



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>	12 - 13 September 2005
<i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i>	“Request for guidance on interpretation of 45 MW Threshold”
<i>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</i>	AMS.I.C
<i>Name of the authors of the query:</i>	SGS United Kingdom Ltd

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.

Project encompasses installation of a biomass based boiler (rated 44 MW for biomass) delivering steam. The steam is fed into a larger system where it is used in the process and to produce electricity (internal use). The system is also fed by several larger fossil fuel fired boilers. Project is requesting validation as a category I.C small-scale project.

Eligibility of the project was questioned before by the assessment team based on an earlier version of the simplified baseline methodology. Guidance was sought from the EB and given through changes made during EB 16, Annex 2 (revisions to the boundary for category I.C to restrict the boundary to the physical, geographical site of the renewable energy technologies generating thermal energy) and EB 18, Annex 6 (several changes were accepted which included changes in the description of the technology/measure to delete the term primary).

The simplified methodology for category I.C states: “For co-generation systems and/or co-fired systems to qualify under this category, the energy output shall not exceed 45 MW_{thermal}. E.g., for a biomass based co-generating system the rating for all the boilers combined shall not exceed 45 MW_{thermal}”

Based on the changes made to the methodology during EB 16 and EB 18, especially on the definition of the project boundary, the assessment team had concluded that the 45 MW threshold applied to the biomass based part of the system only and therefore this project would qualify as a small scale CDM project.

This interpretation was questioned recently. Alternative interpretation presented was that the 45 MW threshold applies to the total system, including any fossil fuel/coal fired boilers, therefore excluding the project activity because of the total size of the system.

Guidance was requested to determine which interpretation is correct.

Recommendation by the SSC WG :

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

Please refer to paragraph 7 of the report of the SSC-WG 03:

http://cdm.unfccc.int/Panels/ssc_wg/sscwg_meetings/SSCWG03_rep_ext.pdf

Answer to authors of query by the SSC WG :

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

The SSC-WG in its third meeting considered in detail your submission concerning the limits to be used for the eligibility of SSC-CDM projects of Category I-C, when a thermal system designed for fossil fuel is to be co-fired with renewable biomass. The conclusion was to keep the previous decision that the total capacity of the existing unit (specified for using fossil fuel) will be taken for considering the eligibility, and not the capacity when using biomass. A change in the text of the Appendix B was proposed to the Board to further clarify and reinforce this decision. Systems with capacity larger than 45 MW_{thermal} (specified for using fossil fuel) will be eligible as CDM project activities, but not using the simplified modalities and procedures.



Signature of SSC WG Chair

Date: 16 / 09 /2005 (Gertraud Wollansky)

Signature of SSC WG Vice-Chair

Date: / / (name)

Information to be completed by the secretariat

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