CDM: Proposed new methodology expert form (version 04)

(To be used by methodology experts providing desk review for a proposed new methodology)

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Note to those completing this form, as applicable: Please provide recommendations on the proposed new baseline and monitoring methodologies based on an assessment of CDM-NMB and CDM-NMM and of their application in sections A to E of the draft CDM-PDD, desk reviews and public input. Please ensure that the form is entirely filled and that arguments and expert judgements are substantiated.

A. Evaluation of the proposed new methodologies by desk reviewers:

I. Evaluation of the proposed new baseline methodology:

Title of new baseline methodology:>> "Demand-side electricity management for food retailers, super-markets, hypermarkets, shopping centers and other similar commercial activities"

i. Conditions under which this methodology is applicable to other potential projects (e.g. project type, region, data availability):

>>The basic approach of using aggregate whole building electricity intensity is applicable to projects that seek to reduce carbon dioxide emissions by implementing a package of interrelated energy-saving measures (such as control systems, technologies, behavioural changes) to reduce the amount of electricity and other sources of energy required to service a unit of sales area for commercial buildings whose primary purpose is retail sales, where the efficiency of existing buildings, equipment and lighting is being improved (building retrofit). However, major changes are required to ensure that the baseline is conservative and to limit associated uncertainties. The methodology is not applicable to project activities where entirely new retail facilities are built, or to augment existing capacity.

ii. Strengths and weaknesses of the methodology:

>> Strengths (see subsequent sections for details):

1. Building owner accounts for all retail facilities (project boundary)
2. Relies on approved tools and methodologies.
3. Addresses an important greenhouse gas emission reduction project type for which no approved methodology is available.

Weaknesses

1. Assumptions not justified / uncertainties not addressed.
2. Baseline emissions intensity assumed to be constant over the 10-year crediting period.
3. All greenhouse gas emission reductions attributed to the CDM project.
4. Aggregation at the level of the building park (rather than at the individual store level) introduces unnecessary uncertainties.
5. Same baseline is applied to increased sales area (beyond the level that existed prior to project implementation) and any new facilities as to existing facilities.

iii. Any changes needed to improve the methodology:

a. Minor changes:>>

b. Major changes:>>To address the weaknesses of the methodology will require major changes to it (underlying assumptions, data requirements, evaluation of uncertainties,

accounting for major factors that affect the baseline…).

II. Evaluation of the proposed new monitoring methodology:

Title of new monitoring methodology: >>"Demand-side electricity management for food retailers, supermarkets, hypermarkets, shopping centers and other similar commercial activities"

i. Conditions under which this methodology is applicable to other potential projects (e.g. project type, region, data availability):

>> Methodology requires further elaboration, before its applicability can be assessed.

ii. Strengths and weaknesses of the methodology:

>> Strengths:
1. Broadly consistent with proposed baseline methodology (which, however, required changes).
Weaknesses:
1. No assessment of data uncertainties nor QA/QC procedures (and no justification for this omission) provided.
2. No guidance on reliable sources of monitored data for key parameters (e.g., energy consumption, emissions from other sources of energy) and associated monitoring methods.
3. No requirement to obtain data and assess baseline and project activity emissions at the level of individual retail facilities.

iii. Any changes needed to improve the methodology:

a. Minor changes:>>

b. Major changes:>>Major improvements in the methodology are required to overcome the identified weaknesses, some of which will require improvements in the baseline methodology.

B. Details of the evaluation of the proposed new methodology by the desk reviewer:

I. Proposed new baseline methodology *(specify title here):* >>"Demand-side electricity management for food retailers, supermarkets, hypermarkets, shopping centers and other similar commercial activities"

(1) Short description of the methodology, including an assessment of which approach from paragraph 48 of the CDM modalities and procedures was used:

a) Describe the methodology:

>>A "whole facility park" approach is taken, under which carbon dioxide savings are determined in the aggregate for an entire building park (in the case of the underlying project, 551 stores in Brazil). Data from invoices provided by electric utilities (grid electricity) or internally (in-house diesel generators) encompassing all stores within the project boundary are used to determine the electricity use of the whole building park, presumably based on data for individual facilities at the whole building level (although the algorithm does not specify this). The baseline electricity use is the average electricity use of the existing facilities within the project boundary for at least three years prior to implementation of the CDM project.

