



## 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>	30 June–2 July 2008, SSC WG 16
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Applicability of AMS III.B version 12
<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.B version 12
<i>Name of the authors of the query:</i>	Hesham Wahba Institution: Enviro Asset Enviro_asset@yahoo.com Hesham.wahba@yahoo.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.

Project participants request clarification concerning a project activity involving fossil fuel switching and replacement of three water tube boilers for production of superheated steam.

In the project activity three boilers are being fuelled with light and heavy oil in an industrial facility processing dyeing materials and chemicals. It is planned to replace the boilers with a single natural gas fired boiler. Installation of an additional natural gas based boiler is also under consideration. The estimated annual emission reductions are 40,000 t CO<sub>2</sub>e.

Project participants request clarification whether AMS III.B version 12 or ACM009 can be applied to the proposed project activity.

Further, as indicated by the project participants in an additional clarification, they intend to apply AMS II.D to claim emission reductions from the increased efficiency of the boilers after their replacement. The boilers are manufactured in 1963 and started operation in 1971. They are running currently on 50% of their initial operation capability.

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

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

Please refer to paragraph 27 of the meeting report of the SSC WG 16  
([http://cdm.unfccc.int/Panels/ssc\\_wg](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 a proposed fuel switch project activity with annual emission reductions less than 60 kt CO<sub>2</sub> is eligible under AMS III.B version 12 provided reliable baseline validation data is available on:

- Fuel use (fuel oil in this case); and
- Output (superheated steam output in this case).

AMS III.B version 12 requires actual monitoring of the above data for an appropriate period (e.g., a few years) if reliable records of fuel use prior to the fuel switch are not available.

Further, as required by AMS III.B version 12, after the fuel switch has been implemented, monitoring of fuel use (natural gas) and output (steam output) of the natural gas fuelled boiler shall be carried out. The baseline emissions from fuel oil use can only be referred to the extent that the output of the natural gas fuelled boiler of the project activity is equivalent to the aggregated output of the three replaced fuel oil fired boilers. The current version of AMS III B version 12 does not cover the situation where there is an increase in capacity (output) of the plant due to the project activity.<sup>1</sup>

There are also similar requirements under ACM009 as reflected in the paragraphs below:

*“Prior to the implementation of the project activity, only coal or petroleum fuel (but not natural gas) have been used in the element processes..... the project activity does not increase the capacity of thermal output or lifetime of the element processes during the crediting period (i.e. emission reductions are only accounted up to the end of the lifetime of the relevant element process), nor is there any thermal capacity expansion planned for the project facility during the crediting period”.*

The SSC WG agreed to recommend a revision to AMS III.B containing a procedure to determine the baseline scenario in the case that the capacity is increased compared to the baseline situation, as contained in annex 4 of the SSC WG 16 report.

The SSC WG noted that the project participants intend to apply AMS II.D for claiming emission reductions from the increased efficiency after the replacement of the three existing boilers. The boilers were manufactured in 1963 and started operation in 1971. The SSC WG would like to draw the attention of the project participants to the fact that in the application of small-scale methodologies the remaining lifetime of equipment replaced shall be considered, e.g. as described in paragraph 4 of AMS II.D. From the time that the baseline equipment would have been replaced in the absence of the project activity, the baseline scenario is assumed to correspond to the project activity, and baseline energy consumption is assumed to equal project energy consumption, and no emission reductions are assumed to occur.

Further the SSC WG agreed to clarify that project activities primarily aimed at reducing emissions through fuel switching fall under AMS III.B. If fuel switching is part of a project activity focussed primarily on energy efficiency, the project activity falls under methodology AMS II.D or AMS II.E.

<sup>1</sup> Paragraph 10 of annex 1 of EB 08 that states “If a proposed CDM project activity seeks to retrofit or otherwise modify an existing facility, the baseline may refer to the characteristics (i.e., emissions) of the existing facility only to the extent that the project activity does not increase the output or lifetime of the existing facility. For any increase of output or lifetime of the facility which is due to the project activity, a different baseline shall apply”.



Signature of SSC WG Chair .....

(Ulrika Raab)

Date: 02/07/2008



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

(Kamel Djemouai)

Date: 02/07/2008

**Information to be completed by the secretariat**

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