
 <p align="center">CDM: Form for submission of queries from DOEs to the Methodologies Panel regarding the application of approved methodologies (version 01) <i>(To be used by DOEs for presenting questions / proposals / amendments related to the applicability of approved methodology)</i></p>	
Name of the entity (DOE) submitting this form	SGS United Kingdom, Ltd.
Reference number and title of the approved methodologies	ACM0002 v6
Title/Subject (give a short title or specify the subject of your submission, maximum 200 characters):	Negative emissions in grid connected electricity generation from renewable sources
Attach CDM-PDD example of project activity where applicability raises problem:	<input checked="" type="checkbox"/> yes, attached http://cdm.unfccc.int/Projects/DB/DNV-CUK1171524749.54/view
Date and signature for the DOE	 Siddharth Yadav, 29/05/2008
Submitted queries Please use the space below to substantiate the queries relating to the application of approved methodologies. If the questions are related to a project activity under development or implementation, please describe the context in which they arose. If you are proposing amendments to existing methodologies, please specify the text you want to change or introduce. If necessary, attach files or refer to sources of relevant information. If you have a question relating to the application of an approved methodology, please specify and provide reference to the exact project activity to which it applies.	

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Emission reductions for the Yutan Hydroelectric Project [project 0939] are calculated as:

$ER = BE - PE - L$, in which PE and L are 0.

The project consists of an existing hydropower plant [Yutan I] and a CDM extension [Yutan II]. The BE are therefore calculated as:

$BE = (GEN_y - E_{Gbl}) * EF$, in which GEN_y is power supplied to the grid by Yutan I and II; E_{Gbl} is the historical average of power output from Yutan I, calculated by using 5 years historical electricity generation records and came to annual average as 54,564 MWh/year.

The result of this approach is that if the joint monthly output of the grid of Yutan I + Yutan II < 54 564MWh/year, negative emission reductions occur. These are not due to the fact that there is a net increase of fossil emissions. It is due to the fact that the power output of hydro projects can be variable due to the availability of water whereas the E_{Gbl} is a fixed value. Therefore, E_{Gbl} does not reflect the variation in the availability of the resource.

The relevant EB guidance on this is:

. Negative emission reductions (EB21, para 18)

1. In some cases and for some methodologies, project activities may temporarily result in negative emission reductions in a particular year, for example due to poor performance or due to leakage effects outweighing emission reductions. In these cases, proposed new methodologies should stipulate that if a project activity temporarily results in negative emission reductions, i.e. baseline emissions minus project emissions minus leakage effects are negative, any further CERs will only be issued when the emissions increase has been compensated by subsequent emission reductions by the project activity.

It appears from the text of this decision that there are emissions reductions that compensate emission increases. In the case of this category of renewable energy projects, PE and L are zero and there are therefore no emission increases to be compensated.

Therefore, we are seeking guidance on the following:

Renewable projects that do not generate project emissions or leakage emissions and that are generating temporary negative emission reductions create the false impression that there are net emission increases caused by the project, whereas the real cause is the availability of water for power generation to match a historical baseline. Therefore, in the light of the above discussion we request a clarification on which of the two following approaches should be accepted:

1. **Annually**, emission reductions for this category of projects [renewable; PE=0; L=0] should be minimized at zero, this minimization does not apply to any shorter period than annual where the baseline electricity was determined.
- Or
2. Negative emission reductions for this category of projects [renewable; PE=0; L=0] should be minimized at zero. Thereby implying that that emission reductions for any given period of time cannot be negative.

If you propose an amendment to an approved methodology, please provide reasons.

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In case you propose the amendment to the approved methodologies, please provide your draft below, if not included in an annex:

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<i>Date of submission of contribution:</i>	
Information to be completed by the secretariat	
Date when the form was received at UNFCCC secretariat	
Date of transmission to the Meth Panel and Executive Board	