Baseline emissions are calculated as the product of sales area (m^2) and the sum of the emissions intensity associated with each source of electricity within the project boundary (using a correction factor to take into account transmission & distribution losses), based on the electrical intensity (MWh/m^2) of the whole building park and the carbon dioxide emission factor for each source of electricity (t CO_2/MWh, which is calculated by applying ACM0002). Emissions associated with LPG use are included in the project activity algorithm, but not in the baseline algorithm.

b) State the approach selected:

>>48a: Existing actual or historical emissions

c) Indicate (in summary form) why the approach selected is the most appropriate. Please provide your expert judgement on the appropriateness of the selected approach to the project category:

>>The methodology states that approach 48a is most appropriate, because the scenario that would best describe greenhouse gas emissions in the absence of the project activity is the continuation of electricity consumption monitored in the baseline, but no further explanation is provided. This justification does not respond to the Guidance provided by EB10 regarding justification of the selection of the most appropriate approach from those contained in paragraph 48 of the CDM modalities and procedures, which states that the approach should be justified on the basis that it is "most consistent with the context of applicable project types, and most consistent with the underlying algorithms and data sources used in the proposed baseline methodology."

The general approach – based on historical emissions – is appropriate for this type of building retrofit end-use efficiency project, because such building efficiency projects often involve a wide range of efficiency improvement measures, ranging from improved operation & maintenance to energy management & control systems to the installation of more efficient lighting, cooling or other equipment, for which the other approaches are not appropriate: With respect to 48b, there is no single technology that can be used as a reference (and some of the efficiency measures do not even involve technology, but software, such as management systems); with respect to 48c, any energy saving programs for the building park undertaken within the past 3+ years would be included in the baseline itself (in the case of the underlying project, for example, efficiency improvements implemented in 2001 as a result of a government electricity rationing program, are reflected in the baseline); it would be virtually impossible to compare emissions of "similar" building parks, and this, in any case, would be less accurate than the proposed historical emission approach.

(2) Basis for determining the baseline scenario:

a) State whether the documentation explains how the baseline scenario is to be chosen and identified:

>>Section D.1/D.2 does not explain how the baseline scenario is to be chosen. According to the methodology, only one baseline scenario is proposed (average historical emissions of all of the stores to be retrofitted, based on data for at least 3 years prior to the project start), the additionality of which must be confirmed using the "Tool for the demonstration and assessment of additionality". The period of data collection to establish the baseline is set at "at least three years," but no justification for this period, nor guidance on the appropriate period, is presented.

b) State the basic underlying rationale for algorithms/formulae used (e.g. marginal vs. average basis) (see also section 4 below):

>>The underlying rationale for the methodology is that:

- greenhouse gas emissions can be calculated from data on energy consumption and transmission and distribution losses, based on default IPCC 1996 emission factors for each source of electricity within the project boundary;
- electricity use in buildings is directly proportional to sales area;
- all reductions in electricity consumption relative to sales area are attributable to the CDM project.

c) State whether the documentation explains how, through the use of the methodology, it can be demonstrated that a project activity is additional and therefore not the baseline scenario. If so, what are the tools provided by the project participants?

>> The proposed methodology states that additionality is to be determined by applying the "Tool for the demonstration and assessment of additionality" agreed by the CDM Executive Board and that the tool must be applied with no further adjustments.

d) State whether the basis for determining the baseline scenario and for assessing additionality is appropriate and adequate:

>>Additionality is to be determined by applying the "Tool for the demonstration and assessment of additionality" agreed by the CDM Executive Board.

