



## 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>	01–03 September 2008, SSC WG 17
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Query on baseline definition for a Greenfield project
<i>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</i>	AMS-I.C version 13
<i>Name of the authors of the query:</i>	Thiago Viana Institution: <a href="#">EcoSecurities Brasil Ltda.</a> <a href="mailto:Thiago.viana@ecosecurities.com">Thiago.viana@ecosecurities.com</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.

The project activity is a new facility involving renewable biomass fired boiler (20 tonne/hour) that would replace fuel oil fired boiler. However, the documents related to the environmental license issuing process mention a fuel oil boiler with a steam production capacity of 8 tons per hour. It is however mentioned that a fuel oil boiler of 22 t/hour of steam would be required as per the operation forecast. It is argued with reference to the PDD that the CDM revenues made possible the change of plans. It is stated that the decisions to increase the boiler capacity and switch the fuel oil boiler to a renewable biomass boiler happened almost at the same time, but were independent from each other.

Following needs to be clarified:

1. In order to correctly apply AMS-I.C to a Greenfield project, is it required to use an already constructed boiler as baseline boiler (e.g. the old facility boiler)? Or, may a Greenfield boiler, which would have been built in the absence of the CDM project activity, be taken as the baseline alternative?
2. Does the proposed project activity comprise of a displacement of a fuel oil boiler by a biomass boiler as described per the first applicability criterion of AMS-I.C, version 13 (page 1)? In other words, is it necessary that a fuel oil boiler was already in operation and this one is being really displaced by a biomass boiler, or is it sufficient, as it is in the case of the proposed project activity, to show the concrete intention to install a fuel oil boiler (greenfield project)?
3. In the case that the intention to install a fuel oil boiler is sufficient, what scenario should be used as baseline scenario:
  - a. A boiler with an installed capacity that provides the same product as all the plausible baseline scenarios and the project scenario, (equivalent to a boiler of 22 t/hr of steam) even though the evidence for the intended use of a fuel oil boiler is the environmental licence issuance process referring to a 8 tonnes/hour of steam fuel oil boiler.
  - b. The boiler that was initially presented for the environmental licence issuance process of the New Facility (that is a boiler of 8 t/hr of steam), which would have a different capacity and a different

output from the process requirement in the most updated design of the New Facility (with steam requirement of at least 22 t/hr). By choosing this option, it would mean that the project scenario should be compared with other alternatives that have different capacities and deliver different quantities of output (e.g. steam of different quality or different quantity).

**Recommendation by the SSC WG:**

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

Please refer to paragraph 31 of the meeting report of the SSC WG 17

([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.

Concerning questions 1 and 2, SSC WG clarified that boiler which would have been built in the absence of the CDM project activity qualifies as a baseline alternative as long as the concrete intention to install such a boiler (modern fuel oil boiler as a greenfield project activity in this case) is demonstrated. With respect to question 3, replaced 8 tonne/hr old boiler can be the basis to demonstrate that the baseline fuel that would be used in the absence of the project activity would be fuel oil. However, the highest of the efficiency values provided by two or more manufacturers for units with similar specifications (22 t/hr fuel oil boiler) shall be used for the baseline calculations.

*Ulrika Raab*

Signature of SSC WG Chair .....

(Ulrika Raab)

Date: 03/09/2008

*Kamel Djemouai*

Signature of SSC WG Vice-Chair .....

(Kamel Djemouai)

Date: 03/09/2008

**Information to be completed by the secretariat**

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