



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

<i>Date of Meth Panel meeting:</i>	14 - 18 September 2009
<i>Title and number of request for clarification</i>	<p>Clarification regarding: (i) eligibility criteria, (ii) new entrants, (iii) criteria for assessing additionality, (iv) <math>ATD_{market}</math> under Option B, (v) data to calculate market benchmark, (vi) data to calculate autonomous technical development factor, and (vii) meaning of “end user data” with reference to the “buyer”</p> <p>AM_CLA_0162</p>
<p><b><u>Summary of the query:</u></b></p> <p>Please use the space below to summarize the request for clarification on the related approved methodologies.</p> <p>AM0070 “Manufacturing of energy efficient domestic refrigerators” is applicable to project activities undertaken by manufacturers of refrigerators that increase the energy efficiency of manufactured refrigerators.</p> <p>The request seeks following clarifications:</p> <p><b><u>Clarification 1: Eligibility Criteria</u></b></p> <p>The project proponents wants clarification whether it is possible to have two or more CPAs involving the same refrigerator model, as long as the vintage years included in the CPAs are different? This would not represent any double counting of emission reductions, as the energy savings and emission reductions for each vintage of refrigerators are calculated independently, according to equations 10 and 34 of the methodology.</p> <p><b><u>Clarification 2: Calculation of Benchmark for New Entrants</u></b></p> <p>AM0070 appears to be applicable to both existing manufacturers and new entrants, however, the methodology does not explain how the manufacturer benchmark is to be interpreted in the case of new entrants. It is requested to clarify whether, in the case of new entrants, the benchmark can be considered to be equal to the market benchmark until three years of historical manufacturer data are available to calculate a manufacturer benchmark.</p> <p><b><u>Clarification 3: Criteria for Assessing Additionality</u></b></p> <p>Clarification is sought on which criteria may be used to assess the additionality of a CPA, as requested under Section E.5.2 of Form CDM-PoA-DD, consistent with AM0070. Specifically, the request seeks clarification on whether demonstrating ex ante that the parameter <math>EC_{PJ,ec,y}</math> is less than the parameter <math>EC_{BL,ec,y}</math> would be an acceptable criterion to assess additionality, even though these are not the parameters mentioned with respect to additionality assessment in AM0070.</p>	

**Clarification 4:  $ATD_{\text{market}}$  under Option B**

The request claims that the way the methodology is written, it appears to impose a double discount for autonomous improvement in the benchmark when Option B is selected. Therefore clarification is sought on whether  $ATD_{\text{market}}$  may be set to zero in Sections 1.8 and 2.5, if Option B is selected, so as to ensure consistency with Option A and avoid an unwarranted double discount.

**Clarification 5: Source and Coverage of Data to Determine Market Benchmark**

The request seeks clarification on whether in the case of countries that have mandatory or voluntary energy label schemes under which manufacturers must report on the energy efficiency of their refrigerator models, based on a specified testing standard, this universe of market data could be used instead of 90% of the total market.

**Clarification 6: Data to Calculate Autonomous Technical Development Factor**

The request seeks clarification on whether:

- In cases where historical data on the market benchmark are not available for 10 years prior to year  $x$ , a 3-year time-series (years  $x$ ,  $x-1$ ,  $x-2$ ) can be used to determine  $ATD_{\text{market}}$  instead;
- If so, whether the best fitting curve should be used (whether this is a straight line or an exponential curve);
- How the statistical significance of the calculated trend line should be assessed (e.g., if the regression is not statistically significant at some pre-defined confidence interval, such as 95%,  $ATD_{\text{market}}$  should be set to zero, indicating no ATD trend).

**Clarification 7: Meaning of “End User Data” with Reference to the “Buyer”**

The request seeks clarification as to whether the database for sales of refrigerators must only include data on the initial buyers of refrigerators (typically not the ultimate end-users, but rather market intermediaries, such as wholesalers, retail distributors, utilities), or whether end-users should also be included.

If end-users are to be included, further clarification is sought on whether options other than tracking individual end-users might be acceptable, for example, combining the required tracking of sales data by buyer location with a requirement to use the population-weighted average grid emission factor for the country.