Baseline: The approach to determining the baseline scenario is not explained / justified in sufficient detail. Several concerns are that:

- Neither a justification for averaging of historical emissions data nor guidance on how to set the monitoring period for determining the baseline are provided. The methodology should explicitly address how to ensure that any prior energy efficiency improvements are included in the baseline. In the case of the underlying project, for example, an energy saving program was implemented in 2001, so that consumption was lower in 2002-03 than in 2001. Taking a 3-year average, as suggested, creates a baseline consumption that is higher than the actual level in 2002/2003.
- The methodology attributes all efficiency gains to the CDM project, which is not a conservative assumption on a 10-year timescale (due, for example, to intrinsic technological improvements and equipment replacement cycles or asset sales).
- The methodology defines the baseline in such a way that credit would be given to reductions, even if the sales area increases beyond the historical level of the existing facilities (note that the approach taken in AM0020 was to limit the new scheme only up to the water delivery capacity of the old scheme). This approach is inconsistent with the EB8 "Guidance regarding the treatment of 'existing' and 'newly built' facilities," which states that if a proposed CDM project activity seeks to retrofit or otherwise modify an existing facility, the baseline may refer to the characteristics (i.e. emissions) of the existing facility only to the extent that the project activity does not increase the output or lifetime of the existing facility. For any increase of output or lifetime of the facility which is due to the project activity, a different baseline shall apply."
- For this type of building project, a major factor that impacts energy consumption is the amount of sales area devoted to frozen foods. Without some way of accounting for any changes in commercial freezer space over the proposed 10-year crediting period, there is a large room for error (other significant factors could also vary on this timescale). Although the approach proposed is similar to that used in AM0020, the case of building energy consumption is much more complex.

(3) Assessment of the description of the proposed methodology and its applicability

a) State whether the methodology has been described in an adequate manner:

>>No, see B.I.2 above and B.I.4 below. There is also some confusion within the proposed baseline methodology (text, algorithms) about whether the project boundary only includes the provision of energy services via electricity provided by the grid and by on-site diesel generators, or whether services provided via other types of energy (e.g., LPG-fired ovens) are also included. It appears that the algorithm for the project activity includes energy services provided by non-electrical sources (p. 9 of the proposed methodology; defined by the parameter "OS," other sources), but the baseline algorithm does not (p. 6 of the methodology). Whereas this might be conservative from an emissions perspective, it is methodologically problematic, because the boundaries of the baseline and the project activity are different.

b) State whether the proposed methodology is appropriate for the referred proposed project activity and the referred project context (described in Sections A - E of the draft CDM-PDD and submitted along with CDM-NMB):

>>Similar to AM0020, the proposed methodology takes an aggregated intensity approach to demand-side energy efficiency improvements. However, the proposed methodology deals with buildings, which are much more complex than water pumping systems. Changes in many factors, such as building location, climatic conditions, function, occupancy, or operation can lead to significant variance in energy use, which may or may not be attributable to the energy saving measures associated with the CDM project.

The proposed methodology takes a whole building comparison approach, applied at the level of an aggregated building park. The methodology assumes that the energy intensity of the baseline building park (averaged over the 3+-years prior to project implementation) remains constant throughout the crediting period. One simple way to improve the accuracy of the methodology would be to consider the baseline emissions, project emissions and emissions reductions for each facility separately (and summing these to get an aggregate result). This way, asset sales or store closures could be accounted for appropriately in the baseline (e.g., if an inefficient store were sold, the baseline could be adjusted accordingly).

A more rigorous approach would involve whole building calibrated simulation, which involves energy simulation of the baseline under actual operating conditions during the crediting period. Such baseline

simulation techniques are appropriate in cases where a project involves interrelated energy conservation measures and systems, or whole building performance, rather than individual energy conservation measures; where the necessary meters can serve a dual purpose (e.g. billing or operational feedback); where a high degree of accuracy in estimating emission reductions from energy saving measures under the project is required; and where adequate human capacity and a generous budget for simulation, monitoring and verification are available.

