

Agenda item 3.1.

Paragraphs 5 and 6 of the annotated agenda

**Tool: Analysis of lock-in risk, and revision of the
Standard: Demonstration of additionality in
mechanism methodologies**

Methodological Expert Panel - 11th meeting

26 to 30 January 2026

Bonn, Germany



Procedural background

1. At SBM 015 the Supervisory Body adopted the "***Standard: Demonstration of additionality in mechanism methodologies***" and requested the MEP to initiate work on a methodological ***Tool for the analysis of lock-in risk***, including a robust analysis of the key issues, taking into account inputs from the scientific community and relevant stakeholders.
2. MEP 008 while continuing to work on the Tool identified that some of the its elements may better fit within the Additionality standard and therefore decided to seek a mandate from the Supervisory Body to recommend such elements.
3. At SBM 018 the SB, mandated the MEP to revise, as necessary, the ***Standard***, noting that some elements identified in the work of the draft Tool "Analysis of lock-in risk" may better fit into the standard
4. MEP 010 agreed to continue working on the Tool and the relevant changes to the Standard and advanced drafting of the Tool and the methodological requirements in the standard.



Purpose

The purpose of this methodological Tool is to provide guidance and specific requirements for the analysis of lock-in risk in demonstrating additionality of activities under the Article 6.4 mechanism ***for which the lock-in risk analysis is applicable***.



What is lock-in?

- **RMP**
 - a) para 38: Additionality shall be demonstrated... and taking a conservative approach that **avoids locking in** levels of ***emissions, technologies or carbon-intensive practices*** incompatible with paragraph 33 above.
- **Methodology standard:**
 - a) 73: Mechanism methodologies shall contain provisions to demonstrate additionality through; ... the **avoidance of lock-in** as well as through financial additionality complemented with a common practice analysis. Performance-based approaches may be used as an alternative to provisions in paragraph 77 below.
 - b) 77: **Avoidance of lock-in** shall require demonstration that the proposed activity avoids locking in levels of ***emissions, technologies or carbon-intensive practices*** incompatible with paragraph 33 of the RMP, including through an assessment of the ***scale, lifetime, and emissions intensity*** of the activity;



Key issues and proposed solutions

As per the Additionality Standard section 6.2:

- The draft Tool contains stepwise procedures to undertake the lock-in risk analysis, that includes requirements and specifications to ;
 1. Assess **Technical and Operational Lifetime** of the technology and practice,
 - 10 years benchmark – Manufacturer's technical specification, standards (e.g., ISO) and expert advice
 - Also consider the prolongation of the lifetime of technology or practices (e.g., due to retrofitting and refurbishment)



Key issues and proposed solutions (2)

1. Assess the ***Emissions Intensity***

- Compare the alternatives that provides the same output and level of service
 - What level constitutes a lock-in in terms of the requirement of the standard to be within the lowest emission intensity
 - Lock-in risk to be determined at this level or requires assessment of the other parameters.

2. Assess the ***Resource use Efficiency***

- Option I – Inclusion of technologies with higher or same efficiency during the emission intensity comparison as above
- Option II – Compare the resource use ***intensity*** with the alternative using the same (key) resources, and if unavailable then compare with scientific data from the literature



1. Assess the ***Scale of implementation***

- Could be assessed based on the the extent of market penetration either through
 - Allowing methodology proponents to specify the lock-in threshold and provisions to calculate the extent of market penetration OR
 - Propose the procedure in the Tool with the threshold to be proposed by the methodology proponents



e) Additionality Standard Section 6.2 – Relevant Changes

- How the justifications for the possible non-applicability of lock in analysis should be included and for which technologies, measures and practices.
- MEP 010 discussed on the possibility of some of these technologies, measures and practices that included
 - Land-based removal activities
 - Some combination of technology-based removal activities
 - Some renewable energy activities



- The methodological Tool provides ***guidance and requirements that mechanism methodologies*** shall consider for the demonstration of additionality for the applicable technologies and practices.
- The ***revision to the additionality Standard provides guidance to the methodology proponents on the implementation of the Tool and expected non-applicability or conditions of non-applicability.***



The draft Tool together with the revision to the standard deals with lock-in analysis which is first of its kind. Therefore, it needs

- a careful review by the small group members and importantly by the larger MEP members.
- to be completed for stakeholder inputs since it is a new concept with expectations of high level of inputs from the stakeholders.



Subsequent work and timelines

The MEP aims to publish the Tool and the relevant changes to the Standard for stakeholder inputs.

