



## 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)*

<b>Date of SSC WG meeting:</b>	29 April–02 May 2009, SSC WG 20
<b>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</b>	Clarification regarding baseline scenario of a green field biomass cogeneration project in AMS-I.C
<b>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</b>	AMS-I.C
<b>Name of the authors of the query:</b>	Lydia Kwong Institution: Carbon Partners Asiatica <a href="mailto:lydia.kwong@cp-asiatica.com">lydia.kwong@cp-asiatica.com</a>

### **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:

First of all, we would like to thank the small-scale working group for your kind consideration of our clarification request (SSC\_258) at the recent SSCWG19 meeting.

### **Background information**

This clarification request follows from our previously submitted SSC\_258 that asked whether AMS-I.C. or AMS.I.D was the appropriate methodology for a biomass-fuelled, grid-connected cogeneration plant that did not claim CERs from heat generation. As per the SSC WG's response to SSC\_258, we understand that it was the intention of the SSC WG to expand AMS-I.C. to enable our proposed project activity (the Project) to use it. We observe that the applicability of AMS-I.C. (version 14) has been extended and the emission reduction calculation methods clarified for this apparent purpose. **However, the baseline scenarios listed in paragraph 12 of the newly revised AMS-I.C do not include an option that corresponds to the Project.**

Summary of our enquiry

With the expansion of its applicability, our Project is clearly covered by paragraph 2 of the new AMS-I.C., as reproduced below:

“2. Biomass-based co-generating systems that produce heat and electricity are included in this category. For the purpose of this methodology “Cogeneration” shall mean the simultaneous generation of thermal energy and electrical and/or mechanical energy in one process. Cogeneration system may supply one of the following:

- (a) Electricity to a grid;
- (b) Electricity and/or thermal energy (steam or heat) for on-site consumption or for consumption by other facilities;
- (c) Combination of (a) and (b).”

We wish to confirm that with this unequivocal statement in paragraph 2, our Project can use the new version of AMS-I.C despite the absence of a corresponding baseline scenario in paragraph 12.

Or, is it the intent of the SSC WG and the EB to modify paragraph 12? If this approach is taken, there will be two options.

Option 1: Keep paragraph 12 as it is for the sake of simplicity and clarify that the paragraph is intended to provide examples, not an exhaustive list.

Option 2: Expand paragraph 12 by adding baseline scenarios such as

- (h) Electricity is generated by the operation of grid-connected power plants.
- (i) Electricity and/or thermal energy (steam or heat) for on-site consumption or for consumption by other facilities is/are (i) generated by the operation of grid-connected power plants and (ii) produced using biomass respectively.
- (j) Combination of (h) and (i).

It is emphasized that to let the Project apply revised AMS-I.C., as intended by the recent change, will require one of the following two measures:

- 1) a clarification that revised AMS-I.C. can be applied to the Project with the current paragraph 12, or
- 2) a revision of paragraph 12 along the lines of Option 1 or Option 2 above.

Otherwise, technical questions will persist in the validation process as to the relevance of revised AMS-I.C. to the Project. We seek your clarification to avoid this confusion and proceed smoothly in accordance with your intention of revising AMS-I.C.

For your ease of reference, the features of our proposed project activity that were specified in SSC\_258 are summarized in the next section of 'Project description'.

