Draft Operations Manual Outline

1. Introduction

1.1 Objectives

This manual defines the operational procedures for ongoing cooperation between registries, the International Transaction Log (ITL) and Supplementary Transaction Logs (STLs) under the Kyoto Protocol. It defines mechanisms and procedures for the coordination of activities during the implementation phase of emissions trading.

1.2 Guiding Principles

The following principles have guided the development of these operational procedures and should be referenced as they are implemented.

- Minimize interruptions in registry operation;

- Ensure accuracy and quality of data;

- Promote fairness and transparency of registry, STL and ITL operation

- Ensure proper operation of registries

- Ensure responsibilities and burdens proportionate to the benefits and level of activity associated with each registry;

- All operating activities of the Parties and UNFCCC in support of GHG trading will be documented and presented to the SB or COP, on an periodic basis; and

- Ensure efficient and timely processing of transactions.

1.3 Reference Materials

- Data Exchange Standards for Registry Systems under the Kyoto Protocol (DES)

- ITL Technical Specification

- COP Decisions

- Rules for Regional Trading Schemes (relative to STLs)

1.4 Summary of Roles and Responsibilities

This outline assumes that the broad responsibilities and authorities for managing and overseeing the proper operation of registries and the ITL have been defined within an agreement on the cooperation among registry administrators. This would involve a structure involving a main committee and workgroups for specific areas. The following sections define the general responsibilities which are the basis each procedural area addressed below.

1.4.1 Registry Administrators

Registry Administrators designated by a party would have the following responsibilities:

- Coordination with ITL administrator;
- Coordination with other registry administrators;
- Technical responsibilities (in accordance with the Registry's System Operations Manual); and
- Security (in accordance with the Registry's Security Plan).

1.4.2 ITL Administrator

The ITL Administrator and the ITL host selected by the ITL administrator would have the following responsibilities:

- Communications for most workgroup activities relative to all interested parties;
- Coordination with registry administrators;
- Coordination with STLs;
- Coordination with Compliance Committee under the Kyoto Protocol;
- Coordination with CDM Executive Board and Article 6 Supervisory Committee;
- Technical responsibilities (in accordance with the ITL System Operations Manual); and
- Security (in accordance with the ITL's Security Plan).

The ITL could serve as the central repository for decisions, activity tracking and documents, including, but not limited to, change management, public information, and test protocols. The ITL administrator would administer these aspects of the ITL responsibilities.

2. Reconciliation Procedures

This chapter will define the organization and procedures for completing reconciliation between registries and the ITL. Reconciliation ensures that the records at the ITL are consistent with each registry, by comparing key data sets on a regular basis.

2.1 Roles and Responsibilities

- The Reconciliation Workgroup could have responsibility for :

  -- Development of detailed procedures, as described below;
  -- Oversight of process, to ensure that reconciliation is occurring on the required frequency and that inconsistencies are resolved as quickly as possible;
  -- General scheduling; and
  -- Reporting to the wider group of administrators.

- The ITL Administrator could have responsibility for:

  -- Day-to-day scheduling;
  -- Initiate Reconciliation actions;
  -- Coordination with Registry administrators and STL administrators;

100		-- Manual intervention;
101		-- Documentation/report to the Reconciliation workgroup;
102		-- Technical assessment/analyses; and
103		-- Change management proposals identified as a result of reconciliation problems.
104		
105		• The Registry Administrator could have responsibility for:
106		
107		-- Coordination with ITL administrator;
108		-- Manual intervention;
109		-- Technical assessment/analyses; and
110		-- Change management proposals identified as a result of reconciliation problems.
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112	**2.2**	**Procedures**

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114 The following detailed procedures will be developed by the Reconciliation Workgroup. As
115 an outcome of the technical assessment and analysis conducted by the group, these procedures
116 would be reviewed and revised to ensure data quality and accuracy and to make the process as
117 efficient and cost effective as possible.

