



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:	16–19 August 2010, SSC WG 27
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Revision to include cover crops of short-cycle cellulosic biomass from non-dedicated plantations
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-I.D “Grid connected renewable electricity generation”
Name of the authors of the query:	Patrick Bürgi Institution: South Pole Carbon Asset Management Ltd. p.buergi@southpolecarbon.com , s.tison@southpolecarbon.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 PP:

Background and history of the request for revision

This request for review builds upon the submission SSC 380 and initial replies by the SSC WG. For more information about the background of the request for revision, the original submission and the comments raised during the SSC WG 24 meeting, please refer to following link:

<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/61074>

General remarks

Below, project proponents focus exclusively on addressing the comments raised by the SSC WG following its 24th meeting. Please note that project participants have further revised the methodology text in order to address the points raised by the SSC WG. Please refer to the most recent proposed methodology text attached to this submission while considering our replies below. Project participants are aware of the fact that the methodology AMS.I.D has been upgraded to version 16 during EB meeting 54. Changes from version 15 to 16 do not have any impact on the proposed revision, e.g. the proposed revision and the underlying PoA comply with the new version of paragraph 4, which refers to the definition of renewable biomass as per Annex 18 from EB 23. The proposed revision to the AMS-I.D. text has now been incorporated in version 16 for easier assessment by the SSC WG.

Discussion of comments received from SSC WG

COMMENTS BY SSC WG:

“The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

The SSC WG agreed that the following issues need to be addressed by the project proponent before this revision can be recommended for approval.

Applicability conditions

The current limitation in the methodology with regard to the type of land for sourcing biomass have been included in order to avoid the considerations of shift of pre-project activities. The project proponent should further clarify why, by introducing the new proposed category (“cover crops of short-cycle cellulosic biomass from land left uncultivated between regular cropping seasons”), those considerations could also be avoided.

It should be noted that by introducing a new crop in a land left uncultivated between regular cropping seasons, the total production cycle could be affected (e.g., the yield of other crops could be affected). The definition provided should be revised in order to ensure that these kinds of impacts are taken into account.

The methodology has to specify how the compliance of the new condition proposed for the land (land left uncultivated between regular cropping seasons) could be demonstrated in the PDD and validated by the DOE. The project proponent may assess whether additional criteria would be needed for this new type of land use classification.

The project proponent may wish to clarify whether the cover crops from land left uncultivated between regular cropping seasons shall be restricted to “short-cycle cellulosic biomass”, or if any other short-cycle crop could be allowed.”

REPLY BY PROJECT PARTICIPANTS:

The proposed methodology revision aims at avoiding any adverse impact on pre-project activities both within and outside of the project boundary, which goes beyond the “General guidance on leakage in biomass project activities” that covers only potential leakage effects outside of the project boundary.

Avoiding a shift in pre-project activities within the project boundary:

Given the fact that the methodology revision will only allow for dedicated plantation of short-cycle cellulosic biomass on land that is not cultivated during a certain period, there is no risk of a shift in pre-project activities, at least during the period where the land is not cultivated. If the land was not cultivated during that period of the year, there are simply no pre-project activities that could be shifted.

With regards to the regular cropping season of the traditional crop, concerns related to a shift in pre-project activities are addressed in paragraphs 25.(a) and (b). Paragraph 25.(a) implies the demonstration by project participants and a confirmation by the DOE that “the introduction of short cycle cellulosic biomass between regular cropping seasons do not have any negative impact on the main crop yield pattern. The same shall be demonstrated through statistical records available at the local administrative body level or through transparent reports compiled by a credible third party. Project participants shall demonstrate through such reports, subject to a confirmation by DOEs in the verification report, that the project does not have any adverse impact on the traditional food crop that could lead to a shift in pre-project activities as a consequence of the project activity”.

In addition to paragraph 25.(a), paragraph 25.(b) further imposes a “confirmation, at both the validation and verification stages, respectively, by the DOE, that short-cycle cellulosic biomass prices do not exceed food crop prices through a comparative analysis of food crop yields per hectare and prevailing market prices versus short-cycle cellulosic biomass yields per hectare and their associated prices. The comparison shall be made as per the monitoring plan and based on publicly available information on regional food crop market prices.”

Given the explanations above and the further revised methodology revision text, project proponents believe that the risk of a shift in pre-project activities is sufficiently addressed and in line with the statement in paragraph 7 of the *General guidance on leakage in biomass project activities, Version 03*¹: “(..) project participants may neglect leakage effects due to shifts in pre-project activities, where the land would not be used or where the land use (inside the project boundary) does not change as a result of the project activity”.

¹ As per Attachment C to Appendix B of the Indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories

Avoiding a shift in pre-project activities within the project boundary:

Should the tests conducted as per paragraph 25.(a) and (b) indicate that there is a risk of a shift in pre-project activities outside of the project boundary, paragraph 25. (c) refers to the latest version of the “General guidance on leakage in biomass project activities”.

