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D E H S t

Deutsche Emissionshandelsstelle

Domestic Offset Projects: First Experiences with JI in Germany

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„Designated Focal Point / Designated National Authority“
German Emissions Trading Authority

Workshop

“Domestic Offsets under Article 24 (a)”

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JI in Germany – Status Quo

Status	No. of projects	Expected Emission Reductions t CO₂- equivalents
Approved (LoA)	12	12 Mio.
Endorsed (LoE)	20*	Ca. 8 Mio.

*Projects endorsed and approved are only counted once

JI in Germany – preferred project categories

Industrial gases - N₂O, PFC, CH₄ (Coal Mine Methane)

- Large Volume of ERU,
- few operators of large point sources
- Calculation of the Baseline may be difficult – not BAU
- Inclusion in the EU ETS after 2012 (N₂O, PFC)

Energy Efficiency / Biomass heating – Programmatic Approach

- PoA participants are mainly SME or private households
- For some activities, other funding schemes exist
- JI can better address the target group
- Small volume of ERU but large potential for replication

JI in Germany – Challenges and need for coordination

National Policy

- Existing feed-in tariffs
- Existing funding schemes
- Assessment of Additionality according to AT from CDM
- Accounting of electricity from the EU ETS (emission factor 0)
- Accounting of biomass / leakage (emission factor > 0 unlike to EU ETS)

European Level

- Interpretation of „Acquis Communautaire“ according to Art. 11 b (EU ETS Directive)
- Competition issues in Europe: Baseline under JI versus Benchmarks in EU ETS

Joint Implementation after 2012

Present situation

- Continuation of JI in a post 2012 climate agreement is probable
- The German „Projekt-Mechanismen-Gesetz“ limits crediting until 2012
- Project developers hope for extension of the crediting period
- Without extension, we do not expect any new projects before 2012

Proposals for Germany

- Extension of the crediting period only for the programmatic projects
- Adjustment of Baselines – Assessment of Additionality according present parameters
- No new JI-Projects after 2012 / replacement by DOP ?

Expectations for Domestic Offset Projects

Extending the spectrum of policy instruments

- DOPs are complementary to
 - EU ETS,
 - funding schemes and
 - other legal instruments.
- Incentives for the private sector to look for new and innovative activities

Recommendations based on experiences

- Assessment of Addtionality
- Development of Methodologies
- Verification by an independent entity
- Basic design features – like JI Track 1 without investor country

Proposals for Domestic Offset Projects

Idea: Positive list

- Ex-ante definition of eligible project categories
- Clear definition of additionality and direction of investment towards certain sectors
- Positive list can be open for innovative projects – search function of the market can be used

Idea: Negative list

- E.g. transfer / leakage of emissions into the ETS

Idea: Harmonisation of Baseline

- Maximum Baselines on the basis of European BAT

Thank you for your attention !

Announcement:

DFP - Workshop: 7 May in Berlin

DEHST Side Event: Carbon Expo 2010 in Cologne

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