



CDM: Recommendation form for Small Scale Methodologies (Version 01.1)

(To be used for presenting questions/proposals/amendments to the simplified methodologies for small-scale CDM project activity categories)

Date of SSC WG meeting:	05–08 March 2012, SSC WG 37
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Clarification on the combined use of AMS-I.E and AMS II.G depending on renewable biomass availability
Indicative methodology to which your submission relates <i>(refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable:</i>	AMS-I.E “Switch from Non-Renewable Biomass for Thermal Applications by the User” and AMS-II.G “Energy efficiency measures in thermal applications of non-renewable biomass”
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Summary of the query:

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

Original text from Stakeholder:

This query seeks to clarify the possibility and conditions of combination of small-scale methodologies AMS-I.E and AMS-II.G within a single CDM Project activity. This query is composed of 5 (five) questions.

The context of this query is the undertaking of an improved cook stoves project activity (currently under validation) in Kinshasa, the capital of the Democratic Republic of the Congo (Least Developed Country), where the current situation is dominated by inefficient traditional cook stoves consuming mostly non-renewable wood fuels. The initial dual objective of the Project was the dissemination of high efficient cooking devices together with the supply of renewable biomass (Bioresidues briquettes, sustainable wood from plantations, etc) to the project participants. However, given the technical and financial challenges of setting up a renewable biomass supply chain for several thousand households, there are increasing concerns that not enough renewable biomass will be available to meet the demand of all the participating households at least in the short & medium term.

Therefore, in the likely event that available renewable biomass can only supply a part of the participating households, **is it acceptable to combine both methodologies AMS-I.E and AMS-II.G so that:**

- The share of participating households who use the project improved cook stoves with the project supply of renewable biomass are accounted under AMS-I.E frame (fuel switch)
- The remaining share of participating households who use the project improved cook stoves without renewable biomass are accounted under AMS-II.G frame (energy efficiency gains)?

Both methodologies being very similar when applied to cook stoves initiatives, their few differences could be taken care of as follows:

- Emission Reductions calculations would be prorated to each category of users, applying AMS-I.E's B_y (Quantity of woody biomass that is substituted or displaced) to the proportion of users consuming the project's renewable biomass and AMS-II.G's $B_{y,savings}$ (Quantity of woody biomass that is saved) to the one using improved cook stoves without renewable biomass supply;
- The proportion and size of each component activity will be estimated ex ante and monitored ex-post, with a given stove being attributed to one component or the other at selling time. The type of component a stove belongs to will be possibly updated from one monitoring period to another, would the concerned household get access to the project biomass (or at contrary, withdraw from the renewable supply), upon written addendum to the contract binding the household to the project entity;
- Monitoring will be differentiated between the two user groups so that the 90/10 or 95/5 precision is achieved for each group, and the quantity of renewable biomass used is monitored in the group of households switching to renewable biomass;
- General Guidance on Leakage in biomass project activities would be followed for the AMS-I.E-related component of the project;

Are such modalities of combination acceptable, and if not, which recommendations/guidelines should be followed?

As per the General Guidelines to SSC CDM methodologies (Version 17) § 3 (b), *"In a project activity with more than one component that will benefit from simplified CDM modalities and procedures, each component shall meet the threshold criterion of each applicable type, e.g. for a project with both a renewable energy and an energy efficiency component, the renewable energy component shall meet the criterion for "renewable energy" and the energy efficiency component that for "energy efficiency"; therefore is it correct that in combining both AMS-I.E and AMS-II.G, each component should only respect its Type-related small-scale threshold (45 MW_{th} for AMS-I.E component's cook stoves thermal power, and 180,000 MWh_{th} for AMS-II.G component's energy savings) regardless of the size of the other component?"*

In addition, **would the above combination modalities be possible under a PoA?**

Last but not least, in an improved cook stove PoA under AMS-I.E and/or AMS-II.G, **is it acceptable to propose a nationally calculated f_{NRB} together with option for specific local value at CPA-level (if data available leads to a higher f_{NRB} at sub-national level)?**

Recommendation by the SSC WG:

Please use the space below to provide amendments / change (in your expert view, if necessary).

Please refer to paragraph 20 of the meeting report of the SSC WG 37
<http://cdm.unfccc.int/Panels/ssc_wg>.

Answer to authors of query by the SSC WG:

Please use the space below to provide answer to the authors of the above query.

