

 <p style="text-align: center;">CDM: Revision Form for Approved Methodologies (version 01) (To be used for responding to requests for clarifications on approved methodologies)</p>	
Date of Meth Panel meeting:	31 January – 03 February 2006
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Clarification with regard to consideration of hydropower plants in operating margin dispatch data analysis
Indicative methodology to which your submission relates	AM0026 – Methodology for zero-emissions grid-connected electricity generation from renewable sources in Chile or in countries with merit order based dispatch grid
Name of the authors of the query:	DNV
<p>Summary of the query:</p> <p>Please use the space below to summarize the request for clarification on the related approved methodologies.</p> <p>>> The proposal of the submission is to include a change in the text of the approved methodology: "The marginal plant(s) are those thermal power plants listed in the top of the grid system dispatch order during hour "h" needed to meet the electricity demand at that hour h without the generation of CDM project(s). If no thermal power plants are needed to meet the demand without the CDM projects, then the marginal plant(s) is (are) hydro." The suggested change is the inclusion of the word thermal. The word was included in the proposed NMB, but was changed in the text of the AM.</p>	
<p>Recommendation by the Meth Panel:</p> <p>Please use the space below to provide amendments /changes (in your expert view, if necessary).</p> <p>>> It is recommended to maintain the approved text.</p>	
<p>Answer to authors of the request for clarification by the Meth Panel :</p> <p>Please use the space below to provide an answer to the authors of the above query</p> <p>>> The following definitions included in the methodology must be considered:</p> <ul style="list-style-type: none"> • Baseline scenario: For project activities that do not modify or retrofit an existing electricity generation facility, the baseline scenario is the following: Electricity delivered to the grid by the project would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the Combined Margin (CM) calculations described below. • Emission factor: The emission factor for the proposed CDM project 'j', in a system with N CDM project activities, for a hour 'h' is based on identification of the marginal plant(s) that would be operated to meet the electricity supplied by the proposed CDM project 'j'. The identification of marginal plant(s) displaced by proposed CDM project 'j' is based on "first-built first served" principle. • Marginal plant: The marginal plant(s) are those power plants listed in the top of the grid system dispatch order during hour 'h' needed to meet the electricity demand at the hour "h" without the generation of CDM project(s). If no thermal power plants are needed to meet the demand without the CDM projects, then the emission factor of the marginal plant is zero. <p>The set of marginal plants could include hydropower plants, even in cases where thermal plants are</p>	

dispatched, as in many electric systems is possible for hydropower plants to assign variable cost to the energy. If the variable cost assigned for a hydropower plant is higher than the variable cost of a thermal plant, it is possible that the thermal plant would be dispatched, and the hydropower plant doesn't. It is required, then to maintain hydropower plants in the set of marginal plants, as it can't be predetermined in the methodology that the energy produced by the project activity will displace energy produced by thermal plants.



Signature of the Meth Panel Chair
 Date: 13/ 02/06 (Jean-Jacques Backer)



Signature of the Meth Panel Vice-Chair
 Date: 13/ 02/06 (José Miguez)

Information to be completed by the secretariat

F-CDM-AM	F-CDM-AM0026
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