Call for input 2023 - structured public consultation: Removal activities under the Article 6.4 mechanism.

General comment: Generalizing approaches and methods for all projects is a significant challenge, primarily due to geographic and legal differences. As the framework progresses, the methodology per technology must be implemented modularly.

A. Definitions:

Another note: Carbon removal technologies are technologies at whose measuring point permanent storage applies, and the risk of re-release can be minimized up to a specific value.

The installation or application of products is an essential point in determining the lifespan of the products.

B: Monitoring and Reporting:

To all points:

Annual monitoring and reporting should occur if a long-term project produces carbon removal.

In the case of one-off projects, one-time monitoring upon input and/or at certain time intervals depends on the ecosystem and environment of the project.

C. Accounting for Removals:

C1

Accounting depends on the project as well as the baseline. However, it is essential that the baseline has the same measuring point as the project activity and that it is the same carbon pool that ultimately leads to negative emissions through the project.

C2

Projects with emission reduction potential would need to be incorporated into the activity-specific carbon removal methodologies. Since there is also the option of the emissions from the project activity being counted towards the emissions reduction portion, resulting in a net higher carbon removal amount. (idea)

D. Crediting period:

D1

Considering the timber construction as a unique project that is implemented. The crediting should happen at once after construction and the protocol of acceptance of construction. Incremental crediting is not practical and has no economic benefit for the project, primarily if a

small number of credits are issued year to year. It must be considered that, over time, the owners can change.

D2

For each new project, the most current methodology must be used.

E. Addressing Reversals:

E1

The approaches under E1.a must be chosen depending on the project type. There is no single solution due to the different time frames, economics and carbon removals of the projects.

It depends on the speed at which the projects will be implemented. For this reason, none of the approaches can be definitively ruled out. For quick implementation, 1. a (activity-specific) is the right approach, especially insurance models must first be developed based on empirical values. The insurance approach also depends strongly on the carbon price and the profitability of the projects.

Another approach/measure can apply to projects that show emission reductions and carbon removals, e.g., timber construction. The emission reductions can be used as "insurance," which is not monetized/credited.

As it is a matter of time, starting with 1. a and developing more experience for applying the following approaches would be reasonable.

E2

The time frame depends heavily on the carbon removal projects. DACCS, Biochar, etc., has an annual CO2 storage production, which is different for nature-based carbon removal projects. Likewise, timber construction is a one-time project completed after 1 to 5 years. The project creates a one-time storage and should be handled with a non-permanence risk buffer or emission reduction offset.

Furthermore, the regions, locations, and legal conditions have to be considered in the permanence analysis.

E3

The risks depend on the technology.

Under the timber construction can occur the following risks:

- non-completion of the project (minimization by protocol acceptance after the building completion. The process is mandatory to determine the amounts and element of the materials which are constructed in the building):
- Demolition of the building within the first 100 years without reuse of the materials (incineration - hopefully already with CCS on all MWIP plants) (minimization: analysis of design plans as well as the ability to access building element data into a material cloud).

- Environmental disasters (site analysis, etc.).

E4

Again, depending on the technology:

- Mechanism (pooled) if technologies produce carbon removals over a predefined time frame.
- Activity level, if technologies are implemented once in projects and the defined minimum duration for the production of carbon removals is reached.

In the project application, determine the value of the project. The responsibility lies with Activity Proponents with the participation of Actuaries.