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)

Date of SSC WG meeting:	4- 6 December 2006
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Kalasin Waste to Energy Project, SSC ID Weighted average grid CEF calculation.
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-I.D.
Name of the authors of the query:	Justin Guest, Trading Emissions PLC

Summary of the query:

Please use the space bellow to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

A) Question is related to the calculation of the weighted average of the current generation mix (AMS I.D).

The category specifies:

"The weighted average emission (in kg CO2e/kWh) of the current generation mix. **The data of the year in which project generation occurs must be used**." (Emphasis added).

The questions are related to the statement 'The data of the year in which project generation occurs must be used.' Following two points are not clear:

1) In quantifying the baseline CEF, does this statement imply that the data used must be the data on grid emissions in the year the project is developed/ baselined/ registered? Historically this methodology has applied the most recently available data, and it is impractical to expect that the data for that year be available actually in that year, and in many cases it is not for often up to two years afterwards, as is the case in many SE Asia nations, that the data is available. Indeed the only way to do this would be to wait until this data is published and then register the project, delaying the project registration for some considerable time.

It is required to confirm exactly how the baseline CEF is to be calculated and precisely what data is appropriate in this context.

2) If the most recent data is to be used, it is not clear what the relevance to 'The data of the year in which project generation occurs must be used.' An alternative interpretation would be that you must monitor ex-post the CEF in your verification. This would have two affects (1) increase transaction costs and complexity given the information on how hard it is to get this information in the first place, and (2) possibly delay the verification by a considerable length of time (as indicated above) until the data becomes available.

It is required to clarify exactly what this statements means and how a project proponent is intended to quantify a weighted average emissions CEF.

B) Procedural question

It is required to provide guidance as to how a PP should move forward in the absence of clarity in the wording of a methodology. Should they request a deviation from the methodology?

Recommendation by the SSC WG :

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

Please refer to Paragraph 19 of the meeting report of the SSC WG 08 (http://cdm.unfccc.int/Panels/ssc_wg)

Answer to authors of query by the SSC WG :

Please use the space bellow to provide answer to the authors of the above query

A) Questions related to the calculation of the weighted average of the current generation mix (AMS I.D).

AMS I.D provides two options to calculate the emission factor:

"(a) A combined margin (CM), consisting of the combination of operating margin (OM) and build margin (BM) according to the procedures prescribed in the approved methodology ACM0002. Any of the four procedures to calculate the operating margin can be chosen, but the restrictions to use the Simple OM and the Average OM calculations must be considered

OR

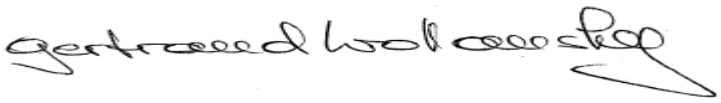
(b) The weighted average emissions (in kg CO2e/kWh) of the current generation mix. The data of the year in which project generation occurs must be used."

If the Project Proponent decides to use option b), the calculation should be done ex post, every year during the crediting period. The estimation of emission reductions, needed for completing the PDD for registration could be done with the last available information at the time of the PDD submission.

If the Project Proponent considers this approach impractical for the project, option a) could be used. In this case the emission factor is calculated as a combined margin, consisting of the average of operating margin (OM) and build margin (BM) factors. Three of the four options for OM calculations (Simple OM, simple-adjusted OM, and average OM) and the BM calculation could be preformed ex ante, using the last data available at the time of PDD submission.

B) Procedural question

If the Project Proponent would like to propose changes to the simplified baseline and monitoring methodologies, a request of revision should be submitted. If the Project Proponent finds that there is absence of clarity in the wording of a methodology, a request of clarification should be submitted.



Signature of SSC WG Chair ……..

Date: 06 /12 /06 *(Gertraud Wollansky)*

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

Date: 06 /12 /06 *(Richard Muyungi)*

Information to be completed by the secretariat	
SSC-Submission number	SSC_065
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