



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> | 19 - 21 September 2007 |
| <i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i> | Proposed amendment to include technical line losses where electricity is the baseline |
| <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, II.C, II.D, II.E and II.F |
| <i>Name of the authors of the query:</i> | Shiguelo Watanabe Jr Institution: Geoklock Consultoria e Engenharia Ambiental shiguelo.watanabe@geoklock.com.br |

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.

A previous clarification request to the SSC WG (SSC 071) related to technical line losses where electricity is the baseline resulted in the revision of AMS II.C to AMS II.F excluding transmission line losses from baseline calculations. The SSC WG clarified that: "As the combined margin is a means to estimate a counterfactual baseline scenario the SSC WG agreed to clarify that it is not possible to expand the estimation method applying a factor to consider the technical line losses".

At its 28th meeting the Board approved the "Tool to calculate project emissions from electricity consumption", which includes a transmission-distribution loss factor and assigns a default value of 20%. This is reasonable since the grid emission factor accounts only for emissions stemming from power plants and not for the losses of the transmission and distribution systems.

As the Board now considers both systems (generation / transmission) as separate, SSC WG is requested to recommend amending AMS II.C to AMS II.F and AMS I.C to account for technical line losses in cases where electricity is the baseline.

Recommendation by the SSC WG :

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

Please refer to Paragraph 22 of the meeting report of the SSC WG 12
(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.

It is to be noted that the methodologies for CDM project activities provide conservative methods for calculation of project and baseline emissions. One way of making conservative estimation of emission reductions is by including technical losses in the calculation of project emissions, while excluding the line

losses from baseline emission calculations.

In order to consider technical losses when grid electricity is the baseline, it should be demonstrated that the project activity has no significant impact on the grid. If this is the case, it could be assumed that the level of technical losses before and after the project activity is the same resulting in analogous grid emissions, and therefore the calculation of baseline emissions may include the consideration of technical losses. Therefore, for electrical energy efficiency project activities with relatively small impact on the grid, technical losses may be considered when estimating baseline emissions.

It should be noted that Board has mandated the SSC WG to undertake a revision of type II methodologies and make recommendations to the Board (see paragraph 25 of EB 34 and paragraph 54 of EB 33). The SSC WG agreed to include as part of this revision a procedure to account for technical losses in type II methodologies related to electrical energy efficiency.



Signature of SSC WG Chair

(Ulrika Raab)

Date: 21/09/2007



Signature of SSC WG Vice-Chair

(Richard Muyungi)

Date: 21/09/2007

Information to be completed by the secretariat

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