



**SAMPLE AS A COURTESY VALID DECISION OF THE DESIGNATED NATIONAL
AUTHORITY ATTACHED IN SPANISH**

Resolution of the Designated National Authority approving guidelines that will rule the approval by the Designated National Authority of the voluntary participation of Spain in Joint Implementation projects aimed at reduction of N₂O emissions in nitric acid plants in Spain.

THE DESIGNATED NATIONAL AUTHORITY,

Recalling Article 12 of the Kyoto Protocol,

Recalling paragraphs 21 to 23 of decision 16/CP.7 of the United Nations Framework Convention on Climate Change,

In compliance with Third Additional Provision of Law 1/2005, of 9th March, regulating the regime for greenhouse gas emission allowances trading, and Royal Decree 1031/2007, of 20th July, developing the participation framework in the Kyoto Protocol flexible mechanisms **the Spain's Designated National Authority** for project based mechanisms of the Kyoto Protocol,

CONSIDERING,

1. That The Kingdom of Spain ratified the United Nations Framework Convention on Climate Change on 21st December 1993, and ratified the Kyoto Protocol thereto on 31st May 2002.
2. That The Kingdom of Spain meets all of the eligibility requirements of the decision 16/CP.7 of the United Nations Framework Convention on Climate Change, and thus a "simplified" JI procedure ("Track 1") may be applied.
3. That the benchmark applied when elaborating the Spanish National Greenhouse Gas Inventory until 2007 has considered a basic emission factor for N₂O in nitric acid (HNO₃) plants of 7 Kg. N₂O/t HNO₃ based on historical data, and that emission factors known for 2008 are on average above 5 Kg. N₂O/t HNO₃.
4. That, under current regulation, European Union Emissions Trading Scheme foresees the future inclusion of N₂O emissions from nitric acid plants in the European Union in 2013.
5. That different European countries have approved and developed Joint Implementation projects aimed at reduction of N₂O emissions in nitric acid plants, for the period 2008-2012, with a benchmark of 2,5 Kg. N₂O/t HNO₃.



6. That a benchmark of 2,5 Kg. N₂O/t HNO₃ is more ambitious than the one that would result when applying national regulations of Integrated Pollution Prevention and Control by the Autonomous Regions in Spain.
7. That the establishment of a benchmark of 2,5 Kg. N₂O/t HNO₃ takes into account the Best Available Technology provisions for this type of activity.

APPROVES THE FOLLOWING GUIDELINES THAT WILL RULE THE APPROVAL BY THE DESIGNATED NATIONAL AUTHORITY OF THE VOLUNTARY PARTICIPATION OF SPAIN IN JOINT IMPLEMENTATION PROJECTS AIMED AT REDUCTION OF N₂O EMISSIONS IN NITRIC ACID PLANTS IN SPAIN:

- 1) For the recognition of Emission Reduction Units (ERUs) generated by the project, it will be necessary the approval of the Project Design Document (PDD) by the Spanish Designated National Authority (DNA), in accordance with the national regulation.
- 2) The PDD must have been analysed by an Independent Entity accredited by the Joint Implementation Supervisory Committee, who must issue a Determination Report.
- 3) Recognition of ERUs shall be claimed only for the reductions achieved below a benchmark of 2.5 Kg. N₂O/t HNO₃.
- 4) Recognition of ERUs for nitric acid production Joint Implementation projects will only apply between the starting date in which emission reductions have already occurred, as stated in the Verification Report, and the 31st of December 2012. If in the moment of the application for the Spanish Letter of Approval (LoA), the monitoring of the emission reductions had already started, the Spanish LoA will specify (in the light of this information) the starting date for the recognition of units.
- 5) Generation of units must be quantified and approved by a Verification Report prepared annually by an Accredited Independent Entity (AIE) on the basis of the monitoring reports prepared by the Project Entity with the frequency considered appropriate by the applicant.
- 6) The Verification Report must be elaborated objectively and in an accurate manner, and must indicate, among other aspects, that the project activity has been developed in accordance with the project documents. Specially, it must indicate that the monitoring reports comply with the monitoring plan initially established, and that the monitoring methodology has been applied correctly. Moreover, it must indicate the total amount of emission reductions generated and guarantee that risks of double counting are excluded.
- 7) Issuance of ERUs will be executed annually and will require the approval by the Spanish DNA. This approval will be notified to the applicant in the next three months after the submission of the Verification Report by the Accredited Independent Entity. As part of the issuance process, Spanish DNA may ask for additional information if considered necessary.



- 8) Issuance of ERUs will only be executed if the investor's country LoA for the project has been issued. The Spanish Government shall not be responsible for any consequence due to the lack of investor's LoA.
- 9) Once the Spanish DNA had approved the issuance of ERUs, the Spanish Climate Change Office (Oficina Española de Cambio Climático) will order the expedition and transfer of ERUs from the Spanish National Registry for Greenhouse Gas Emission Allowances, to the account of the entities authorized in their respective national registries as parties involved.
- 10) Expedition of ERUs will follow all the relevant CMP decisions, as well as the technical regulations for data exchange between registry systems envisaged within the Kioto Protocol.
- 11) Project Proponents must inform about any technological change carried out in the plant that could have an impact on the emission reductions generated by the project.
- 12) In case of non-compliance with the conditions laid down in these guidelines, in the PDD, or in the LoA, for the development of the project, the Spanish DNA will be able to deny the approval of the issuance of ERUs.
- 13) The benchmark approved through this resolution will be subject to review in case that European, national or regional regulations impose, directly or indirectly, a more ambitious threshold regarding N₂O emissions.

Madrid, 16th February 2010

Teresa Ribera Rodríguez
President of the Spanish Designated National Authority