Given that the latter two conditions might not be met, a perhaps lower-cost and certainly less complex approach that can still give very good results for this type of project would be to set aside a certain small percentage of representative buildings within the project boundary to use as a control for the baseline throughout the crediting period. The number of buildings would have to be set so that intrinsic energy efficiency improvements, changes in sales area attributed to frozen foods (or other major factors) could theoretically be captured.

c) State whether the application of the methodology could result in a baseline scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity.

>>Unlikely, for three main reasons: (i) the baseline electricity intensity is assumed to remain constant during the crediting period (see below), (ii) important factors that affect building emissions intensity have not been included in the methodology/algorithm (see above) and (iii) the methodology can lead to an overestimation of baseline emissions, because the averaging approach can mask discrete efficiency improvements or improved energy efficiency trends.

Please explain:

>> As mentioned above, the baseline electricity intensity of the aggregate building park is assumed to remain constant throughout the crediting period (10 years, for the underlying project proposal) at the average level for the 3+-year monitoring period before the start of the crediting period. This assumption overlooks changes in a number of factors that could affect the energy intensity of the building park in this significant timeframe, for example, business-as-usual efficiency improvements (e.g., as a result of normal equipment replacement) during the decade. The methodology should discuss the main factors that affect the energy intensity of the building park and how each is expected to evolve over the crediting period. Significant factors should be addressed in the methodology (e.g., by applying baseline simulation or control group methods).

With respect to point (iii), in the PDD, for example, the project owner implemented an energy saving program in 2001. As a result, the electricity intensity decreased sharply from 1.18 to 1.01 MWh/m^2 for grid electricity and from 0.10 to 0.07 MWh/m^2 for other sources between 2001 and 2002. If the 2001-2003 average is taken, the full impact of the energy saving measures already adopted is not reflected, leading to higher baseline emissions (and greater net GHG reductions), which is not conservative.

(4) Assessment of algorithms/formulae and type of data needed:

a) State whether the description of the methodology includes algorithms and generic formulae that can be applied to other potential project activities (if not, the proposed new methodology will be considered as a project-specific methodology):

>>Yes

b) Explain the spatial scope of data used to determine the baseline and whether the scope is appropriate:

>>Not clear. The algorithm is based on aggregate electricity intensity values for each source (e.g., grid electricity) for the facilities within the project boundary, but it does not specify what data are used to derive the aggregate value (e.g., for the 551 stores in the underlying project).

c) Explain the vintage of data used (in relation to the duration of the project crediting period) and whether the vintage of data is appropriate, indicating the period covered by the data:

>>Baseline electricity intensity is assumed to remain constant at a level that represents the average of 3+ years prior to the start of the crediting period. The methodology does not restrict which years can be chosen to calculate the baseline electricity intensity. As mentioned above, many factors that have a short timescale

can affect building energy use, so a simulation or control group approach to the baseline that takes into account actual operating conditions throughout the crediting period for key parameters (e.g., in some regions, climatic conditions) would be preferable.

(5) Definition of the project boundary related to the baseline methodology:

a) State how the project boundary is defined in terms of:

i) Gases and sources

>>Gases: CO2 only

Sources: emissions associated with the production, transmission & distribution of electricity used at project facilities; boundary for project activity also includes other (non-electrical) sources (but baseline does not, see B.I.3.a above)

ii) Physical delineation

>>All retail facilities where the project is implemented, electricity grid that supplies electricity to the facilities and power plants from which facilities obtain the electricity.

b) Indicate whether this project boundary is appropriate:

>>No. The baseline and project activity should include the same sources, or any deviations should be justified (e.g., on grounds of conservativeness). In addition, it would be advisable that the methodology specify that ALL retail facilities owned by the project owner/operator within the specified geographic area be included within the project boundary, unless a justification for their exclusion is provided.

