



**Approved baseline and monitoring methodology/  
methodological tool clarification response form  
(Version 02.0)**

**INFORMATION TO BE COMPLETED BY THE SECRETARIAT OR PANEL/ WG**

<b>Date and number of Panel/ WG meeting:</b>	27–31 January 2014/MP 62
<b>Title/Subject of the request for clarification:</b>	Identification of plausible baseline scenarios and calculation of fugitive CH <sub>4</sub> emissions for CDM projects developed in countries included in the Southern African Power Pool (such as Mozambique)
<b>Reference number of the request for clarification:</b>	AM_CLA_0253
<b>Exact reference (number, title and version) of the methodology or methodological tool to which the request for clarification applies:</b>	AM0029: "Baseline Methodology for Grid Connected Electricity Generation Plants using Natural Gas" ver. 03
<b>Fast track or Regular track:</b>	<input type="checkbox"/> Fast track <input checked="" type="checkbox"/> Regular track

**Summary of the request for clarification**

The clarification refers to a CDM project currently under development in Mozambique for which the PDD is under elaboration. The project consists in a new 175 MW (gross) gas-fired grid connected power plant located at Ressano Garcia.

The project participants request clarification on the following topics:

**Identification of plausible baseline scenarios:**

According to the methodology, the identification of plausible baseline scenarios should include all possible realistic and credible alternatives that provide outputs or services comparable with the proposed CDM project activity, i.e., all type of power plants that could be constructed as alternative to the project activity within the grid boundary (as defined in "Tool to calculate emission factor for an electricity system") including, *inter alia*: a) the project activity not implemented as a CDM project; b) power generation using natural gas, but technologies other than the project activity; c) power generation technologies using energy sources other than natural gas and d) import of electricity from connected grids, including the possibility of new interconnections.

Considering that the grid boundary for the host country Mozambique is the interconnected electricity system of the Southern Africa power Pool (SAPP) which includes 10 member countries and taking into consideration that Mozambique actually imports electricity from the SAPP interconnected electricity system, the project participants request confirmation that the alternatives a), b) and c) can be analysed considering all alternatives that provide outputs or services comparable with the proposed project within the host country (Mozambique) and the alternatives that provide outputs or services comparable with the proposed project within the grid boundary can be indirectly considered and analyzed through the alternative d) which, in this case, refers to the import of electricity from the SAPP interconnected electricity system.

**Calculation of leakage emissions due to fugitive upstream CH<sub>4</sub> emissions:**

According to the methodology, the emission factor for upstream fugitive CH<sub>4</sub> emissions occurring in the absence of the project activity ( $EF_{BL,upstream,CH_4}$ ) should be calculated consistent with the baseline emission factor ( $EF_{BL,CO_2}$ ) used in equation (4) of the methodology. In the cases where option 1: Build Margin is the option to be used, the project participants will rely on the publicly available data used to determine the Build Margin for the Southern Africa Power Pool, available in the document IGES GEF SAPP Final 2012\_10 23.xls [http://cdm.unfccc.int/methodologies/standard\\_base/index.html](http://cdm.unfccc.int/methodologies/standard_base/index.html))

The above mentioned document does not include information regarding  $FF_{j,k}$  (quantity of fuel type k combusted in power plant j included in the build margin) for all the plants included in the build margin of the SAPP. Therefore, with the publicly available information, it is not possible to determine  $EF_{BL,upstream,CH_4}$  (emission factor for upstream fugitive methane emissions occurring in the absence of the project activity in

tCH<sub>4</sub> per MWh electricity generation in the project plant). As such, the project participants would like to clarify if the upstream fugitive CH<sub>4</sub> emissions occurring in the absence of the project activity ( $EG_{PJ,y} \times EF_{BL,upstream,CH_4}$ ) can be considered as zero. This approach is considered conservative, since in this case fugitive upstream CH<sub>4</sub> emissions will only consider the upstream fugitive emission from production, transportation and distribution of natural gas ( $FC_y \times NCV_{NG,y} \times EF_{NG,upstream,CH_4}$ ) and no deduction will be made to account for emissions occurring from fossil fuels used in the absence of the project activity.

#### Clarification by the secretariat or Panel/ WG

The Methodologies Panel (Meth Panel) of the Executive Board (Board) of the clean development mechanism (CDM) agreed to clarify that:

- While identifying plausible baseline scenario in AM0029, all possible realistic and credible alternatives in the grid boundary that provide outputs or services comparable with the proposed CDM project activity shall be considered. This is an essential step to identify the electricity source that would have been displaced by electricity produced by the project activity. With this said, when the Southern African Power Pool (SAPP) is applied, the grid boundary refers to the whole power pool and not the Mozambique grid only;
- When considering importing electricity from connected grids as one of the baseline alternatives, the project proponent shall consider those grids connected to SAPP, instead of Mozambique grid only;
- The Meth Panel agreed that ,though it is conservative to apply a zero value for upstream fugitive CH<sub>4</sub> emissions occurring in the absence of the project activity, this option is currently not available in the methodology and will therefore deviate from the current methodological requirements. The project proponent may follow the relevant procedure outlined in the CDM regulatory documents (PCP,PS,VVS etc.) to seek a deviation to the applied methodology.

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#### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	18 July 2013	Revised to remove the row "Date and signature of the chair and vice chair of Panel/WG (in case of clarification by Panel/WG)"
01.0	4 July 2013	Initial publication. This document supersedes and replaces the following documents: <ul style="list-style-type: none"> <li>• Recommendation Form for Small Scale Methodologies (F-CDM-SSCwg) (Version 01.1)</li> <li>• Recommendation Form for Small Scale A/R Methodologies and Procedures (F-CDM-SSC-AR) (Version 01.1)</li> </ul>

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