



## 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>	01–03 September 2008, SSC WG 17
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Clarification of the situation in the proposed CDM project on the lease of digester capacity in the CDM project from a neighbouring farm
<i>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</i>	AMS-III.D version 13
<i>Name of the authors of the query:</i>	M. Jorritsma Institution: BGP Engineers <a href="mailto:mj@bgp.nl">mj@bgp.nl</a>

### **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.

Project participants request clarification concerning the consideration of leased digester capacity under AMS-III.D version 13.

Project participants are intending to implement a project activity consisting of the construction of an anaerobic digester to treat manure and olive waste on a farm (farm A) in Cyprus. The generated biogas will be treated in 4 CHP units. In addition, the lease of 80% of the digester capacity of a neighboring farm (farm B) to digest manure and olive waste, which is only partly used by the neighbors in the baseline situation, is envisaged. The generated biogas will be treated in the CHP units of farm A.

The project participants indicate that the 80% digester capacity is leased from the neighbors for a commercial price and should therefore be treated as buying of a digester. There will be no leakage from pre-project activities since the digester capacity is not used in the baseline situation. The digester is only used for 20% of its capacity as the neighboring farm is only producing electricity for its own use and is not allowed to supply electricity to the national grid, in accordance with the regulations of Government of Cyprus.

Clarification is requested on the inclusion of the leased digester capacity in the project boundary under AMS-III.D version 13.

### **Recommendation by the SSC WG:**

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

Please refer to paragraph 28 of the meeting report of the SSC WG 17  
([http://cdm.unfccc.int/Panels/ssc\\_wg](http://cdm.unfccc.int/Panels/ssc_wg)).

**Answer to authors of query by the SSC WG:**

The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

The SSC WG noted that the proposed project activity consists of two parts:

- a) Installation of a new biodigester at Armenis Farm Ltd;
- b) Lease of 80% of the capacity of an existing digester at a neighbouring farm.

Clarification is requested concerning part b) of the project activity, the consideration in the project boundary of the lease of 80% of the capacity of the existing digester at the neighbouring farm.

The SSC WG agreed to clarify that under AMS-III.D version 13 the project boundary includes the entire methane recovery installation. Paragraph 5 states: “The project boundary is the physical, geographical site of the methane recovery facility”. So the project boundary shall encompass the entire existing anaerobic digester equipped with methane recovery equipment and not only part of the digester capacity which is leased. Consequently, baseline and project emission calculation shall take the entire digester into account. Further, under AMS-III.D it is assumed that no methane capture and combustion takes place in the baseline situation. Paragraph 7 states: “The baseline scenario is the situation where, in the absence of the project activity, biomass and other organic matter are left to decay anaerobically within the project boundary and methane is emitted to the atmosphere”. In case of the existing digester, it should be demonstrated convincingly that the manure from the farm where the existing digester is situated would not be treated in the digester in the baseline situation to generate biogas (potentially this biogas could be sold to other users even though it is not used for electricity generation to supply to the grid).

Additional information is needed in order to ensure that the baseline scenario for the farms supplying manure (and olive waste) to the digesters is anaerobic treatment without methane recovery (e.g. anaerobic lagoon).

It should be further demonstrated that after implementation of the project activity, the amount of waste that was treated in the baseline in the existing biodigester is still treated in the digester.

From the submission it is derived that the recovered biogas will be burned in CHP units. However the submission does not specify how heat (and associated costs and revenues from the use) is considered in the project activity.

It should be noted that AMS-III.D version 13 is applicable to manure. Baseline emissions from olive waste cannot be determined under AMS-III.D version 13.

Project emissions from incremental transportation and project emissions from decay of manure and olive oil during transport/storage shall be considered as well.

This clarification only addresses issues related to project boundary and applicability of the methodology AMS-III.D version 13 and does not address other pertinent issues related to CDM project e.g. additionality.



Signature of SSC WG Chair .....

(Ulrika Raab)

Date: 03/09/2008



Signature of SSC WG Vice-Chair .....

(Kamel Djemouai)

Date: 03/09/2008

**Information to be completed by the secretariat**

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