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:	13 - 14 June 2006
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Request to revise cap on emission reduction under AMS.III.E
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS.III.E
Name of the authors of the query:	Eratech Chile Ltda

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.

Eratech Chile argues that the 25,000 tons of CO2e per year cap agreed by EB applicable to all type III methodologies would restrict the use of AMS.III.E (avoidance of methane in biomass decay through controlled combustion) for project activities to a level of about 19,000 dry tones of 'old biomass' per year (approx 100,000 m3 of wet biomass). The amount of CERs incomes derived from the mentioned volume of 'old biomass' does not justify switch from low to high-pressure boilers or start up other controlled combustion solutions.

Sawdust & bark dumped for several years (so called - old biomass -) are partially degraded and therefore show poor calorific value and higher levels of ash. Almost all the Small & Medium sawmills prefer to feed - fresh biomass - (daily generated material) to low pressure boilers instead of old biomass just for avoid operational problems (high pressure boilers can take care of a mixture of old & fresh fuel material, low pressure ones are very sensitive to fuel quality). As a result disposal of old biomass has lead to environmental problems in Southern Chile.

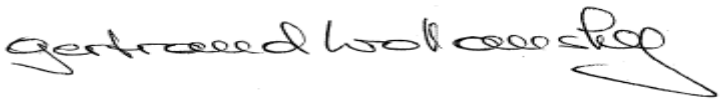
The break even point to overcome investment barriers (at least in Chile) and solve the environmental problem of old biomass stockpiles will be at least in the range of 100,000 dry tones of old biomass per year equivalent to approx ERs = 120,000 ton CO2e/y.

Recommendation by the SSC WG :

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

Please refer to Paragraph 5 of the meeting report of the SSC WG 06 (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 (SSC-WG) of the CDM Executive Board would like to thank you for the submission. The SSC-WG is unable to accept the submission due to the following reasons: a. Present applicability conditions of AMS III E do not allow the project activity referred to in the submission as AMS III E is only applicable to wastes that would be left to decay anaerobically, and not to wastes that are already decaying in the disposal sites. A change in the applicability condition in AMS III E can be proposed, but in this case it would be needed to assess the age distribution of the decaying material, and/or its lignin content, in order to assess its methane generation potential. Other possibility would be to use a conservative approach, assuming that all the wastes processed by the project activity assumed to be of the same age as the oldest material presently available in the disposal site. b. The cap agreed by EB is applicable to only Type III component of the projects and does not prevent combustion of more biomass than 19,000 dry tones per year and earn credit from Type I component (renewable energy) through appropriate measures. c. More than half of the registered[1] large-scale projects with the same sectoral scope as AMS III E i.e. 'waste handling and disposal' (scope no 13) have ERs less than 120,000 per annum. Small Scale projects benefit from simplified requirements for PDD, baseline, monitoring, validation, registration and so on that result in reduced transaction costs as compared to large scale counterparts. d. The Board at its 24th meeting has requested SSC WG to develop new type III categories with more precise estimation of emission reductions and more detailed monitoring (which are not capped to a level of 25 Kilo tons ERs per annum). As requested by the Board SSC WG will make recommendations for new type III categories at its seventh meeting. The project participant is welcome to make submission to the SSC WG for the aspects under Para a and Para d above taking into account that it is possible to propose broadening the applicability conditions of AMS III E, and the fact that "old" biomass shows much lower methane generation potential than fresh biomass and requirement for 'monitoring' therefore to capture the 'age' of the biomass and/or its lignin content. Submission may please be made to the SSC WG before 26th July 2006 to be considered at its seventh meeting.
 Signature of SSC WG Chair …….. Date: 21/ 06 /06 *(Gertraud Wollansky)* Signature of SSC WG Vice-Chair …….. Date: / / *(name)*

Information to be completed by the secretariat	
SSC-Submission number	SSC_054
Date when the form was received at UNFCCC secretariat	21 June 2006
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[1] until 10 May 06