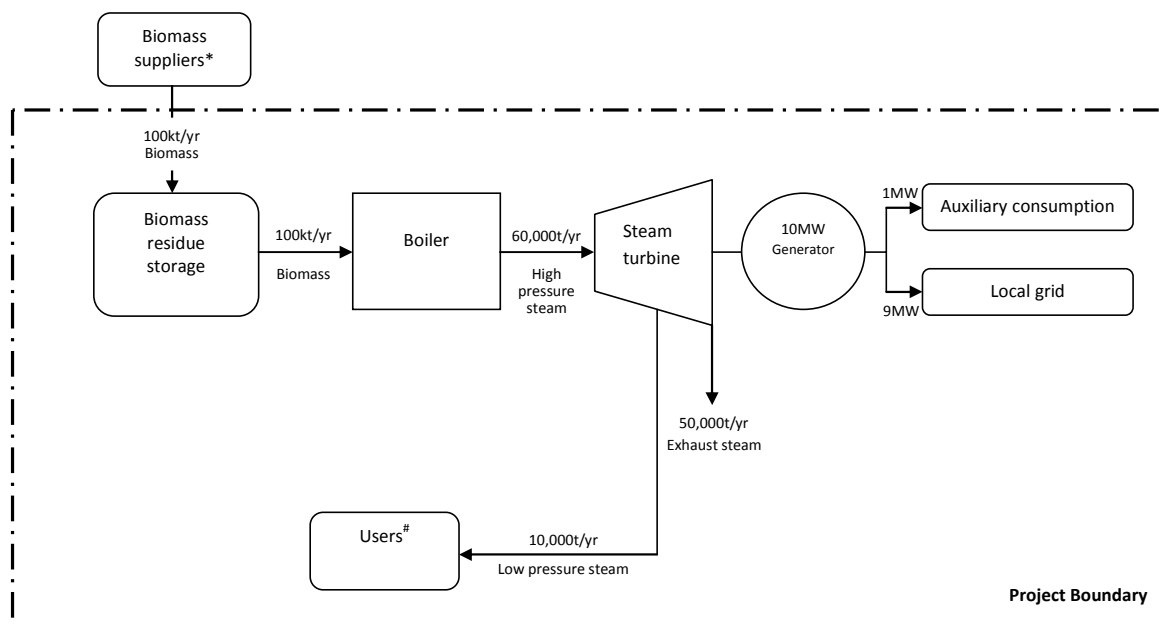
#### Project description

The Project is a Greenfield stand-alone biomass-based grid power generation project that is to be implemented by an independent power producer. This is characterized by the features stated below and is described in the following schematic diagram.

- The project activity consists of constructing a 10MWe grid-connected power plant fuelled by biomass. The project generates electricity primarily for the grid and no electricity except for the parasitic consumption is consumed on-site.
- However, the project activity also involves using some low-pressure steam bled from the turbine, with a view to making it available for neighbouring users (Users). The overall thermal capacity is less than 45MWth threshold limit.
- Although part of the low-pressure steam will be exported to the Users<sup>1</sup>, no CERs are claimed for biomass heat generation by the project activity due to biomass-based baseline heat production (i.e. no net change in emissions) and/or uncertainty about the baseline situation in terms of the respective fossil fuel consumption.

<sup>1</sup> The User can be one or a combination of the following:

- a) A biomass supplier to the project activity. The steam is exported to fulfill the User's energy requirements. In the absence of the project activity, the User will consume the same biomass that the project activity uses to fulfill its own energy requirements.
- b) A simple consumer. In the absence of the project activity, the User will consume fossil fuels to fulfill its own energy requirements. However, the exact baseline fuel combination is unknown in the absence of three years historical records.



Note:

\* While the biomass suppliers are outside the project boundary, it is subject to leakage analysis.

# While no CERs are to be claimed for the export of the low-pressure steam to Users, it is subject to leakage and financial analyses as appropriate.

#### **Recommendation by the SSC WG:**

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

Please refer to paragraph 30 of the meeting report of the SSC WG 20  
([http://cdm.unfccc.int/Panels/ssc\\_wg](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 proposed biomass based greenfield cogeneration project is eligible to apply the AMS-I.C ver14 and the baseline scenario for the project shall be determined as per the procedures described in SSC general guidance (available at [http://cdm.unfccc.int/Reference/Guidclarif/ssc/methSSC\\_guid06\\_v12.pdf](http://cdm.unfccc.int/Reference/Guidclarif/ssc/methSSC_guid06_v12.pdf)) for determining baseline in the case of Green field projects.



Signature of SSC WG Chair .....

(Hugh Sealy)

Date: 02/05/2009



Signature of SSC WG Vice-Chair .....

(Peer Stiansen)

Date: 02/05/2009

**Information to be completed by the secretariat**

SSC-Submission number	SSC_293
Date when the form was received at UNFCCC secretariat	02 May 2009
Date of transmission to the EB	02 May 2009
Date of posting in the UNFCCC CDM web site	02 May 2009