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:	As per procedures for fast track clarifications
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Clarification on use of AMS I.C and AMS I.D for a project using biogas from wastewater
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS I.C and AMS I.D
Name of the authors of the query:	Michael Lehmann Institution: Det Norske Veritas Certification AS (DNV) Michael.lehmann@dnv.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.

The project currently under validation involves the covering of an existing anaerobic wastewater treatment pond to turn it into an anaerobic digester. Biogas will be recovered and used for steam and electricity (3MW) co-generation. The project only claims emission reductions due to displacing fossil fuel based steam and electricity generation applying AMS I.C and AMS I.D, while it does not claim emission reduction due to the avoidance of methane emissions occurring in the base line. However, AMS I.D states, "In the case of landfill gas, waste gas, wastewater treatment and agro-industries projects, recovered methane emissions are eligible under a relevant type III category. If the recovered methane is used for electricity generation the baseline shall be calculated in accordance with paragraphs below. If the recovered methane is used for heat generation it is eligible under category I.C." The DOE interpreted that the use of AMS I.C and AMS I.D is clearly allowed if in combination with a type III methodology.

Clarifications are sought for situations where emission reductions from the methane avoidance component are not claimed.

- Whether AMS I.C and AMS I.D can be applied for biogas electricity/heat without using a type III methodology;
- Whether the use of biogas for electricity/heat is covered under AMS I.C and AMS I.D (biogas is not explicitly mentioned under measure/technology of these methodologies).

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.

Answer to authors of query by the 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 to clarify that energy generation from biogas is covered under type I methodologies, since biogas is a renewable source of energy according to the definition agreed by the Board at its twenty-fourth meeting[1], i.e. renewable energy is being generated using biomass of biogenic origin.

The SSC WG further clarified that, in accordance with the guidance from the Board[2], AMS I.D and/or AMS I.C can be applied for biogas electricity/heat generation activities on a stand-alone basis, i.e. without using a type III methodology for avoided methane emissions as long as modalities and procedures of SSC CDM including demonstration of additionality are also complied with on a stand-alone basis.

Further the SSC WG noted that under certain situations it is possible that biogas for energy generation is sourced from a type III activity with net positive contribution to anthropogenic emissions, i.e. higher project emissions than baseline emissions. For example animal manure treated in the baseline in 'drylots' is now treated in 'biogas digesters' to supply biogas to the type I project activity. 2006 IPCC guidelines for national GHG inventories assign an emission factor ten times higher to biogas digesters as compared to drylot, i.e. 1% -2% of methane production potential (B_o) of the manure is emitted as methane in the case of drylots whereas as much as 10% of B_o is emitted from biogas digesters due to physical leakages. Under such situations, where net emissions from the type III component that can be reasonably attributed to the type I activity can not be ruled out during the crediting period, the modalities and procedures require that the necessary parameters of the type III component are also monitored and the emission reductions achieved by type I activity is suitable discounted. Below are the relevant extracts of definitions of boundary, baseline, leakage and monitoring as provided by the modalities and procedures of small-scale CDM *"Boundary: The project boundary shall encompass all anthropogenic emissions by sources of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the CDM project activity"*

"A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A within the project boundary."

"Leakage is defined as the net change of anthropogenic emissions by sources of greenhouse gases which occurs outside the project boundary, and which is measurable and attributable to the CDM project activity"

"Monitoring shall include: The collection and archiving of all relevant data necessary for estimating or measuring anthropogenic emissions by sources of greenhouse gases occurring within the project boundary during the crediting period;"

"Monitoring shall include: The identification of all potential sources of, and the collection and archiving of data on, increased anthropogenic emissions by sources of greenhouse gases outside the project boundary that are significant and reasonably attributable to the project activity during the crediting period;"

[1] "Biomass means non-fossilized and biodegradable organic material originating from plants, animals and micro-organisms. This shall also include products, by-products, residues and waste from agriculture, forestry and related industries as well as the non-fossilized and biodegradable organic fractions of industrial and municipal wastes. Biomass also includes gases and liquids recovered from the decomposition of non-fossilized and biodegradable organic material. Biomass residues means biomass by-products, residues and waste streams from agriculture, forestry and related industries."

[2] The Board at its third meeting considered the above issues in drawing out a list of activities eligible under type I, II and III respectively (see annex to annotation of 3rd meeting of EB). The particular issue of two eligible components (e.g. methane

Signature of SSC WG Chair ……..

(Ulrika Raab)

Date: 14/04/2008

Signature of SSC WG Vice-Chair ……..

(Kamel Djemouai)

Date: 14/04/2008

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avoidance under type III and electricity/heat from methane under type I) was considered in the context of a question whether they should be mutually exclusive or mutually inclusive ('mutually inclusive' would mean that the multi component project in the example would belong to either type I or type III). The Board agreed that the components are mutually exclusive, i.e. the thresholds are to be met separately and components are treated separately.