



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>	16–19 February 2010, SSC WG 24
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Applicability of AMS-III.AG to a project activity involving capacity expansion
<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.AG
<i>Name of the authors of the query:</i>	Jacop Makmur Institution: PT Plaza Indonesia Realty TBK herman_bunjamin@plazaindonesia.com ; jacop_makmur@plazaindonesia.com ; navin.mathur@bunge.com ; vikrant.badve@bunge.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:

Brief description of the project activity:

The project proponent owns and operates a large commercial complex in Jakarta city which houses a luxury hotel, offices and retail showrooms. With the aim of strengthening its business, the project participants have undertaken an expansion project which would be an extension of the existing commercial complex and will have office space, a retail and cinema complex and residential apartments integrated to the existing shopping complex.

The existing and proposed commercial complexes had demand of 29 MVA (13 MVA of existing commercial complex and 16 MVA of proposed commercial complex). The project proponents, appreciating the negative impacts of fossil fuel dominated grid electricity, have established a natural gas based electricity generation plant in order to have a cleaner source of electricity for their operations.

The project activity includes a new natural gas based electricity generation with the total generation capacity of 24.579 MW (The project activity has 9 engines of 2.731 MW capacity each) utilising natural gas supplied by state owned energy agency Pertamina. The average estimated emission reduction from the project activity is 34,607 tCO₂e/year and thus it is below the threshold requirement of 60 ktCO₂e /year and meeting the requirement of category III projects under CDM. The electricity would be generated at 11 kV and stepped up to 20 kV for synchronisation with grid and then stepped down to 380 V for consumption in the complex. Electricity generated by the project activity would be used for meeting the electricity requirements of the complex and thus displacing fossil fuel dominated grid electricity. The project activity did not aim to export the electricity to grid. However the project proponent had a 500 kVA (i.e. 400 kW load) grid connection to maintain voltage and frequency between Plaza Indonesia gas generation stations and PLN grid at stable condition. Also this grid connection will be used to meet the emergency power requirements in case of complete stopover of gas generating station. The import of the electricity will be monitored through separate meters at PLN 1, 2, 3 and 4 (see the attached single line

diagram for the project activity). PLN 1 and 2 will be for existing load and PLN 3 and 4 will be for proposed extension load. The project activity has a Programmable Logic Controller (PLC) which is programmed in such a way that only electricity import is possible and no electricity export is possible in this case. The PLC will maintain the set import power which is set at 500 kVA (ie 400 kW) thru PLC. The PLC will control anything related to increase or decrease power from the Gas gensets and maintain the import only at the setting power. The PLC will always sensing total consumer power at 20 kV busbar, and also to control genset's governors/fuel valves/exiters etc. The governors/fuel valves/exiter will follow the required power automatically. Thus incase of reduction / increase in the load from demand side; automatically the load on gas engine will be reduced / increased to deliver required power.

The project activity would reduce greenhouse gas emissions by producing electricity from natural gas, a cleaner and lesser GHG intensive fuel.

Pre-Project Scenario:

Prior to the implementation of the project activity, the electricity requirements of the commercial complex were met by importing power from the state grid. The electricity consumption of pre-project scenario is 58675.68 MWh on a yearly basis.

Baseline Scenario:

In absence of the project activity i.e. installation of Natural Gas based engine for electricity generation, the electricity from the grid along with additional connection from grid for the expansion project would have fulfilled the requirements of the existing as well the proposed commercial complex.

Clarification required:

Project proponent wishes to apply the methodology AMS III AG which is applicable for projects where switching from high carbon intensive grid electricity to low carbon intensive fossil fuel is allowed. But in the applicability criteria of this methodology, it is mentioned that the methodology is not applicable for capacity expansion more than -10% to +10% of the baseline capacity.

Also while discussing the baseline under para 13 of the methodology; it is mentioned that baseline related parameters for captive energy and heat generation should be available (this means that PP should have the data related to amount of electricity and / or heat / steam (if applicable) generated in baseline scenario) for emission reduction calculation; but it is not clear from this paragraph of methodology that, which parameters should be available during validation if the baseline scenario is electricity procurement from grid (pls. clarify whether PP should have the data related to electricity procured from grid during baseline and electricity generated from other sources like DG set(if any)).

Since this project activity is neither fuel switch, nor grid connected (not exporting electricity from project activity to the grid), it can not apply other approved methodologies like AMS III B, ACM0009 or AM0029.

Through this clarification, project proponent wishes to ask the methodology panel which methodology should be used for the proposed project activity, or what the probable conditions are under which the AMS III AG can be applied for the project activity.

Recommendation by the SSC WG:

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

Please refer to paragraph 21 of the meeting report of the SSC WG 24 (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.

With reference to the first question on the revision of AMS-III.AG, the SSC WG agreed to clarify that the

submission author may consider requesting a revision of AMS-III.AG in order to cover the project activity involving capacity expansion beyond 10% as compared to the baseline. When proposing a revision, the submission author may consider following the reference plant approach provided in AM0084 to determine the baseline scenario, adapting it to the small scale methodologies framework. The main elements of this methodology that the submission author may consider are: the definition of reference plant (in order to determine the baseline plant), and the procedure to calculate the baseline emission factor.

With reference to the second question on base line data, the SSC WG agreed to clarify that for project activities applying AMS-III.AG require at least three years historical information on input energy sources (e.g., grid electricity, fossil fuel) and output energy sources (e.g., captive electricity, captive heat) for determining baseline emissions. For facilities that are less than 3 years old, all historical data shall be available (a minimum of one year data would be required).



Signature of SSC WG Chair

(Peer Stiansen)

Date: 19/02/2010



Signature of SSC WG Vice-Chair

(Hugh Sealy)

Date: 19/02/2010

Information to be completed by the secretariat

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