

**Annex 11****PROCEDURES FOR RENEWAL OF THE CREDITING PERIOD  
OF A REGISTERED CDM PROJECT ACTIVITY****(Version 05)****A. Background**

1. In accordance with paragraph 49 (a) of the modalities and procedures for a clean development mechanism, the renewal of the crediting period of a registered CDM project activity shall only be granted if a designated operational entity (DOE) determines and informs the Executive Board that the original project baseline is still valid or has been updated taking account of new data where applicable.<sup>1</sup>

**B. Preparation of a revised PDD**

2. Project participants shall update those sections of the project design document (CDM-PDD) relating to the baseline, estimated emission reductions and the monitoring plan using an approved baseline and monitoring methodology as follows:

- (a) The latest approved version of a baseline and monitoring methodology, applied in the original CDM-PDD of the registered CDM project activity, shall be used whenever applicable;
- (b) If a baseline and monitoring methodology, applied in the original CDM-PDD, was withdrawn after the registration of the CDM project activity and replaced by a consolidated methodology, the latest approved version of the respective consolidated methodology shall be used;
- (c) If the registered CDM project activity does not meet the applicability criteria of the options provided for by a) or b), due to their revision or due to the update of the baseline, the project participants shall either select another applicable approved methodology or request, through the DOE, a deviation from an approved methodology for the purpose of renewal of the crediting period.

3. The demonstration of the validity of the original baseline or its update does not require a reassessment of the baseline scenario, but rather an assessment of the emissions which would have resulted from that scenario.

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<sup>1</sup> The “Tool to assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period”, annexed to this procedure, shall be used for the assessment of continued validity of the original baseline and its update.



### C. Application for renewal of the crediting period<sup>2</sup>

4. Project participants shall notify the secretariat, by email or through a dedicated web interface, of their intention to request a renewal of a crediting period of the registered CDM project activity by submitting an updated CDM-PDD and informing of their selection of a DOE,<sup>3</sup> within nine to six months prior to the date of expiration of the current crediting period.

5. For the purpose of renewal of the crediting period it is not necessary to obtain a new letter of approval from Parties involved.

6. The secretariat will make the best effort to inform project participants in advance of the period for requesting renewal of the crediting period in accordance with the registered modalities of communication. It remains under the responsibility of project participants to ensure that all actions are taken in accordance with these procedures in a timely manner. If the notification of the intention to request a renewal of a crediting period is not received by the secretariat six months prior to the date of expiration of the current crediting period, the project participant shall not be entitled to the issuance of certified emission reductions for the period from the expiration date of the current crediting period until the date on which the crediting period is deemed renewed.<sup>4</sup>

7. The DOE's validation opinion shall assess the validity of the original baseline or its update through an assessment of the following issues:

(a) An impact of new relevant national and/or sectoral policies and circumstances on the baseline taking into account relevant EB guidance with regard to renewal of the crediting period at the time of requesting renewal of crediting period;<sup>5</sup> and

(b) The correctness of the application of an approved baseline methodology for the determination of the continued validity of the baseline or its update, and the estimation of emission reductions for the applicable crediting period.

8. A DOE shall submit a request for renewal of a crediting period of a registered CDM project activity using the form "Renewal of the crediting period of a registered CDM project activity" (F-CDM-REN) along with the updated project design document and validation report.

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<sup>2</sup> No fee is due for the application for the renewal of the crediting period.

<sup>3</sup> Any DOE can be selected by project participants to perform this task, however for large scale projects the DOE that submits the request for renewal of the crediting period shall not perform verification for the renewed crediting period.

<sup>4</sup> For projects for which the crediting period ends before 30 June 2008, the notification shall be submitted before 29 February 2008.

<sup>5</sup> Please refer to CDM Catalogue of Decisions <<http://cdm.unfccc.int/Reference/catalogue/search>>.



#### **D. Processing of an application**

9. Upon receipt of a request for renewal of a crediting period of the registered CDM project activity the secretariat will determine whether all information and documentation requested in the FCDM-REN form has been provided by the DOE.

10. Once the secretariat has determined that the request is complete it shall be made publicly available through the UNFCCC CDM website for a period of four (4) weeks. The secretariat shall announce a request for renewal of a crediting period of the registered CDM project activity on the UNFCCC CDM web site and notify the requesting DOE, the project participants and the Designated National Authorities.

11. Unless there is a request for review within four weeks after the publication of the request for renewal, the crediting period of the registered CDM project activity shall be deemed renewed.

12. The procedures to be applied for review of a request for renewal of a crediting period are those contained in Annex III to Decision 4/CMP.1 and following relevant clarifications

13. The start date of the renewed crediting period is the first day after the ending date of the previous crediting period.



## Annex 1

### **“Tool to assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period”**

This tool provides a stepwise procedure to assess the continued validity of the baseline and to update the baseline at the renewal of a crediting period, as required by paragraph 49 (a) of the modalities and procedures of the clean development mechanism.

The tool consists of two steps. The first step provides an approach to evaluate whether the current baseline is still valid for the next crediting period. The second step provides an approach to update the baseline in case that the current baseline is not valid anymore for the next crediting period.

