



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>	20–23 March 2012, SSC WG 36
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	Applicability of AMS-III.Q when generator and the recipient of energy is included as a project participant
<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.Q “Waste energy recovery (gas/heat/pressure) projects”
<i>Name of the authors of the query:</i>	Mrinal Shah / Raja Raghavan Institution: Asahi India Glass Ltd / Transparent Energy Systems Ltd rajaraghavan@gmail.com , mrinal.shah@aisglass.com

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 PP:

The project activity involves the installation of a Waste Heat Recovery System (WHRS) at Asahi India Glass Limited's (AIGL) float glass manufacturing unit in Taloja, Maharashtra, India. The technology has been supplied by Transparent Energy Systems Limited (TESPL) on Build-Own-Operate-Transfer (BOOT) basis to AIGL. As the project is being implemented on a BOOT basis, the ownership of the WHRS currently lies with TESPL and would continue so till the end of the proposed crediting period for the project.

For the implementation of the project, AIGL and TESPL have entered into an agreement, wherein they have acknowledged that the project activity would be eligible for carbon credits. TESPL, in the agreement, has also agreed to share the benefits arising from the implementation of the project activity equally with AIGL, which is the consumer of the energy supplied by the WHRS. Accordingly, AIGL and TESPL have jointly developed the CDM project and initiated the validation process for the project. The PDD lists both AIGL and TESPL as Project Participants.

The methodology applied for the project activity is AMS III Q (Version 04). Paragraph 5 (f) of the methodology mentions that ‘An official agreement exists between the owners of the project energy generation plant (henceforth, referred to as generator) and the recipient plant(s) that the emission reductions would not be claimed by the recipient plant(s) for using a zero-emission energy source’.

It is understood that the above eligibility clause has been included in the methodology to ensure avoidance of double counting of CERs. In case of the project activity, an agreement has been entered into between the generator of energy (TESPL) and the recipient plant (AIGL) to share the benefits equally. Hence, as per the agreement, in addition to TESPL, (the generator of the energy and the one entitled to claim the CERs as per the eligibility criteria of the applied methodology), AIGL has also been included in the PDD as a project participant.

The project participant would like to confirm if the project activity meets the eligibility criteria mentioned

in para 5 (f) of the applied methodology AMS even if AIGL (the recipient plant) is included as a project participant and the CER benefits are shared between the generator of energy and the recipient plant equally.

Recommendation by the SSC WG:

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

Please refer to paragraph 26 of the meeting report of the SSC WG 36
<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 to clarify that the project activity may use AMS-III.Q even if both the generator of waste energy (i.e. TESPL) and the recipient plant (i.e. AIGL) are project proponents and intend to share the benefits of the CER's, provided that an official agreement exists between the two parties regarding how the CER's will be shared, and that this agreement will ensure that double-counting will be avoided. The SSC WG agreed that this clarification will be made explicit in the next revision of the methodology.

This clarification, however, does not pre-judge the baseline selection and additionality aspects of the described project activity.

Signed by the Chair, Mr. Peer Stiansen

Date: 23/03/2012

Signed by the Vice-Chair, Ms. Fatou Gaye

Date: 23/03/2012

Information to be completed by the secretariat

SSC-Submission number	SSC_613
Date when the form was received at UNFCCC secretariat	23 March 2012
Date of transmission to the EB	23 March 2012
Date of posting in the UNFCCC CDM web site	23 March 2012