



**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)*

<b>Date of SSC WG meeting:</b>	15–18 March 2011, SSC WG 30
<b>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</b>	Applicability of AMS-I.D versus AMS-I.F to a project activity supplying electricity to an isolated system
<b>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</b>	AMS-I.D “Grid connected renewable electricity generation”  AMS-I.F “Renewable electricity generation for captive use and mini-grid”
<b>Name of the authors of the query:</b>	Ana Paula Beber Veiga Institution: EQAO <a href="mailto:ana.veiga@eqao.com.br">ana.veiga@eqao.com.br</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.

Original text from Stakeholder:

This submission requests clarification on applicability conditions of AMS-I.D. and AMS-I.F. as further detailed below.

*As per the small scale methodology AMS-I.D. version 16, the following is stated:*

1. *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.*

It is the PPs understanding that the second statement of the above paragraph contradicts the first one, given that all technologies supplying electricity to either a national or a regional grid also displace electricity that would be generated by at least one fossil fuel generating unit in the absence of the project. The possible consequence of this interpretation would be that all technologies mentioned in the first sentence would have to apply AMS-I.F.

*In the other hand, according to the small scale methodology AMS-I.F. version 1, the following is stated:*

1. *This category comprises renewable energy generation units, such as photovoltaic, hydro, tidal/wave, wind, geothermal and renewable biomass that supply electricity to user(s). The project activity 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.*

2. *For the purpose of this methodology, a mini-grid is defined as small-scale power system with a total capacity not exceeding 15 MW (i.e., the sum of installed capacities of all generators connected to the mini-grid is equal to or less than 15 MW) which is not connected to a national or a regional grid.*

Project Activities eligible under alternative (a) listed in the first paragraph would also be eligible to AMS-I.D.

These applicability conditions issues concerning both methodologies mentioned above were raised in the context of the renewal of the crediting period of a CDM Project Activity. In this sense, the PPs consider appropriate to describe the baseline and project scenarios.

#### *Baseline Scenario*

In the absence of the project activity electricity would be supplied to a small region by a single fossil fuel fired generation plant, which would likely have its installed capacity increased. The fossil fuelled thermo electric power plant is not connected to the national grid, i.e. the system is isolated.

#### *Project Scenario*

After the implementation of the CDM Project Activity, electricity supplied to the small region started to be provided both by the CDM power plant, which combusts renewable biomass, as well as by the previous fossil fuel power plant, that was not deactivated.

In this context and considering paragraphs mentioned above for both methodologies, PPs seek clarification on the following aspects:

1. What is the definition for national and regional grids? Can an isolated system be considered a regional grid?
2. The project plant was implemented in 2002. In 2001, the fossil fuel thermoelectric power plant that supplied electricity to the city had 9 MW of installed capacity. Therefore, in 2001 the system would qualify as a mini-grid as per the definition above (paragraph 2 of AMS-I.F. version 1). By 2009, the fossil fuel thermoelectric power plant increased its installed capacity up to 20 MW due the increase in the demand by the region, i.e., even without the project activity the installed capacity in the small region would have exceed AMS-I.F mini-grid threshold of 15 MW. The CDM project activity is renewing its crediting period. In this regard, which moment shall be taken into account: the installed capacity of the grid before the implementation of the CDM Project Activity (scenario 1), in a forecasted installed capacity of the small region in baseline scenario (scenario 2), or in the moment the renewal of the crediting period is requested (scenario 3)?
  - a. In the case scenario 1 is deemed appropriate; it is the PPs understanding that AMS-I.F would be the most suitable methodology to be used.
  - b. In the case scenarios 2 and 3 is deemed appropriate; it is the PPs understanding that both AMS-I.D and AMS-I.F would be applicable.

Please clarify.

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

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

Please refer to paragraph 38 of the meeting report of the SSC WG 30  
<[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 as follows:

- (a) The overlapping applicability condition between AMS-I.D and AMS-I.F with reference to paragraph 1: The SSC WG agreed to clarify with respect to the underlying project supplying electricity to a 9 MW grid that AMS-I.F applies unless this grid would have been classified under “ regional grid” by the host country. AMS-I.D applies for project activity supplying electricity to a grid with capacity greater than 15 MW or to a grid classified as national/regional grid;
- (b) The definition for national and regional grids and whether an isolated system be considered a regional grid: The SSC WG does not see any further requirement to define national or regional grid with respect to the definition of mini-grid provided in AMS-I.F that states “a mini-grid already provided in AMS-I.F, is defined as small-scale power system with a total capacity not exceeding 15 MW (i.e. the sum of installed capacities of all generators connected to the mini-grid is equal to or less than 15 MW) which is not connected to a national or a regional grid”;
- (c) The evaluation of the baseline scenario at the time of the renewal of crediting period: The SSC WG agreed to clarify that the author of the submission shall follow the relevant procedure such as per the “Tool to assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period” (EB 46, Annex 11).

Signed by the Chair, Ms. Fatou Gaye

Date: 18/03/2011

Signed by the Vice-Chair, Mr. Peer Stiansen

Date: 18/03/2011

**Information to be completed by the secretariat**

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