Call for public input A6.4-MEP002-A01: Draft Standard: Demonstration of additionality in mechanism methodologies (v. 01.0)

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Date: 31-July-2024

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

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Section no.	Para. no.	Comment	Proposed change (Include proposed text)
3.2	13	 "The degree of conservativeness shall be based on the level of uncertainty (e.g., in a sensitivity analysis for financial viability the selection of the parameters to vary and the magnitude of variation shall be informed by uncertainty)." – (a) How the 'degree of conservativeness' should be calibrated based on the level of uncertainty? (b) What methods or approaches are recommended for quantifying the 'level of uncertainty' mentioned in the requirement? (c) In the context of a sensitivity analysis for financial viability, what criteria should be used to select which parameters to vary? (d) When considering multiple sources of uncertainty (data, parameters, assumptions, methods), how should these be weighted or prioritized in determining the overall level of uncertainty? (e) How should situations be handled where different sources of uncertainty point towards conflicting levels of conservativeness? 	 (a) Details on how the 'degree of conservativeness' should be calibrated based on the level of uncertainty. (b) Recommended methods or approaches for quantifying the 'level of uncertainty' mentioned in the requirement. Mention Specific metrics or statistical measures that shall be used. (c) In the context of a sensitivity analysis for financial viability, Criteria which shall be used to select a particular parameter to vary. How the magnitude of variation shall be determined based on uncertainty. (d) For multiple sources of uncertainty (data, parameters, assumptions, methods), how these shall be weighted or prioritized in determining the overall level of uncertainty. (e) How situations shall be handled where different sources of uncertainty point towards conflicting levels of conservativeness. (f) Please provide examples of best practices or case studies that illustrate how to effectively incorporate uncertainty into conservativeness assessments?

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4.1	16 (c)	"Mechanism methodologies shall include provisions to demonstrate that the relevant technology or practice is not common practice (e.g., it has a low market penetration)." If it so then we should consider the minimum penetration rate which is 20% as the limit.	Shall be revised as "Mechanism methodologies shall (e.g., it has a less than 20% market penetration)."
4.2	20 (a) Box 1	"The proponent may further demonstrate that carbon credits can fully cover the costs for installing secondary catalysts and thus be decisive for the implementation of secondary catalysts." In practicality considering the market scenario it highly unlikely that carbon credits can fully cover the costs for installing secondary catalysts.	The sentence can be rewritten as "The proponent may further demonstrate that carbon credits can cover a significant portion of the costs for installing secondary catalysts, thereby materially improving the project's financial viability and playing a decisive role in the implementation decision."
5.4	45	How has the common practice been demonstrated? Are we using the same tool from CDM (Tool-24)? If so, is it possible to extend the limit beyond 3?	If the common practice has been demonstrated using Tool- 24 of the CDM, we request an increase in the limit from 3. For better understanding, if more than 5% of the project participants (PPs) in the region are not claiming any benefits from carbon financing, then the project should be considered common practice in the region not based on the number.
5.3.3	41	Should we use the existing CDM tool 27 standard for the country benchmark, or are new values expected to be added in the near future?	NA
5.5.2	50. (c)	"Demonstrate that there are no other programs or incentives, such as subsidies, that would on their own incentivize the mitigation activity" – there are cases where the incentive available may not be sufficient enough to overcome the barrier and income Carbon Credit becomes a decisive factor.	The same para can be rewritten as "Demonstrate that while other programs or incentives, such as subsidies, may exist, they are insufficient on their own to fully incentivize the mitigation activity. The proponent should show that the addition of carbon credit revenues becomes a decisive factor in overcoming remaining financial or other barriers, thereby enabling the implementation of the mitigation activity."

