



MANAGING RISK

VCS Workshop



Early Projects – NZ Household Energy Efficient Lighting Projects

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- Based on AM0046
- Replacement of incandescent lamps with compact fluorescent lamps in NZ households
- Five high usage lamps replaced in each project household
- Lamps distributed by voucher redemption and payment
- Self installation by householders
- Installation rate determined by telephone survey of sample group
- Lamp hourly usage determined by lamp level survey of sample group
- Individual lamp power saving determined from difference between wattage of old incandescent lamp and new CFL
- Abatement determined from number of lamps distributed, installation rate, individual lamp power saving and hours of use

- Survey comparison between hours of use of incandescent lamps and CFLs infers that there is no difference in hours of use
- Hours of use extended to other months and regions using BRANZ comparative survey data
- Lamp distribution took place over a period of years with numerous subprojects
- Some financial contribution by other project parties
- Lamp distribution data by month and region used to determine progressive lamp distribution total
- Other factors used to ensure that the calculation was conservative

- Corporate contract out of central unit in Oslo as VCS is based on DOE status which is a global accreditation
- Initially of project and then of achieved abatement
- Under first edition of VCS, still applicable due to grandfathering clause
- Review of documentation, onsite visit and report completed from Australia
- Technical review from the DNV resource centre in Bangalore
- Final approval from the central unit in Oslo

- Completed following approval of the project
- Work completed based on the information included in the project documentation
- Verification completed in Australia, with technical review and approval from the central office in Oslo

- Project was implemented early
- Did not apply AM0046 exactly
- Professional judgement – did the modified process applied by the project operator meet the intent of AM0046?
- Were there requirements made in AM0046 which applied to a developing economy but which were not relevant to a developed economy?
- Was it valid to not implement those requirements? Did the project still meet the requirement of being conservative?
- Are there any specific issues which relate to the pre-2008 period in contrast to 2008 and later years?

Project proponents of projects that reduce GHG emissions from activities that:

- are included in an emissions trading program; or*
- take place in a jurisdiction or sector in which binding limits are established on GHG emissions;*

shall provide evidence that the reductions or removals generated by the project have or will not be used in the emissions trading program or for the purpose of demonstrating compliance with the binding limits that are in place in that jurisdiction or sector. (VCS 2007, s5.2.2)

- In practice, this means that a project in an Annex 1 country either obtains the local or national permits OR is in a sector outside the Kyoto inventory. This does not apply to non-Annex 1 countries.
- Arbitrage can work, but is strongly market dependent.



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