



**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)*

<b>Date of SSC WG meeting:</b>	As per procedures for fast track clarifications
<b>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</b>	Clarification on estimating baseline emissions for fuel switch project
<b>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</b>	AMS-I.C “Thermal energy production with or without electricity”
<b>Name of the authors of the query:</b>	Mohua Banerjee De Institution: CantorCO2e India Ltd. <a href="mailto:mbanerjeede@cantorco2e.com">mbanerjeede@cantorco2e.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.

Original text from PP:

The following response was provided to our clarification request SSC-410 made before:

*The SSC WG agreed to clarify that in the case of a project activity involving fuel switch from fossil fuel to renewable biomass in existing facilities, historical information on the use of energy sources (e.g., electricity, fossil fuel) and the plant output (e.g., steam or electricity) from at least 3 years prior to project implementation shall be used in the baseline calculations. For facilities that are less than 3 years old, all historical data shall be available (a minimum of one year data would be required). Therefore using a hypothetical emission factor of coal for an existing facility using furnace oil is not appropriate*

We understand that this guidance directs the PP to calculate the baseline emission based on the emission factor derived from the prior experience of the project.

However, the DOE has interpreted the clarification from SSC WG, as above, as the following:

For demonstration of additionality, while evaluating alternate scenarios, a hypothetical scenario cannot be considered. That is, in the project case under discussion, **only** the following scenarios can be considered:

- Continuation of existing scenario, and
- Project activity without CDM revenue

They interpreted that no other alternative scenario can be considered to demonstrate financial barrier because that may lead to hypothetical baseline (if it is a credible and financially more attractive scenario than the project activity).

Based on your clarification above the DOE concluded that a fuel switch project from Furnace Oil to bio mass cannot be proven additional if coal (a credible alternative for this project) is found to be financially more viable alternative to the project activity.

Kindly clarify if your response to our clarification request SSC-410 actually can be interpreted in a way as mentioned above (by DOE) for demonstration of additionality.

**Recommendation by the SSC WG:**

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

This recommendation is as per the procedures for fast track clarifications as specified in paragraph 8 of the 'procedures for the submission and consideration of request for clarification of approved small-scale methodologies' found at [http://cdm.unfccc.int/Reference/Procedures/MethSSC\\_proc01\\_EB34a06.pdf](http://cdm.unfccc.int/Reference/Procedures/MethSSC_proc01_EB34a06.pdf).

**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.

With reference to submission SSC\_410 titled "Clarification on the options for calculating the baseline and project emissions under AMS-I.C" that requested clarification on the baseline and project emissions calculations, the SSC WG agreed to clarify that the response provided is related only to determination of baseline emission factor in a conservative manner.

This clarification does not cover issues related to baseline alternatives selected by the underlying project activity. The PP should justify the baseline selection appropriately to the validating DOE. Issues pertaining to validation are covered under the latest version of the CDM Validation and Verification Manual.

Signed by the Chair, Mr. Peer Stiansen

Date: 17/09/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 17/09/2010

**Information to be completed by the secretariat**

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