



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>	15–18 March 2011, SSC WG 30
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Clarification on the applicability of AMS-I.D to a retrofit project activity with no or partial historical data
<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.D “Grid connected renewable electricity generation”
<i>Name of the authors of the query:</i>	Mr. Marcelino Pellitero Martinez Institution: Spanish Association for Standardisation and Certification (AENOR) mpellitero@aenor.es

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 DOE:

This clarification request is with respect to the requirement of providing a minimum of 5 years of historical generation data for the calculation of baseline emissions (Section 15. of AMS I.D.) for retrofit/rehabilitation projects. We seek guidance on how to comply with this methodology applicability criteria in the following three cases of rehabilitated small hydro power plants:

1. Small hydro power plants that have been constructed recently (around 2003/2004 or before) but which could not be finalized due to lack of funding and have therefore never been operational.
2. Small hydro power plants that have been constructed recently (around 2003/2004 or before) but which due to technical problems and lack of funding have only been operational intermittently.
3. Small hydro power plants that have been constructed decades ago (in the 1950s or 60s) and have not been operational for at least 15-20 years until rehabilitation occurred due to the CDM project activity. As a result no 5 year historical generation data is available for these plants.

Clarification is also requested on whether cases 1 and 3 can be considered as similar to greenfield projects as there is no historical generation for case 1 and is difficult to trace the generation data of the plant 15-20 years ago for case 3.

Additional queries/information requested 11 Feb 2011 by the secretariat:

With reference to your clarification request on Historic Generation Data requirements for small hydro Rehabilitation Projects, please note that the response to SSC_483 “Clarification on historical electricity generation calculations under AMS-I.D” provided clarification on the issue.

You are kindly invited to consider whether the response (also attached for your easy reference) provided by the SSC WG 29, that may be found at <http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/45260>, addresses your query. If not, please indicate what further clarification would be needed.

Response from DOE submitted 14 Feb 2011:

Thanks for your prompt action, unfortunately the response provided by the SSC group address only one case I requested for and partially i.e. as per the clarification it can be used data of operation years during initial years of commissioning as long as that covers 5 years even if the plant shuts down and it is not operational for the last 15-20 years. But, even in this case, I ask for clarification on what if that data is not accessible.

In summary, the request is somewhat different from what SSC clarified as I request clarification on:

1. What if the plant got constructed but never was in operation, but started operation after rehabilitation.
2. What if the plant got commissioned but operated only intermittently and no full five year data available
3. What if the plant got commissioned some 20-25 years ago, operational for some time but that data cannot be accessed and stopped for 10-15 years since then.

Additional queries/information requested 24 Feb 2011 by the secretariat:

Please elaborate the reasons why there are no electricity generation data available for cases 2 and 3.

Is it is because no electricity was generated during the period in question?

If so, how it will be demonstrated that there was no electricity generated over the period.

Response from DOE submitted 25 Feb 2011:

Please find enclosed the reasons why there are no electricity generation data available for cases 2 and 3.

Case 2: Though the main plant equipments (turbine and generator) are installed, but either i) penstock was not installed due to lack of further funding and/or ii) plant switch gear equipments were not installed in order to connect the plant to the grid again due to lack of funding and hence, there was not power generation for the minimum 5 years required. This no power generation can be witnessed from the plant wise records available with the local utility and/or certificate of start of generation from the plant by the local utility.

Case 3: In this case, though the plant's generated electricity when they were operational since their commissioning (1950s or 1960s) and then there is no electricity generation for about 15-20 years till the rehabilitation happens. But accessing this old data is very difficult considering lack of proper recording maintenance practices at that time.

Recommendation by the SSC WG:

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

Please refer to paragraph 32 of the meeting report of the SSC WG 30
<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 would first of all like to clarify that in order to qualify as a retrofit under AMS-1.D a project activity must satisfy the definition provided in footnote 2 of the methodology that states:

“It involves an investment to repair or modify an existing power plant/unit, with the purpose to increase the efficiency, performance or power generation capacity of the plant, without adding new power plants or units, or to resume the operation of closed (mothballed) power plants. A retrofit restores the installed power generation capacity to or above its original level. Retrofits shall only include measures that involve capital investments and not regular maintenance or housekeeping measures.”.

The view of the SSC WG regarding each of the three cases identified in the request for clarification is the following:

Case 1: Small hydro plants that have been constructed recently (eg. In 2003-2004), but have never been operational due to lack of funding, should be treated as new restarted project activities and not as retrofits, as long as the projects comply with the EB guidance (EB 41, para. 67) related to project activities that never completed implementation and then were restarted due to CDM benefits. This guidance is also provided under the definition of Start Date in the CDM Glossary of Terms, as follows :

“ The Board further noted that there may be circumstances in which an investment decision is taken and the project activity implementation is subsequently ceased. If such project activities are restarted due to consideration of the benefits of the CDM the cessation of project implementation must be demonstrate by means of credible evidence such as cancellation of contracts or revocation of government permits.”

If this can be complied with, then the project may be treated as a new (Greenfield) project. The PP would have to clearly demonstrate that the project never became operational before the CDM investment was made and that the new rehabilitation investment was necessary before the project could recommence electricity generation.

Case 2. In the case of small hydro power plants that have been constructed recently (2003-2004) but which due to technical problems and lack of funding have only been operational intermittently, if the hydro plant was commissioned and delivering electricity to the grid during this intermittent operation, then generation data must be available, otherwise the methodology is not applicable (as is stated in paragraph 15 of the methodology). If, on the other hand, this intermittent generation occurred as part of the testing and commissioning of the project, then that intermittent generation may be ignored. and the described project may be treated in the same way as Case 1. Under other circumstances, further information regarding the project circumstances is required in order to assess this case.

Case 3: In the case of a small hydro power plants constructed several decades ago and not in operation for many years before the rehabilitation/retrofit was carried out under the CDM project activity: if it can be demonstrated that that the hydro plant did not generate electricity for at least the five years prior to the project implementation (the retrofit activity), then $EG_{\text{historical}}$ can be set to zero, and the retrofitted hydro plant can essentially be treated as a new hydro plant.

Signed by the Chair, Ms. Fatou Gaye

Date: 18/03/2011

Signed by the Vice-Chair, Mr. Peer Stiansen

Date: 18/03/2011

Information to be completed by the secretariat

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