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Document reference number and title: (Recommendation from the MEP to SBM020)

A6.4 MEP012-A03: Draft mechanism methodology: Electricity generation from renewable sources connected to electricity systems (version 01.0)

Item	Section no. (as indicated in the document)	Paragraph/Table/Figure no. (as indicated in the document)	Comment (including justification for change)	Proposed change (including proposed text)
1	DEMONSTRATION OF ADDITIONALITY	Para 26(b)(iii)	The regulatory analysis disqualifies activities that 'participate in a support scheme designed to achieve a quantitative target or outcome, such as competitive bidding processes for the installation of a certain capacity of renewable power plants.' This is overly broad. Competitive bidding processes are widely used precisely because they reduce the cost of renewable energy deployment in developing countries. Under this provision, a project that won a competitive tender — even in a country with a 5% renewable penetration — would be ineligible, regardless of whether it is financially additional.	Revise para 26(b)(iii) to distinguish between support schemes that achieve renewable targets at or above a country's NDC trajectory (which may undermine additionality) and those in countries where renewable penetration remains well below NDC targets. Projects in the latter category that participated in competitive tenders should be eligible if investment analysis demonstrates financial additionality. A specific carve-out for LDCs and SIDS — where government support schemes are often the only viable financing mechanism — should also be included.

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2	DEMONSTRATION OF ADDITIONALITY	Section 6.2 Assessment of lock-in risk- page 16	The most appropriate option for analysis of lock- in would be option 1-No lock-in analysis is required to be conducted under this mechanism methodology. Given the low GHG emission intensity of renewable power generation technologies, activities eligible under this methodology are deemed to have no lock-in risk. Renewable power technologies (e.g., solar, wind, hydro) fundamentally differ from fossil fuel systems because they do not rely on continuous fuel combustion. Lock-in risk typically arises when long-lived infrastructure (like coal plants) commits a system to ongoing fuel use and emissions. Renewables avoid this entirely, since their operation does not require carbon-intensive inputs. Therefore, even over long lifetimes, they do not perpetuate emissions pathways. While all technologies have some lifecycle emissions (manufacturing, installation), renewable systems have: Very low operational emissions, often close to zero No increasing emissions over time (unlike fossil plants that may degrade and become less efficient) Because lock-in risk is tied to sustained emissions, the absence of operational emissions removes the core driver of lock-in.	Given the near-zero operational GHG emission intensity of renewable power generation technologies and their alignment with long-term decarbonization pathways, activities eligible under this methodology inherently avoid technological, economic, and emissions lock-in risks. These technologies do not rely on carbon-intensive inputs, do not extend the lifetime of fossil-based infrastructure, and remain fully compatible with future low-carbon energy systems. Hence, the most appropriate option for analysis of lock- in would be option 1-No lock-in analysis is required to be conducted under this mechanism methodology.

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3	DEMONSTRATION OF ADDITIONALITY	Section 6.4 Common practice analysis- page 19	Common practice threshold: The common practice factor thresholds to be applied under this mechanism methodology shall be: (i) [5-10%] per cent for Article 6.4 activities located in non-LDCs/SIDS; and (ii) [10-15%] per cent for Article 6.4 activities located in LDCs/SIDS. In non-LDCs/SIDS, renewable technologies are often already widely deployed. A lower threshold (5-10%) ensures that only projects that are not yet common qualify as additional. In LDCs/SIDS, deployment is typically limited due to: Financing constraints Grid limitations Higher perceived risk A higher threshold (10-15%) avoids excluding genuinely additional projects in underdeveloped markets. Further, comparable, similar and different activities: Option 2 is the most appropriate for identifying comparable, similar and different activities for wind power projects.	Common practice threshold: The common practice factor thresholds to be applied under this mechanism methodology shall be: (i) [5-10%] per cent for Article 6.4 activities located in non-LDCs/SIDS; and (ii) [10-15%] per cent for Article 6.4 activities located in LDCs/SIDS. In non-LDCs/SIDS, renewable technologies are often already widely deployed. A lower threshold (5-10%) ensures that only projects that are not yet common qualify as additional. In LDCs/SIDS, deployment is typically limited due to: Financing constraints Grid limitations Higher perceived risk A higher threshold (10-15%) avoids excluding genuinely additional projects in underdeveloped markets. Further, comparable, similar and different activities: Option 2 is the most appropriate for identifying comparable, similar and different activities for wind power projects.
4	BASELINE EMISSIONS	Section 7.2.2- Para 39	For wind power plants, any reduction in electricity generation by other wind power plants through shadowing effects (EGshadowing,y or EGshadowing,h) does not need be account for if: The distance between the wind turbines installed under the Article 6.4 activity and any other wind power plants is greater than [2] kilometres. The distance between the wind turbines installed under the Article 6.4 activity and any other wind power plants can be greater than 2 kilometres, ensuring that potential wake (shadowing) effects are negligible and do not result in measurable reductions in electricity generation.	For wind power plants, any reduction in electricity generation by other wind power plants through shadowing effects (EGshadowing,y or EGshadowing,h) does not need be account for if: The distance between the wind turbines installed under the Article 6.4 activity and any other wind power plants is greater than [2] kilometres. The distance between the wind turbines installed under the Article 6.4 activity and any other wind power plants can be greater than 2 kilometres, ensuring that potential wake (shadowing) effects are negligible and do not result in measurable reductions in electricity generation.
5	BASELINE EMISSIONS	Section 7.3.1, Equation (6), p. 23	A uniform 10% discount factor is applied regardless of: grid carbon intensity renewable penetration This results in disproportionately high ER reduction in already low-carbon grids.	To maintain environmental integrity while avoiding systematic under-crediting, it is recommended that the methodology replace fixed and compounding conservative adjustments with dynamic, context-specific, and capped approaches.

