

CDM Programme of Activities (PoA)

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Investment flow in low carbon

- It is estimated that some \$95 billion investment in low carbon projects has benefited from CDM
- Economies in developing countries have benefited further through the multiplier effect

Emissions reduction

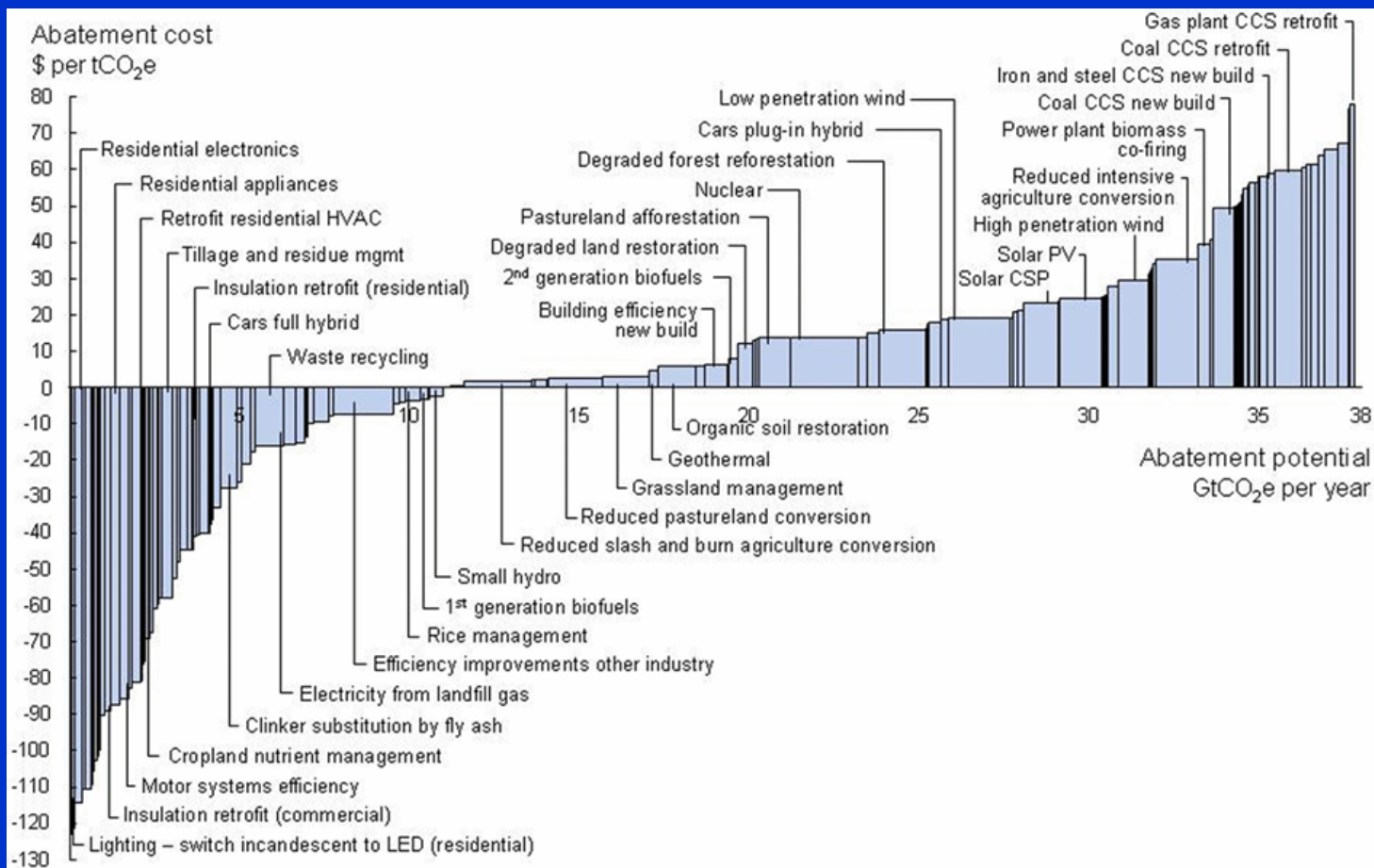
- About 450 million CERs issued to date with a pipeline of with an estimated 1 billion CERs expected by 2012

