



CDM: Recommendation Form for Small Scale Methodologies (version 01)

*(To be used for presenting questions/proposals/amendments to the
simplified methodologies for small-scale CDM project activity categories)*

Date of SSC WG meeting:	21–24 September 2009, SSC WG 22
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Eligibility of Greenfield projects under AMS-III.Q
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-III.Q version 2
Name of the authors of the query:	Lalit Kumar Singhania Institution: Indus Technical and Financial Consultants Ltd. lks1954@rediffmail.com

Summary of the query:

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

Original text from PP:

The need for this request for the clarification has arise due to the recent clarifications issued by SSC-WG as regards applicability of baseline for the AMS IIIQ ver-2 project activities. The issued clarifications give an impression that no new projects or the Green field projects would qualify under this methodology whereas the Decision4/CMP.1, Decision 3/CMP.1 and more specifically EB41 Annex20 Page 4, Para14 do not restrict the application of the SSC methodology on the Green field Projects. Therefore the following request is submitted for clarification under fast track.

Kindly clarify if the provisions of “Indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories” para-14 for type II and III Green field project (new facility) are still applicable for Project activities falling under SSC methodology AMS III Q ver-02 or have been withdrawn?

If this provision is allowed to be used then can a “coal based captive power plant” which is decided to be implemented as a baseline source of captive power; along with which the project activity is being implemented due to CDM consideration. It is also established to be a baseline scenario as per the procedure narrated in para-14 (i.e as per the application of the Combined Tool to assess the baseline and demonstrate the additionality), and also established that the power generated by the project activity will be displacing the power which would have otherwise been generated by the coal based power plant. In such situation can the Coal based CPP be considered as baseline. The Coal based power plant will be in existence at the time of the verification of the Project activity.

Additional clarifications sought by SSC WG:

The submission states “The need for this request for the clarification has arise due to the recent clarifications issued by SSC-WG as regards applicability of baseline for the AMS IIIQ ver-2 project activities.”

Please specify which SSC WG clarifications are being referred here.

The submission further states "The issued clarifications give an impression that no new projects or the Green field projects would qualify under this methodology whereas the Decision 4/CMP.1, Decision 3/CMP.1 and more specifically EB41 Annex20 Page 4, Para14 do not restrict the application of the SSC methodology on the Green field Projects." Similar to the reference you have provided for EB41, please specify which decision/paragraph of 4/CMP.1 and 3/CMP.1 are being referred here.

Have you taken into account the definition of "existing facilities" provided in the footnote 12 of ACM0012? Are there any reasons why this definition should not be applicable to AMS III Q but on the other hand existence of the baseline plant at the time of the verification should be checked?

Response from PP submitted 25 Aug 2009

1. SSC WG clarifications being referred here are: (SSC_275, SSC_300, SSC_304, SSC_306).

2. The reference provided for 4/CMP.1 are

(<http://cdm.unfccc.int/Reference/COPMOP/08a01.pdf#page=43>, under 4/CMP.1 I had referred to Page 43, ANNEX II Simplified modalities and procedures for small-scale clean development mechanism project activities I. Further clarifications on definitions of eligible activities; FCCC/KP/CMP/2005/8/Add.1 , page 46 para14; page 48, para 27,28,).

3. The reference provided for 3/CMP.1 : (under 3/CMP.1 I had referred to Para 37,e(i)page 14; para 43,44, 45(d) & 48 at page 16).

4. Definition of "existing facilities"

We have considered the definition of the existing facility as provided in the footnote 12 of ACM 0012 but the DOEs are of the view that the definition of the word given in footnote of ACM0012 does not apply on the AMS IIIQ.

As per the above referred clarifications, the DOE feels that the existing facility means a facility which was in existence, as on the date of deciding to go for the project activity or as on the date of starting of the project activity, only these are to be treated as an existing facility. Because on the date of the decision to go far the project activity it was not in existence, hence DOE feels that it is to be considered as a hypothetical activity, as per the above mentioned recent clarifications thus the methodology (AMSIHQ VER-2) does not apply.

Whereas it was contended that the methodology has a very simple approach that "if an activity is in existence as on the date of validation", thus it should be treated as an existing facility. Therefore the methodology should be applicable, also as per the definition given in ACM0012 footnote 12.

Moreover the changes introduced in baseline selection in methodology AMSIII.Q, in EB42, from the process of selection of baseline given in version.1 to the provisions given in version.2, also create an impression in the mind of DOE, that the provisions of EB41, Annex20 para14, have been overruled in EB42 hence this provision of EB41, Annex20 para14 will not apply any more, therefore the green field projects cannot use AMSIII.Q Ver.2.

In view of this the above, clarification is sought for the project facilities which are in existence as on the date of validation but were not in existence as on the date of deciding to go for the project activity.

Recommendation by the SSC WG:

Please use the space below to provide amendments/change (in your expert view, if necessary).

Please refer to paragraph 46 of the meeting report of the SSC WG 22 (http://cdm.unfccc.int/Panels/ssc_wg).

Answer to authors of query by the SSC WG:

Please use the space below to provide answer to the authors of the above query.

The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

The SSC WG agreed to reiterate the previous responses provided by the SSC WG to SSC_300, SSC_304, and SSC_306, that all the baseline conditions for waste heat/energy/pressure in the approved methodology AMS-III.Q are intended for existing facilities where the project activity is implemented, and not for a hypothetical baseline (Greenfield project).

Regarding the query as to whether the project facilities are in existence as on the date of validation but were not in existence as on the date of deciding to go for the project activity can be considered as existing facility, the SSC WG agreed to recommend the following definition for an existing facility:

“A facility that is existing on the starting date of the CDM project activity (definition shall be in accordance with paragraph 67 of the EB 41 meeting report) such that all the options for demonstrating the use of waste energy in the absence of the project activity are based on historic information and not on a hypothetical scenario. The facility may not be considered as an existing facility if it does not exist as on the date of starting of the project activity”.

The SSC WG further clarified that the procedures/requirements of the applicable methodology have precedence over the ‘General Guidance to SSC CDM Methodologies i.e., if the methodology states that it is only applicable to existing facilities paragraph 14 of the general guidance does not apply.



Signature of SSC WG Chair

(Hugh Sealy)

Date: 24/09/2009



Signature of SSC WG Vice-Chair

(Peer Stiansen)

Date: 24/09/2009

Information to be completed by the secretariat

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