



Indicative simplified baseline and monitoring methodologies
for selected small-scale CDM project activity categories

TYPE II - ENERGY EFFICIENCY IMPROVEMENT PROJECTS

Project participants shall apply the general guidelines to small-scale (SSC) clean development mechanism (CDM) methodologies, Guidelines on the demonstrating of additionality of SSC project activities and general guidance on leakage in biomass project activities (attachment C to appendix B) available at <<http://cdm.unfccc.int/Reference/Guidclarif/index.html#meth>> *mutatis mutandis*.

II.G. *Energy efficiency measures in thermal applications of non-renewable biomass*

Technology/measure

1. This category comprises appliances involving the efficiency improvements in the thermal applications of non-renewable biomass. Examples of these technologies and measures include the introduction of high efficiency¹ biomass fired cook stoves² or ovens or dryers and/or improvement of energy efficiency of existing biomass fired cook stoves or ovens or dryers.
2. Project participants are able to show that non-renewable biomass has been used since 31 December 1989, using survey methods or referring to published literature, official reports or statistics.

Boundary

3. The project boundary is the physical, geographical site of the efficient systems using biomass.

Baseline

4. It is assumed that in the absence of the project activity, the baseline scenario would be the use of fossil fuels for meeting similar thermal energy needs.
5. Emission reductions would be calculated as:

$$ER_y = B_{y,savings} * f_{NRB,y} * NCV_{biomass} * EF_{projected_fossilfuel} \quad (1)$$

Where:

ER_y Emission reductions during the year y in tCO₂e

$B_{y,savings}$ Quantity of woody biomass that is saved in tonnes

¹ The efficiency of the project systems as certified by a national standards body or an appropriate certifying agent recognized by it. Alternatively manufacturers' specifications may be used.

² Single pot or multi pot portable or in-situ cook stoves with specified efficiency of at least 20%.



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$f_{NRB,y}$ Fraction of woody biomass saved by the project activity in year y that can be established as non-renewable biomass using survey methods or government data or default country specific fraction of non-renewable woody biomass (fNRB) values available on the CDM website³

$NCV_{biomass}$ Net calorific value of the non-renewable woody biomass that is substituted (IPCC default for wood fuel, 0.015 TJ/tonne)

$EF_{projected_fossilfuel}$ Emission factor for the substitution of non-renewable woody biomass by similar consumers. Use a value of 81.6 tCO₂/TJ⁴

6. $B_{y,savings}$ is estimated using one the following methods:

Option 1:

$$B_{y,savings} = B_{old} - B_{y,new} \quad (2)$$

Where:

B_{old} Quantity of woody biomass used in the absence of the project activity in tonnes

$B_{y,new}$ Annual quantity of woody biomass used during the project activity in tonnes, measured as per the Kitchen Performance Test (KPT) protocol. The KPT should be carried out in accordance with national standards (if available) or international standards or guidelines (e.g. the KPT procedures specified by the Partnership for Clean Indoor Air (PCIA) <<http://www.pciaonline.org/node/1049>>)

Option 2:

$$B_{y,savings} = B_{old} * (1 - \frac{\eta_{old}}{\eta_{new}}) \quad (3)$$

³ Default values endorsed by designated national authorities and approved by the Board are available at <<http://cdm.unfccc.int/DNA/fNRB/index.html>>.

⁴ This value represents the emission factor of the substitution fuels likely to be used by similar users, on a weighted average basis. It is assumed that the mix of present and future fuels used would consist of a solid fossil fuel (lowest in the ladder of fuel choices), a liquid fossil fuel (represents a progression over solid fuel in the ladder of fuel use choices) and a gaseous fuel (represents a progression over liquid fuel in the ladder of fuel use choices). Thus a 50% weight is assigned to coal as the alternative solid fossil fuel (96 tCO₂/TJ) and a 25% weight is assigned to both liquid and gaseous fuels (71.5 tCO₂/TJ for kerosene and 63.0 tCO₂/TJ for liquefied petroleum gas (LPG)).