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119 • Minimum frequencies. A minimum frequency for all registries should be agreed to,
120 for example, daily or weekly. Frequencies for conducting specific phases of the
121 reconciliation process may also be established.

122

123 • Criteria for determining initial frequency for all registries. At the outset it is expected
124 that every registry would reconcile with the ITL on a weekly basis.

125

126 • Criteria for determining standard frequency for each registry: For example, a matrix
127 could be used to assign values to the following items. Scores in defined ranges
128 would be associated with frequency levels ranging from weekly to bi-annual.

129

130 -- # of transactions;
131 -- # of transactions discrepancies;
132 -- # of units in transactions;
133 -- # of past reconciliations resulting in inconsistencies and intervention; and
134 -- Prior reconciliation resulting in inconsistency and intervention.

135

136 • Analysis of reconciliation results. The Reconciliation Workgroup should define
137 methods and periodically assess the results on the reconciliation process to determine
138 if modifications to the frequency or scope of reconciliation are necessary. The
139 workgroup will also assess the causes of inconsistencies and, if appropriate, make
140 recommendations to the Change Management workgroup to modify the DES to
141 prevent inconsistencies.

142

143 • Procedures for requesting reconciliation. For example, a registry may be aware of
144 potential data risks relating to a unscheduled shutdown or significant upgrade to the
145 software that could be assessed through the reconciliation process.

146

147 • Criteria for triggering unscheduled reconciliation: For example, reconciliation
148 inconsistency at one registry involving an external transfer of units to another
149 registry.

150
151 • Procedures and required documentation for manual intervention. Although the DES
152 requires records of manual intervention, it is expected that the Reconciliation
153 workgroup could find it beneficial to standardize the content or format of manual
154 intervention reports.
155
156 • Procedures for further action if a registry is repeatedly unable to complete a
157 successful reconciliation or fails to participate in the manual intervention process.
158

3. Change Management Procedures

3.1 DES Requirements

The DES defines the overall objectives of the change management process and requires the
establishment of a change management process between registries and the ITL. These
procedures are defined in this section.

3.2 Process for Requesting Changes

• Any Registry, ITL or STL Administrator may submit a Change Proposal to the ITL
   Administrator. This individual or party is the Proposer.

• The ITL Administrator could record the receipt of the request, assign a number,
   identify sponsor(s) and initiate tracking. (ITL administrator or workgroup staff). The
   ITL Administrator notifies the chairperson of the Change Management Workgroup
   and others. The ITL Administrator would develop a plan and schedule for
   consideration of the request and forward this plan as a recommendation to the
   workgroup chairperson.

• Considering the recommendations of the ITL Administrator, the Workgroup could
   assign persons and determine a schedule for impact assessment   Where appropriate,
   the proposer could be assigned to the assessment team or could be invited to
   participate in the process at the workgroup revie w stage. The workgroup chairperson
   would also determine the "level" of review commensurate with the scope and impact
   of the proposed change.

• The ITL Administrator could assist the chairperson in implementing the plan, by
   distributing information, etc.

• The ITL Administrator could inform the proposer of the plan and schedule for
   consideration.

• In an emergency the proposer could request expedited action to address a critical
   problem, and the workgroup chairperson has the discretion to modify the process
   described below to act on this basis.

3.3 Content of Change Proposal

The change proposal would be sent to the ITL Administrator as follows:

200	• Be in a written or electronic format.
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202	• Must explicitly identify the request as a Change Proposal.
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204	• Contain the following minimum elements:
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206	• Statement of need;
207	• Justification of the need;
208	• High level functional description; and
209	• Recommended priority or timeframe
210	

3.4   Impact Analysis for Proposed Changes

Assigned workgroup members could be responsible for assessing the content of the proposal, including:

- Justification;
- Impact/scope;
- Feasibility; and
- Constraints.

If appropriate or necessary, the assessment workgroup could consult other technical experts, request additional information from the proposer or other parties, or propose alternative solutions to the identified problem.

