



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)

Date of SSC WG meeting:	19–22 October 2010, SSC WG 28
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Request for further clarification on applicability of AMS-III.C v.11
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-III.C “Emission reductions by low-greenhouse gas emitting vehicles”
Name of the authors of the query:	Rama Chandra Reddy Institution: The Carbon Finance Unit, The World Bank reddy1@worldbank.org , hgadde@worldbank.org hkrambeck@worldbank.org

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 are writing in reference to recent clarification SSC_414, which states: “the SSC WG agreed to reiterate the previously provided clarifications in response to SSC_364 and SSC_125 that AMS-III.C covers project activities involving the replacement of high GHG emitting vehicles with new electric or hybrid vehicles.”

This clarification was followed by a recommendation, presented in paragraph 7 of the report for the 26th meeting of the SSC-WG, which states “taking into account the responses to request for clarifications already approved by the CDM Executive Board (the Board) (e.g. SSC_376¹ and SSC_364), the SSC WG agreed to recommend a revision to AMS-III.C...to clarify that the methodology is only applicable to technology/measures involving electric and hybrid vehicles.”

We have two concerns with this decision and request additional clarification, as follows:

- **There are inconsistencies and errors in the use of precedent to support the clarification:**
 - SSC_125, referred to in the SSC WG decision, states that “*The SSC WG agreed to clarify that AMS III.C deals with project situations involving the replacement of complete vehicles and not components thereof, e.g. project activities involving the replacement of fossil fuel vehicles with new electric/hybrid vehicles.*” (November 2007)
 - SSC_364, referred to in the SSC WG decision, states that “*The SSC WG agreed to clarify and reiterate in precedence with SSC_125, AMS-III.C deals with project situations involving the replacement of complete vehicles and not components thereof, e.g., project activities involving the replacement of fossil fuel vehicles with new electric/hybrid vehicles. Therefore, fuel switching within the existing vehicles is not applicable to use the methodology AMS-III.C.*” (February 2010)

¹ We believe that SSC_376 actually refers to SSC_375 which is in response to a request for clarification of methodology AMS III.S, not AMS III.C

- SSC_376, referred to in the SSC WG decision, refers to methodology AMS.III.H, which is entirely unrelated to AMS.III.C.

Since no previous clarification indicates that applicability of the methodology is restricted to “electric or hybrid vehicles”, thereby excluding other low GHG emissions vehicles, the SSC WG clarification is incorrect—the new clarification does **not** reiterate previous clarifications and is, thus, a brand new statement without precedent.

- **The clarification itself is not a clarification but constitutes a revision of the existing methodology:**

- From version 1 through version 11 of AMS.III.C, the applicability conditions of the methodology have referred to “low GHG emissions vehicles,” with no indication that its applicability should be restricted to a specific technology. In fact, all requirements of the methodology, as written, can be met by any vehicle that emits fewer greenhouse gases per km travelled. No additional components or amendments are necessary to cover non-electric or non-hybrid vehicles.
- As a case-in-point, the Egypt Vehicle Scrapping and Recycling Program PoA, which does not include the use of electric or hybrid vehicles, completed its global stakeholder consultation in December 2009 and is now nearing completion of validation. Throughout this period, AMS.III.C has been successfully employed, because the program is in full compliance with the methodology *as it is written*. Similarly, there are other CDM programs utilizing AMS.III.C under validation that do not include sole use of electric vehicles, yet, have been able to proceed.
- So, by restricting the types of technologies that may be used under version 11 of the methodology, SSC_414 constitutes a revision of the methodology, not a clarification.

- **Given these two concerns, we would like to present the following request for additional clarification:**

- Projects and programs that utilize AMS.III.C and are currently under validation may submit for registration under version 11 of AMS.III.C until 12 April 2011 as per EB34, Annex 7, Paragraph 14.² To complete validation of these programs, we require confirmation that version 11 of the methodology may be applied *as it has been written* (i.e., not limiting the applicable technologies to only electric or hybrid vehicles) until the end of this grace period.
- Therefore, please provide clarification that projects and programs using AMS.III.C that have already completed the global stakeholder consultation and are under validation may continue to submit for registration under the grace period, as version 11 is written, not as it has been revised through SSC_414.

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 28
<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 confirm that AMS-III.C version 11 is not restricted to project electric and hybrid

² As per EB34, Annex7, paragraph 14, “The revision of an approved SSC methodology or tool referred to in a SSC methodology shall not affect (i) registered CDM project activities during their crediting period; and (ii) project activities that have been published for public comments for validation using the previously approved methodology or tool, so long as the project activity is submitted for registration within 8 months of the date when the revision became effective.”

vehicles, although version 12 is restricted. The SSC WG therefore clarifies that as per the procedures by the Board, proponents of projects correctly applying version 11 of AMS-III.C may continue to use version 11 for submitting their project for validation/registration etc. until the expiration of the methodology version as provided for by the procedures.

With respect to the reference to SSC_376 in a prior SSC WG meeting report, that was an erroneous reference.

It may also be noted that clarifications, such as SSC_414 “Clarification on applicability of AMS-III.C or AMS-III.S to introduction of LNG vehicles into new public transportation routes”, should be considered in the context of the queries and underlying projects presented to the SSC WG. The author of SSC_414 chose to seek a clarification on the eligibility of their proposed project under AMS-III.C version 11. The SSC WG 27 concluded that AMS-III.C version 11 was not applicable to the underlying project of SSC_414 and the Board at its fifty-sixth meeting upheld this view. However, this response to SSC_414 is not intended to restrict the applicability of version 11 of the methodology.

Signed by the Chair, Mr. Peer Stiansen

Date: 22/10/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 22/10/2010

Information to be completed by the secretariat

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