

CDM-EB109-AA-A08

Draft Standard

Amendments to version 02.0 of the CDM
project standards for project activities and
programmes of activities on
addition/change of technologies

Version 01.0

DRAFT



United Nations
Framework Convention on
Climate Change

COVER NOTE

1. Procedural background

1. The conditions for change or addition of technologies/measures to a registered clean development mechanism (CDM) project activity or programme of activities (PoA) through the post-registration change process are provided in the “CDM project standard for project activities” (PS-PA) and the “CDM project standard for programmes of activities” (PS-PoA), respectively.
2. Prompted by a request from the Methodologies Panel (MP) at its eighty-first meeting (MP 81), the Executive Board of the CDM (the Board) at its 106th meeting (EB 106) requested the secretariat, in consultation with the MP, to propose improvements to the regulatory provisions related to the change and/or addition of technologies/measures to a registered project activity or PoA, including any illustrative examples in the related regulatory documents, and present them to the Board for its consideration at a future meeting.

2. Purpose

3. The purpose of the amendments to the PS-PA and PS-PoA is to improve the regulatory provisions related to the change and/or addition of technologies/measures to a registered project activity or PoA to clarify the scope of acceptable change or addition of technologies/measures.

3. Key issues and proposed solutions

4. The MP, while assessing a request for clarification at MP 81, had identified the need to clarify the regulatory requirements relating to change and/or addition of technologies/measures contained in paragraph 241(c) and (e) of the PS-PA (version 02.0) and paragraph 238(e) and (g) of the PS-PoA (version 02.0).
5. Based on the input from the MP at MP 83, draft revisions of these regulatory documents have been prepared as contained in appendices 1 and 2 to clarify the requirements and to provide examples that meet these requirements.

4. Impacts

6. Amendments to the PS-PA and PS-PoA would benefit all stakeholders, as well as the Board and the secretariat, through improved clarity, consistency and environmental integrity of regulatory provisions on change and/or addition of technologies/measures to a registered project activity or PoA.

5. Subsequent work and timelines

7. It is proposed that the amendments enter into force on the date of approval by the Board. These amendments will be consolidated into the PS-PA and PS-PoA in the next revision.

6. Recommendations to the Board

8. The secretariat recommends that the Board adopt the proposed amendments to the PS-PA and PS-PoA as contained in appendices 1 and 2 to this document, to be made effective at the time of the Board's approval.

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1. Amendments to “CDM project standard for project activities” (version 02.0)

1. This document contains the amendments adopted by the Executive Board of the clean development mechanism at its 109th meeting, to the “CDM project standard for project activities” (PS-PA) (version 02.0) (CDM-EB93-A04-STAN). This document will be consolidated into the PS-PA in its next revision.
2. The amendments contained in appendix 1 enter into force on 11 March 2021.

2. Amendments to “CDM project standard for programmes of activities” (version 02.0)

3. This document contains the amendments adopted by the Executive Board of the clean development mechanism at its 109th meeting, to the “CDM project standard for programmes of activities” (PS-PoA) (version 02.0) (CDM-EB93-A07-STAN). This document will be consolidated into the PS-PoA in its next revision.
4. The amendments contained in appendix 2 enter into force on 11 March 2021.

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Appendix 1. Amendments to “CDM project standard for project activities” (version 02.0)

1. Changes to section 7.3 Description of project activity

1. The existing paragraph 44 shall read as follows:

44. The following definitions shall apply for paragraph 43 above:

- (a) Measure:¹ fuel/feedstock switch, technology switch, methane destruction and methane avoidance;
- (b) Technology: equipment or conversion process used for the production of goods or provision of services. Two ~~different project activities/CPAs technologies~~ are considered to be ~~using~~ the same technology(ies) if they:
 - (i) Provide the same kind of output and use the same kind of equipment and conversion process; or
 - (ii) Undertake the same course of action that results in the same kind of effect ~~(e.g. two projects using the same management practice such as fuel switching);~~
- (c) Assets: resources with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit; the assets could be physical such as project equipment, or non-corporeal such as permits and exclusive position in legislation. The definition of assets in this context excludes land;
- (d) Output: amount of goods or services produced by a technology;
- (e) Resource: a source of supply or support needed for the production of an output. It may include categories of goods, energy and energy carriers that are supplied into the project location and are required for the implementation of the project activity/CPA, such as fossil fuel, by-product of a process, biomass, solar, wind, geothermal heat.

¹ “Guidelines for determining baselines for measure(s)”
<http://cdm.unfccc.int/Reference/Guidclarif/meth/meth_guid50.pdf>.

