



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>	11–14 January 2011, SSC WG 29
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Revision of AMS-I.E to simplify and broaden the water purification part of the methodology
<i>Indicative methodology to which your submission relates (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”
<i>Name of the authors of the query:</i>	Susanne Häfeli-Hestvik Institution: Tricorona susanne.haefeli-hestvik@tricorona.se , Susanne@tricorona.se

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:

The methodology's water purification part is currently leading to too high transaction costs and as a consequence a CER price well above 20 EUR per ton of CO₂ meaning effectively that there might be a few registered in the new future but no issued credits. This can be remedied; requirements can be simplified and broadened to take into account the importance of access to affordable clean water for a country/region's development.

1- We propose to change the methodology so as

- to account for all water purified (to delete the cap), and
- to delete the need for a baseline survey.

We understand these changes imply accepting raising water/energy demand and thus emissions and we feel the arguments are compelling: Raising energy demand is already accepted for renewable energy projects: no one asks project participants in AMS-I.D or ACM0002 to cap the electricity produced or to prove that an equivalent amount of electricity produced by the project has been taken off the electricity grid from fossil-fuelled power plants. Further, AMS-I.E. has that concept already acknowledged, in that approach b) (not applicable for water purification technologies though) allows to measure the heat produced by the project equipment and thereby assumes that heat would have been produced by kerosene or something else GHG intensive if only people had had access to it. Water borne diseases constitute up to 80 % of all illnesses and do not spread only through drinking the water, but can also enter the body when bathing/washing oneself or one's children, through the usage of unclean utensils such as plates and cutlery and through eating unclean, raw vegetables. For instance, the East Africa Water Safety site says “Water used for bathing should first be boiled, filtered or treated in order to remove parasites”

(http://www.ehow.com/about_6704847_east-africa-water-safety.html). Directors of Health Promotion and Education (DHPE) says that, to avoid parasites entering the body through the skin, “Heat bath water for 5 minutes at 150F” (<http://www.dhpe.org/infect/schisto.html>). It is thus clear that from a health perspective, it is imperative that “drinking water” refers to the quality of water required for drinking, cleaning utensils,

bathing and washing, rather than just drinking. Increasing demand for clean water should also comprise health and well-being-related demands outside normal domestic use such as water use in health care facilities, food production, economic activity or amenity use.

It is in our view only a theoretical threat at most that business would emerge to purify water simply to get the CERs and then let the water go bad, or that we would see CERs issued for the purification of water that could not be treated by means of boiling it anyway (e.g. arsenic pollution) and we hope that we can agree to cross that bridge only when and if at all we ever get there. Further, the methodology has already a cap (the 15 MW installed capacity) and an applicability restriction (only applicable in regions with decreasing biomass resources).

2- On the non-renewability: It is difficult to get surveys from 1989 (21 years ago!), we would therefore propose the methodology to be changed to "... using survey methods or based on relevant third party confirmation/data/statistics such as from governments, research institutes and similar" instead.

3- Leakage is also an issue because it adds so much uncertainty down the road which discourages private investment upfront. It is nearly impossible to find out whether these other non-project households now use the non-renewable firewood a project saved and even if they did, it should not matter for the CERs because the issue is the same as for renewable energy projects where one also does not have to confirm whether the equivalent amount of coal really has been saved for example. For business, what works best is as much as possible security upfront, before money is invested. The methodology's performance shows this very clearly: Only 3 projects have been registered since the methodology's adoption in early 2008, 3 years ago. None of them has even started yet verification, quite simply because the way the methodology currently is written it is just simply too few CERs for too much uncertainty too long down the road.

Notes to the calculators:

Cost calculator: The purpose is to showcase that the big costs come from the CDM handling and the logistics. Note: For getting CERs issued from 5000 households, we expect having to distribute equipment to at least 7000 households. The big question is how many CERs can be generated per household per year. Our point is that everything below 2 tCO₂ forecast per household/year is unattractive for any investor and keeping in mind the current experience with issuance success.

CER calculator: The way the methodology is currently written, any technology would get maximum 0.51 tCO₂ per household/year in the Western regions of Kenya as an example (see C5, compare to the minimum 2 tCO₂/household/year needed to make the project financially viable). In line with our proposal, the rows 17 and 24 would change:

- take away the cap, and
- take away the fraction of baseline households boiling water.

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 29
<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 submission flags the problems resulting from the implementation of water purification technologies under AMS-I.E. Some issues are specific to the water purification technologies, while some others to the displacement of non-renewable biomass. SSC WG recognizes the need of a separate methodology for water purification technologies, and will start the preparation of this new category in a top-down approach, in consultation with potentially interested project proponents. Among the aspects to be considered in the new methodology will be to account for all water purified and including new procedures to determine eligible users (e.g. depending on whether purified or unpurified water is used in the baseline). SSC WG also emphasizes that AMS-I.E will be proposed for revision in order to facilitate easier determination of baseline emissions related to consumption of non renewable biomass, and such simplifications will be included in the new water purification methodology. The SSC WG aims to finalize the water purification methodology by its thirtieth meeting.

Signed by the Chair, Mr. Peer Stiansen

Date: 14/01/2011

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 14/01/2011

Information to be completed by the secretariat

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