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Where:

B_{old}	Quantity of woody biomass used in the absence of the project activity in tonnes
η_{old}	<ol style="list-style-type: none"> 1. Efficiency of the system being replaced, measured using representative sampling methods or based on referenced literature values (fraction), use weighted average values if more than one type of system is being replaced; 2. A default value of 0.10 may be optionally used if the replaced system is a three stone fire, or a conventional system with no improved combustion air supply or flue gas ventilation system, i.e. without a grate or a chimney; for other types of systems a default value of 0.2 may be optionally used
η_{new}	Efficiency of the system being deployed as part of the project activity (fraction), as determined using the water boiling test (WBT) protocol. Use weighted average values if more than one type of system is being introduced by the project activity

Option 3:

$$B_{y,savings} = B_{old} * (1 - \frac{SC_{new}}{SC_{old}}) \quad (4)$$

Where:

SC_{old}	Specific fuel consumption or fuel consumption rate ⁵ of the baseline system/s i.e. fuel consumption per quantity of item/s processed (e.g. food cooked) or fuel consumption per hour, respectively. Use weighted average values if more than one type of system is being replaced
SC_{new}	Specific fuel consumption or the fuel consumption rate of the system/s deployed as part of the project i.e. fuel consumption per quantity of item/s processed (e.g. food cooked) or fuel consumption per hour respectively. Use weighted average values if more than one type of system is being introduced by the project activity

⁵ Specific fuel consumption or fuel consumption rate are to be determined using the controlled cooking test (CCT) protocol carried out in accordance with national standards (if available) or international standards or guidelines (e.g. the CCT procedures specified by the Partnership for Clean Indoor Air (PCIA) <<http://www.pciaonline.org/node/1050>>).



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7. B_{old} is determined by using one of the following two options:

- (a) Calculated as the product of the number of systems multiplied by the estimated average annual consumption of woody biomass per appliance (tonnes/year). This can be derived from historical data or a survey of local usage,

OR

- (b) Calculated from the thermal energy generated in the project activity as:

$$B_{old} = \frac{HG_{p,y}}{NCV_{biomass} * \eta_{old}} \quad (5)$$

Where:

$HG_{p,y}$ Amount of thermal energy generated by the project technology in year y (TJ)

Differentiation between non-renewable and renewable woody biomass

8. Project participants shall determine the shares of renewable and non-renewable woody biomass in B_{old} (the quantity of woody biomass used in the absence of the project activity) the total biomass consumption using nationally approved methods (e.g. surveys or government data if available) and then determine $f_{NRB,y}$ as described below. The following principles shall be taken into account:

Demonstrably renewable woody biomass⁶ (DRB)

9. Woody⁷ biomass is “renewable” if one of the following two conditions is satisfied:

- I. The woody biomass is originating from land areas that are forests⁸ where:
 - (a) The land area remains a forest;
 - (b) Sustainable management practices are undertaken on these land areas to ensure, in particular, that the level of carbon stocks on these land areas does not systematically decrease over time (carbon stocks may temporarily decrease due to harvesting); and
 - (c) Any national or regional forestry and nature conservation regulations are complied with.
- II. The biomass is woody biomass and originates from non-forest areas (e.g. croplands, grasslands) where:

⁶ This definition uses elements of annex 18, EB 23.

⁷ In cases of charcoal produced from woody biomass, the demonstration of renewability shall be done for the areas where the woody biomass is sourced.

⁸ The forest definitions as established by the country in accordance with the decisions 11/CP.7 and 19/CP.9 should apply.



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- (a) The land area remains as non-forest or is reverted to forest;
- (b) Sustainable management practices are undertaken on these land areas to ensure in particular that the level of carbon stocks on these land areas does not systematically decrease over time (carbon stocks may temporarily decrease due to harvesting); and
- (c) Any national or regional forestry, agriculture and nature conservation regulations are complied with.

Non-renewable biomass

10. *NRB* is the quantity of woody biomass used in the absence of the project activity (B_{old}) minus the *DRB* component, as long as at least two of the following supporting indicators are shown to exist:

- A trend showing an increase in time spent or distance travelled for gathering fuel-wood, by users (or fuel-wood suppliers) or alternatively, a trend showing an increase in the distance the fuel-wood is transported to the project area;
- Survey results, national or local statistics, studies, maps or other sources of information, such as remote-sensing data, that show that carbon stocks are depleting in the project area;
- Increasing trends in fuel wood prices indicating a scarcity of fuel-wood;
- Trends in the types of cooking fuel collected by users that indicate a scarcity of woody biomass.

11. Thus the fraction of woody biomass saved by the project activity in year y that can be established as non-renewable is:

$$f_{NRB,y} = \frac{NRB}{NRB + DRB} \quad (6)$$

12. Project participants shall also provide evidence that the trends identified are not occurring due to the enforcement of local/national regulations.

Leakage

13. Leakage related to the non-renewable woody biomass saved by the project activity shall be assessed based on ex post surveys of users and the areas from which this woody biomass is sourced (using 90/30 precision for a selection of samples). The following potential source of leakage shall be considered:

- (a) The use/diversion of non-renewable woody biomass saved under the project activity by non-project households/users that previously used renewable energy sources. If this leakage assessment quantifies an increase in the use of non-renewable woody biomass used by the non-project households/users, that is



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attributable to the project activity, then B_{old} is adjusted to account for the quantified leakage. Alternatively, B_{old} is multiplied by a net to gross adjustment factor of 0.95 to account for leakages, in which case surveys are not required.