Entrepreneurship

- Ultimately, CDM has unleashed an unprecedented contingent of entrepreneurs, intellectual capital for the transition to a low carbon economy

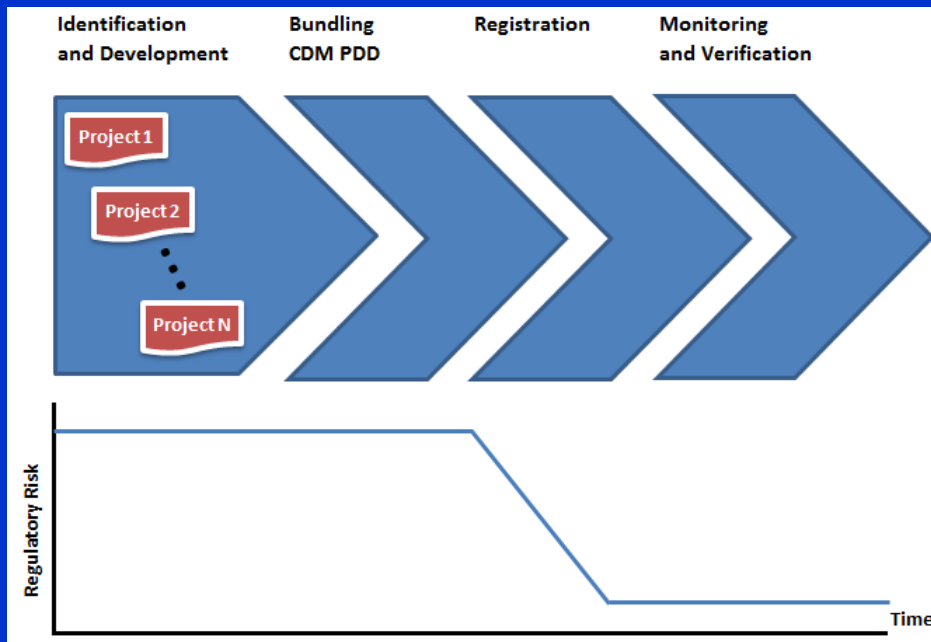
Why PoAs?

The global MAC curve (2030)

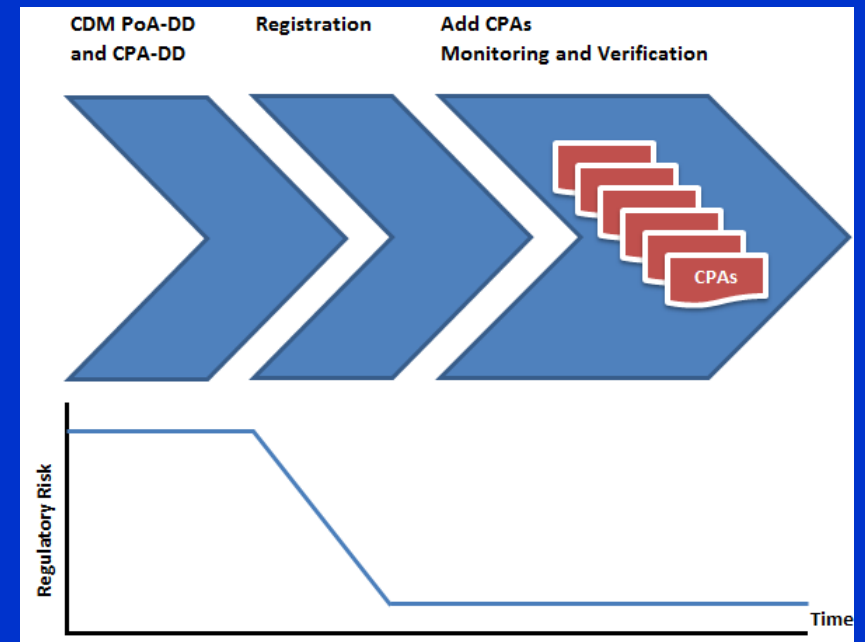


But what about CDM bundling?