(6) Key assumptions/parameters (including emission factors and activity levels) and data sources:

a) List the implicit and explicit key assumptions. Identify those, if any, which are problematic and explain:

>>Note that problematic aspects of these assumptions are explained in detail in the previous sections:
1. Electricity consumption for lighting, air conditioning, ventilation, and food refrigeration is directly related to sales area: No historical data for the 551 stores under consideration are provided to justify this assumption.
2. Decreases in electricity intensity are all due to efficiency increases.
3. The scenario that would best describe the "without project" (BAU) evolution is continuation of consumption as monitored in the 3+-year baseline: This assumes that no baseline efficiency improvements are assumed over the crediting period.
4. Without CDM incentives, energy saving actions would not occur.
5. The stores are homogenous enough that there is no need to evaluate electricity intensity at the level of individual stores (at least the algorithm/methodology only refer to the aggregate building park): No historical data for the 551 stores under consideration are provided to justify this assumption, and the PDD example even states that different store brands have different consumption patterns (due to differing product lines, etc)

b) State whether the key assumptions are arrived at in a transparent manner:

>>No.

c) Give your expert judgement on whether the assumptions/parameters are adequate:

>>As explained in detail above, the underlying assumptions are problematic.

d) Indicate which data sources are used and how the data are obtained (e.g. official statistics, expert judgement):

>>The methodology should explain how the aggregate electricity intensity in the baseline is to be calculated and what parameters need to be monitored at the facility level to calculate it. The algorithm should reflect the fact that the data are obtained at the facility level and summed for aggregation purposes. Similarly, the methodology should explain how the aggregate electricity consumption in the project case is to be monitored at the facility level, and this should be incorporated into the algorithm.

e) Give your expert judgement on whether the data used are adequate, consistent, accurate and reliable:

>>The proposed new methodology provides an algorithm; the data are specific to the underlying project and are to be included in the PDD.

f) State possible data gaps:

>>Refer to previous points.

(7) Assessment of uncertainties:

a) State whether the methodology includes an assessment of uncertainties regarding:

i) The basis for determining the baseline scenario:

>>No

ii) Algorithms/formulae:

>>No

iii) Key assumptions:

>>No

iv) Data:

>>No

b) State whether the uncertainties presented are reasonable:

>>No uncertainties were acknowledged, so they cannot be assessed, although they appear to be substantial. Some key issues are (i) the assumption that key parameters that will influence the baseline emissions will remain constant over the crediting period and (ii) the availability of the quality of the baseline and monitoring data.

(8) Leakage:

a) State how the baseline methodology addresses any potential leakage due to the project activity:

>>The methodology states that leakages must be investigated on a case-by-case basis and accounted for when they appear to be significant. It suggests that there is potential leakage associated with emissions derived from fossil fuel and/or electricity consumption increase at other sites directly affected by the project activity, although no guidance is given on how to identify and assess leakage (the decision not to consider leakage in the draft PDD is not justified).

b) Indicate whether the treatment for leakage is appropriate and adequate:

>>If leakage is generally not to be expected from this type of project, this should be stated clearly and justified. Conversely, if significant leakage is to be expected, the methodology should provide guidance on how to assess and account for it.

(9) Transparency and "conservativeness":

a) Indicate whether the baseline methodology was developed in a transparent way:

>>No. It would be necessary to justify the key assumptions, to require data for individual stores, and to include all energy sources in the baseline.

b) State whether the baseline methodology is conservative:

>>The methodology does not ensure that data to justify the crucial underlying assumptions will be made available, so it is not possible to judge a priori whether the methodology is conservative or not overall. Some assumptions appear to be conservative, while others do not. Taking a 3-year average electricity intensity for the baseline, for example, would only be conservative, if there were an upward trend in electricity intensity. In the project case presented in the PDD, the electricity intensity was much lower in 2002 and 2003 than the average of the 2001-03 period (as a result of energy conservation measures implemented by the project owner in 2001). Assuming average values in this case is not conservative, because the efficiency level in 2002-03 is significantly lower than the average value (i.e., there is a decreasing intensity trend in the business-as-usual situation), which, according to the authors, does not just reflect inter-annual variability, but real efficiency improvements.