The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

The group agreed to clarify as follows:

(Question 1) is it acceptable to combine both methodologies AMS-I.E and AMS-II.G ?, i.e. using AMS-I.E for households who use the project improved cook stoves with the project supply of renewable biomass (fuel switch) and using AMS-II.G for households who use the project improved cook stoves without renewable biomass (energy efficiency gains)?

The group agreed to clarify that the combination of AMS-I.E and AMS-II.G is acceptable if the conditions discussed below are satisfied.

(Question 2) are the following approaches acceptable? If not, which recommendations/guidelines should be followed?

2-a) Emission Reductions calculations would be prorated to each category of users, applying AMS-I.E's By (Quantity of woody biomass that is substituted or displaced) to the proportion of users consuming the project's renewable biomass and AMS-II.G's By, savings (Quantity of woody biomass that is saved) to the one using improved cook stoves without renewable biomass supply;

The group agreed to clarify that the PDD shall clearly describe the selected option for determining By (Quantity of woody biomass that is substituted or displaced) under AMS-I.E and By, savings (Quantity of woody biomass that is saved) under AMS-II.G and that the appropriateness of the selected option and the proposed approach for monitoring each component at each year of the crediting period shall comply with the respective methodology and be validated by a DOE.

2-b) The proportion and size of each component activity will be estimated ex ante and monitored ex-post, with a given stove being attributed to one component or the other at selling time. The type of component a stove belongs to will be possibly updated from one monitoring period to another, would the concerned household get access to the project biomass (or at contrary, withdraw from the renewable supply), upon written addendum to the contract binding the household to the project entity;

The group agreed to clarify that the shift from one baseline to another (flexible baseline) is allowed if project proponents can ensure conservative monitoring and ER calculation. In particular, the procedure for shifting a household from one type to the other shall be described in the PDD, and at any time during the crediting period PP shall be able to indicate to which type of baseline (AMS-I.E or AMS-II.G) each participant household belongs to. A procedure shall describe how to make conservative ER calculations for the households that change status between two subsequent periods.

2-c) Monitoring will be differentiated between the two user groups so that the 90/10 or 95/5 precision is achieved for each group, and the quantity of renewable biomass used is monitored in the group of households switching to renewable biomass;

The group agreed to clarify that the proposed approach is reasonable.

2-d) General Guidance on Leakage in biomass project activities would be followed for the AMS-I.E-related component of the project;

The group agreed to clarify that the general guidance on leakage should be followed for AMS-I.E component. The total amount of renewable biomass delivered/sold by the project activity shall be consistent with the number of households belonging to the AMS-I.E component.

(Question 3) Is it correct that in combining both AMS-I.E and AMS-II.G, each component should only respect its Type-related small-scale threshold (45 MWth for AMS-I.E, and 180,000 MWth for AMS-II.G) regardless of the size of the other component?

The group agreed to clarify that if the flexible approach is selected by project proponents, the SSC threshold for the components AMS-I.E and AMS-II.G should be met in any combination. For example, the AMS-II.G threshold of 180,000 MWth shall be calculated with the situation that 100% of the participants are not supplied with renewable biomass, and the AMS-I.E threshold of 45 MWth is calculated supposing that 100% of the households will be supplied with the renewable biomass.

(Question 4) Would the above combination and approaches be possible under a PoA?

The SSC WG agreed to clarify that the combination of AMS-I.E and AMS-II.G is eligible to be used directly in each and every CPA of the underlying PoA, since no cross effects are envisaged under this combination. The SSC WG agreed to include the combination in a future revision of "General guidelines to SSC CDM methodologies".

(Question 5) In an improved cook stove PoA under AMS-I.E and/or AMS-II.G, is it acceptable to propose a nationally calculated fNRB together with option for specific local value at CPA-level (if data available leads to a higher fNRB at sub-national level)?

On the question of whether or not a combination of national and sub-national values for the fraction of non-renewable (fNRB) biomass can be used under a PoA, the SSC WG agreed to clarify that the choice for either set of data needs to be made ex ante. A switch from national to sub-national values is permitted, under the condition that the selected approach is consistently applied to all CPAs.

Signature of SSC WG Chair: Mr. Peer Stiansen

Date: 08/06/2012

Signature of SSC WG Vice-Chair: Ms. Fatou Gaye

Date: 08/06/2012

SECTION TO BE FILLED IN BY THE UNFCCC SECRETARIAT

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History of the document

Version	Date	Nature of revision(s)
01.1	12 April 2012	Editorial changes to include new logo and other improvements.
01.0	2005	Initial publication.
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