



Annex 4

DRAFT PROCEDURES FOR THE CONSIDERATION OF VALIDATION REPORTS OF EMISSION FACTORS FOR ELECTRICITY SYSTEMS

I. Background

1. The “*Tool to calculate the emission factor for an electricity system*” (hereinafter referred to as Tool) provides detailed requirements for the calculation of grid emission factors to be used by clean development mechanism (CDM) project activities which displace electricity from the grid or use electricity from a grid. The Validation and Verification Manual (VVM) also provides specific requirements on how designated operational entities (DOEs) should validate all data used in the calculation of emission reductions. In order to ease the implementation of CDM projects many designated national authorities (DNAs) have chosen to calculate and publish emission factors for national and/or sub-national electricity systems.
2. However, due to the confidential and/or proprietary data used in these calculations it may not be possible for DOEs to assess whether or not such calculation is in compliance with the Tool. The CDM Executive Board (hereinafter referred to as the Board) acknowledged this difficulty at its forty-third meeting and provided DOEs with options to implement the current requirements as referred to in paragraph 64 of the Board’s forty-third meeting report. Further, in paragraph 57 of the Board’s fifty-fourth meeting report, the Board agreed that to facilitate the development of grid emission factors DNAs may request a DOE to validate these factors and requested the secretariat to develop procedures for the consideration of such validation reports by the Board.
3. The purpose of this procedure is to provide the Board with a mechanism to apply due diligence to such validations. This procedure does not prevent individual project participants from calculating an emission factor for the electricity system to which their project activity is connected and having such a calculation validated as part of the usual validation process.

II. Validation of emission factor of an electricity system

4. A DNA may choose to have the emission factor of a regional, national or sub-national electricity validated by a DOE. If a DNA chooses to do so it shall enter into a validation contract with a DOE, which has been accredited for sectoral scope 1, to undertake validation of the compliance of the factor with the applicable version of the Tool. A DNA from a least developed country or a small island developing state may request the Executive Board to [pay for the costs of such validation] [appoint an assessment team of appropriate experts to undertake the validation].
5. In normal circumstances the DOE which validates a proposed project activity may not be involved in the verification of that project activity, unless the project is small-scale. Any DOE which undertakes validation of an emission factor in accordance with these procedures will remain eligible to conduct verification of registered CDM project activities which have utilized the validated factor.
6. In normal circumstances a request for deviation from an approved methodology or tool is only allowed to be submitted in the context of the validation of a specific proposed CDM project activity. As an exception the Board will consider requests for deviation from the Tool from DOEs undertaking such validation in accordance with this procedure.
7. DNAs choosing to have such a validation undertaken are encouraged to ensure that the factor and validation are regularly updated and re-validated.

**DRAFT****III. Assessment of the validation by the Executive Board****[Option 1]**

8. Following completion of the validation, if a positive validation opinion has been issued, the DNA shall publish the emission factor, supporting calculations and the validation report, and notify the UNFCCC secretariat. The secretariat shall publish this information on the UNFCCC CDM website.

9. Any DOE undertaking validation of the emission factor for such an electricity system may refer to this published validation opinion. The validated emission factor will be considered to comply with the requirements of the Tool regarding “the latest available data” provided that the latest vintage of data used in the calculation is no older than [2][3] years at the commencement of validation of the specific project activity.

10. Members of the Board may request a review of any project activity applying such a factor in a request for registration or issuance if he/she considers there to be sufficient grounds to doubt that the calculation of the factor complied with the requirements of the Tool.]

[Option 2]

11. Following completion of the validation, if a positive validation opinion has been issued, the DNA shall publish the emission factor, supporting calculations and the validation report, and submit a request for endorsement of the factor to the Board, via the secretariat.

12. The secretariat shall undertake a completeness check of the documentation within 7 days. When the request is deemed complete the secretariat shall publish this information on the UNFCCC CDM website and notify the members of the Board. Unless three members of the Board request further assessment of the factor within 28 days the factor shall be deemed to have been endorsed by the Board.

13. The emission factor which has been endorsed by the Board may be relied on as a valid emission factor for all DOEs conducting validation and verification of project activities with a connection to that electricity system and will be considered to comply with the requirements of the Tool regarding “the latest available data” provided that the latest vintage of data used in the calculation is no older than [2][3] years at the commencement of validation of the specific project activity.]
