



CDM: Response form for request for clarification on Approved Methodologies (version 01.1)

<i>Date of Meth Panel meeting:</i>	18 - 22 January 2010
<i>Title and number of request for clarification</i>	Clarification regarding the applicability of the methodology ACM0002, Version 10 AM_CLA_0169

Summary of the query:

Please use the space below to summarize the request for clarification on the related approved methodologies.

The underlying CDM project activity related to this request for clarification is the installation of wind turbines with a power capacity of 13.75 MW. The project activity wind turbines have been installed in two groups, one in February 2006 (6.25 MW) and one in March 2007 (7.5 MW). Furthermore, the project activity was implemented in a site where previously installed wind turbines were already operating since 1993 (7 MW), 2001 (3 MW) and 2004 (3.75 MW). Consequently, it can be considered that the underlying CDM project activity is an expansion in the power capacity of the existing wind farm.

Within the context of the CDM project activity described above, the project proponents seek clarification on the aspects of the approved consolidated methodology ACM0002 version 10 presented below.

(i) Concerning the following applicability condition,

“In the case of capacity additions, retrofits or replacements: the existing plant started commercial operation prior to the start of a minimum historical reference period of five years, used for the calculation of baseline emissions and defined in the baseline emission section, and no capacity expansion or retrofit of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity”;

For the case of wind power projects, for capacity expansion project activities the historical period of 5 years is not required for the calculation of baseline emissions, as indicated in page 10 of ACM0002:

“In the case of wind, solar, wave or tidal power plants, it is assumed that the addition of new capacity does not significantly affect the electricity generated by existing plant(s) or unit(s).⁶ In this case, the electricity fed into the grid by the added power plant(s) or unit(s) could be directly metered and used to determine $EG_{PJ,y}$ ”.

Question 1

Is the referred historical reference period of 5 years applicable for the wind farm project activity described in the request for clarification? In such case, are any other historical reference period to be considered?

Question 2

Is the following condition met by the wind farm project activity described in the request for clarification, taking into consideration that since the wind power capacity of 7 MW was installed in the year 1993, 3.0 MW in March 2001 and 3.75 MW in March 2004 of wind power capacity have been added?: *“and no capacity expansion or retrofit of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity”.*

(ii) Concerning the following requirement in the baseline identification section:

“If the project activity is a capacity addition to existing grid-connected renewable power plant/unit, the baseline scenario is the following:

In the absence of the CDM project activity, the existing facility would continue to supply electricity to the grid at historical levels, until the time at which the generation facility would likely be replaced or retrofitted (DATE_{BaselineRetrofit}). From that point of time onwards, the baseline scenario is assumed to correspond to the project activity, and no emission reductions are assumed to occur”.

Question 3

Kindly clarify whether the above requirement for baseline scenario determination indicates that the wind farm project activity described in the request for clarification can claim emission reductions only till the end of lifetime of the wind turbines installed in 1993, viz; 2013 assuming an operational life of 20 years for wind mills.

Recommendation by the Meth Panel:

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

N.A.

Answer to authors of the request for clarification by the Meth Panel :

Please use the space below to provide an answer to the authors of the above query

Answer to Question 1

The Meth Panel clarifies that the historical reference period of five years is required for all capacity addition projects because this applicability condition is not limited to any particular type of plant or any particular situation in version 10 of the methodology.

However, the Meth Panel agrees with the project participants that the methodology could be revised. The applicability with regard to the historical period of five years would not be necessary for projects that (i) implement a capacity expansion of an existing power plant, (ii) are wind, solar, wave or tidal power plant(s) or unit(s), and (iii) implement option 2 on page 10 of the methodology. The Meth Panel recommended the Board to revise the methodology accordingly.

Answer to Question 2

The Meth Panel clarifies that as expansions in the capacity of the wind power plant have occurred within a period of 5 years prior the implementation of the project activity, then the underlying project activity described by the project proponents would not meet this applicability condition in version 10 of the methodology.

However, the Meth Panel agrees with the project participants that the methodology could be revised. The applicability with regard to the historical period of five years would not be necessary for projects that (i) implement a capacity expansion of an existing power plant, (ii) are wind, solar, wave or tidal power plant(s) or unit(s), and (iii) implement option 2 on page 10 of the methodology. Hence the requirement that no capacity expansion or retrofit of the plant has been undertaken is also not applicable to these project categories. The Meth Panel recommended the Board to revise the methodology accordingly.

Answer to Question 3

The Meth Panel clarifies that if the lifetime of the existing wind power plant ends in 2013, then in version 10 of ACM0002 emission reductions from the capacity addition project activity can be claimed only until that point in time. Project proponents may wish to submit a request for revision of the methodology that proposes a baseline selection procedure that could establish whether the installation of new capacity at the end of the lifetime of the existing equipment would have been a baseline for the proposed project activity or not.



Signature of Meth Panel Chair

Date: 22/01/2010

(Philip Gwage)



Signature of Meth Panel Vice-Chair

Date: 22/01/2010

(Pedro Martins Barata)

Information to be completed by the secretariat

F-CDM-AM	AM_CLA_0169
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