COMMENTS BY SSC WG:

“The project proponent may wish to clarify whether the cover crops from land left uncultivated between regular cropping seasons shall be restricted to short-cycle cellulosic biomass, or if any other short-cycle crop could be allowed.”

REPLY BY PROJECT PARTICIPANTS:

The Project Activity visualizes the cultivation of short cycle cellulosic biomass only and sees therefore no immediate need to expand the applicability conditions.

COMMENTS BY SSC WG:

“Project boundary

The project boundary should be expanded to cover the plantation sites. The biomass should be sourced from the plantations sites included in the boundary. These conditions are required in order to assess the compliance with the new applicability condition for the land, and also to collect the data required to calculate the project emissions related with cultivation.”

REPLY BY PROJECT PARTICIPANTS:

The applicability conditions have been amended by introduction of paragraph 24.(d), which explicitly defines that the “the land used for planting short-cycle cellulosic biomass shall be an integral part of the project boundary and the biomass shall be sourced only from the plantation sites included in the boundary.

COMMENTS BY SSC WG:

“Project emissions

The project proponent has to assess if the project emissions resulting from cultivation of the new type of crops proposed (e.g., soil carbon losses, irrigation and fertilizer use) are covered in the General guidance on leakage in SSC biomass project activities or if additional provisions have to be provided in the methodology.”

REPLY BY PROJECT PARTICIPANTS:

Individual emission sources are discussed as follows:

1. Emissions from irrigation:

The *General guidance on leakage in biomass project activities, Version 03* does not address emissions from irrigation. However, given the nature of the proposed PoA (based on non-irrigated land), project participants propose to address such emissions by excluding them from the project boundary. The methodology revision text has been amended by introducing an applicability condition (paragraph 24.(c)) that irrigated lands are not eligible for this project, subject to verification by DOEs. The land used would be rain fed non-irrigated lands and the water needs of the short cycle cellulosic biomass would be met through residual soil moisture and watershed management. This way, project emissions due to irrigation can be completely avoided and do not have to be addressed other than in the applicability conditions.

2. Emissions due to soil carbon losses:

The proposed project activity will lead to increased soil carbon loading due to addition of organic fertilizer (produced from Digestate generated by Biogas Plant), while at the same time do not impact soil fertility through adequate species and variety selection. This shall be explained by project participants in the PoA/CPA DDs and confirmed by the DOE during validation. An additional requirement has been introduced in paragraph 26.(a) in order to reflect this requirement.

3. Emissions due to fertilizer use:

The Project activity envisages application of 5 tones of solid organic fertilizer (stabilized compost, with > 70 % solids) per hectare of land on which cultivation of short cycle cellulosic biomass would be undertaken, which will lead to no use of chemical fertilizer for the cultivation of short cycle cellulosic biomass. The project activity will lead to a drastic reduction in consumption of chemical fertilizer use for the cultivation of major crops, which otherwise would have continued in the absence of the project activity. The methodology revision text has been amended introducing a requirement (see paragraph 26.(b)) for project activities to either use only organic fertilizer (subject to confirmation by DOE) or to consider project emissions from the use of synthetic fertilizer as per *General guidance on leakage in biomass project activities, Version 03*.

Recommendation by the SSC WG:

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

Please refer to paragraph 10 of the meeting report of the SSC WG 27 (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 small-scale working group agreed not to recommend the proposed revision of AMS-I.D to include the use of short-cycle cellulosic biomass cultivated between the regular cropping seasons in the context of PoAs because of the following reasons:

As per the current provisions of paragraph 23 of AMS-I.D the applicability of the methodology to a Programme of Activities is limited to either project activities that use biomass residues only or biomass from dedicated plantations complying with the applicability conditions of AM0042 (dedicated plantations established on degraded and degrading lands). Taking into account further inputs provided by the project proponent, the SSC WG concluded that if the plantation/ cultivation sites from which the biomass is sourced are not included in the project boundaries as is the case with the current version of AMS-I.D, it may not be possible to address all the uncertainties related to the emissions from the cultivation of the short-cycle cellulosic biomass, potential shift of the pre-project activities and the competing use of the crops cultivated. Group was also of the opinion that a revision of AMS-I.D comprising changes to elements under the Programme of Activities section is not in accordance with the guidance of the Board on Programme of Activities, EB35, paragraph 15.

While the SSC WG is appreciative of the efforts of the author of the submission to the proposed revisions, the group is of the opinion that submission of a new methodology may be required in order to assess and appropriately account for the project /leakage emissions related to the cultivation of short-cycle cellulosic biomass grown between regular cropping seasons

The project boundary should cover the sites where the short-cycle cellulosic biomass is cultivated analogous to the approach in biodiesel and plant oil methodologies for energy production in stationary applications recently approved by the Board. The cropping/cultivation in between the regular cropping seasons should be subjected to comprehensive treatment taking into account the potential effects on soil carbon losses, effect on the soil fertility and the main crop yield, potential changes in land use patterns and the effects on N₂O emissions in the case of legume cultivation.

Signed by the Chair, Mr. Peer Stiansen

Date: 19/08/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 19/08/2010

Information to be completed by the secretariat

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