

amend



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:	24–27 February 2009, SSC WG 19
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Consideration of leakage due to transfer of equipment outside the project boundary in SSC methodologies
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-II.D
Name of the authors of the query:	Arnaud Viel Institution: EcoSecurities Group Plc cdm@ecosecurities.com , arnaud.viel@ecosecurities.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:

This query arose during the validation of “Gul Ahmed Combined Cycle Gas Turbine Project” (<http://cdm.unfccc.int/Projects/Validation/DB/LR9479FT7I3L6APTAUULTZI589P5OD/view.html>). Due to their excellent working condition, some pieces of baseline energy generation equipment (namely: gas engines) might be transferred outside the project boundary once they are replaced by the more efficient project equipment

(CCGT). Monitoring the use of this baseline equipment outside the project boundary is very difficult as it is outside the control of project participants. Furthermore, in this particular case, the gas engines would very probably replace other gas engines, thereby not resulting in any leakage emissions – but this is difficult to prove.

The CDM Executive Board recognized the importance of this issue and decided the following at its 44th meeting (paragraph 50 of meeting report, Nov08):

“The Board noted that the emission impact of continued use of displaced equipment outside the project boundary is subject to uncertainty and difficult to quantify. It therefore clarified that leakage from equipment transfer from within to outside the project boundary may be excluded from consideration in SSC methodologies.” as recommended by the Small Scale Working Group at its 18th meeting (paragraph 31 of meeting report, Nov08).

However, the version of AMS II.D used by the project (v11, paragraph 8) states that “If [...] the existing equipment is transferred to another activity, leakage is to be considered.” There is therefore an ambiguity as to whether leakage from transferred equipment can be ignored immediately by project participants in writing PDDs, or if, for instance, AMS II.D would first have to be revised in order to remove/amend its paragraph 8 about leakage. Project participants have chosen the first option, i.e. following

EB44 guidance and ignoring paragraph 8 of AMS II.D.

1. We request the Small Scale Working Group to clarify whether the chosen approach is correct (and, if not, whether a revision of the monitoring plan will be needed once the project is registered).
2. To avoid future ambiguities, we would also appreciate if the Small Scale Working Group could amend all small scale methodologies which currently contain provisions of leakage due to transferred equipment, in order to reflect the decision of EB44.

Recommendation by the SSC WG:

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

Please refer to paragraph 35 of the meeting report of the SSC WG 19
(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 like to clarify that the chosen approach is correct and that it is consistent with the decision of EB 44, i.e. the guidance stating that “leakage from equipment transfer from within to outside the project boundary may be excluded from consideration in SSC methodologies” can be implemented immediately without having to wait for explicit inclusion in each of the SSC methodologies.



Signature of SSC WG Chair

(Hugh Sealy)

Date: 27/02/2009



Signature of SSC WG Vice-Chair

(Peer Stiansen)

Date: 27/02/2009

Information to be completed by the secretariat

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