A brief assessment report, including a recommendation, could be sent to the workgroup.

3.5   Approval of Change Management

The workgroup could consider the assessment report and recommendation and determine whether the proposed change will be approved or disapproved.

As part of an approval, the workgroup could determine:

- Conditions of approval;
- General implementation timeframe and strategy;
- Method and timing for communication;
- Document revision process; and
- Additional next steps.

As part of a disapproval, the workgroup could:

- Inform the proposer and other registries; and
- Share the assessment report, recommendations and reasons for disapproval.

3.6   Development of Implementation Plan

If approved, the workgroup could assign persons to develop an implementation plan for the change. For significant changes involving all administrators, the implementation schedule

249 and approach should be circulated in draft to all affected parties and finalized only after
250 consensus has been reached. This plan would include:
251
252 - Schedule;
253 - Technical Specification;
254 - Testing Requirements;
255 - Communication plan;
256 - Version determination/assignment; and
257 - Other dependencies.
258
259 **3.7   Implementation**
260
261 It would be the responsibility of the Registry, ITL and STL Administrators to adhere to the
262 schedule and conform to the technical specifications for the change. As appropriate, each
263 registry could test and deploy according to the implementation plan requirements. The ITL
264 Administrator could also test and deploy the ITL changes, support all registry testing and
265 provide other types of support or information. A key objective should be to minimize
266 downtime and reduce the risks associated with the upgrade process.
267
268 **3.8   Monitoring and Reporting**
269
270 The Workgroup chairperson, in consultation with the ITL Administrator, could be responsible
271 for monitoring the completion of each change management request and its resolution. This
272 could include providing information to the public and reporting to the Board on a periodic
273 basis.
274
275 **4.   Ongoing Testing Procedures**
276
277 This chapter would define the organization supporting and procedures for assessing the
278 capability of a registry to participate in emissions trading and communicating with the ITL on
279 an ongoing basis. This assessment and testing could occur following the initialization of a
280 registry to communicate with the ITL and any further testing required as part of a Change
281 Management process.
282
283 **4.1   Roles and Responsibilities**
284
285 - The Testing and Assessment Workgroup could have responsibility for:
286
287 -- Developing methods for ongoing testing and assessment, including methods,
288 frequency and criteria for selection;
289
290 -- Reviewing testing and assessment report and recommendations from ITL
291 administrator; and
292
293 -- Selecting appropriate level and priorities for testing registries.
294
295 - Registry Administrators could have responsibility for:
296
297 -- Assigning staff to respond to and participate in any testing or assessment
298 activities;

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300   -- Coordination and scheduling of activities related to ongoing testing or
301   assessment;
302
303   -- Providing information and participating in any required supplementary tests
304   requested by the Workgroup or the ITL Administrator;
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306   -- Documenting all test results; and
307
308   -- Identifying significant upgrades or software changes at the registry.
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310   • The ITL Administrator could have responsibility for:
311
312   -- Assigning staff to work with each registry for ongoing testing and assessment of
313   registry capability;
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315   -- Participating in testing sequences defined for the ongoing testing of a registry;
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317   -- Reviewing all documents or other data provided by the registry as part of the test
318   and assessment process;
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320   -- Documenting all test and assessment results;
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322   -- Tracking all testing and the status of all registries with respect to completion of
323   the test and assessment process;
324
325   -- Reviewing all required documents;
326
327   -- Recommending follow-up steps to Workgroup;
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329   -- Documenting and reporting assessment results and status to the workgroup; and
330
331   -- Publishing results, upon approval by the workgroup.
332
333 **4.2 Procedures**
334
335 Detailed procedures could be developed by the Testing and Assessment Workgroup. As an
336 outcome of the ongoing assessment and analysis of the process conducted by the group, these
337 procedures could be reviewed and revised to make the process as efficient and effective as
338 possible. These procedures could include:
339
340   • Scheduling requirements and practices; including recommendations about how
341   process can be completed within predictable timeframes;
342
343   • Requirements for the tracking of registry assessment results, including the level of
344   detail, formats, and technical mechanisms;
345
346   • Procedures and standards for Document management, including document formats
347

