call for public input	A6.4-MEP003-A01: Draft Standard: Setting the baseline in mechanism methodologies (v. 01.0)
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#### Legend for Columns

- 1 = Section Number in the document
- 2= Paragraph number
- 3 = Comment – the actual feedback or observation, including justification for what needs changing
- 4 = Proposed change – suggest the text if possible

A6.4-MEP003-A01 (v.01.0)			
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Section no.	Para. no.	Comment	Proposed change (Include proposed text)
5.1	14	Using a combined approach that both demonstrates additionality and determines the baseline scenario may allow activity participants to forgo a separate additionality test. However, past experiences have shown that such combined approaches are insufficient to robustly address additionality challenges. Therefore, a separate approach is recommended, especially given the higher level of stringency required under Article 6.4 of the Paris Agreement. We propose revising the entire paragraph to state that separate approaches are mandatory.	"Mechanism methodologies <u>shall use</u> separate approaches to demonstrate additionality and determine the baseline scenario."
5.1	19	The approach to encourage ambition over time as a larger step-change at the renewal of the crediting period, may be problematic for activities with very long crediting periods such as activities involving removals with a 15-year period. We propose eliminating this approach.	"Mechanism methodologies shall encourage ambition over time through decreasing the crediting baseline for emission reductions activities or increasing the crediting baseline for activities involving removals. This shall be operationalised <u>as</u> an annual decrease of the crediting baseline."
5.2	21 (c)	The standardized baseline option includes additionality demonstration leading to the combined approach similar to section 5, para 14. As mentioned, this approach is not robust. We suggest deleting the reference to additionality demonstration.	"[...] This may include standardization in relation to baseline setting <u>or</u> baseline quantification. Standardization could also relate only to a specific parameter [...]"
6.1	32	Capacity of households to obtain financing as an approach to define an "economically viable course of action" is unclear. This needs to be done through an investment test using parameters that are reflecting the financing costs for households.	"[...] The definition may be based on the commonly experienced costs associated with the technology or practice and <u>shall be based on an investment test applying financial parameters that reflect access to finance by households in a manner that does not overestimate financial barriers.</u> "
6.1	35 (c)	Project or activity developers should not be allowed to identify the BAT as this is likely to lead to BATs that overestimate baseline emissions. Therefore, the SBM should be the only institution defining the BAT in the mechanism methodologies. We propose to delete option 3.	Deletion of text
6.3	-	Downward adjustment should be applied to all three baseline setting approaches to align methodologies with the long-term temperature goal of the Paris Agreement.	"Downward adjusted baseline emissions approaches"
6.3.1	45-48	The content of this paragraph should be aligned with the "Draft standard: Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies".	"The baseline scenario may be identified <u>based on the approaches in paragraph 36 (i), 36 (ii) and 36 (iii) of the RMP</u> , adjusted downwards".

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7	57 (a)	The definition of BAU needs to take into account the effect of policies	"Continuation of the historical situation, taking into account policies introduced during the crediting period"
7	57 (b)	The definition of BAU needs to take into account the effect of policies	"Continuation of the historical situation, taking into account policies introduced during the crediting period"
7	57 (d)	This option (d) essentially leads to a free choice of how to define BAU. This risks to lead to a complicated methodology-by-methodology assessment whether an approach is consistent with the principles or not. We suggest deleting this option.	Deletion of text
8	61	The section and the paragraph need to have a cross link with para. 19 about downward adjustment as it is the method to demonstrate alignment with NDCs, LEDS and the long-term temperature goal of the Paris Agreement.	"To ensure alignment with RMP para. 33 with respect to aligning to the long-term temperature goal of the Paris Agreement, and with the host Party NDC, if applicable, and its LT-LEDS, if it has submitted one, mechanism methodologies shall include the definition of, or require the selection and quantification of, a baseline level adjusted for such alignment ( <u>see paragraph 19</u> )."
8	62	Create a second paragraph from the second sentence of para. 62, and revise it to more clearly emphasise that the baseline must align with the long-term temperature goal.	<b>New para 63:</b> The baseline shall be consistent with an emissions pathway that is in line with the long-term temperature goal of the Paris Agreement, i.e. the baseline shall reach zero at the time at which a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases is to be achieved. This time can be differentiated by technology/sector or country/region, considering socio-economic conditions and accommodating different circumstances of the host Parties.