

 <p style="text-align: center;"><b>CDM: Proposed New Methodology</b>  <b>Meth Panel summary recommendation to the Executive Board</b>  <b>(version 01)</b>  <i>(To be used by the Meth Panel in addition to the full recommendation to the Board regarding a proposed new methodology (F-CDM-NMmp))</i></p>	
<i>Date of Meth Panel meeting:</i>	6 – 9 September 2005 Meth Panel 17
<i>Related F-CDM-NM document ID number</i> <i>(electronically available to EB members)</i>	<b>F-CDM-NM 0125:</b> “La Vuelta and La Herradura Hydroelectric Project”
<i>Title of proposed new baseline methodology:</i>	Baseline methodology for new capacity that displaces electricity generation in a centrally dispatched hydrothermal interconnected power system
<i>Title of underlying project activity:</i>	La Vuelta and La Herradura Hydroelectric Project
<i>History of submission: (new section)</i>	First submission (Round 11, 01 June 2005) Final recommendation at Meth 17
1. One sentence describing the purpose of the methodology. <i>(new section)</i>	
>> To estimate the baseline for new capacity that displaces electricity generation in a centrally dispatched hydrothermal interconnected power system.	
2. Suggested applicability of methodology <i>(former section A.I and B.I)</i>	
>> The methodology is applicable to grid-connected renewable power generation project activities in a centrally dispatched hydrothermal electricity system, where there is an official source that provides a reference expansion plan, under the following conditions: <ul style="list-style-type: none"> <li>• Applies to electricity additions and retrofits from: <ul style="list-style-type: none"> <li>i) Hydro power plants;</li> <li>ii) Wind sources;</li> <li>iii) Geothermal sources;</li> <li>iv) Solar sources;</li> <li>v) Wave and tidal sources.</li> </ul> </li> <li>• This methodology is not applicable to project activities that involve switching from fossil fuels to renewable energy at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site.</li> <li>• The geographic and system boundaries for the relevant electricity grid can be clearly identified and information on the characteristics of the grid is available.</li> </ul>	

3. Summary description of baseline methodology . Short statements on each on how the proposed methodology: <i>(chooses the baseline scenario, demonstrates additionality, calculates baseline emissions, calculates project emissions, calculates leakage, calculates emission reductions)</i> <i>(former section B.I.)</i>
>> The proposed baseline methodology uses a centrally run dispatch simulation model (updated and re-run annually) to estimate the volume of thermal power generation that is dispatched in the “with project” actual situation. This is compared to how much thermal power generation would have been dispatched in the without project case, which is estimated by running the same model but using an official expansion plan. The difference is the estimate of thermal generation displaced by the project. This information is then combined with the GHG emissions factors of the non-renewable power generators on the grid to derive an estimate of the GHG emissions that have been avoided through the dispatch of the power generated by the project over the previous year.
4. Suggested “recommendation level” for the baseline and monitoring methodologies (A, B or C). <i>(former section A.I and A.II.)</i>
>> C. Not to be approved.
5. Major reasons for B/C choice from the proposed baseline methodology: (outline the major reasons for needing revision/rejection) <i>(former section A.I.)</i>
>> <ul style="list-style-type: none"> <li>• The methodology is ambiguous, confusing, and hard to decipher. A methodology that is so complex, highly data intensive, and potentially non-transparent (given the use of a model) requires a more systematic and unambiguous presentation in order that it can be a) effectively evaluated, and b) ultimately verifiable. (See next point in particular)</li> <li>• The methodology appears to implicitly attribute all deviations from the official expansion plan to the CDM project activity, which is fundamentally incorrect and could lead to very significant errors. It leads to a situation where the project could get credit for displacing thermal generation several times the amount it generates. Or conversely it result in the determination that it increases thermal generation (no CERs), even though this is highly unlikely.</li> <li>• The treatment of methane emissions from reservoir flooding is problematic.</li> </ul>
6. Any major issues arising from the assessment of the proposed monitoring methodology (if different to those already raised above). <i>(former section A.II.)</i>
>> None.
7. Any other issues arising to be stated, if necessary (e.g. cross-cutting, general or precedent-setting issues raised by the proposed new baseline or monitoring methodology).
>> None.



Signature of Meth Panel Chair .....

Date: 14/09/2005

*(Jean-Jacques Becker)*


Signature of Meth Panel Vice-Chair .....

Date: 14/09/2005

*(José Miguez)***Information to be completed by the secretariat**

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