

Date of meeting: 20 February 2015

Place of meeting: Koror, Palau

**Joint Committee of the Joint Crediting Mechanism
between the Republic of Palau and Japan
Second Meeting**

Meeting Report

Agenda item 1. Opening

Mr. Gustav Aitaro, Director, Bureau of Budget and Management, Ministry of State opened the second meeting of the Joint Committee (JC) of the Joint Crediting Mechanism (JCM) and gave opening remarks.

Mr. Yuji Mizuno, Director for International Negotiations, Office of Market Mechanisms, Global Environment Bureau, Ministry of the Environment gave opening remarks.

Table: Attendance

| JC Members from Palauan side | |
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| Mr. Greg DECHERONG | Ministry of Public Infrastructure, Industries and Commerce |
| Mr. Nyk KLOULUBAK | Ministry of Public Infrastructure, Industries and Commerce |
| Mr. Brian MELAIREI | Ministry of Public Infrastructure, Industries and Commerce |
| Mr. Calvin IKESIIL | Ministry of Public Infrastructure, Industries and Commerce |
| Mr. Collin JOSEPH | Ministry of Natural Resources, Environment and Tourism |
| Mr. Darren FRITZ | Ministry of Finance |
| Mr. Gustav AITARO | Ministry of State |
| Ms. Charlene MERSAI | Office of the President |
| Mr. Xavier Erbai MATSUTARO | Office of the President |
| Mr. Joe AITARO | Office of the President |
| JC Members from Japanese side | |
| Mr. Ryutaro NISHIMORI (alternate) | Ministry of Foreign Affairs |
| Mr. Takeshi NAGASAWA | Ministry of Economy, Trade and Industry |

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| Mr. Yuji MIZUNO | Ministry of the Environment |
| Mr. Takao ANZAWA | Embassy of Japan to the Republic of Palau |
| Ms. Eriko NAKANISHI | Embassy of Japan to the Republic of Palau |

* The names of members present at the meeting are in bold print above.

Agenda item 2. Organizational matters

Agenda item 2.1 Adoption of the agenda

The JC adopted the agenda of the meeting.

Agenda item 2.2 Attendance

The JC gave its consent to attendance of an observer at this JC meeting.

Agenda item 3. JCM Methodology

Agenda item 3.1 Displacement of Grid and Captive Genset Electricity by a Small-scale Solar PV System

The JC considered the proposed methodology PW_PM001 “Displacement of Grid and Captive Genset Electricity by a Small-scale Solar PV System” and the public inputs received to the proposed methodology.

In response to the points raised by the public inputs, the JC concluded as following:

- i. The proposed methodology does not limit itself to small-scale solar PV projects, but in general, solar PV installed in Palau will be small-scale.
- ii. The approach for calculation in the proposed methodology may be applicable to other kind of renewable energy generation such as the wind power. However, the methodology is basically prepared for specific projects which utilize solar power. A methodology focused on wind power should be developed separately.
- iii. The current main electricity generation facility in Palau is diesel generator, and rapid uptake of substantial capacity of renewable energy generation is considered unlikely. Under the present Palauan situation, as the availability of renewable energy technologies in the local market is limited and the high initial investment is required for them, it is considered that the grid electricity would be used continuously without the proposed project assumed to be using the proposed methodology.

In addition to the public inputs received, the JC considered the followings:

- iv. The way in which the methodology ensures to displace grid electricity and captive genset electricity by electricity generated by small-scale solar PV system
- v. Amendments proposed by the methodology proponents in Eligibility Criterion 3 made after the public inputs

Based on the consideration, the JC approved the proposed methodology PW_PM001 with revisions, as contained in the [Annex 1](#) to this meeting report.

Agenda item 4. Rules and guidelines

Agenda item 4.1 JCM Guidelines for Designation as a Third-Party Entity

The JC considered the draft revised “Joint Crediting Mechanism Guidelines for Designation as a Third-Party Entity” and pointed out the following 4 issues needed to be considered.

- i. Definitions of “Suspension” and “Withdrawal” in section 6
- ii. Clarification of “without delay” in para 30
- iii. Limitation of the suspended TPE’s activity based on its credibility
- iv. Notation of prioritized sectoral scopes for Palau

After consideration, the JC will adopt these guidelines through electronic means.

Agenda item 4.2 JCM Rules of Procedures for the Joint Committee

The JC considered the draft revised “Joint Crediting Mechanism Rules of Procedures for the Joint Committee” and adopted it, as contained in [Annex 2](#) to this meeting report.

Agenda item 4.2 JCM Project Cycle Procedures

The JC considered the draft revised “Joint Crediting Mechanism Project Cycle Procedure” and adopted it, as contained in [Annex 3](#) to this meeting report.

Agenda item 5. Other matters

The JC considered the following 7 matters:

- i. Potential JCM projects in Palau
- ii. The drafted budget for the JCM model projects
- iii. The training program/workshop for the JCM
- iv. Capacity enhancement of Palauan side for implementation of the JCM
- v. Outreaching of the JCM in COP meetings by participation from Palauan side
- vi. Partnership between the government and private sector for the potential JCM projects in Palau
- vii. Procedures which the Japanese private companies communicate with the government of Palau

Agenda item 6. Conclusion of the meeting

The Co-Chairs gave closing remarks and closed the meeting.

Annexes to the report

Annex 1 PW_AM001 “Displacement of Grid and Captive Genset Electricity by a Small-scale Solar PV System”

Annex 2 Joint Crediting Mechanism Rules of Procedures for the Joint Committee (version 02.0)

Annex 3 Joint Crediting Mechanism Project Cycle Procedure (version 02.0)