2. Changes to section 8.3.5. Changes to project design

2. The existing paragraph 241 shall read as follows:

241. Changes to a registered CDM project activity may include:

- (a) Increase in the capacity² specified in the registered PDD with the following conditions:
 - (i) If the project activity is large-scale:
 - a. CERs may be claimed up to an amount calculated based on the increased capacity by 20 per cent of the capacity specified in the originally registered PDD; or
 - b. CERs may be claimed for the full amount calculated based on the increased capacity if the project participants can demonstrate that the reason for the increase is not within the control of the project participants;
 - (ii) If the project activity is small-scale, CERs may be claimed for the full amount calculated based on the increased capacity, provided that the resulting project activity does not exceed the small-scale threshold for the corresponding small-scale project type (i.e. Type I, II or III);
- (b) Decrease in the capacity specified in the registered PDD;
- (c) Addition of new components or extension/addition of technologies/measures that introduce:
 - (i) Complementary technologies/measures involving mass and/or energy transfer to/from the technologies/measures specified in the originally registered PDD;³ or
 - (ii) More advanced version of the same technologies as per the definition of “the same technologies” in paragraph 44(b) above (e.g. improved performance in emission reductions, efficiency, health, safety and durability evidenced in reference to a relevant national or international standard);⁴
- (d) Removal of a component or technology/measure specified in the registered PDD;

² Installed/rated capacity that directly impacts emission reductions or net anthropogenic removals.

³ Examples include:

- (a) A landfill gas capture and electricity generation activity using three electricity generating units adds an additional electricity generating unit without altering the quantity of landfill gas extracted (i.e. the capacity of the landfill gas extraction system remained the same);
- (b) Addition of a back-up electricity generating source to supply electricity during exigencies when the project activity fails to meet the demand or is not available due to operational reasons.

⁴ Examples include an activity registered with methodology AMS-III.AR disseminating lamps with useful life of two years, changing to distribute lamps with useful life of seven years.

- (e) Changes to the technologies/measures that result in the same technologies/measures as in the originally registered technologies/measures as per the definition of “the same technologies” in paragraph 44(b) above;⁵
- (f) Removal or addition of one or more site(s) of the project activity registered with multiple sites;
- (g) Removal of a project activity from a bundle of small-scale CDM project activities;
- (h) Actual operational parameters that are within the control of the project participants, differing from the expected parameters;
- (i) Any consequential changes to the application of methodologies, standardized baselines and/or other methodological regulatory documents resulting from the changes referred to in subparagraphs (a)–(de) above, including change to or addition of other methodologies, other standardized baselines and/or other methodological regulatory documents, or application of a baseline scenario that is more appropriate as a result of the proposed or actual modifications to the project activity;
- (j) Voluntary update of the applied methodologies or the other applied methodological regulatory documents to a later valid version of them, or voluntary change to other methodologies, provided all requirements in the updated/changed methodologies and the other applied methodological regulatory documents are met.

⁵ Examples include changing the mode of utilization of recovered methane from a landfill such as shifting from flaring to heat generation or from heat generation to electricity generation. This may involve the addition/change of Type I methodology to the registered project activity applying Type III waste methodology.

Appendix 2. Amendments to “CDM project standard for programmes of activities” (version 02.0)

1. Changes to section 8.1 Description of component project activity

1. The existing paragraph 167 shall read as follows:

167. The following definitions shall apply for paragraph 166 above:

- (a) Measure⁶: fuel/feedstock switch, technology switch, methane destruction and methane avoidance;
- (b) Technology: equipment or conversion process used for the production of goods or provision of services. Two ~~different project activities/CPAs~~ technologies are considered to be using the same technology(ies) if they:
 - (i) Provide the same kind of output and use the same kind of equipment and conversion process; or
 - (ii) Undertake the same course of action that results in the same kind of effect ~~(e.g. two projects using the same management practice such as fuel switching)~~;
- (c) Assets: resources with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit; the assets could be physical such as project equipment, or non-corporeal such as permits and exclusive position in legislation. The definition of assets in this context excludes land;
- (d) Output: the amount of goods or services produced by a technology;
- (e) Resource: A source of supply or support needed for the production of an output. It may include categories of goods, energy and energy carriers that are supplied into the project location and are required for the implementation of the project activity/CPA, such as fossil fuel, by-product of a process, biomass, solar, wind, or geothermal heat.

2. Changes to section 9.3.5 Changes to programme or project design

2. The existing paragraph 238 shall read as follows:

238. Changes to a registered CDM PoA shall be limited to:

- (a) Changes to the programme boundary to expand the geographical coverage or to include additional host Parties;

⁶ “Guidelines for determining baselines for measure(s)”
<http://cdm.unfccc.int/Reference/Guidclarif/meth/meth_guid50.pdf>.