#### ***Step 1: Assess the validity of the current baseline for the next crediting period***

The “Procedures for the renewal of the crediting period of a registered CDM project activity” approved by the CDM Executive Board require assessing the impact of new relevant national and/or sectoral policies and circumstances on the baseline.

The validity of the current baseline is assessed using the following Sub-steps:

##### ***Step 1.1: Assess compliance of the current baseline with relevant mandatory national and/or sectoral policies***

If the current baseline complies with all relevant mandatory national and/or sectoral policies which have come into effect after the submission of the project activity for validation or the submission of the previous request for renewal of the crediting period and are applicable at the time of requesting renewal of the crediting period, go to Step 1.2.

If the current baseline does not comply with relevant mandatory national and/or sectoral policies, then assess based on the examination of current practice in the country or region in which the policies apply, whether those policies are systematically not enforced and that non-compliance with those requirements is widespread in the country or region.

***If the current baseline is not in compliance with the relevant mandatory national and/or sectoral policies or if it cannot be shown that the policies are systematically not enforced and that non-compliance with those policies is widespread in the country or region, then the current baseline needs to be updated for the subsequent crediting period.***

##### ***Step 1.2: Assess the impact of circumstances***

Assess the impact of circumstances existing at the time of requesting renewal of the crediting period on the current baseline emissions, without reassessing the baseline scenario.

***If the new circumstances make a continued validity of the current baseline not plausible, then the current baseline needs to be updated for the subsequent crediting period.***



***Step 1.3: Assess whether the continuation of the use of current baseline equipment(s) is technically possible***

This Sub-step should only be applied if the baseline is the continuation of the current practice.<sup>6</sup>

Assess whether the remaining technical lifetime of the equipment that would have continued to be used in the absence of the project activity, as determined in the CDM-PDD or CDM-PDD-REN, exceeds the crediting period for which renewal is requested.

***If the remaining technical lifetime of the equipment is less than the end of the crediting period for which renewal is requested, then the current baseline needs to be updated for this crediting period.***

***Step 1.4: Assessment of the validity of the data and parameters***

Assess whether data and parameters that were only determined at the start of the crediting period and not monitored during the crediting period are still valid or whether they should be updated. Updates should be undertaken in the following cases:

- Where IPCC default values are used, the values should be updated if any new default values have been adopted and published by the IPCC, for example, in guidelines for national GHG inventories, IPCC assessment report or special reports by the IPCC;
- Where emission factors, values or emission benchmarks are used and determined only once for the crediting period, they should be updated, except if the emission factors, values or emission benchmarks are based on the historical situation at the site of the project activity prior to the implementation of the project and can not be updated because the historical situation does not exist anymore as a result of the CDM project activity.

***If any of the data and parameters that were only determined at the start of the crediting period and not monitored during the crediting period are not valid anymore, the current baseline needs to be updated for the subsequent crediting period.***

***If the application of Steps 1.1, 1.2, 1.3 and 1.4 confirmed that the current baseline as well as data and parameters are still valid for the subsequent crediting period, then this baseline, data and parameters can be used for the renewed crediting period. Otherwise, proceed to Step 2.***

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<sup>6</sup> This applies, for example, to project activities that i) reduce the release of waste gases (e.g. HFC-23, N<sub>2</sub>O, CH<sub>4</sub>) which would have continued to be released in the absence of the project activity; ii) retrofit a plant which would have continued to operate in the same manner in the absence of the project activity; iii) construct a new plant where, in the absence of the project activity, the project participants would not have constructed the plant but where the product (e.g. electricity, cement, aluminium, etc) would have been generated in other existing plants and/or in new plants constructed by third parties elsewhere.

***Step 2: Update the current baseline and the data and parameters***

This step is only applicable if any of the Steps 1.1, 1.2, 1.3 and/or 1.4 showed that the current baseline needs to be updated.

***Step 2.1: Update the current baseline***

Update the current baseline emissions for the subsequent crediting period, without reassessing the baseline scenario, based on the latest approved version of the methodology applicable to the project activity. The procedure should be applied in the context of the sectoral policies and circumstances that are applicable at the time of request for renewal of the crediting period.

***Step 2.2: Update the data and parameters***

If the application of Step 1.4 showed that the data and/or parameter(s) that were only determined at the start of the crediting period and not monitored during the crediting period are not valid anymore, project participants should update all applicable data and parameters, following the guidance in Step 1.4.

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**History of the document**

| <b>Version</b> | <b>Date</b>                         | <b>Nature of revision(s)</b>  |
|----------------|-------------------------------------|---|
| 05             | EB 46, Annex 11<br>25 March 2009    | Revision to add Annex 1 - "Tool to assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period". |
| 04             | EB 43, Annex 13<br>24 October 2008  | Revision to clarify the requirements for demonstration and assessment of the validity of the original baseline or its update.                             |
| 03             | EB 36, Annex 43<br>30 November 2007 | Revision to provide further clarifications on the application of the Procedures.  |
| 02             | EB 33, Annex 60<br>27 July 2007     | Revision to provide further clarifications on the application of the Procedures.  |
| 01             | EB 28, Annex 40<br>15 December 2006 | Initial adoption.   |