



CDM: Recommendation Form for Small Scale Methodologies (version 01)

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

<i>Date of SSC WG meeting:</i>	As per procedures for fast track clarifications
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Clarification regarding the applicability of AMS II.D
<i>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</i>	AMS II.D, version 11
<i>Name of the authors of the query:</i>	Siddharth Yadav Institution: SGS Uni ted Kingdom Ltd. Siddharth.yadav@sgs.com , Sanjeev.kumar@sgs.com

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.

The project activity involves a new natural gas fired captive power generation facility (5.1 MW + 3.1 MW) to meet the electricity requirements of a textile production facility. Supplies from third party/grid were meeting baseline situation electricity requirements. It is stated a coal-fired system would have otherwise been built in the absence of the project activity (baseline). The project activity is stated to be primarily energy efficiency activity as the efficiency of the coal power plant and the natural gas-fired power plant are 28% and 36.36% respectively. Emission reductions are claimed based on the improvement in the power generation efficiency i.e., 8.36% (36.36% - 28%).

The query is in the context of the PDD found at

<https://cdm.unfccc.int/Projects/Validation/DB/9RHYWLE252BRGK9WAU9PQRWQW5ILQS/view.html>

The following clarifications are sought:

1. Can coal based power generation be the baseline for the project activity due to its economic attractiveness although the existing plant was taking power from grid?
2. If so, which emission factor out of grid emission factor (pre-project scenario) and coal based captive power plant (most likely scenario) will be used to calculate emission reductions?
3. Does this approach qualify the conditions of AMS II.D?

Recommendation by the SSC WG:

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

This recommendation is as per the procedures for fast track clarifications as specified in paragraph 8 of the 'procedures for the submission and consideration of request for clarification of approved small-scale methodologies' found at http://cdm.unfccc.int/Reference/Procedures/MethSSC_proc01_EB34a06.pdf.

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.

As stipulated under the applicability conditions, AMS II.D “covers project activities aimed primarily at energy efficiency; a project activity that involves primarily fuel switching falls into category III.B. Examples include energy efficiency measures (such as efficient motors), fuel switching measures (such as switching from steam or compressed air to electricity) and efficiency measures for specific industrial or mining and mineral production processes (such as steel furnaces, paper drying, tobacco curing, etc.)”.

Neither the submission nor the PDD provide a clear delineation of any energy efficiency measure or fuel switching measure undertaken in any of the project processes of the textile manufacturing facility. Merely the fact that natural gas based engine power plant intended for installation under the project would be more efficient than a hypothetical coal power plant ‘that otherwise would have been built’ is cited as an energy efficiency measure. Moreover the documentation does not provide convincing arguments on why coal-based thermal power plant should be the baseline especially considering that grid electricity was being used in the baseline situation.

From the information presented by the submission and for the above reasons the SSC WG is of the opinion that neither AMS II.D nor any other approved small-scale methodology is applicable to the proposed project activity. Project participant may consider submitting a new methodology for the proposed project activity, that estimates the emission reductions based on the grid-emission factor for the grid that was supplying power in the pre-project scenario. In this regard the project participant may wish to follow the progress of new small-scale methodology submission SSC-NM003 on the CDM website at <http://cdm.unfccc.int/methodologies/SSCmethodologies/NewSSCMethodologies/index.html>.



Signature of SSC WG Chair

(Ulrika Raab)

Date: 03/04/2008



Signature of SSC WG Vice-Chair

(Kamel Djemouai)

Date: 03/04/2008

Information to be completed by the secretariat

SSC-Submission number	SSC_169
Date when the form was received at UNFCCC secretariat	03 April 2008
Date of transmission to the EB	03 April 2008
Date of posting in the UNFCCC CDM website	03 April 2008