CLEAN DEVELOPMENT MECHANISM

**CDM-EB89-AA-A07**

# Concept note

# Standardized registration templates for automatically additional project activities

Version 01.0

**United Nations**
Framework Convention on
Climate Change

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# 1. Procedural background

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its eleventh session (CMP 11), requested the Board[1] to develop standardized registration templates using objective criteria for the clean development mechanism (CDM) project activities that qualify as automatically additional. This work relates to the activity 'Project assessments' under objective 1(a): 'Operate efficient project and entity assessment processes' with a resource allocation as referred to in table 2 on page 12 of the CDM two-year business plan 2016–2017 and management plan 2016 (EB87, annex 1).

# 2. Purpose

2. The purpose of this concept note is to analyse the feasibility of revising / simplifying the possible elements of standardized registration templates using objective criteria for activities that qualify as automatically additional, including other templates for simplification and standardization such as the validation template used by designated operational entities (DOEs).

# 3. Key issues and proposed solutions

## 3.1. Description of the issue

### 3.1.1. Current process

3. Currently, the majority of time in processing a request for registration of a project activity is spent on assessing of additionality and baseline. Moreover, the reasons for the review and rejections of most requests have been on these issues. In comparison, when a project activity implements a technology that is deemed automatically additional, the assessment timeline is largely reduced; if used in combination with a pre-approved baseline, it can drop even further. Moreover, such project activity has a low risk of compromising environmental integrity and therefore could be subject to simplified validation checks.

4. The Board has identified technologies[2] and conditions[3] with which a project activity can be deemed automatically additional, in so-called "positive lists". It also introduced a procedure for proposing and approving a microscale renewable energy technology that confers automatic additionality to a project activity that applies the technology.[4]

[1] Contained in decision 6/CMP.11, paragraph 20

[2] See the "Methodological tool: Demonstrating additionality of small-scale project activities".

[3] See the "Methodological tool: Demonstrating additionality of microscale project activities".

[4] "Procedure: Submission and consideration of microscale renewable energy technologies for automatic additionality".

### 3.1.2. Specific features of the CDM projects applying automatic additionality provisions

5. Certain large-scale methodologies, such as version 1.0 of AM0113, version 15.0 of ACM0001 and version 16.0 of ACM0002 defines positive list of technologies as automatically additional. However registration of project activities using these provisions is not widely observed till date (only one project activity has been registered with this provision with methodology ACM0002).

6. For small-scale project activities that can be deemed automatically additional are defined in the "Methodological Tool: Demonstration of additionality of smallscale project activities". As per this tool, documentation of barriers is not required for the positive list of technologies and project activity types that are defined as automatically additional for project sizes up to and including the small-scale CDM thresholds (e.g. installed capacity up to 15 Megawatt (MW)). The positive list comprises:

    (a) The following grid-connected and off-grid renewable electricity generation technologies:

        (i) Solar technologies (photovoltaic (PV) and solar thermal electricity generation);

        (ii) Off-shore wind technologies;

        (iii) Marine technologies (wave, tidal);

        (iv) Building-integrated wind turbines or household rooftop wind turbines of a size up to 100 kilowatt (kW);

    (b) The following off-grid electricity generation technologies for which the individual units do not exceed the thresholds indicated in parentheses, and the aggregate project installed capacity does not exceeding the 15 MW threshold:

        (i) Micro/pico-hydro (with power plant size up to 100 kW);

        (ii) Micro/pico-wind turbine (up to 100 kW);

        (iii) PV-wind hybrid (up to 100 kW);

        (iv) Geothermal (up to 200 kW);

        (v) Biomass gasification/biogas (up to 100 kW).

    (c) Project activities solely composed of isolated units for which the users of the technology/measure are households or communities or small and medium enterprises (SMEs) and for which the size[5] of each unit is no larger than 5 per centof the small-scale CDM thresholds;

    (d) Rural electrification project activities using renewable energy sources in countries with rural electrification rates of less than 20 per cent; the most recent available data on the electrification rates shall be used to demonstrate compliance with the

[5] That is the size of each unit under 750 kW installed capacity or under 3000 MWh of energy savings per year or 3000 tonnes of emission reductions per year.

20 per cent threshold. In no case shall data be used if older than three years from the date of commencement of validation of the project activity.

