



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>	11–14 January 2011, SSC WG 29
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Revision of AMS-III.AK to include project activities that produce biodiesel from oilseeds from non-dedicated plantations
<i>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</i>	AMS-III.AK “Biodiesel production and use for transport applications”
<i>Name of the authors of the query:</i>	Daniel Martino Institution: Carbosur SRL daniel.martino@carbosur.com.uy

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 Stakeholder:

Background

This request for revision of the approved small scale methodology III.AK follows our previous submissions of proposed new small scale methodologies for biodiesel projects SSC-NM051 and SSC-NM057, and the suggestion made by the Small Scale Working Group in its 27th meeting (paragraph 33) for considering the possible application of III.AK to the underlying project activity.

The underlying project activity uses oilseeds originating in crops which are grown sustainably and not intended for producing biofuels, in a country where there is no deforestation nor other changes in land use causing significant decreases in carbon stocks, and where most of the oilseeds produced are exported. The main revenue from processing a fraction of the oilseeds that would otherwise be exported to international markets derives from the production of protein meal to be used as supplementary feed for cattle, with biodiesel being a by-product. The biodiesel is to be used by captive fleets, and the blending proportion with mineral diesel is expected to be variable, frequently higher than 20 per cent.

The current version of AMS-III.AK restricts the use of oilseeds to those originating in dedicated plantations, and therefore cannot be applied to the underlying project activity. In addition, it limits the applicability to biodiesel blends of B20 or lower, and while it enables using waste as feedstock, it does not include the possibility of including project activities in which biodiesel is a by-product.

Summary of the request

The proposed revision intends to broaden the applicability to project activities that:

1. produce biodiesel for transportation from specific oilseeds from non-dedicated plantations;
2. produce biodiesel as a by-product of the production of oilseed meal; and
3. use the biodiesel in blends higher than 20 per cent.

Proposed changes to the methodology

Paragraph 2 is proposed to be amended for enabling the use of higher biodiesel blends if it can be demonstrated that the net calorific value of the biodiesel is not inferior to that of the mineral diesel it displaces,

Paragraph 7 has been added to make the methodology applicable to non-dedicated cropland complying with several conditions that would ensure that the project activity does not cause an increase in the area of oilseed crops outside project boundaries and that it does not cause a shift of the pre-project activities. Other conditions provide further insurance that the project would not cause losses in carbon stocks: it would have to be shown that deforestation is not significant in the host country, and that all the cropland areas from which oilseeds are harvested, have been under agricultural use since before the project start date.

Paragraph 8 expands the applicability of the methodology to project activities for which biodiesel is a by-product and, therefore, does not have a direct influence on the use and management of land.

Other sections of the methodology (e.g., boundaries, data collection, assessment of land eligibility and monitoring parameters) were adjusted to accommodate the proposed changes in applicability conditions.

The methodology text has been amended by introducing two applicability conditions (7 and 8) that address project activities for biodiesel production from crops cultivated on non-dedicated plantations and for activities that produce biodiesel as a by-product.

Recommendation by the SSC WG:

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

Please refer to paragraph 15 of the meeting report of the SSC WG 29
<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 of the CDM Executive Board would like to thank the author for the submission.

The SSC WG agreed not to recommend the proposed revision of AMS-III.AK “Biodiesel production and use for transport applications” for the following reasons:

The proposed increase in biodiesel blending proportions can not be accepted without the corresponding procedures to ensure that the net calorific value NCV and other properties such as viscosity, chemical/biochemical stability of the biodiesel blend are equivalent to petro diesel.

The suggested approach to address the shift of pre-project activities involving demonstration that the land used for cultivation of oilseeds crops can continue to be used for agriculture production does not ensure that the project activity will not lead to a shift of pre-project activities outside the project boundaries. The proposed applicability conditions do not comply with the requirements of the “General guidance on leakage in biomass project activities” prescribing demonstration that the shift of pre-project activities due to project implementation does not involve decreases of carbon stocks, for example as a result of deforestation, outside the land area where the biomass is grown.

As per paragraph 8 of the “General guidance on leakage in biomass project activities” it is necessary to evaluate whether there is significant land pressure in the area, e.g. in cases where there are large areas of abandoned land, it is very unlikely that a project activity will result in deforestation elsewhere, whereas in cases of high land pressure, it is more likely that the project results in a shift of pre-project activities.

The provisions for demonstrating that the project does not result in any increases in cultivation of oilseed crops in the host country should be based on analysis of the demand and supply balance of the oilseeds crops (i.e. total cultivation of the oilseed crops versus usage including the amount of the oilseed crops

used under the project activities and the quantities exported to other countries) in the host country rather than documenting that half of the oilseed crops cultivated is exported.

The provided applicability conditions for neglecting project emissions due to the oilseeds crop cultivation where the biodiesel is produced as a by-product of the oilseed meal processing do not comply with the established procedure of the AMS-III.AK on apportioning emissions from production processes between main product and co- and by-products. Not attributing a market value to the virgin plant oil obtained from oilseed processing, implies that the plant oil may be considered as a waste or residue from the oilseed processing for cattle meal production, which is evidently unacceptable.

SSC WG is of the opinion that the proposed step-wise procedure involving sampling to estimate project emissions associated with the oilseeds crops cultivation utilized as feedstock for production of the biodiesel do not provide calculation method for determining CO₂ emissions from soil carbon stock changes.

The SSC WG further clarifies that presently neither small-scale approved methodologies nor large-scale methodological approaches allow production of biodiesel/biofuels from oilseeds crops cultivated at non-dedicated plantations.

Signed by the Chair, Mr. Peer Stiansen

Date: 14/01/2011

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 14/01/2011

Information to be completed by the secretariat

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