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5.5.2	50 (d)	"Demonstrate that the incentives from the mechanism are the decisive element in overcoming the identified barriers (e.g. that the income from carbon credits can overcome the barriers)" – How it can be established?	Please provide some examples.
5.6.1	(a)	"The type of mitigation activity involves the production of a highly homogeneous product or the provision of a highly standardized service (e.g. electricity);" - what constitutes "highly homogeneous" or "highly standardized" and their justification.	Can be rewritten as "The type of mitigation activity involves the production of a quantifiably homogeneous product or the provision of a measurably standardized service (e.g., electricity). The degree of homogeneity or standardization should be clearly defined and justified in the Mechanism methodologies for the specific mitigation activity type."
5.6.1	(b)	"The performance of the type of mitigation activity can be defined through a suitable indicator;" – there shall be multiple indicators and each requires justification for their selection.	Can be rewritten as "The performance of the type of mitigation activity can be defined through one or more suitable, quantifiable indicators. The selection of these indicators should be justified based on their relevance to emissions reduction and their ability to be consistently measured. Same shall be mentioned in the Mechanism methodologies."
5.6.1	(c)	"Mitigation activities with a better performance in respect to the indicator have a higher likelihood of additionality and the indicator is a good proxy for the likelihood of additionality for the type of mitigation activity;" - Requires demonstration of the link between performance and additionality, and justification of indicators as proxies.	Can be rewritten as "Mitigation activities with a better performance in respect to the indicator(s) have a demonstrably higher likelihood of additionality. The correlation between the indicator(s) and additionality should be clearly established and quantified where possible. The Mechanism methodologies should explain why the chosen indicator(s) serve as good proxies for additionality in the context of the specific mitigation activity type."

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5.6.1	(d)	"Data is available or can be collected on the performance of mitigation activities with respect to the indicator, and the data is:" – there is need for robust and representative data and requires a defined data collection methodology.	Can be rewritten as "Robust and representative data is available or can be collected on the performance of mitigation activities with respect to the indicator(s). The data collection methodology, including sampling methods if applicable, should be clearly defined in the Mechanism methodologies. The data must meet the following criteria:"
5.6.1	(d) (i)	"Sufficiently recent, especially in dynamic technological environments;" - definition of "sufficiently recent"?	Can rewritten as "Sufficiently recent (data should typicall be no more than [X] years old), especially in dynamic technological environments;"
5.6.1	(d) (ii)	"Sufficiently disaggregated, taking into differences in relevant technologies, geographical or climate conditions, and the political, economic and social environment;" - level of disaggregation?	Can be rewritten as "Sufficiently disaggregated to accoun for significant variations in relevant technologies, geographical or climate conditions, and the political, economic and social environment. The level of disaggregation should be justified in the Mechanism methodologies, based on how these factors impact the performance and additionality of the mitigation activity."
5.6.1	(d) (iii)	"Sufficiently reliable and accurate;" - Requires quantification of reliability and accuracy.	Can be rewritten as "Demonstrably reliable and accurate, with quantified uncertainty levels where possible. The Mechanism methodologies should specify acceptable margins of error and how these are determined."
		How to address (i) The issue related to switching over to a new supplier	
General	General	or consumer of product/services during the crediting period and	NA
		(ii) Its impact on the baseline determination and additionality demonstration.	

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General	General	 Can we demonstrate additionality by considering the supply of electricity at no cost during the period of non-usage? For example, we have a project that generates renewable energy. During periods of non-usage or lower demand, we supply electricity to the grid via wheeling at no cost. Can this loss be included in the financial analysis? A justification can be provided ex-post, detailing the amount of electricity supplied to the grid. 	NA
General	General	Sector-specific expertise should be considered when deciding the input parameters for calculating the Internal Rate of Return (IRR). For example, parameters such as O&M costs, insurance costs, and land costs should 	NA
General	General	Publicly available data points should also be considered rather than solely relying on the Detailed Project Report (DPR). A conservative approach should be taken, with the DPR serving as an option.	NA
General	General	Is there any provision for a positive list in the A6.4 mechanism? If so, what technologies are considered under the A6.4 positive list?	NA