



**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>	11–14 April 2016 / SSC WG 50
<b>Title/Subject of the request for clarification:</b>	Clarification on the management of cookstove numbers in a CPA under AMS-II.G
<b>Reference number of the request for clarification:</b>	SSC_720
<b>Exact reference (number, title and version) of the methodology or methodological tool to which the request for clarification applies:</b>	AMS-II.G Energy efficiency measures in thermal applications of non-renewable biomass --- Version 4.0
<b>Fast track or Regular track:</b>	<input checked="" type="checkbox"/> Fast track <input type="checkbox"/> Regular track

**Summary of the request for clarification**

**Original text from PP/CME:**

1. ClimateCare is the CME for the PoA 8438: Clean Cook Stoves in Sub-Saharan Africa by ClimateCare Limited. The Programme has a CPA registered using AMS-II.G, ver 04 of the methodology.

The CPA is limited by the small scale threshold of AMS II.G (ver. 04.0), i.e. **the maximum energy savings of the sum of all ECSs implemented under a specific CPA shall not exceed thermal energy savings of 180 GWh/year** (threshold as per clarification request SSC\_233). During the registration (at validation) of the CPA01, it was calculated that the maximum number of stoves to reach the Small –scale threshold was 43,383 stoves based on 46% stove efficiency.

However, during the actual implementation of the project, the monitoring of the stove efficiency showed that the actual operating efficiency of the stoves dropped below 46%. In calculating the new number of stoves which will reach the small-scale threshold, the number increased, beyond what was mentioned in the registered CPA-DD. This number varies each time a monitoring report is prepared depending on the latest stove efficiency value determined annually upon testing of the stoves. In addition, the stove efficiency tends to reduce with time, thereby increasing the maximum number of stoves required to reach the maximum threshold of the small-scale limit.

All the stoves produced are serialized to reflect the CPA number and once the CPA limit is reached, new stoves are assigned to a new CPA with serial numbers reflecting that CPA.

The CME is therefore asking for clarification on whether, the maximum number of stoves in the CPA should be based on the registered CPA-DD (in our case, 43,383) or on the latest efficiency reported in the latest monitoring report.

2. The stoves being sold by the programme have a 4 year life. The PoA has a 28 year operational life, while the CPAs being implemented seek to renew their crediting period two times bringing its operational time to 21 years. From the field findings, project developers of stove projects are able to reach the small-scale limit of a CPA after three to four years.

Since the small-scale limit of projects using AMS-II.G are capped at 180GWh<sub>thermal</sub>, the project developer always calculates the number of stoves required for this limit and once reached, they either:

- a) Stop production of stoves or,
- b) Continue to produce and register the new units in another CPA or,
- c) Continue to produce and do not count the units sold into the project CPA.

Using our CPA (CPA 8438-0001) as an example, the stoves sold in 2012 will stop claiming CER from end of 2016 and by end of 2019, those stoves sold in 2015, will cease to claim CERs. Therefore, if the maximum limit of the stove number in our CPA is 43,383, by end of 2019, we will have no stoves in

operation claiming CERs from the CPA. The number of stove dropping from the CPA due to age follows the same trend as stove sales into the CPA. That means that by the end of the first crediting period, there will be no incentive for project developers to renew CPA crediting period since there will be no stoves generating CERs in the CPA in the second crediting period.

The CME is therefore asking for clarification as to whether, project developers are allowed to keep adding more new stoves into the CPA to compensate for those dropping out of the CPA due to them reaching their 4 year life in order to maintain the actual stove numbers in operation at the maximum units allowed to reach the maximum small-scale threshold until the end of the second crediting period of the CPA.

#### **Additional information from PP/CME:**

For carbon calculation purposes and conservativeness, we remove stoves that reach 4 years from the carbon calculation and hence the CPA (This is as per the registered CPA-DD). However, physically most of the stoves above four years are still in use and the users would not be willing to buy a replacement of the stove as long as it is in a good working condition. However, in the CPA, we stop considering stoves above 4 years for carbon estimation purposes. This means that the stove count in the CPA begins to drop significantly below the small scale threshold after stoves begin to reach 4 years. This should not be confused with drop-off of stoves which occurs before the 4 year life span is realised.