CDM Bundling



PoA

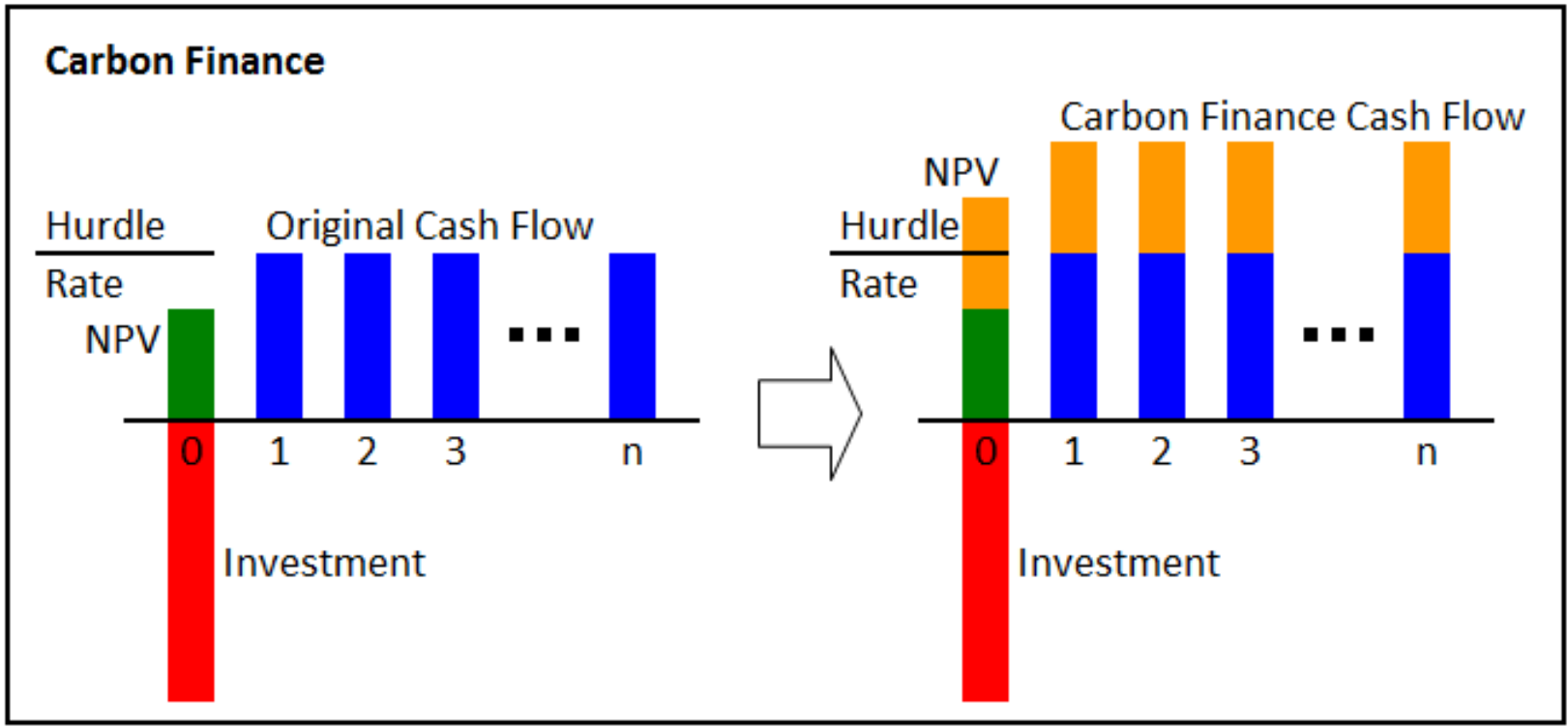


A Programme of Activity (PoA) is ...

