



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)

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| <i>Date of SSC WG meeting:</i> | 04 - 06 July 2007 |
| <i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i> | Request for revision of AMS III.H |
| <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.H |
| <i>Name of the authors of the query:</i> | Raymond Caguioa, Institution: Mitsubishi UFJ Securities Co., Ltd (moncdm@gmail.com , setterfield-matthew@sc.mufg.jp) |

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.

The proposal is to expand the applicability condition of AMS III-H, to include project activities that propose to install greenfield wastewater treatment facilities (e.g., anaerobic lagoon) with methane recovery and combustion instead of conventional common practice wastewater treatment facilities with no methane recovery.

The proposal presents the following approach to determine that the planned new treatment plant would consist of an emission intensive plant, in the absence of the project. "This baseline should be identified through an analysis of the prevailing practice in the relevant geographical area for wastewater treatment in similar industries. This analysis of prevailing practice should lay particular weight on recently constructed wastewater treatment facilities, and should demonstrate that more than 50% of the last 10 plants built in that industry (or more than 50% of the total number of plants, if less than 10) are currently using the selected baseline approach. In addition, a financial and/or barrier analysis should be carried out to demonstrate that the proposed methane recovery system is less attractive than the selected baseline. These steps should be carried out separately to the requirement to prove additionality".

Recommendation by the SSC WG :

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

Please refer to Paragraph 5 of the meeting report of the SSC WG 11 (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 that the proposal is sound and a recommendation to the Board should be made at the twelfth meeting after including further improvements.

The selection of the technology to be adopted in planning of a new wastewater plant indeed deserves consideration of two scenarios, the baseline (more attractive or the prevailing practice) and the introduction

of methane recovery due to CDM (project activity). The approach proposed (prevailing practice and barrier analysis) could be the basis for a procedure to preclude Business as Usual (BaU) activities from being accepted as CDM projects.

Considering that the proposed approach is similar in concept to 'Combined tool to identify the baseline scenario and demonstrate additionality', the SSC WG agreed that stepwise procedure can be presented for example considering the following steps:

- 1) Identification of alternative scenarios for the project activity;
- 2) Barrier analysis;
- 3) Investment analysis (if applicable);
- 4) Common practice analysis e.g. the analysis of common practice should lay particular emphasis on recently constructed wastewater treatment facilities, and should demonstrate that more than 50% of the last 10 plants built in that industry (or more than 50% of the total number of plants, if less than 10) are currently using the selected baseline approach.

Further specifications for the proposed common practice analysis are also required. The level at which the proposed demonstration should take place (local, regional, national etc.), the characteristics of the plants, and the framework for the historical analysis should be defined.

The SSC WG will finalise a generic approach to determine the baseline scenario for new plants, which is based on the proposal in the submission at the twelfth meeting for recommendation to the Board.



Signature of SSC WG Chair

Date: 06/07/2007 (Ulrika Raab)



Signature of SSC WG Vice-Chair

Date: 06/07/2007 (Richard Muyungi)

Information to be completed by the secretariat

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| SSC-Submission number | SSC_098 |
| Date when the form was received at UNFCCC secretariat | 06 July 2007 |
| Date of transmission to the EB | 06 July 2007 |
| Date of posting in the UNFCCC CDM web site | 06 July 2007 |