



**Approved baseline and monitoring methodology /
methodological tool clarification response form
(Version 02.0)**

INFORMATION TO BE COMPLETED BY THE SECRETARIAT OR PANEL / WG

Date and number of Panel / WG meeting:	16–20 March 2015 / MP 66
Title/Subject of the request for clarification:	Clarification on the applicability of ACM0002 to a rehabilitation hydro project when the project activity electricity generation is lower than the historical generation data
Reference number of the request for clarification:	AM_CLA_0266
Exact reference (number, title and version) of the methodology or methodological tool to which the request for clarification applies:	ACM0002 “Grid-connected electricity generation from renewable sources --- Version 16.0”
Fast track or Regular track:	<input type="checkbox"/> Fast track <input checked="" type="checkbox"/> Regular track

Summary of the request for clarification

Original text from the Stakeholder:

In the case of rehabilitation of an existing grid-connected hydro power plant, ACM0002 uses historical electricity generation data in order to determine the electricity generation of the plant in the baseline scenario. The uncertainty of water availability is addressed by the methodology by means of adjusting the historical electricity generation by its standard deviation. This ensures that the baseline electricity generation is established in a conservative manner and that the calculated emission reductions are attributable to the project activity. Without this adjustment, the calculated emission reductions could mainly depend on the natural variability observed during the historical period rather than the effects of the project activity.

This request seeks clarification on a case where the project results in low emission reductions due to low electricity generation in project scenario due to isolated events not connected to either plant maintenance or non-availability of water and that have not occurred or observed during the period used for baseline generation calculations. These one-of isolated events could be plant shut down to upgrade the existing distributed control systems with advanced systems like SCADA, once in a life time events such as rehabilitation of intake barrages etc. Under this situation, considering these as isolated and one of events that resulted in reduced project level electricity generation, we would like to seek clarification on whether the historical generation value can be adjusted for the mentioned time period and seek a **temporary deviation** to calculate the emission reductions using the proposed approach below. The historical generation value is proposed to be adjusted based on the plant's average availability factor for the period in question.

This is illustrated in the example below:

- Plant's historical generation that was set as baseline generation = 71,000 MWh per year
- Historical plant availability factor in baseline = 82%
- Project level generation = 67,000 MWh per year
- Plant availability factor in the project scenario = 54.41% (it is lower than the plant availability factor in baseline due to one-of event that forced plant to shut down for a specified amount of time)
- Historical generation adjusted to project level plant availability factor = $(71,000) \times (54.41/82)$ MWh
- New adjusted historical generation used for calculation of emission reductions during the monitoring period considered = 47,111 MWh
- Emission reductions, tCO₂ = $(67,000 - 47,111) \times \text{grid emission factor}$

We would also like to request the Meth panel to propose any alternative solution, if the above proposed approach is not reasonable or appropriate in order to move ahead with verification of such a project.

Clarification by the secretariat or Panel / WG

The Meth Panel would like to thank the author for the submission.

The Meth Panel agreed to clarify as follows:

1. The adjustment of the historical electricity generation data proposed in the request based on differences in annual utilisation rates between baseline and specific monitoring period in the project is a new method not included in the version referred in the submission or for that matter in any of the versions of the methodology ACM0002.
2. As pointed out in the submission, the approved methodology adjusts the historical electricity generation by its standard deviation to conservatively address variability in historical power generation. Meth Panel is of the view that the proposed approach of application of utilisation rates during a specific period (without any adjustments for uncertainty) is not sufficiently robust to eliminate free riders for all situations.
3. To propose the inclusion of this new method the project proponent may consider submitting a request for revision of the approved methodology including more robust criteria. It may also be noted that foot note 9 of the methodology acknowledges that the alternative methods for setting the baseline may be feasible and can be proposed through a request for revision.

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Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	18 July 2013	Revised to remove the row "Date and signature of the chair and vice chair of Panel/WG (in case of clarification by Panel/WG)"
01.0	4 July 2013	Initial publication. This document supersedes and replaces the following documents: <ul style="list-style-type: none"> • Recommendation Form for Small Scale Methodologies (F-CDM-SSCwg) (Version 01.1) • Recommendation Form for Small Scale A/R Methodologies and Procedures (F-CDM-SSC-AR) (Version 01.1)

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