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- (b) The following revisions to the eligibility criteria for inclusion of CPAs in the PoA:
 - (i) Mandatory revision to the eligibility criteria due to the revision or replacement of the applied methodologies by the Board subsequent to placing them on hold;⁷
 - (ii) If a revision to the eligibility criteria is required by the Board due to an issue related to environmental integrity having been identified;
 - (iii) If the use of positive lists or related provisions is introduced or modified based on the valid version of the “Methodological tool: Demonstration of additionality of small-scale project activities” or the “Methodological tool: Demonstrating additionality of microscale project activities”;
 - (iv) If the geographical boundary of the PoA is expanded within the host Party or to include one or more host Parties;
 - (v) If there is an addition or change of technologies/measures with or without addition or change of applied methodologies in the registered PoA-DD as referred in subparagraph (e) below;
 - (vi) A revision to the eligibility criteria pertaining to the demonstration of additionality;
 - (c) Removal of applied methodologies and/or standardized baselines from the registered PoA-DD;
 - (d) Changes to the capacity⁸ range specified in the registered PoA-DD;
 - (e) Addition of new components or extension/addition of technologies/measures that introduce:
 - (i) Complementary technologies/measures involving mass and/or energy transfer to/from the original technologies/measures described in the registered PoA-DD;⁹ or

⁷ No action is required if the version of the applied methodology is revised without being placed on hold or is withdrawn for the purpose of inclusion in a consolidated methodology, unless otherwise indicated in the respective report of the meeting of the Board that has approved the new methodology.

⁸ Installed/rated capacity that directly impacts emission reductions or net anthropogenic removals.

⁹ ~~An example of this is changing the utilization of recovered methane (e.g. from flaring to heat generation or from heat generation to electricity generation). This may involve the addition/change of Type I methodologies to registered PoAs applying Type III waste/wastewater methodologies. Examples include:~~

(a) A landfill gas capture and electricity generation activity using three electricity generating units adds an additional electricity generating unit without altering the quantity of landfill gas extracted (i.e. the capacity of the landfill gas extraction system remained the same);

(b) Addition of a back-up electricity generating source to supply electricity during exigencies when the project activity fails to meet the demand or is not available due to operational reasons.

- (ii) More advanced version of the same technologies as per the definition of “the same technologies” in paragraph 167(b) above (e.g. improved performance for emission reductions, efficiency, health, safety and durability evidenced in reference to a relevant national or international standard);¹⁰
- (f) Removal of a component or technology/measure described in the registered PoA-DD;
- (g) Changes to the technologies/measures that result in the same technologies/measures as in the **originally** registered technologies/measures as per the definition of “the same technologies” in paragraph 167(b) above;¹¹
- (h) Any consequential changes to the application of methodologies, standardized baselines and/or the other methodological regulatory documents resulting from the changes referred to in subparagraphs (a)–(g) above, including change to or addition of other methodologies, other standardized baselines and/or other methodological regulatory documents, or application of a baseline scenario that is more appropriate as a result of the proposed or actual modifications to the PoA;
- (i) Voluntary update of the applied methodologies or the other applied methodological regulatory documents to later valid versions of them, or voluntary change to other methodologies, provided that all requirements in the updated/changed methodologies or the other methodological regulatory documents are met.

3. The existing paragraph 241 shall read as follows:

241. Changes to the design of an included CPA shall meet the following conditions:

- (a) The increase in the capacity¹² specified in the included CPA-DD falls within the capacity range of the corresponding generic CPA. In addition:
 - (i) If the corresponding generic CPA uses large-scale methodologies:
 - a. CERs may be claimed up to an amount calculated based on the increased capacity by 20 per cent of capacity specified in the originally included CPA-DD; or
 - b. CERs may be claimed for the full amount calculated based on the increased capacity if the coordinating/managing entity can demonstrate that the reason for the increase is not within the control of the coordinating/managing entity;

¹⁰ Examples include an activity registered with methodology AMS-III.AR disseminating lamps with useful life of two years, changing to distribute lamps with useful life of seven years.

¹¹ Examples include changing the mode of utilization of recovered methane from a landfill such as shifting from flaring to heat generation or from heat generation to electricity generation. This may involve the addition/change of Type I methodology to the registered PoAs applying Type III waste methodology.

¹² Installed/rated capacity that directly impacts emission reductions or net anthropogenic removals.

- (ii) If the corresponding generic CPA uses only small-scale methodologies, CERs may be claimed for the full amount calculated based on the increased capacity, provided that the resulting capacity does not exceed the threshold for the corresponding small-scale project type (i.e. Type I, II or III);
- (b) The decrease in the capacity specified in the included CPA-DD falls within the capacity range of the corresponding generic CPA;
- (c) The addition of new components or extension/addition of technologies/measures are covered by the corresponding generic CPA and ~~introduce complementary technologies/measures involving mass and/or energy transfer to/from the technologies/measures described in the originally included CPA-DD;~~¹³
- (d) The ~~modified/~~changed technologies/measures are covered by the corresponding generic CPA and result in the same technologies/measures as in the originally included CPA-DD as per the definition of “the same technologies” in paragraph 167(b) above;
- (e) The included CPA with the changes is within the scope of the corresponding generic CPA;
- (f) The eligibility criteria for inclusion of CPAs for these technologies/measures are specified in the corresponding generic CPA.

Document information

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¹³ An example is the case of a CPA that included portable light emitting diode (LED) lamps that are charged using mechanical energy, whereas charging from other renewable energy sources such as solar photovoltaic (PV) electricity is also required during project implementation; PV electricity used to charge the lamps would be eligible if the registered PoA-DD had included it.