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6	BASELINE EMISSIONS	Section 7.3.2, para. 52, p. 25	Downward adjustment increases by 1% annually. Adjustment increases independent of actual system changes causing progressive decline in credited ERs, even with constant generation.	Remove 0.99 factor OR: Apply only if: uncertainty exceeds a defined threshold (e.g., >10%)
7	PROJECT EMISSIONS	Para 60–61	The emission coefficient for fossil fuels used in backup generators can be calculated via three options: chemical composition (A.1 for mass-based, A.2 for volume-based) or net calorific value (B). Option A is preferred unless data is unavailable, at which point Option B is allowed. However, for diesel generators in remote locations — the most common backup generator type for renewable plants — the practical data available to project developers is typically the volume of fuel purchased (litres of diesel), and Option A.2 requires the density of the fuel, which may not be reliably known. Option B's reliance on net calorific value is simpler but introduces additional uncertainty.	Can add a default density value for diesel (as per IPCC) and default carbon content values for common backup generator fuels (diesel, LPG, natural gas) to Table 13 (Data and Parameters Not Monitored), so that activity participants in data-poor environments can apply Option A.2 without requiring fuel sampling. This reduces uncertainty relative to Option B while maintaining practicality.
8	LEAKAGE EMISSIONS	Para 70 / Appendix para 4(c)(iv)	The Appendix identifies 'diversion of existing production processes or outputs' as a leakage source that is 'affected by the Article 6.4 activity' but is not quantified. This could be significant where a greenfield solar or wind project is built on previously productive agricultural land, displacing food production to other areas (potentially involving land clearing). This is a material issue for large-scale solar in countries , where solar parks can occupy thousands of hectares of farmland.	Add an applicability condition or screening question in the PDD requiring project developers to document the prior land use of the project site and assess whether displacement of agricultural production is likely to result in land-use change emissions elsewhere. For projects on degraded or barren land, a default 'no displacement leakage' determination is appropriate. For projects on productive agricultural land exceeding 100 hectares, a qualitative assessment by the DOE should be required

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9	DATA AND PARAMETERS NOT MONITORED	Data/Parameter Table 3 (EGshadowing)	The source of the shadowing effect data — Environmental Impact Assessments or feasibility studies are typically prepared by developers and may not be independently verified for the purpose of carbon crediting. The accuracy of wake-loss modelling varies significantly between software tools and wind resource assessors. There is no requirement for the shadowing data to be derived using a specific modelling standard, or to be independently verified before submission.	Require that shadowing effect estimates for projects within [2] km of existing wind farms be derived using an industry-standard wind flow model (e.g., WindPRO, or equivalent) and be certified by an independent wind energy assessor as part of the PDD validation. Require annual monitoring of actual curtailment events attributable to shadowing (where measurable via SCADA data) and allow ex-post correction of the assumed shadowing factor if actual measured impact differs from the modelled estimate by more than 10%.