7. Activities that satisfy the microscale thresholds are defined in the "Methodological Tool: Demonstration of additionality of microscale project activities" (the microscale additionality tool). They are the units (<=5 MW capacity or <=20 gigawatt hours (GWh) annual energy savings or <=20 kilo ton (kt) of annual emission reductions) that are:

   (a) Located in least developed countries (LDCs), small island developing States or special underdeveloped zones of other non-Annex I countries; or

   (b) Composed of off-grid renewable energy technologies (<=5 MW capacity); or

   (c) Grid-connected renewable energy technologies that are recommended by the designated national authorities (DNAs) and approved by the Board (<=5 MW capacity); or

   (d) Distributed technologies for households, communities or SMEs of unit sizes that are 1 per cent or below the small-scale threshold.

8. Table 1 presents a snapshot of regular CDM projects applying small-scale or micro scale additionality tool for automatic additionality. Among 7,703 registered CDM projects, approximately 138 project activities for grid/off-grid renewable energy technologies and for industrial and residential applications (e.g. cookstoves, solar water heaters, solar cookers, water purification, energy-efficient lighting, biogas digesters) have been registered applying small-scale or micro scale additionality tool for automatic additionality.

**Table 1. Regular CDM projects applying small scale or micro scale additionality tool for automatic additionality**

| Title | Numbers |
|---|---|
| Total registered CDM projects | 7,703 |
| Using small-scale methodologies | 3,056 |
| Using small-scale methodologies – registered since 1st Jan 2011[6] | 1,883 |
| Applying small-scale or micro scale additionality tool for automatic additionality | 138 |
| Using Type I small-scale methodologies and applying small scale or micro scale additionality tool for automatic additionality | 98 |

Source: Based on CDM database

9. On a sample basis, the secretariat further analysed 10 registered regular CDM projects applying small-scale (automatic additionality) or micro scale additionality tool for additionality demonstration. The summary of the analysis is presented in Appendix 1. By

[6] Version 1.0 of the Microscale Additionality Tool was approved on 28 May 2010 (EB 54, Annex 15). The first batch of positive list of technologies that are automatically defined as additional was approved on 29 September 2011 (EB 63, Annex 24).

going through the Project Design Document (PDD) and the validation report for these projects, the secretariat observed that:

(a) The project documents are written in a “Project Design Document form for Small-Scale CDM project activities (CDM-SSC-PDD-FORM)”;

(b) Projects located in LDCs have primarily applied the micro scale additionality tool for the demonstration of the additionality;

(c) Projects located in non-LDCs have applied both small-scale (automatic additionality) or micro scale additionality tool for the demonstration of additionality;

(d) The Type I small-scale methodologies applied by the projects provide relatively simple project-specific baseline scenarios including the calculation of the baseline emissions (Section B.4: Establishment and description of baseline scenario of CDM-SSC-PDD-FORM); while the Type II and Type III small-scale methodologies applied by the projects do not cover possible project-specific baseline scenarios with the calculation of the baseline emissions; and

(e) While applying small-scale (automatic additionality) or micro scale additionality tool for the demonstration of additionality, the 10 projects provide clear justification in Section B.5: Demonstration of additionality of CDM-SSC-PDD-FORM for being eligible for automatically additional.

## 3.2. Conclusions

10. Based on the existing provisions as contained under latest version of project cycle procedure (PCP), project standard (PS) and validation and verification standard (VVS) and paragraph 9 above, section B.5 of the Demonstration of additionality of “Project design document form for CDM project activities (CDM-PDD-FORM)” and “Project Design Document form for Small-Scale CDM project activities (CDM-SSC-PDD-FORM)” and section D.8.6 of the “Validation report form for CDM project activities (CDM-VAL-FORM)” could be further simplified using objective criteria for activities that qualify as automatically additional. For example, the section can be equipped with tick boxes rather than asking the project participant and the designated operational entity (DOE) to repeat the information from the tools and/or applied methodologies. In addition, “Instructions for filling out CDM-PDD-FORM”, “Instructions for filling out CDM-SSC-PDD-FORM” and “Instructions for filling out CDM-VAL-FORM” could be further revised to provide clear instructions on how to fill out the section B.5 of the CDM-PDD-FORM and CDM-SSC-PDD-FORM and section D.8.6 of the CDM-VAL-FORM when the technology adopted by a project is in the list of automatic additionality of the tools and/or applied methodologies.