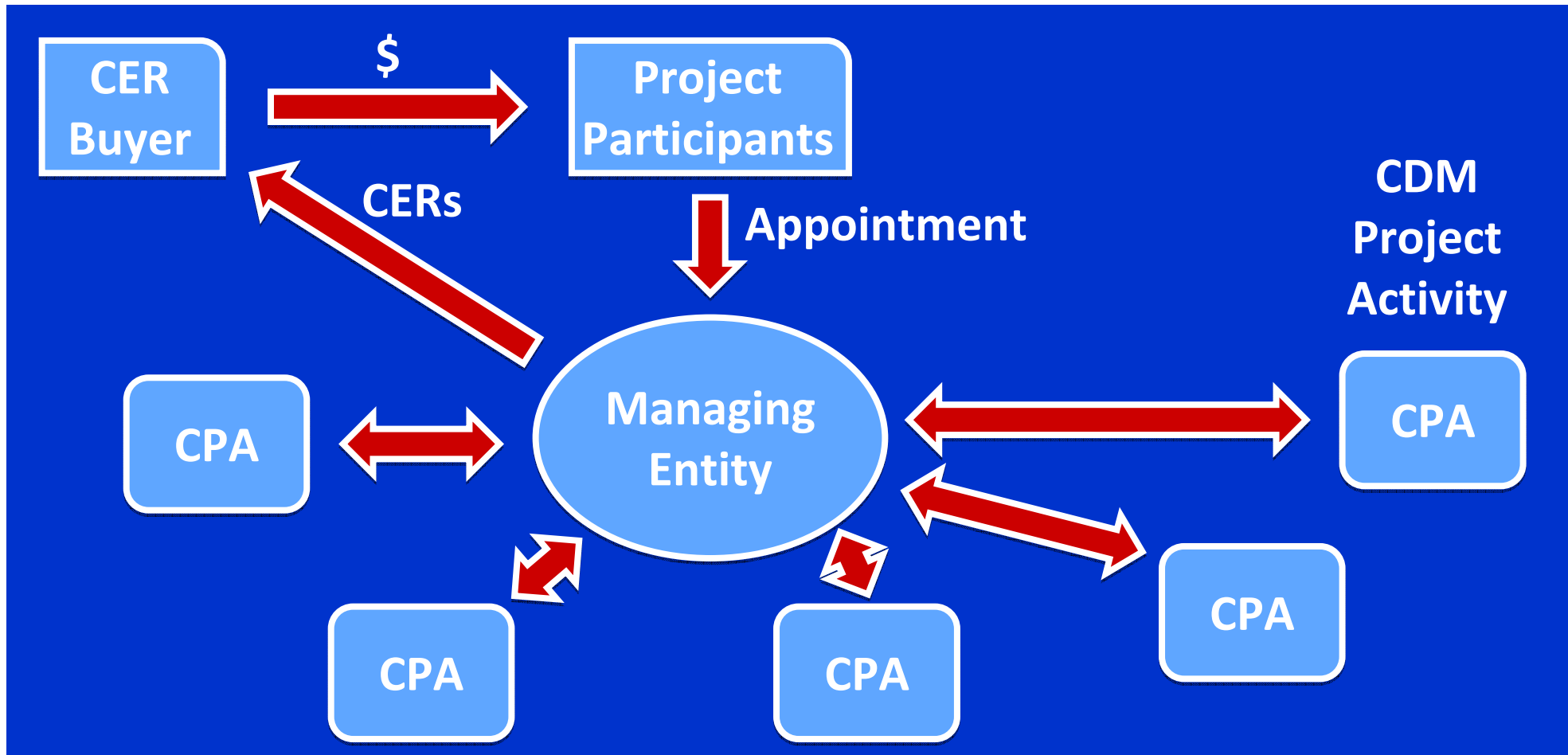
“... a voluntary coordinated action by a private or public entity which coordinates and implements any policy/measure or stated goal (i.e. incentive schemes and voluntary programs), which leads to GHG emission reductions or increases net GHG removals by sinks that are additional to any that would occur in the absence of the PoA, via an unlimited number of CDM program activities (CPAs)”

(Annex 38, EB32)

