



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>	26–29 April 2010, SSC WG 25
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Clarification on the applicability and baseline provisions of AMS-II.H to a Greenfield trigeneration project activity
<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.H “Energy efficiency measures through centralization of utility provisions of an industrial facility”
<i>Name of the authors of the query:</i>	Avadhesh Mittal Institution: Gensol Consultants Pvt. Ltd. avadheshmittal@gensolconsultants.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.

Original text from Stakeholder:

This request is related to a specific problem being faced by Natural Gas Based Tri-generation project. Project is a green field project activity. There is no existing system in pre project scenario, so in the absence of project activity some other system would have been built to meet power, heat and cooling requirement which may not be a tri-generation system.

Query:

1. Refer to paragraph 1(b) of AMS - II.H “facilities that would have otherwise been built” it is requested to clarify whether paragraph 1(b) of the methodology allows green field project activity or not:

1(a) If yes, whether baseline options given in paragraph 6 of methodology are applicable to project activity or not

1(b) If no, whether AMS II.H can still be applied in accordance with paragraph 14 of “Indicative Simplified Baseline and Monitoring Methodologies for Selected Small Scale CDM Project Activity Category.” If yes, then it is requested to further clarify whether demonstration of common practice is mandatory because same is not very clear from the text of paragraph 14.

2. Refer to first line of paragraph 2 “Measures are limited to activities that result in additional steam/heat and/or cooling generation capacity of no more than 5% of the pre-project situation” it clearly puts limit on generation capacity in project scenario.

Now refer to second line of same paragraph “the methodology is not applicable to activities seeking to retrofit existing facility to increase output” it says that methodology is not applicable in case there is increase in output as a result of retrofit in existing system.

But if we put word “consequently” between two lines which is the case in methodology then the

interpretation may be different. In that case second line itself becomes interpretation of first line so finally only second line will be applicable on projects. Therefore it is requested to clarify that, if there is a case when output of the system increases beyond 5% (as compared to pre project scenario) but not as a result of retrofit in existing system (a whole new system is implemented) then how paragraph 2 of AMS II.H will be applicable.

Recommendation by the SSC WG:

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

Please refer to paragraph 22 of the meeting report of the SSC WG 25
(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 SSC WG agreed to clarify that AMS-II.H is applicable to Greenfield project activities as stated in its paragraph 1, b) "...The single utility shall consist of either a Combined Heat and Power or a Combined Cooling, Heat and Power installations, replacing one or more facilities that would have otherwise been built."

The SSC WG agreed to recommend a revised version of the methodology as contained in annex 8 of the SSC WG 25 report to provide a procedure on the determination of the baseline scenario for Greenfield / Capacity expansion project activities.

Furthermore, the SSC WG agreed to clarify that the provisions of paragraph 2 of the methodology that the 5% cap is applicable to existing facilities only. In addition, the SSC WG agreed to amend the cap to 10% in order to be consistent with other approved SSC methodologies addressing similar applications.

Signed by the Chair, Mr. Peer Stiansen

Date: 29/04/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 29/04/2010

Information to be completed by the secretariat

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