11. Based on the above analysis, the secretariat recommends that the Board may wish to consider:

(a) Revising/simplifying section B.5 of the Demonstration of additionality of “CDM-PDD-FORM” and “CDM-SSC-PDD-FORM” and the section D.8.6 of the “CDM-VAL-FORM”, using objective criteria for activities that qualify as automatically additional (for example, tick the box); and

(b) Further revising “Instructions for filling out CDM-PDD-FORM”, “Instructions for filling out CDM-SSC-PDD-FORM” and “Instructions for filling out CDM-VAL-

FORM" to provide clear instructions, using objective criteria for activities that qualify as automatically additional, on how to fill out the section B.5 of the CDM-PDD-FORM and CDM-SSC-PDD-FORM and section D.8.6 of the CDM-VAL-FORM when the technology adopted by a project is in the list of automatic additionality of the tools and/or applied methodologies.

# 4. Impacts

12. The proposed option to revise/simplify standardized registration templates using objective criteria for activities that qualify as automatically additional will provide more flexibility to the project participants and the DOEs and is expected to reduce the associated transaction costs and time required to complete the forms.

# 5. Proposed work and timelines

13. The proposed work plan is as follows:

    (a) Draft registration templates: EB 90

    (b) Final adoption of revised registration templates: EB 91

# 6. Recommendations to the Board

14. In view of paragraph 11 of "Conclusions" above, the secretariat recommends that the Board approve the revision/simplification of section B.5 of the Demonstration of additionality of "CDM-PDD-FORM" and "CDM-SSC-PDD-FORM" and the section D.8.6 of the "CDM-VAL-FORM", including the revision of "Instructions for filling out CDM-PDD-FORM", "Instructions for filling out CDM-SSC-PDD-FORM" and "Instructions for filling out CDM-VAL-FORM" when the technology adopted by a project is in the list of automatic additionality of the tools and/or applied methodologies.

# Appendix. Summary of 10 registered regular CDM projects applying small-scale or micro scale additionality tool for additionality demonstration

| No | Methodology | Project activity | Additionality |
|---|---|---|---|
| **1.** | AMS-I.A ver.14 | Renewable lighting technology for rural households in XXX that currently use kerosene for lighting purposes (the Nuru Light (capacity 324 mW) consists of one Surface Mount Device (SMD) top Light Emitting Diode (LED), (120 degree bright white LED light) and the Nuru power cycle with rated capacity of 65 W). | As per EB 54, Annex 15 "Guidelines for demonstrating additionality of renewable energy projects =< 5 MW and energy efficiency projects with energy savings <= 20 GWH per year" and the version 14.1 of "General Guidelines to SSC CDM methodologies" (EB 55, Annex 35), the project is considered additional as 1) the installed capacity of the project is =< 5 MW, 2) the project activity employs renewable energy as its primary technology, 3) the geographic location of the project activity is in a LDC and 4) the project activity is an off grid activity supplying energy to households/communities. |
| **2.** | AMS-I.A. ver. 16 | 1.4 MW (2*0.7MW) run-of-river hydropower plant in XXX. The estimated net power generated of 11 GWh/year will be distributed to the surrounding rural communities. | The additionality was demonstrated as per "Guidelines for demonstrating additionality of microscale project activities ", Version 04.0 which states that "Project activities up to five megawatts that employ renewable energy technology are additional if The geographic location of the project activity is in one of the least developed countries or the small island developing States (LDCs/SIDs) or in a special underdeveloped zone (SUZ) of the host country. |
| **3.** | AMS-I.E. ver. 5 | Dissemination of up to 30,000 efficient cooking stoves (which uses Ndzilo solution - ethanol cooking fuel made from renewable biomass) replacing the traditional cooking stoves using charcoal in XXX. | According to EB 68 Annex 27 – Guidelines on the demonstration of additionality of small-scale project activities (Version 9.0), the project is considered automatically additional as 1) each RCS model distributed to households has a nominal effective thermal output of 1.5kW (thermal), which is under the size limit of 750 kW (or equivalent 2,250 kWt) and 2) the geographic location of the project activity is in a LDC. |
| **4.** | AMS-I.D. ver. 17 | The project activity will generate 2,696 MWh/year of electricity by PV power plants with the total capacity of 2 MW approximately in XXX. The generated electricity will be connected and transmitted to national grid. | According to EB 68 Annex 27 – Guidelines on the demonstration of additionality of small-scale project activities (Version 9.0), the project is considered automatically additional as the proposed project is a solar photovoltaic project with installed capacity 2 MW. |