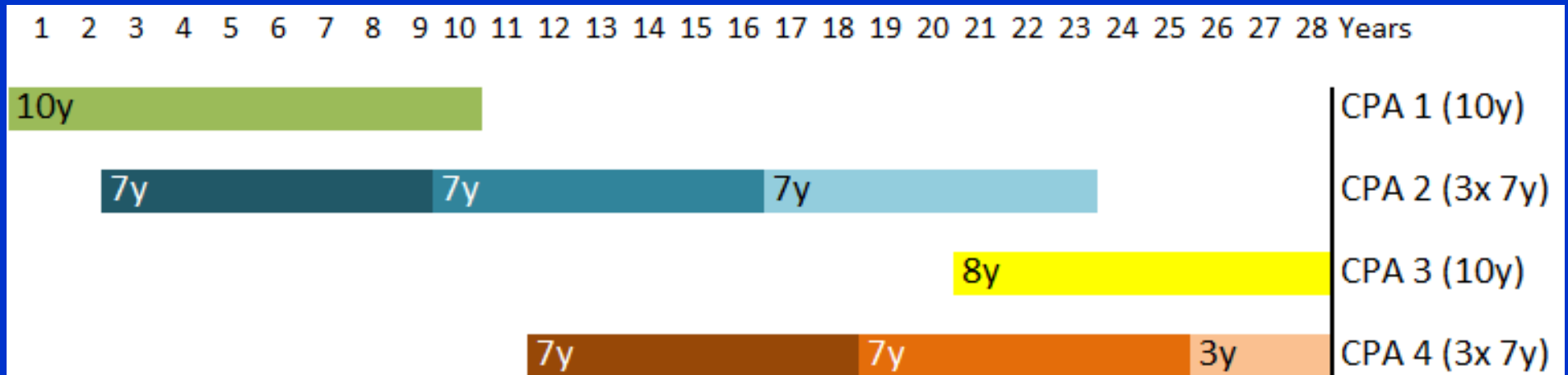
PoAs create incentives to low carbon investment



Simple structure of a PoA

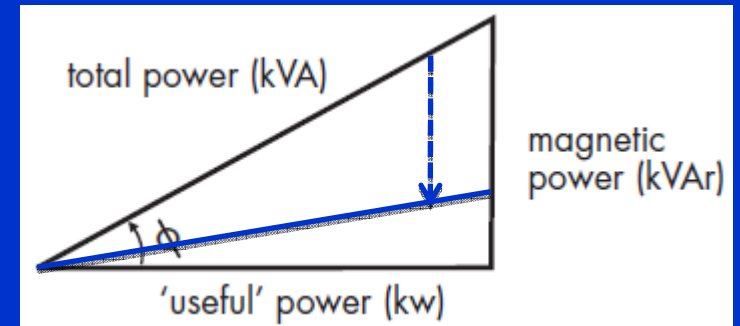
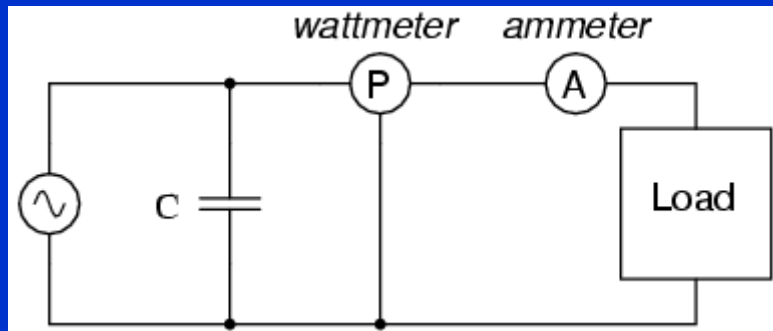
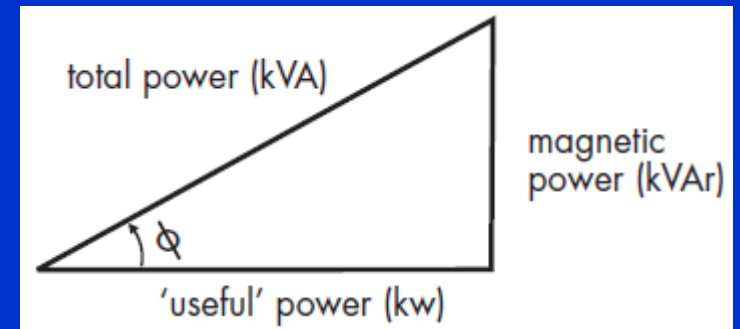
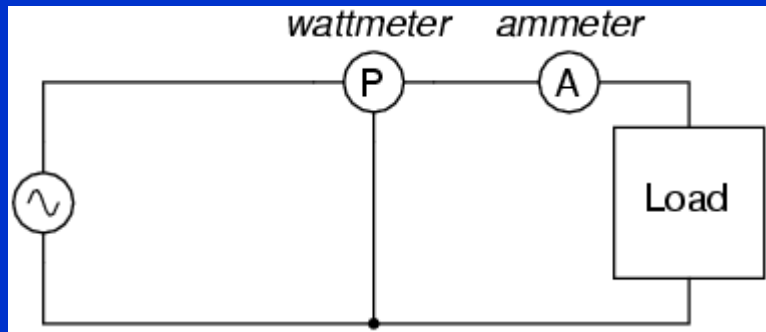


