

Reply to SSC_005
31 May 2005

Subject: Submission on bio-energy

Reference is made to your submission, on behalf of FAO, dated of 11 March 2004. The small scale working group (SSC WG) of the CDM Executive Board would like to thank you for the submission regarding the bio-energy project activities. After a careful study of your submission and extensive discussions the SSC WG notes that:

- (i) You requested two categories of amendments. The first is amendments to the existing simplified small-scale methodologies and procedures and the second is the inclusion of Non-Renewable Biomass in the Baseline of "Non Small-Scale" CDM Projects.
- (ii) Your requested amendments to some sections of the existing simplified small-scale methodologies and procedures are in the following areas:
 - (a) Amendment to Type I.C: Thermal Energy for the User
 - (b) Amendments to Type I.D: Renewable Electricity Generation for a Grid
 - (c) Amendments to Type II.C: Demand Side Efficiency Programs for Specific Technologies
 - (d) Amendments to Type II.D: Energy Efficiency and Fuel Switching Measures for Industrial Facilities
 - (e) Amendments to Type II.E: Energy Efficiency and Fuel Switching Measures for Buildings
- (iii) Improvements of efficiency of equipment (such as stoves) in principle is a CDM measure relating to the type II activities (energy efficiency measures). The emissions reductions for such projects are to be calculated as the difference in use of fuels/energy due to the efficiency improvement of the equipment. The questions relating to wood stoves therefore is mainly whether it is renewable (which would therefore imply such projects do not reduce emissions since the fuel would be a zero emitting source) or whether wood is non-renewable in which case one has to assess: (a) how to calculate emissions from this fuel and (b) leakage.
- (iv) At this stage there is no agreed definition of renewable and non-renewable biomass in accordance the Marrakech agreement. Work on developing such a definition is ongoing in the Panels and Working groups of the Executive Board. Once a definition is agreed the SSC WG may consider appropriate amendments to the Appendix B.

In order to ensure that this kind of CDM projects will see the light of day in the current CDM process, the SSC WG wants to request you to recommend methods which can be used to handle the estimation of such leakages. It look forward to your suggestions in this direction.

For more information regarding the outcomes of the second meeting of the SSC WG please refer to: http://cdm.unfccc.int/Panels/ssc_wg.

Best regards,

CDM team