

Date of meeting: 30-31 October 2014

Place of meeting: Bogor, Indonesia

**Joint Committee of the Joint Crediting Mechanism
between Indonesia and Japan
Third Meeting**

Meeting Report

Agenda item 1. Opening

Mr. Rizal Edwin Manansang, Assistant Deputy Minister, Coordinating Ministry for Economic Affairs opened the third meeting of the Joint Committee (JC) of the Joint Crediting Mechanism (JCM) and gave opening remarks.

Ms. Yoshiko Kijima, Minister for Economic Affairs and Development, Embassy of Japan in Indonesia gave opening remarks.

Table: Attendance

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

JC Members from Indonesian side	
Assistant Deputy Minister for Multilateral Economic Cooperation and Financing	Coordinating Ministry for Economic Affairs
Coordinator of Carbon Trade Mechanism Division (alternate)	National Council on Climate Change
Assistant Deputy Minister for Forestry (alternate)	Coordinating Ministry for Economic Affairs
Director for Economic Development and Environment	Ministry of Foreign Affairs
Assistant Deputy Minister for Mitigation and Atmospheric Function Preservation	Ministry of Environment
Head of Research and Development Center for Climate Change and Policy	Ministry of Forestry
Director of Energy Conservation	Ministry of Energy and Mineral Resources
Head of Policy Center for Climate Change and Financing and Multilateral (alternate)	Ministry of Finance
Head of Centre for Green Industry and the Environment	Ministry of Industry

Head of Secretariat	Indonesia JCM secretariat
JC Members from Japanese side	
Ms. Yoshiko KIJIMA	Embassy of Japan in Indonesia
Mr. Takuro TASAHA	Embassy of Japan in Indonesia
Mr. Ryutaro NISHIMORI (alternate)	Ministry of Foreign Affairs
Mr. Yoshikazu HASUNUMA (alternate)	Ministry of Economy, Trade and Industry
Mr. Yuji MIZUNO	Ministry of the Environment
Mr. Hideki KAWATO	Forestry Agency
Mr. Osamu ISHIUCHI	Embassy of Japan in Indonesia

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 Co-Chairs introduced the observers and the JC gave its consent to attendance of observers at this JC meeting.

Agenda item 3. Progress reports of the JCM model and demonstration projects

Agenda item 3.1 Model and demonstration projects in FY2013-2014

The Indonesian side overviewed the JCM model and demonstration projects and introduced results of site visits for two JCM model projects. The Japanese side explained the progress of the JCM model and demonstration projects in FY 2013-2014 and responses to the comments in the site visit reports compiled by the Indonesian JCM secretariat. The JC members exchanged their views on the way of information sharing on the JCM model projects, leap-frog projects and demonstration projects.

Agenda item 4. Rules and guidelines

Agenda item 4.1 Discussion on necessary amendments of rules and guidelines

“Joint Crediting Mechanism Project Cycle Procedure”

The JC considered the draft revised “Joint Crediting Mechanism Project Cycle Procedure” and adopted it, as contained in Annex 1 to this meeting report.

“Joint Crediting Mechanism Guidelines for Designation of a Third-Party Entity”

The JC considered the draft revised “Joint Crediting Mechanism Guidelines for Designation of a Third-Party Entity” and adopted it, as contained in Annex 2 to this meeting report.

“Joint Crediting Mechanism Guidelines for Developing Project Design Document and Monitoring Report”

The JC considered the draft revised “Joint Crediting Mechanism Guidelines for Developing Project Design Document and Monitoring Report” and adopted it, as contained in Annex 3 to this meeting report.

“Joint Crediting Mechanism Glossary of Terms”

The JC considered the draft revised “Joint Crediting Mechanism Glossary of Terms” and adopted it, as contained in Annex 4 to this meeting report.

Agenda item 5. Third-party entity

Agenda item 5.1 Designation of third-party entities

The JC designated the following entity as a third-party entity.

- TÜV Rheinland (China) Ltd. (validation and verification functions in sectoral scopes: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15)

Agenda item 6. JCM methodology

Agenda item 6.1 Proposed methodologies

ID_PM003 “Installation of Energy-efficient Refrigerators Using Natural Refrigerant at Food Industry Cold Storage and Frozen Food Processing Plant”

The JC considered the proposed methodology ID_PM003 “Installation of Energy-efficient Refrigerators Using Natural Refrigerant at Food Industry Cold Storage and Frozen Food Processing Plant”, the review by the secretariat, public comment received and responses by the methodology proponents.

