



## 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)*

<b>Date of SSC WG meeting:</b>	05–08 March 2012, SSC WG 37
<b>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</b>	Clarification on the assessment of debundling for SSC project activities
<b>Indicative methodology to which your submission relates</b> <i>(refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable:</i>	AMS-I.D “Grid connected renewable electricity generation” AMS-III.H “Methane recovery in wastewater treatment” AMS-III.AO “Methane recovery through controlled anaerobic digestion”
<b>Name of the authors of the query:</b>	Christine Clashausen Institution: Carbon Energy Co. Ltd. <a href="mailto:c.clashausen@carbonbw.co.th">c.clashausen@carbonbw.co.th</a>

### **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 PP:

We seek guidance in regard to the application of the Guidelines on assessment of debundling for ssc project activities (version 03) in conjunction with the methodologies as stated above.

#### Project description:

##### *Project 1:*

*Project 1* is a registered SSC CDM project (Ref. 4214) applying AMS-III.H. (version 15) and AMS-I.D. (version 16) The project has been registered on 10th of September 2011. The project consists of the treatment of waste water from the production line 1 of a starch factory in an Upflow Anaerobic Sludge Blanket (UASB) reactor. The produced biogas is used to generate electricity. Generated electricity is supplied to the grid. Estimated emission reductions from methane avoidance are 38,000 tCO<sub>2</sub>e per year and the installed capacity of the electricity generators is 2,400 kWel.

##### *Project 2:*

*Project 2* is about to start validation/registration and applies AMS-III.AO. (version 01) and AMS-I.D. (version 17.0). The project consists of the treatment of the following substrates:

- Excess waste water from the production line 1 of starch factory that cannot be treated by the *Project 1*;
- Waste water from a recently built production line (i.e. line 2) of the starch factory
- Cassava root cake (pulp) from production line 1 and 2 of the starch factory

The substrates will be mixed and treated in a modified covered lagoon. The produced biogas is collected and used to generate electricity. Generated electricity is supplied to the grid. Estimated emission reductions from methane avoidance are 47,000 tCO<sub>2</sub>e per year and the installed capacity of the electricity generators is 2,800 kWel.

*Project 1* and *Project 2* use the same open pond system to discharge effluent from the digester.

The Guidelines on assessment of debundling for ssc project activities (Version 03) state:

A proposed small-scale project activity shall be deemed to be a debundled component of a large project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity:

- (a) With the same project participants;
- (b) In the same project category and technology/measure; and
- (c) Registered within the previous 2 years; and
- (d) Whose project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point.

Condition (a), (c) and (d) are fulfilled as *Project 2* will be implemented at the same site, with the same project participant and within a period of 2 years (Registration of *Project 1* on 10th of September 2011 and submission for validation of *Project 2* envisaged before end of 2012).

Questions:

- 1) We assume the two projects are not in the same project category (i.e. AMS-III.H. and AMS-III.AO.) and not in the same technology/measure (i.e. treatment of only waste water vs. treatment of waste water and biomass; treatment with an UASB reactor vs. treatment in a modified covered lagoon). Generally we assume activities applying AMS-III.H. and activities applying AMS-III.AO. as not being in the same project category. Are these assumptions correct?
- 2) We assume the two projects are not deemed to be of "Type I activity" but deemed to be of "Type III activity" due to the project circumstances (i.e. methane avoidance is the "dominant" activity). Hence, the procedure for determining the occurrence of debundling has only to be applied as if the "Type III activity" is the only component of the projects. Are these assumptions correct?
- 3) If the assumption under Question 2) is not correct, do we need to apply the procedure for determining the occurrence of debundling separately for both components of the projects?
- 4) As the total sum of the capacity of the electricity generation equipment is only 5,200 kWel we assume that the proposed SSC PA (i.e. *Project 2*) may be deemed to be a debundled component of a large project activity but can qualify to use simplified modalities and procedures for SSC PAs in any case. Is this assumption correct?
- 5) Finally, can the proposed SSC PA (i.e. *Project 2*) be deemed as not being a debundled component of a large project activity and is therefore eligible to use the simplified modalities and procedures for SSC PAs?

#### **Recommendation by the SSC WG:**

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

Please refer to paragraph 29 of the meeting report of the SSC WG 37  
<[http://cdm.unfccc.int/Panels/ssc\\_wg](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.

Before providing the clarification to the Project Proponent, the SSC WG summarized the PP's query into the following two questions:

- 1) Whether the underlying two projects are in the same project category and technology/measure, and
- 2) How the debundling check shall be carried out for project activities involving more than one component that apply different methodologies.

The SSC WG agreed to clarify that:

- 1) The term “category” as used in the “The Guidelines on assessment of debundling for SSC project activities (Version 03)” is synonymous to “methodology”. With respect to the “technology/measure”, the project shall refer to the definition provided in the “Glossary of CDM Terms”, which is reproduced below:

<i>Same technology/measure</i>	<i>Two different SSC CDM project activities that either:</i> <i>(a) Provide the same kind of output and use the same kind of equipment and conversion process (same technology); or</i> <i>(b) Undertake the same course of action which results in the same kind of effect (e.g. two projects using the same management practice such as fuel switching) (same measure).</i>
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Based on the description of the two project activities, for which two different types of equipment are used, they can be considered as using different technologies/measure.

- 2) In the case of a project activity with more than one component, each component shall be considered while checking the compliance with the criteria in para 3 of the “The Guidelines on assessment of debundling for SSC project activities (Version 03)”<sup>1</sup>, i.e., the total size of the component in the project activities combined with the component applying the same methodology in the previous registered SSC project shall be checked against the applicable SSC threshold.

The criteria in para 3 of the “The Guidelines on assessment of debundling for SSC project activities” (Version 03) is also reproduced below:

*“3. If a proposed small-scale project activity is deemed to be a debundled component in accordance with paragraph 2 above, but total size of such an activity combined with the previous registered small-scale CDM project activity does not exceed the limits for small-scale CDM project activities as set in paragraph 6 (c) of the decision 17/CP.7 the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities.”<sup>2</sup>*

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

<b>SSC-Submission number:</b>	SSC_634
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<sup>1</sup> [http://cdm.unfccc.int/Reference/Guidclarif/ssc/methSSC\\_guid17.pdf](http://cdm.unfccc.int/Reference/Guidclarif/ssc/methSSC_guid17.pdf).

<sup>2</sup> Limits have been revised as set in paragraph 28 of decision 1/CMP.2.

## 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.
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Form <b>Business Function:</b> Methodology		