



16 January 2012

RE: Call for inputs on CDM policy dialogue

The Business Council for Sustainable Energy (BCSE, the Council) thanks the Clean Development Mechanism Executive Board (CDM EB, the Board) for the opportunity to provide input ahead of the CDM Policy Dialogue tasked with reviewing past CDM experience and helping ensure the readiness and positioning of the CDM to meet the challenges of the post-2012 period. The Council supports the mission of the Policy Dialogue and commends the Board for initiating this stakeholder process.

The BCSE is a United States-based business organization representing interests from the energy efficiency, natural gas and renewable energy sectors. The Council also includes independent electric power producers, investor-owned utilities, public power, commercial end-users and project developers and service providers for environmental markets. The BCSE was founded in 1992 and advocates for policies at state, national, and international levels that increase the use of commercially-available clean energy technologies, products, and services.

As BCSE is a diverse coalition, not all BCSE members endorse or take positions on the issues included in these comments. These comments represent the position of BCSE as an organization, but not necessarily the view of any particular member with respect to any specific issue.

Ahead of the CDM Policy Dialogue, the Council offers four recommendations:

1. Maintain the environmental integrity of the CDM;
2. Look for innovative approaches to make the CDM more efficient and to reduce transaction costs;
3. To the extent possible and given the high costs of approving new methodologies, consider approaches to utilize existing methodologies to lower costs;
4. Look to other models and programs from around the world for new and successful approaches to managing high quality carbon offsets programs at low cost.

Environmental Integrity

The BCSE has long-supported carbon offset programs that facilitate emissions reductions that are cost-effective and efficient can help promote technological innovation, encourage participation of non-capped sectors and activities, lower costs for consumers, and generate immediate environmental benefits. An emphasis must be placed on the environmental integrity of all CDM projects and methodologies to ensure real emissions reductions and confidence in the larger program. The Policy Dialogue should maintain as a priority the environmental integrity CDM projects and the CDM mission as a whole.

Innovative Approaches

A more efficient transaction process will lead to greater emissions reductions at lower cost. The Policy Dialogue should focus attention at increasing the efficiency of the CDM transaction process, searching for new and innovative organizational structures, approaches, and other actions that could streamline administrative functions and timelines without impacting environmental integrity.

Utilizing Existing Methodologies to Lower Costs

Approving new methodologies is a costly process that, at times, can limit the development of cost-effective emissions reductions. Where reasonable, minor alterations to existing methodologies or

development of new methodologies that build from or incorporate components of existing methodologies should not require a complete reevaluation of those unchanged elements that have already been vetted by the CDM approval process. The Policy Dialogue should consider possible ways to better utilize existing sound methodologies or components of methodologies to streamline the approval process for new or modified methodologies while maintaining environmental integrity.

Look to Other Models Around the World for Innovative Ideas

As more nations, provinces, and states adopt and build-out programs to combat climate change, many new and potentially useful approaches are being developed, including novel offset methodologies, organization mechanisms, and other important components of a successful carbon offset program. The BCSE encourages the CDM to review, evaluate and, where appropriate, draw from these efforts occurring around the world.

The BCSE thanks the CDM EB again for this opportunity to provide input. Should you have any questions, please contact BCSE President Lisa Jacobson:

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