In response to the points raised by the public comment, the JC concluded as follows:

- i. $COP_{PJ,i}$ which is a parameter used in the methodology is not a default value. It is a project specific value set ex ante.
- ii. User acceptance tests for COP are generally not conducted. Further, in order to compare the efficiencies of the reference and project refrigerators under a specified condition, $COP_{PJ,i}$ is calculated using the result of factory acceptance test in the methodology.
- iii. In the methodology, it is stipulated that “When project refrigerator may consume both grid electricity and captive electricity, the project participant applies the CO₂ emission factors for grid and captive electricity proportionately”.

Based on the consideration, the JC approved the proposed methodology ID_PM003 with revisions, as contained in the Annex 5 to this meeting report.

ID_PM004 “Installation of LED Lighting for Grocery Store”

The JC considered the proposed methodology ID_PM004 “Installation of LED Lighting for Grocery Store”, the review by the secretariat and responses by the methodology proponents. Based on the consideration, the JC decided to further consider the proposed methodology ID_PM004 especially on the illuminance level in grocery stores and its measurement method in Indonesia.

ID_PM005 “Installation of Inverter-Type Air Conditioning System for Cooling for Grocery Store”

The JC considered the proposed methodology ID_PM005 “Installation of Inverter-Type Air Conditioning System for Cooling for Grocery Store”, the review by the secretariat, public comment received and responses by the methodology proponents.

In response to the point raised by the public comment, the JC concluded as follows:

- i. $COP_{P,i}$ which is a parameter used in the methodology is not a default value. It is a project specific value set ex ante.
- ii. Even though an air conditioner might be tested for its proper operation at the time of the installation in a grocery store, COP is not calculated from such user acceptance test data. Therefore, the specifications of quotations or factory acceptance test data by manufacturer are used in the methodology.

Based on the consideration, the JC approved the proposed methodology ID_PM005 with revisions, as contained in the Annex 6 to this meeting report.

ID_PM006 “GHG emission reductions through optimization of refinery plant operation in Indonesia”

ID_PM007 “GHG emission reductions through optimization of boiler operation in Indonesia”

The JC considered the proposed methodologies ID_PM006 “GHG emission reductions through optimization of refinery plant operation in Indonesia” and ID_PM007 “GHG emission reductions through optimization of boiler operation in Indonesia”. The JC recognized that it would continue its consideration of the proposed methodologies ID_PM006 and ID_PM007 including through a consultation and explanation meeting(s) before the next JC meeting.

Agenda item 7. Project registration

Agenda item 7.1 ID001 “Energy Saving for Air-Conditioning and Process Cooling by Introducing High-efficiency Centrifugal Chiller”

The JC considered the proposed project ID001 “Energy Saving for Air-Conditioning and

Process Cooling by Introducing High-efficiency Centrifugal Chiller” and decided to register it.

Agenda item 8. Way forward

Agenda item 8.1 Sustainable Development Criteria implementation plan

The Indonesian side introduced its idea on the Sustainable Development Criteria implementation plan. The JC took note of the importance of sustainable development in Indonesia and concluded to continue its discussion on this matter at the next JC meeting.

Agenda item 8.2 Project idea note from Indonesian side

The Indonesian side introduced an idea on a municipal solid waste management project and PLN’s plan to introduce renewable energy in power sector.

Agenda item 8.3 Status of developing draft methodologies

The Japanese side introduced the status of developing methodology on fridge freezer showcase for grocery stores, which may be proposed in the future JC meeting.

Agenda item 9. Other matters

Agenda item 9.1 Preparation plan for COP20

The Indonesian side introduced side events related to the JCM at COP20.

Closing remarks

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

Annexes to the report

Annex 1 Joint Crediting Mechanism Project Cycle Procedure (version 02.0)

Annex 2 Joint Crediting Mechanism Guidelines for Designation of a Third-Party Entity (version 03.0)

Annex 3 Joint Crediting Mechanism Guidelines for Developing Project Design Document and Monitoring Report (version 02.0)

Annex 4 Joint Crediting Mechanism Glossary of Terms (version 02.0)

Annex 5 ID_AM003 “Installation of Energy-efficient Refrigerators Using Natural Refrigerant at Food Industry Cold Storage and Frozen Food Processing Plant”

Annex 6 ID_AM004 “Installation of Inverter-Type Air Conditioning System for Cooling for Grocery Store”