



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):	Applicability of AMS-I.D/AMS-I.F for wind power projects feeding power to manufacturing unit of the wind project developer
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-I.D “Grid connected renewable electricity generation” and AMS-I.F “Renewable electricity generation for captive use and mini-grid”
Name of the authors of the query:	Debjit Bag Institution: Emergent Ventures India Pvt. Ltd. debjit.bag@emergent-ventures.com , atul@emergent-ventures.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 PP:

Clarification on applicability of the methodology is requested:

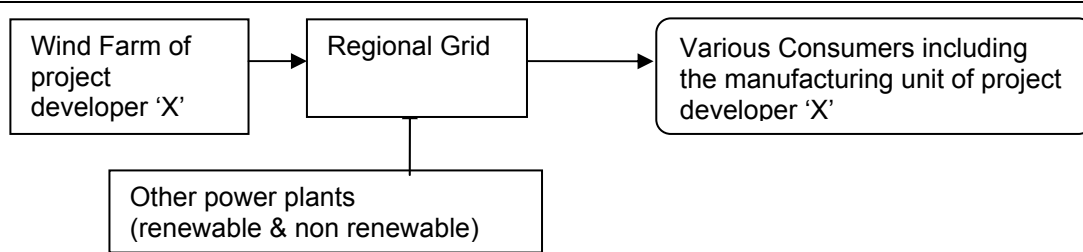
As per the applicability criteria of the methodology, **AMS-I.D., Version 16**, “*This category comprises renewable energy generation units, such as photovoltaic, hydro, tidal/wave, wind, geothermal and renewable biomass that **supply electricity to a national or a regional grid**. Project activities that displace electricity from an electricity distribution system that is or would have been supplied by at least one fossil fuel fired generating unit shall apply AMS-I.F*”.

As per the applicability criteria of the methodology, **AMS-I.F., Version 01**, “*This category comprises renewable energy generation units, such as photovoltaic, hydro, tidal/wave, wind, geothermal and renewable biomass that **supply electricity to user(s)**. This is applicable for the project activity, which will displace electricity from an electricity distribution system that is or would have been supplied by at least one fossil fuel fired generating unit i.e., in the absence of the project activity, the users would have been supplied electricity from one or more sources listed below:*

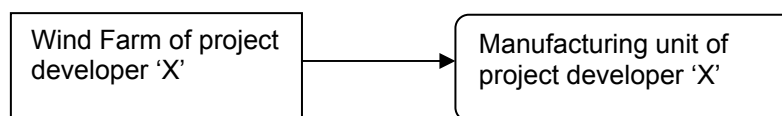
- (a) *A national or a regional grid (grid hereafter);*
- (b) *Fossil fuel fired captive power plant;*
- (c) *A carbon intensive mini-grid”.*

Two Types of Project Scenarios:

Case 1: Power generated by Wind Turbine Generators (WTGs) is supplied to the regional grid. The energy is then supplied to the various consumers through the transmission and distribution network of the regional grid system. The following diagram elaborates the same.



Case 2: Power generated by Wind Turbine Generators (WTGs) is supplied directly to the user (s) through dedicated lines. The following diagram elaborates the same. Wheeling arrangement of Case 2 is not equivalent to Case 1.) The dedicated transmission line is the direct line from generator to user end unlike state grid route.



Project Activity:

The project activity of PP is similar to Case – 1. Power from WTGs of PP is fed into the grid. The supplied power after adjusting for applicable charges is compensated against the grid power consumed in another manufacturing plant of the PP. Case -2 has been discussed to show the difference between the two arrangements. In our opinion it is Case-2 which is applicable to AMS IF and not the Case – 1.

This financial agreement between the PP and the state grid for the project (similar to case 1) has created the confusion as it is supposedly using the power as produced from WTGs which is technically incorrect and is unlike the case where power would be wheeled using dedicated transmission line from generator to the user end (case 2)

Baseline Calculation: The manufacturing unit of the PP was drawing power from the same regional grid prior to the project activity. In the absence of the project activity same amount of power, would continue to come from the grid and would have been generated by the existing power plants connected to the regional grid or addition of similar system.

The baseline calculation of the project activity (Case -1) will be as follows:

Baseline Emission (BE) = Net electricity generated by the WTGs* Combined Margin emission factor of the regional grid

Net electricity generation by the WTGs will be monitored for baseline emission calculation.

Question:

In the context of the above mentioned project scenarios, PP seeks clarification from the SSC WG whether –

Case 1 project activity complies with the methodology AMS-I.D., Version 16 (PP's submission is that Case – 1 complies to AMS ID).

Case - 2 has been shown to clarify the difference between the project activity (case 1) and wheeling of power (case-2) in technical terms.

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 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.

It is understood from the submission that the project activity, as represented by case 1 described in the submission is a wind power project supplying electricity to a grid and the electricity is wheeled via a same regional grid to a manufacturing plant which is owned by the same PPs. The electricity baseline of the manufacturing plant is the grid. The contracting arrangement has created confusion and clarification is sought whether it falls under AMS-I.D or AMS-I.F.

The SSC WG is of the view that the proposed wind turbine project activity that supplies electricity to a grid (irrespective of the electricity production/purchase agreement) ultimately displaces grid electricity. In other words, the electricity produced once injected to a grid would be indistinguishable at the users end to recognize where it comes from but would affect the current electricity generation of existing grid- power plants (i.e. operating margin emission factor) or would affect the construction and future operation of candidate grid-power plants (i.e. build margin emission factor). The SSC WG thus agreed to clarify that the proposed project activity is eligible under AMS-I.D and complies with the applicability criteria “This category comprises renewable energy generation units, such as photovoltaic, hydro, tidal/wave, wind, geothermal and renewable biomass that supply electricity to a national or a regional grid”.

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

SSC-Submission number	SSC_466
Date when the form was received at UNFCCC secretariat	22 October 2010
Date of transmission to the EB	22 October 2010
Date of posting in the UNFCCC CDM web site	22 October 2010