



CDM: Recommendation Form for Small Scale Methodologies (version 01)

(To be used for presenting questions/proposals/amendments to the simplified methodologies for small-scale CDM project activity categories)

<i>Date of SSC WG meeting:</i>	01–03 September 2008, SSC WG 17
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Query on the requirement of direct installation in AMS-II.J
<i>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</i>	AMS-II.J “Demand-side activities for efficient lighting technologies”
<i>Name of the authors of the query:</i>	Monali Ranade / Alexandra Le Courtois Institution: The World Bank Carbon Finance Unit mranade@worldbank.org ; alecourtois@worldbank.org

Summary of the query:

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

[Original text from Project Participant:

Paragraph 8 states that “The project activity must be designed to limit undesired secondary market effects (e.g. leakage) and free riders)” and sections 8 (ii) and 8 (iii) require direct installation of the efficient lamps and ensuring that these efficient lamps are not installed in spots where daily utilization hours are low.

From the discussion of EB 41 meeting, we appreciate that the Small-scale working group’s proposal intends to uniquely identify actual users and ensure optimum usage of the CFLs under a specific project. In this context, we understand the SSC-WG chair’s view “that [direct installation] was a way of ensuring that you know what your population is and that would also facilitate once you do the [ex-post] surveys or sampling in that population later on”. Our interpretation is that the SSC-WG proposal regarding “direct installation” seeks to:

1. Identify the households participating in the project
2. Determine the number and rating of the incandescent bulbs (IBs) surrendered in exchange for a corresponding number of compact fluorescent lamps (CFLs).
3. Record the date of exchange of incandescent lamps for CFLs
4. Increase confidence that the participating households install their CFL in “high use” sockets (This is very difficult to ensure by any means. It is more desirable to educate the consumer regarding the energy and financial saving from using CFL in “high-use” area, through detailed and extensive awareness campaigns.)

The following examples are of implementation arrangements of typical CFL projects. These projects are designed to ensure the cost effectiveness of CFL distribution and installation efforts; work within the costs and capacity constraints of the project sponsors; and address the difficulties in gaining access to households due to sensitivities around religious, cultural and security aspects. The electricity company,

through its project promotion campaign can increase awareness of optimum utilisation of the CFLs and their proper disposal.

Example 1

1. Electricity company advertises the CFL replacement project requesting customers to visit the bill payment centre with their current electricity contract or latest bill; surrender a fixed number of incandescent bulbs (IBs) and purchase corresponding number of CFLs
2. The customer visits the electricity company bill payment centre and receives a fixed number of CFLs, upon, (i). Showing the contract or customer reference number (ii). Surrendering a fixed number of IBs and (iii). Paying the required price of equivalent number of CFLs sought in exchange.
3. The billing centre registers the following information in a centralized database:
 - a. Customer reference number to identify the name and address of the CFL user
 - b. Date of exchange (i.e., visit to the billing centre)
 - c. Number and rating of IBs surrendered and CFLs purchased
 - d. Amount collected towards sale of CFLs
4. At the billing center, the company maintains inventory of collected IBs and distributed CFLs. The inventory of IBs and CFLs can be cross-checked before destruction of IBs
5. This database would be made available to DOE for verification
6. A random sample of households is chosen from the database following statistical procedures for the post-installation and monitoring surveys.

Example 2

1. The electricity company sends a voucher, which has been printed on the monthly electricity bill, to its costumers. The voucher enables the purchase of a specified number of CFLs. It also includes customer information, i.e., the name and the address of the CFL user.
2. The customer visits the electricity company sales centre and purchases CFLs after: (i) presenting the voucher, which is stamped by the company, and (ii) exchange IBs for CFLs, which are collected by the sales centre.
3. When purchasing the CFLs, the following information is recorded in the database:
 - a. voucher reference, including customer name and address,
 - b. the date of the exchange
 - c. the power rating and the number of the lamps: both the IBs collected and the CFLs sold,
 - d. Amount collected towards sale of CFLs
4. This database is made available to DOE for verification
5. A random sample of households is chosen from the database following the statistical procedures for the post-installation and monitoring surveys.

We request the SSC-WG to clarify, if the implementation methods in the abovementioned project examples fulfil the requirement of *direct installation* as proposed and are in compliance with the methodology.]

Recommendation by the SSC WG:

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

Please refer to paragraph 36 of the meeting report of the SSC WG 17
(http://cdm.unfccc.int/Panels/ssc_wg).

Answer to authors of query by the SSC WG:

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

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

The intent of paragraph 8 (ii) direct installation requirement includes ensuring that the CFLs installed are tracked in a manner that allows for selection of a truly random and representative sample for ex-post monitoring requirements as indicated in paragraph 15. Thus, a verifiable tracking and database system of households and CFLs could meet the direct installation requirements of paragraph 8 (ii). However, please note that as currently written AMS-II.J, does require “charging at least a minimal price for efficient lighting equipment and restricting the number of lamps per household distributed through the project activity”.

Thus in order for the sampling to be effective and statistically valid each of the households in the population (half a million in the example) should stand an equal chance to get selected for the sample. This entails that coordinates of each of the households participating the project should be known precisely and unambiguously. The methodology specifies direct installation as one of the means to achieve this requirement. In addition, the approaches proposed in the query author’s submission in examples 1 and 2, if documented, involve clearly traceable links between the utility and the customer and the inventory of IBs and CFLs, and are thus another valid means of meeting the direct installation requirement of AMS-II.J under paragraph 8 (ii).

The methodology assumes that the average hours of all the CFLs installed (and IBs replaced) is at least 3.5 hours per day but it also assumes that all of the lifetime hours of the CFLs are utilised during the crediting period. Thus, paragraph 8 (iii) of the methodology encourages the project proponents to undertake appropriate activities for ensuring that the CFLs are used in high utilisation points. To answer the query author’s implied question, documented end user programs that educate CFL recipients on the benefits of installing efficient lamp in spots where the (daily) utilization hours can be expected to be highest is an acceptable means of meeting the requirements of paragraph 8 (iii).



Signature of SSC WG Chair

(Ulrika Raab)

Date: 03/09/2008



Signature of SSC WG Vice-Chair

(Kamel Djemouai)

Date: 03/09/2008

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