**Recommendation by the Meth Panel:**

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

Please refer to the next section.

**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

The Meth Panel clarifies each queries as follows:

**Clarification 1: Eligibility Criteria**

The Meth Panel clarifies that the methodology requires the project proponents to calculate the emission reductions on the basis of classes of refrigerators and not on the basis of models. Hence, all sales of models in a given refrigerator class during the crediting period will be included in the calculation of emission reductions, including models which were sold prior to the start of a project activity, models introduced at the start of the CDM project activity and future models introduced after the start of the CDM project activity. As a consequence, the methodology does not allow more than one project activity covering the same class of refrigerators from one manufacturer in one country with overlapping crediting periods. Project activities covering a different class of refrigerators can be implemented at the same time.

Because the PoA guidance requires project proponents to apply a methodology to the full CPA (See EB 35, para 15), the above clarification also applies for CPAs.

**Clarification 2: Calculation of Benchmark for New Entrants**

The Meth Panel clarifies that the methodology is not applicable to new entrants, as implicitly stated in Step 2 of the Baseline Emissions section where the manufacturer benchmark has to be derived from 3 years of historical data from the manufacturer (the project proponent). In the current version, it is not possible to have a manufacturer benchmark if there is no historical production of refrigerators by the manufacturer. Project proponents who wish to expand the methodology can submit a request for revision.

**Clarification 3: Criteria for Assessing Additionality**

The Meth Panel acknowledges that the text of the section for additionality assessment is not clear on describing the parameters for assessment of additionality. The Meth Panel recommends editorially revising the methodology to make it clear.

**Clarification 4:  $ATD_{\text{market}}$  under Option B**

The Meth Panel clarifies that the methodology does not impose a double discount for autonomous improvement ( $ATD_{\text{market}}$ ) in the benchmark when Option B is selected. In the equation 16 and 17, use of two parameters  $v$  (year of the crediting period in which refrigerators are sold) and  $x$  (historic year for which the market benchmark for specific electricity consumption of refrigerators is established) addresses the project proponents' concern. In the case the parameters  $v$  and  $x$  refer to the same year (e.g. if the benchmark is annually updated and established for the same year when the refrigerators are sold), then the factor  $(1 - ATD_{\text{market}})^{v-x}$  would be 1 and thus no autonomous improvement would need to be taken into account. However, the methodology also allows using data with a certain vintage. For example, benchmark data collected for the year 2008 may be used for refrigerators sold in 2010. In this case  $v - x$  corresponds to 2 and the autonomous improvement in the market over this period is taken into account.

**Clarification 5: Source and Coverage of Data to Determine Market Benchmark**

The Meth Panel clarifies that the use of alternative approaches to obtain energy efficiency data (such as self declared energy efficiency data) is not allowed in the current version of the methodology. Project proponents are invited to submit a request for revision to the methodology to specify how the methodology could use mandatory or voluntary energy efficiency databases as part of the methodology.

**Clarification 6: Data to Calculate Autonomous Technical Development Factor**

The methodology is clear on its requirement under options A and B (options 1 and 2 in version 01.1 of AM0070). In case the option B (option 2 in version 01.1 of AM0070) is chosen to calculate  $ATD_{\text{market}}$  factor, the project proponents must have data over a ten year historic reference period as required by the methodology and can not use 3-year time-series data. The project proponents, if wishes to propose any alternative approach, can submit a request for revision to the methodology.

**Clarification 7: Meaning of “End User Data” with Reference to the “Buyer”**

The Meth Panel agrees that methodology may not be fully clear on describing end-user and buyer. The panel recommends editorially revising the methodology to make it clearer.



Signature of Meth Panel Chair .....

Date: 18/09/2009

(Philip Gwage)



Signature of Meth Panel Vice-Chair .....

Date: 18/09/2009

(Pedro Martins Barata)

**Information to be completed by the secretariat**

F-CDM-AM	AM_CLA_0162
Name of the authors of the query:	TUEV SUED
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