348   •   Procedures for recommending followup steps including recommendations to the
349   Board relating to ongoing Registry operations, and conditions;
350

351   •   Procedures for publishing results (particularly negative results) and for
352   communicating results to participants and other registries;
353

354   •   Development of methodologies for ongoing assessment and testing of a registry. The
355   methodologies should take into account the following factors:
356

357   -- Registry size and level of activity;
358   -- Registry history of both discrepancies and inconsistencies; and
359   -- Recommendations or finding of the Article 8 Supervisory Committee.
360

361   •   Development of criteria for selecting Registries for testing and ongoing assessment;
362

363   •   Development of requirements for assessment report format and content; and
364

365   •   Coordination with the Article 8 Supervisory Committee.
366

367   5.   Issue Resolution Relating to Ongoing Cooperation
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369   This chapter could define the organization and procedures that would be implemented to
370   ensure that the day-to-day communications and coordination between registries and the ITL is
371   effective. When disagreements or issues arise, these procedures could be used to resolve
372   them as in a consistent and timely manner.
373

374   5.1   Roles and Responsibilities
375

376   •   A party, as represented by the Registry Administrators (or others?), and the ITL
377   Administrator could have the following responsibilities:
378

379   --   Document issue or problem
380   --   Submit request for resolution to responsible body;
381   --   As requested by the responsible body, respond to issues by providing
382   information, data and by participating in discussions designed to resolve them.
383

384   •   The Issue Resolution workgroup could have the responsibilities in two discrete areas:
385   the development of processes and guidance to avoid the development of significant
386   issues; and participation in arbitration or facilitation activities to resolve specific
387   disagreements.
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389   The responsibilities relating to criteria and prevent would include:
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391   --   Development of procedures for assessment and resolution of issues raised;
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393   --   To consider and recommend methods for parties to resolve issues or problems
394   without requiring intervention by the workgroup;
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396		-- To evaluate processes resulting in a high level of issues or problems to determine
397		improvements that will reduce opportunities for misunderstanding or
398		disagreements; and
399		
400		-- To consider and recommend steps to prevent significant disagreements or
401		unresolved problems;

396   -- To evaluate processes resulting in a high level of issues or problems to determine
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403   The responsibilities relating to problem resolution could include:
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405   -- To track issues and their resolution;
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407   -- To assist parties in the resolution of issues raised, by assessing information
408   provided, convening meetings or other forums for communication between the
409   parties, and by recommending solutions or compromises;
410
411   -- To communicate information about issues and their resolution to parties and the
412   public.
413

5.2 Scope of Issue Resolution Process

The issue resolution process could include the following types of issues and problems:

- Transfers between registries. For example, when a rejection of an external transfer by an acquiring registry is not understood or is challenged as inappropriate.

- Resolution of reconciliation inconsistencies involving more than one registry. This process would be used only when the parties involved in the manual intervention are unable to agree upon the appropriate changes to data to achieve data consistency with the ITL.

- Resolution of issues relating to the receipt of a notification from the ITL or the interpretation of transactions intended to address the notification.

- Resolution of problems (or perceived problems) related to security risks or the failure of a registry to address known security risks.

It is expected that the process would not extend to conformance of a registry with Kyoto rules unrelated to transaction processing.

5.3 Procedures for Issue Resolution

These procedures followed to assist in the resolution of issues or problems could include:

- One or more parties could submit a written request for assistance in the resolution of a specific problem or issue. This request could include detailed information about the issue, including parties involved, facts, and impacts.

- The Chairperson could assess the time criticality of the request and determine an appropriate schedule and approach.

