



**CDM: Response form for request for clarification on  
Approved Methodologies  
(version 01.1)**

<i>Date of Meth Panel meeting:</i>	15 - 19 August 2011
<i>Title and number of request for clarification</i>	Proposals for the monitoring plan and applicability in order to permit projects in initial phases to apply CDM  AM_CLA_0214

**Summary of the query:**

Please use the space below to summarize the request for clarification on the related approved methodologies.

The designated operational entity (DOE) refers to AM0045 version 2.0 “Grid connection of isolated electricity systems”.

1. The DOE seeks clarification from the Meth Panel on how to calculate a baseline emission factor of the isolated system for project activities which have not yet started.

AM0045 requires the calculation of a baseline emission factor of the isolated system at the time of its interconnection to the grid. As recommended by the methodology, the emission factor is then calculated using data (fossil fuel consumption and electricity production) for the most recent three years right before the connection to the grid; AM0045’s applicability conditions state “All fossil fuel fired power plants in the isolated system are 100% displaced”. The four following parameters: fossil fuel consumption ( $F_{i,j,bl}$ ), electricity supplied to the isolated system ( $GEN_{j,bl}$ ), equipments power supply capacity in the isolated system, in MW, at the time of the interconnection to the grid ( $S_{mi}$ ) and lifetime of equipment ‘i’ at the time it is replaced by the grid ( $LT_{i,ini}$ ), which are necessary to calculate the baseline emission factor, are listed as parameters which are **not monitored**. For activities that are in the project phase (initial), the methodology cannot be applied.

**Proposal:**

As there may be situations when the interconnection is planned for the future, clarification is sought as to whether it would be possible, under these circumstances, that the emission factor is estimated ex-ante and confirmed during the first verification (occurring after the interconnection) remaining fixed at the next periodic verifications.

2. The DOE also seeks clarification from the Meth Panel on how to cross check the amount of electricity supplied by the grid to the isolated system.

EG<sub>y</sub> - Electricity supplied by the grid to the isolated system included in the project activity. The measurement procedures state that parameter should be directly measured or based on publicly available official data. Also it should be double checked by receipt of sales/payment. Default data and literature statistics should be used to check the local data.

Electricity delivered to the grid is monitored by authorities in Brazil whereas, the receipts of sales/payment are coming from end users. There is a difference between those figures, as there are losses predicted. So, results may be double checked by the receipt of sales/payment to analyze the magnitude of the numbers presented by the direct measurements and official public data. Therefore, a clarification regarding the double check is sought, as well as an improved description in the referred methodology.

**Recommendation by the Meth Panel:**

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

Not applicable.

**Answer to authors of the request for clarification by the Meth Panel :**

Please use the space below to provide an answer to the authors of the above query

The Meth Panel would like to clarify that methodology AM0045 prescribes to calculate a baseline emission factor of the isolated system using for the most recent three years before the connection to the grid. However, for the cases where the project activities are planning to be finalized after CDM project validation, an ex ante baseline emission factor would be calculated based on the most recent three years before starting date of the validation.

For the project activities that are not implemented at the moment of the validation, the baseline emission factor should be calculated using the data of the most recent three years before the starting date of validation. The baseline emission factor should remained fixed over the crediting period.

In addition, the Meth Panel would like to clarify that the following measurement and QA/QC procedures are required to be applied to the electricity supplied by the grid to the isolated system included in the project activity ( $EG_y$ ):

- (a) Electricity should be directly measured by meters on-site;
- (b) The amount of the electricity supplied by the grid should be checked by either direct measurement or publicly available official data. For the purpose of these QA/QC procedures either balance of meters reading or company's publicly available report;
- (c) The amount of the electricity supplied by the grid should be double checked by receipt of sales/payment.

Also, the Meth Panel would like to note that based on the information provided by the author of the request it is obvious that the monitoring procedures that should be applied to the parameter  $EG_y$  are clearly understood by project participant. However, the procedures are not fully applicable within the particular project due to local circumstances. In that case, a request for deviation should be submitted.

This clarification can be applied to versions 01 and 02 of the AM0045.

Signed by the Chair, Mr. Philip Gwage

Date: 18/08/2011

Signed by the Vice-Chair, Mr. Lex de Jonge

Date: 18/08/2011

**Information to be completed by the secretariat**

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