



**CDM: Response form for Request for revision of approved methodologies  
(version 01.1)**

<i>Date of Meth Panel meeting:</i>	26 - 30 March 2007
<i>Title and number of Request for revision</i>	“Revision to include a project that displaces a fuel other than natural gas and to allow the use of the tool for demonstration and assessment of additionality” / AM_REV_0036
<p><b>Summary of the query:</b></p> <p>Please use the space below to summarize the request for revision on the related approved methodologies.</p> <p>Revision 1 – Inclusion of projects that displace different fuels other than natural gas in the baseline. The current methodology specifically caters for projects that displace natural gas in the baseline. Inclusion of other types of fuel (coal and diesel oil among others) is not a major modification, and can be done by simply providing a framework for determining the emission factor for other types of fuel.</p> <p>Revision 2 – Proposed revision for additionality assessment. AM0014 (Version 02) requires that additionality be assessed in accordance with a specifically designed process. To increase the user-friendliness of the methodology, the use of the latest version of the “Tool for the demonstration and assessment of additionality” should also be allowed.</p> <p>Revision 3 – Inclusion of method to account for transmission loss during baseline emission from electricity grid displacement. AM0014 (Version 02) states that the baseline emissions from electricity displacement corresponds to “the emissions avoided at the power plants supplying the public grid, including transmission and distribution losses” without further specifying how to account for these transmission and distribution losses. The request for revision proposes the use of a similar approach to account for these losses based on the method provided in AMS IA (Option 1).</p>	

**Recommendation by the Meth Panel:**

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

- 1) To accept item 1 of the request for revision, as this would expand the applicability of the methodology without compromising its rigour and functionality. Also, the documentation submitted by the authors provides the appropriate text for the revision in this respect, including the framework for determining the emission factors for other types of fuel besides natural gas in the baseline.
- 2) To conditionally accept item 2 of the request for revision. The request proposes to allow the use of the additionality tool, however since the existing methodology already includes a specific barrier analysis we recommend allowing the use of the additionality tool provided that Step 2, the Investment Analysis, is conducted. We proposed the following amendment which is based on AM\_REV\_0038 request for revision of AM0014:

*The project developer can demonstrate additionality by selecting one of the following two options:*

- *Option 1: Use the latest version of “Tool for demonstration of additionality assessment”. If this Option 1 is chosen, project proponents shall apply Step 2 of the Additionality Tool (Investment Analysis) and demonstrate that the proposed project activity is unlikely to be financially attractive without the CDM*
- *Option 2: Methodology-specific process for determination of additionality as follows: (i.e. existing method contained in the methodology)*

In this way, the methodology gets a broader applicability without losing its spirit and rigour.

- 3) To reject item 3 of the request for revision. The approach of the referred SSC methodology (i.e. AMS IA) is not adequate for large-scale project activity. As a matter of fact, AM0014 (Version 02) states that the baseline emission from electricity displacement corresponds to “the emissions avoided at the power plants supplying the public grid, including transmission and distribution losses”. This is precisely to make sure that no further provisions should be taken into account for transmission and distribution losses. Further, the equation presented in the methodology makes that clear. However, the text in the preceding paragraph could be more explicit in that regard. Therefore, we recommend to remove the text “including transmission and distribution losses” from the methodology.

(b) Please use the space below for providing guidance, as per Para 93 of EB25 Report, on what type of projects need to revise the PDD as a consequence of the suggested revision, if the recommendation is to revise the methodology.

No projects will need to revise their draft CDM-PDDs as a consequence of the suggested revisions since they simply enable the methodology expand its applicability without any implications to those projects that are already making use of it.

**Answer to authors of the request for revision by the Meth Panel :**

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

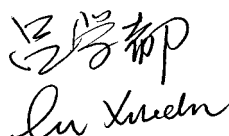
- 1) To accept the item 1 of the request for revision, as this would broad the applicability of the methodology without compromising the rigour and functionality, the methodology current has. The documentation provided by the authors of the request for revision provides the appropriate text for the revision in this respect.
- 2) To conditionally accept item 2 of the request for revision. The request proposes to allow the use of the additionality tool, however since the existing methodology already includes a specific barrier analysis we recommend to allow the use of the additionality tool provided that Step 2 of the tool, the Investment Analysis, is used.
- 3) To reject item 3 of the request for revision, as the approach of the referred SSC methodology (i.e. AMS IA) is not adequate for large-scale project activity. As a matter of fact, AM0014 (Version 02) states that the baseline emission from electricity displacement corresponds to “the emissions avoided at the power plants supplying the public grid, including transmission and distribution losses”. This is precisely to make sure that no further provisions should be taken to account for transmission and distribution losses. Further, the equation presented in the methodology makes that clear. However, the text in the preceding paragraph could be more explicit in that regard. Therefore we recommend to remove the text “including transmission and distribution losses” from the methodology.



Signature of the Meth Panel Chair

Date: 30/03/2007

(Akihiro Kuroki)



Signature of the Meth Panel Vice-Chair

Date: 30/03/2007

(Xuedu Lu)

**Information to be completed by the secretariat**

F-CDM-AM	AM-REV-0036
Name of the authors of the query:	TUEV-SUED
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