In order to maintain the stove numbers within the small scale limit but sustain reasonable carbon count within the CPA, there is need to replace those stoves which have attained the 4 year life span by selling an equivalent number under the CPA but to different people.

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

The small-scale working group (SSC WG) of the CDM Executive Board would like to thank the author for the submission.

For the first question, the SSC WG agreed to clarify that the maximum number of stoves in the CPA may be based on the latest efficiency of stoves reported in the latest monitoring report. In accordance with paragraph 99 and 314 of CDM Project Standard (version 9.0), in the context of the methodology AMS-II.G, it needs to be demonstrated that the CPA qualifies as 'Type II: Energy efficiency improvement project activities that reduce energy consumption, on the supply and/or demand side', with a maximum energy savings of 180 GWh (thermal) per year in any year of the crediting period. The requirement should be checked at registration as well as during the crediting period, using the latest available information in the monitoring report including the efficiency reported. In this regard, it should be noted that inclusion of new users (e.g. households) may affect the eligibility criteria and other conditions such as the following:

1. The project boundary (e.g. as in the case of expansion to a different province or a different country).
2. The sampling frame and sample size for the survey (e.g. where the PoA-DD or CPA-DD provided a precise calculations, based on actual users already identified).
3. Applied default values because of the geographic location of new users (e.g. as in the case of a standardised baseline applied which provided default values for wood fuel consumption per household distinguishing it based on urban or rural location or plain areas versus mountainous region).

With regard to the second issue, the following guidance in the methodology AMS-II.G should be noted:

Paragraph 16 of version 4 states "*Monitoring shall also consist of checking of all appliances or a representative sample thereof, at least once every two years (biennial) to determine if they are still operating or are replaced by an equivalent in service appliance*" which has been further elaborated in version 7 paragraph 22 as follows "*If the life span of devices is less than the crediting period it shall be demonstrated that the devices shall be replaced after the life span has ended. In such cases, if it cannot be demonstrated that the project devices will be replaced with new devices, no emission reductions can be claimed beyond the life span of the project devices*".

The SSC WG agreed to clarify that project developers may provide replacement new stoves to existing or new users freshly recruited by the CPA so as not to exceed the maximum type II threshold discussed above. However, just as in the case of the first question, the issues related to eligibility criteria, project boundary, sampling survey and default values should be taken into account.

The SSC WG noted that the above interpretation is consistent with guidance in another approved energy efficiency methodology for appliance efficiency (i.e. AMS-II.O. Dissemination of energy efficient household appliances, approved at EB 66, in paragraph 4 states "*The project activity may involve more than one refrigerator model or type and the project activities can continue, with the dissemination of additional*

*refrigerators, throughout the crediting period as long as the aggregate energy savings do not exceed the threshold for small-scale Type II CDM activities (i.e. 60 GWh per year)".*

The SSC WG also agreed to clarify that this clarification is applicable to AMS-II.G only, however it is not restricted to version 4.0 but may be applied to other versions of AMS-II.G.

Further, with regard to both question 1 and 2, if there are changes to the eligibility criteria, the geographical boundary, sampling number, and applied defaults, then a request for post-registration changes (PRCs) should be submitted for the consideration of the Board.

In this context the author of the submission may also note that the Board at its eighty-sixth meeting (EB86) adopted the following revised regulatory documents to enable the application of microscale thresholds at the unit level rather than at the aggregate level of the CPA:

- (a) Amendments to the CDM Project Standard (version 09.0);
- (b) Amendments to the CDM Project Cycle Procedure (version 09.0);
- (c) Amendments to the standard on demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programmes of activities (version 03.0);
- (d) Revisions to the "General guidelines for SSC CDM methodologies";
- (e) Revisions to the "Tool for demonstrating additionality of microscale project activities".

Thus in the case of CPAs solely composed of "microscale CDM units", the coordinating/managing entity (CME) is not required to demonstrate compliance with the small-scale CDM thresholds at the aggregate level of the CPA. In such cases, 95/10 precision shall be applied for sampling surveys in accordance with the standard for "Sampling and surveys for CDM project activities and programmes of activities".

If CME of a registered PoA wishes to apply the above provisions approved at EB86, a request for post-registration changes (PRCs) is required.

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### Document information

Version	Date	Description
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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