446   • The Chairperson could notify other parties and requests information and/or response
447   to specific questions.
448

449   • The Workgroup could consider information provided in meeting(s) and recommend
450   solution(s). Parties could request or be invited to participate in the meetings.
451

452   • The Chairperson could document recommendation and communicates to parties.
453

454 6.   Suspension of Communication with ITL

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456 The failure of a registry to meet the standards for operation implicit in the Data Exchange
457 Standards may result in the suspension of privileges to communicate with the ITL, either for
458 some or all processes.   This chapter could address the conditions and procedures that might
459 result in suspension of a communication privileges with the ITL.

460

461 6.1   Roles and responsibilities

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463   • A workgroup could have responsibilities in two discrete areas: the development of
464   processes and guidance relating to communication privileges and standards and
465   criteria to maintain these privileges; and evaluation of registry activities in relation to
466   the standards and criteria.

467

468   The Workgroup could have the following responsibilities relating to procedures,
469   standards and criteria:

470

471   --   Development of criteria for suspension;
472   --   Development of a process for suspension;
473   --   Development of a process for reinstatement;
474   --   Development of communication plan;

475

476   The workgroup could have the following responsibilities relating to registry actions
477   and capability to conform to the necessary standards:

478

479   --   Evaluate suspension and reinstatement recommendations; and
480   --   Implement suspension and reinstatement decisions; and
481   --   Recommend cessation of communications to the Board; and
482   --   Provide documentation and other information to the Board.

483

484   • The ITL Administrator could have the following responsibilities:

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486   --   To identify critical operational failure by a registry to institute an emergency
487   suspension process; and

488

489   --   To implement suspension of a registry upon the direction of the Board
490   Chairperson.

491

492   • With the exception of emergency suspension, the main committee could have the
493   responsibility to consider the recommendations of the workgroup with respect the
494   capability and actions of a specific registry.

495

6.2   Procedures

Suspension or reinstatement procedures could include the following steps:

- ITL Administrator could request consideration of suspension or reinstatement action;

- Chairperson could consider time sensitivity, type of request and schedules assessment, coordinates with registry forum;

- Chairperson and workgroup could consider request;

- Chairperson could document results;

- Chairperson could communicate results and required actions to other registries and ITL administrator;

- Chairperson could communicate decision to registry (including specific criteria for reinstatement, if appropriate);

- Chairperson could provide information to public; and

- Chairperson could provide information in report to COP.

6.3   Criteria for Action

The following criteria could apply to registry suspensions:

- Emergency suspension:

    -- Communications to ITL compromise ITL data or data in other registries; and

    -- Registry actions threaten credibility of ITL and/or Registry

- Normal suspension:

    -- Registry allows transfers without ITL confirmation;

    -- Registry allows transfers which are inconsistent with Kyoto requirements;

    -- Demonstrated and recurrent risks addressed by registry (such as failure to backup data or failure to impose or follow security plan);
    .

6.4   Criteria for Levels of Suspension

Two levels of suspension could be implemented: partial suspension and full suspension. Full suspension would result in no communication with the ITL; partial suspension would result in limited communication (for example, reconciliation or a type of transaction only).   The determination of the appropriate type or level of suspension could depend upon criteria developed by the workgroup. These criteria could include:

545
546   • Potential or known risks to data integrity at the ITL or registry; and
547
548   • Whether or not reconciliation or allowed transaction types would correct or
549 demonstrate correction of problems resulting in suspension.
550

6.5 Criteria for Reinstatement

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553   • Successful testing;
554   • Proof of other technical corrections; and
555   • Successful reconciliation.
556

7. Other Areas of Cooperation

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559 Cooperation could involved other activities, including both information sharing and other
560 forms of cooperation and support. For example, the cooperation could oversee effective
561 sharing of information about operational status, scheduled downtimes, registry staffing. Also,
562 the cooperation could support the development of information and resource sharing
563 mechanisms that could facilitate registry development and operation. These resources could
564 include, for example, the development of a Best Practices guide, and similar materials.