| No | Methodology | Project activity | Additionality |
|---|---|---|---|
| **5.** | AMS-I.D. ver. 17 AMS-III.E. ver. 16 | The project activity consists of (i) supply of clean electricity to the XXX National Interconnected System through the implementation and operation of rice husk waste thermal power plant (3.825 MW) and (ii) avoided production of methane through the use of waste that would be deposited on land located in the rural areas of the city where the project is located. The project will supply 9,751 MWh/year to the grid. | According to the Guidelines for demonstrating additionality of microscale project activities, version 05.0, project activities up to five megawatts that employ renewable energy technology are additional if (…) " the project activity employs specific renewable energy technologies/measures recommended by the host country designated national authority (DNA) and approved by the Board to be additional in the host country." (item 2. d). On August 16, 2012, XXX DNA approved automatic additionality for renewable biomass electricity generation projects with installed capacity up to 5 MW. The project is a renewable biomass project with 3.825 MW of installed capacity and thus additional. The project activity will remain under the thresholds defined above during each year of the crediting period. Both components of the project will not exceed the limits for microscale project activities. |
| **6.** | AMS-I.D. ver. 17 | The proposed project is a 10 MW solar PV electric power system to generate electricity. The electricity generated by the proposed project will be supplied to the YYY Power Grid. The expected average annual grid-connected electricity generation during operation period is 15,501 MWh. | According to "Guidelines on the demonstration of additionality of small-scale project activities" (in EB68 annex 27), the grid-connected renewable electricity generation project of installed capacity up to 15 MW with Solar technologies (photovoltaic and solar thermal electricity generation) are automatically defined as additional without further documentation of barriers. Thus the proposed project can be defined as additional as total capacity of the project is well below 15 MW. |
| **7.** | AMS-III.AW | Electrification of rural areas in XXX that are currently supplied by stand-alone fossil fuel fired generators, or have no access to electricity. The project consists of the construction of medium voltage (MV: 11 kV and 33 kV) distribution lines with a total length of ca. 900 km and 1,500 km respectively | The additionality was demonstrated as per the paragraph 10(a) of the "Guidelines for demonstrating additionality of microscale project activities", Version 05, Type III project activities with emissions reductions not more than 20 ktCO2/yr are additional if the geographic location of the project activity is in one of the Least Developed Countries or the Small Island Countries. As XXX is a Least Developed Country (LDC) and the estimated emissions reductions of the Project Activity are 18,833 tCO2 per year during the first crediting period. |

| No | Methodology | Project activity | Additionality |
|---|---|---|---|
| **8.** | AMS-I.D. ver. 17 | The project activity involves installations of 6 MW solar photovoltaic technology based power plant in XXX. The expected average annual grid-connected electricity generation during operation period is 9,899 MWh/year and will be supplied to the YYY grid, which is mainly dominated by thermal/fossil fuel based power plant. | According to EB 68 Annex 27 – Guidelines on the demonstration of additionality of small-scale project activities (Version 9.0), the project is considered automatically additional as the proposed project activity is a solar photovoltaic electricity generation project with installed capacity 6 MW. |
| **9.** | AMS-I.D. ver. 17 | The project is a run-of-the-river hydropower station with installed capacity 5 MW. Annually 28 GWh power will be supplied to the XXX Grid. | The additionality was demonstrated as per “Guidelines for demonstrating additionality of microscale project activities ”, Version 05.0 which states that “Project activities up to five megawatts that employ renewable energy technology are additional if the geographic location of the project activity is in one of the least developed countries or the small island developing States (LDCs/SIDs) or in a special underdeveloped zone (SUZ) of the host country. |
| **10.** | AMS-I.D. ver. 18 | The project activity is a construction and operation of a new solar photovoltaic (PV) power plant in XXX. The total capacity of the power plant is 5 MW. The electricity from the project activity is expected to supply 7,560 MWh per annum to the nation grid. | According to EB 68 Annex 27 – Guidelines on the demonstration of additionality of small-scale project activities (Version 9.0), the project is considered automatically additional since the project activity involves the implementation of 5 MW of grid-connected solar photovoltaic power plant. |

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## Document information

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