- Unlimited number of CPAs and multiple locations
- CPAs can apply same approved CDM methodology
- PoA limited to 28 years while CPAs may be 10y or 3x 7y (like CDM)
- Flexible, many project participants who can join and leave over time
- Issues
 - Single methodology
 - Management of CPA agreements
 - DOE liability



- CUIDEMOS México: Campaña de uso Inteligente De Energia Mexico
- Cool nrg as managing entity and project developer
- Distribution and installation of up to 30 million compact fluorescent lamps (CFLs) to households
- There are no mandatory requirements in Mexico stipulating the use of CFLs
- PoA requires individual households to take voluntary action to participate
- Reduces the need for installed generating capacity worth approximately US\$19.5 million
- Eligibility and additionality are straightforward but monitoring and verification are a problem as it can only be achieved through sampling
- Despite some level of control is exercised through managed stock, the CFLs need to be effectively in use in order to achieve the emission reduction

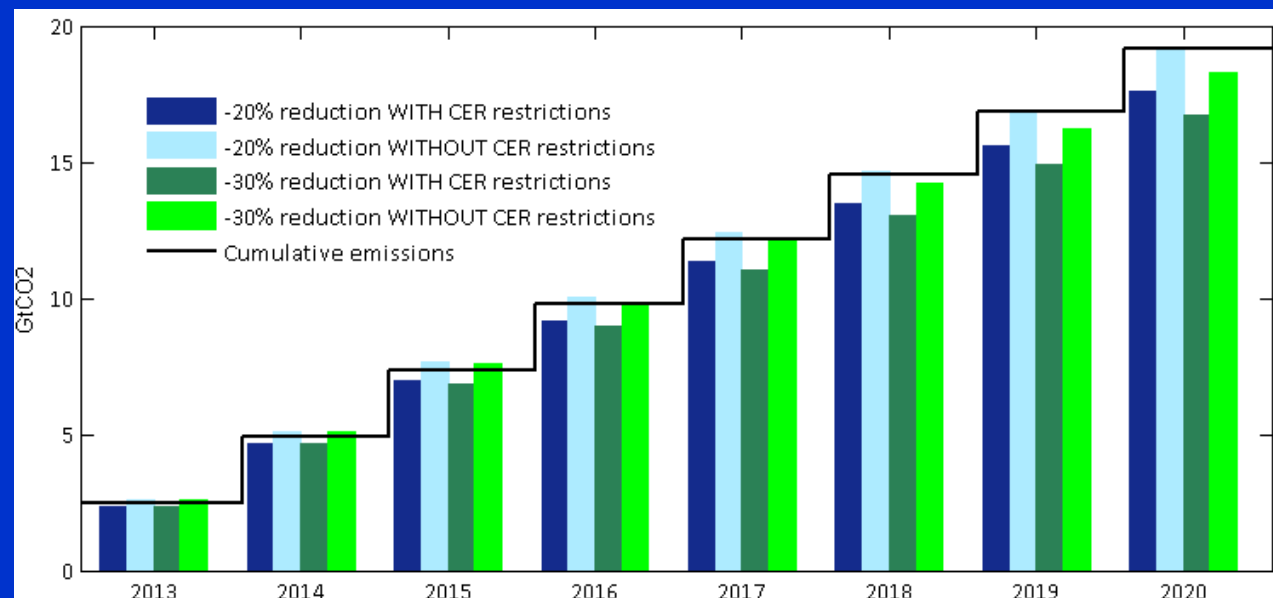
Example Power factor correction



Why are PoAs important?

EU ETS demand and 2020 CER price forecast

2020 Price Forecast		
EUA (EUR)	CER (EUR)	
40	38/11	
22	17	
60	45/20	
47	38	



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