14. If equipment currently being utilised is transferred from outside the boundary to the project activity, leakage is to be considered.

Monitoring

15. Monitoring shall consist of checking the efficiency of all appliances or a representative sample thereof, at least once every two years (biennial) to ensure that they are still operating at the specified efficiency (η_{new}) or replaced by an equivalent in service appliance. Where replacements are made, monitoring shall also ensure that the efficiency of the new appliances is similar to the appliances being replaced.

16. 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.

17. If the quantity of fuel saved is determined using the KPT (i.e. paragraph 6, Option 1), monitoring shall ensure that fuel consumption during the period of the project activity is monitored annually.

18. If Option (b) in paragraph 7 is chosen for determining B_{old} , monitoring shall include the amount of thermal energy generated by the project technology t in year y .

19. In order to assess the leakage described above, monitoring shall include data on the amount of woody biomass saved under the project activity that is used by non-project households/users (who previously used renewable energy sources). Other data on non-renewable woody biomass use required for leakage assessment shall also be collected.

20. Monitoring shall ensure that:

- (a) Either the replaced low efficiency appliances are disposed of and not used within the boundary or within the region; or
- (b) If baseline stoves continue to be used, monitoring shall ensure that the fuel-wood consumption of those stoves is excluded from B_{old} .

Representative sampling methods

21. A statistically valid sample of the locations where the systems are deployed, with consideration, in the sampling design, of occupancy and demographics differences can be used to determine parameter values used to determine emission reductions, as per the relevant requirements for sampling in the “Standard for sampling and surveys for CDM project activities and programme of activities”. When biennial inspection is chosen a 95% confidence interval and a 10% margin of error requirement shall be achieved for the sampling parameter. On the other hand when the project



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proponent chooses to inspect annually, a 90% confidence interval and a 10% margin of error requirement shall be achieved for the sampled parameters. In cases where survey results indicate that 90/10 precision or 95/10 precision is not achieved, the lower bound of a 90% or 95% confidence interval of the parameter value may be chosen as an alternative to repeating the survey efforts to achieve the 90/10 or 95/10 precision.

Project activity under a programme of activities

22. The use of this methodology in a project activity under a programme of activities is legitimate if the following leakages are estimated and accounted for, if required on a sample basis using a 90/30 precision for the selection of samples, and accounted for:

- (a) Use of non-renewable woody biomass saved under the project activity to justify the baseline of other CDM project activities can also be a potential source of leakage. If this leakage assessment quantifies a portion of non-renewable woody biomass saved under the project activity that is then used as the baseline of other CDM project activities then B_{old} is adjusted to account for the quantified leakage;
- (b) Increase in the use of non-renewable woody biomass outside the project boundary to create non-renewable woody biomass baselines can also be a potential source of leakage. If this leakage assessment quantifies an increase in the use of non-renewable woody biomass outside the project boundary then B_{old} is adjusted to account for the quantified leakage;
- (c) As an alternative to subparagraphs (a) and (b), B_{old} can be multiplied by a net to gross adjustment factor of 0.95 to account for leakages, in which case surveys are not required.

23. The following further conditions apply for the value of fraction of non-renewable (fNRB) applied in a component project activity (CPA) of a POA. The choice between (a) conduct own studies to determine the local fNRB value and then apply those values in the CPAs; and (b) use default national values approved by the Board; shall be made ex ante. A switch from national value i.e. choice (b) to sub-national values i.e. choice (a) is permitted, under the condition that the selected approach is consistently applied to all CPAs.



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History of the document

Version	Date	Nature of revision(s)
04.0	20 July 2012	EB 68, Annex 23 Includes a reference to the available country specific default values for fNRB and specifies requirements of using national or local fNRB values for CPAs under a PoA.
03	EB 60, Annex 21 15 April 2011	KPT for stove testing included, requirements for leakage estimation simplified, default net gross adjustment factor is included as an option to account for any leakages, emission factor for the projected fossil fuel revised, more options for sampling and survey included.
02	EB 51, Annex 18 04 December 2009	To include: (a) Default efficiency factors for baseline cook stoves; (b) Procedures for sampling, (c) Revised procedures for determination of quantity of woody biomass that can be considered as non-renewable; and (d) Clarifications as to which leakage requirements are appropriate for projects versus PoAs.
01	EB 37, Annex 7 01 February 2008	Initial adoption.
Decision Class: Regulatory Document Type: Standard Business Function: Methodology		