(10) Potential strengths and weaknesses of the proposed baseline methodology *(please*

explain):

>>Strengths:
1. The building owner accounts for all retail facilities (project boundary)
2. Relies on approved tools and methodologies, including: (i) the "Tool for the demonstration and assessment of additionality", (ii) ACM0002 for calculating emissions associated with grid electricity and (iii) the aggregate intensity approach used in AM0020.
3. Addresses an important greenhouse gas emission reduction project type.
Weaknesses:
1. A number of crucial assumptions are not justified and uncertainties are not addressed at all.
2. The baseline emissions intensity is assumed to be constant over the 10-year crediting period (large uncertainty, not conservative).
3. All energy intensity reductions (and the calculated resulting greenhouse gas emission reductions) are attributed to the CDM project, which is an oversimplification that introduces large uncertainties into the methodology.
4. Aggregation at the level of the building park (rather than at the individual store level) introduces unnecessary uncertainties.
5. Same baseline is applied to increased sales area (beyond the level that existed prior to project implementation) as to existing facilities, which is inconsistent with EB guidance (in AM0020, capacity expansion is expressly excluded for credit).

(11) Other considerations, such as a description of how national and/or sectoral policies and circumstances have been taken into account *(please explain)*:

>>The methodology states that it was developed assuming that there are no new national and/or sectoral policies and circumstances that influence the decisions or impose obligations to the proposed project activity, but that if this is not the case, the project participants must identify such policies and circumstances in the PDD and take them into account accordingly on a project-specific basis.

(12) Applicability of the proposed methodology across project types and regions *(please indicate)*:

>>The basic approach adopted in AM0020 and in the proposed methodology is generally applicable to a wide range of demand-side energy efficiency projects. However, commercial buildings are more complex than water pumping systems. For such projects, factors that affect energy consumption in the baseline must be evaluated and taken into account if they are significicant. In its present form, the methodology is not appropriate for commercial building projects, but could be modified accordingly.

(13) Any other comments:

a) State whether any other source of information (i.e. other than documentation on this proposed methodology available on the UNFCCC CDM web site) has been used by you in evaluating this methodology. If so, please provide specific references:

>>

b) Indicate any further comments:

>>

II. Proposed new monitoring methodology *(specify title here):* >> "Demand-side electricity management for food retailers, supermarkets, hypermarkets, shopping centers and other similar commercial activities"

In respect of the proposed new monitoring methodology, evaluate each section of CDM-NMM to the draft CDM-PDD. Please provide your comments section by section:

(1) Brief description of new methodology:

Describe new methodology:

>>Section B.1 offers no description of the proposed monitoring methodology (the text refers to the baseline methodology).

(2) Key assumptions/parameters:

a) List the implicit and explicit key assumptions. Identify those, if any, which are problematic and explain:

>>Same as for monitoring methodology (refer to B.I.6).

b) State whether the key assumptions are arrived at in a transparent manner:

>>See comments on monitoring methodology

c) Give your expert judgement on whether the assumptions/parameters are adequate:

>>See comments on monitoring methodology

(3) Data sources and data quality:

a) Indicate which data sources are used and how the data are obtained (e.g. official statistics, expert judgement):

>>Even in the PDD, data sources are not specified. For example, neither the proposed monitoring methodology nor the PDD state where the data on electricity consumption, sales area, fuel consumption from other sources will come from (it is only stated that these variables will be "monitored in the project"). Data quality is not addressed at all.

