



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>	22–25 August 2011, SSC WG 33
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Clarification on baseline determination under AMS-I.C for a cogeneration implemented in an existing facility
<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 “Thermal energy production with or without electricity”
<i>Name of the authors of the query:</i>	Ashish Pathak Institution: Emergent Ventures India Private Limited ashish.pathak@emergent-ventures.com atul@emergent-ventures.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 Stakeholder

Clarification is requested on appropriateness of the method used for calculating the baseline emission for biomass cogeneration project under AMS 1C, Version 18. The query is elaborated below along with a description of pre-project scenario, project activity and baseline scenario:

Pre-project activity:

The case in discussion is a rice mill in India. The facility needs steam and electricity for its operations. In the pre-project scenario, steam was being produced in a biomass (rice husk) fired low pressure boiler (10TPH), while the electricity demand was being met using import from the connected state grid.

Project activity:

The project activity involves installation and operation of a new biomass (rice husk) fired cogeneration plant comprising of an 18 TPH boiler and 1.95 MW turbine producing steam and electricity for captive consumption. The existing low pressure boiler is to be kept as standby and would run only in the event when new cogeneration is shut down for maintenance etc.

Baseline scenario:

At the time of investment decision for the project activity, PP analyzed various alternatives and in line with AMS 1C, version 18 transparently demonstrated that it could not continue with the existing scenario (in house steam using biomass and import of electricity from the grid) and that a coal based cogeneration plant (para 15d) is the financially most viable option and therefore, is the baseline scenario.

We understand that SSC WG provided clarification SSC_410 for calculation of baseline emission for a scenario where the baseline is different from pre-project activity scenario. In this case, however, the fuel switch was carried out in existing equipments. The project in discussion is different from the case referred in the clarification on the following -

- 1) Project activity is installation of a new biomass cogeneration plant and does not involve any

existing boiler and/or turbine unlike SSC_410 where fuel switch took place in existing equipments

- 2) Project activity is installation of a new biomass cogeneration plant and not a fuel switch project as referred in SSC_410.

In this context, we seek clarification from the SSC WG –

- 1) Whether the project activity is considered as a green field project activity and not a fuel switch project in an existing facility
- 2) Whether it is appropriate to estimate baseline emissions as per the para 23 of the methodology AMS-I.C., Version 18
- 3) In case, the answer to above is in negative then which para of the methodology AMS IC, version 18 is deemed appropriate for baseline emission estimation

Recommendation by the SSC WG:

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

Please refer to paragraph 30 of the meeting report of the SSC WG 33
<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 to clarify as follows:

The installation of the biomass based cogeneration at an existing facility with historical energy production (e.g. biomass is used for heat and electricity is imported from a grid in the pre-project scenario) cannot be considered as a Greenfield project activity.

The selection of most plausible baseline scenario based on the assessment of various alternative to a project activity should be justified to the validating DOE.

The SSC WG agreed to clarify that for project activities implemented in existing facilities where the additionality is demonstrated based on a baseline scenario that is not the continuation of the current practice, the baseline estimation can be carried out using the approach provided in paragraph 19 of AMS-I.C version 19. For example if the baseline identified corresponds to the baseline prescribed in paragraph 15 (d) of AMS-I.C version 18 while the pre-project/historical situation corresponds to paragraph 15 (e) of the methodology, the baseline emissions are estimated separately using paragraph 15(d) and 15(e) and the minimum of the two is chosen for calculating emission reductions.

In this example, paragraph 23 and 28 of AMS-I.C version 18 apply for estimating baseline emissions that correspond to paragraph 15 (d) and 15 (e) respectively. Further, since the baseline cogeneration unit is hypothetical in this example, the relevant procedure prescribed in AMS-I.C for determining the baseline efficiency in the case of Greenfield cogeneration can be applied.

Signed by the Chair, Ms. Fatou Gaye

Date: 25/08/2011

Signed by the Vice-Chair, Mr. Peer Stiansen

Date: 25/08/2011

Information to be completed by the secretariat

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