b) Give your expert judgement on whether the data used are adequate, consistent, accurate and reliable:

>>Not all of the data provided in the draft PDD appear to be real data that correspond to the specifications of the proposed monitoring methodology (e.g., the fuel consumption of LPG and the electricity consumption from diesel generators each remain constant for the period 2001-2003, which suggests that these data were not monitored in each year as required by the methodology; similarly, the electricity intensity for 2002 and 2003 is identical to several decimal places, which is highly unlikely). In addition, the PDD does not explain how the data to calculate the project activity emissions are to be obtained during the crediting period (e.g. sales area, electricity consumption) or how the associated data to calculate the baseline were obtained (e.g., why are the energy consumption data rounded to 1000 MWh, if these are monitored values?). Getting disaggregated data at the store level would improve confidence.

c) *State possible data gaps:*

>> Methodology does not require data disaggregated at the facility level (electricity consumption, sales area, fuel consumption from other sources).

(4) Assessment of the description of the proposed methodology and its applicability:

a) State whether the proposed methodology has been described in an adequate manner:

>>No. It does not explain the monitoring methodology adequately. There is no overall description of the monitoring methodology (as opposed to the baseline methodology) in section B.1; section B.2 neither explains the source of electricity / fuel consumption data (and its level of disaggregation) nor explains how it and other variables will be monitored (e.g., meters, electricity bills?)

b) State whether the proposed methodology is appropriate for the referred proposed project activity and the referred project context (described in Sections A - E of the draft CDM-PDD and submitted along with CDM-NMM):

>>Methodology requires further elaboration. In many instances, it does not specify how key data are to be obtained, what sources are acceptable, how disaggregated the data will be, or how data quality will be assured. Although the associated PDD states that the energy consumption pattern varies from brand to brand in the proposed project activity, the algorithms do not require disaggregation of data collection at the level of individual stores or store brands.

c) State whether this proposed monitoring methodology is compatible with the proposed baseline methodology described in CDM-NMB of the draft CDM-PDD:

>>Yes, except for the omission of leakage considerations in section B.4 (see below).

(5) Leakage *(please elaborate, if appropriate)***:**

>>Leakage is not treated in section B.4 of the monitoring methodology (no justification provided), although

the algorithm under B.5 for estimating emission reductions from the project activity includes the variable "L", which presumably refers to leakage (and the baseline methodology states that "leakages must be investigated on a case by case basis and accounted for when they appear to be significant").

(6) Quality assurance and control procedures *(please explain)*:

>>None foreseen under section B.7.

(7) Potential strengths and weaknesses of the proposed monitoring methodology *(please explain)*:

>>Strengths:
1. Broadly consistent with proposed baseline methodology, except for leakage (see comment above), although major changes will be required in the baseline methodology.
Weaknesses:
1. No assessment of data uncertainties nor QA/QC procedures (and no justification for this omission) provided.
2. No guidance on reliable sources of monitored data for key parameters (e.g., energy consumption, emissions from other sources of energy) and associated monitoring methods.
3. No requirement to obtain data and assess baseline and project activity emissions at the level of individual retail facilities.

(8) Applicability of the proposed methodology across project types and regions *(please indicate)*:

>>Methodology requires further elaboration, before its applicability can be assessed.

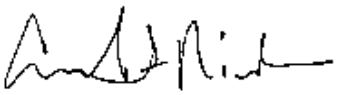
(9) Any other comments:

a) State whether any other source of information (i.e. other than documentation on this proposed methodology available on the UNFCCC CDM web site) has been used by you in evaluating this methodology. If so, please provide specific references:

>>

b) Indicate any further comments:

>>There is a great deal of repetition required by this form. It should be revised to ensure that the key issues are analyzed in a targeted and succinct way, which would also provide valuable guidance to project developers.

Signature of desk reviewer ……  ……..

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