

**REPORT OF THE FIFTY-SIXTH MEETING OF
THE METHODOLOGIES PANEL**

Langer Eugen, UN Campus, Bonn, Germany
11–15 June 2012

**RECOMMENDATIONS BY THE METHODOLOGIES PANEL
TO THE CDM EXECUTIVE BOARD**

A. Opening of the meeting and adoption of the agenda

1. The Chair of the Methodologies Panel (the panel), Mr. Thomas Bernheim, opened the meeting.
2. The Chair on behalf of the panel welcomed the new members, Mr. Niroj Mohanty, Mr. Abderrahmane Naas and Ms. Jessica Wade-Murphy, and expressed deep appreciation to the outgoing members, Mr. Dinesh Aggarwal, Mr. Alex Dunn and Mr. Hemant Nandanpawar.
3. The Chair, Vice-Chair, Board support members and the panel expressed their gratitude to the outgoing secretariat staff members Emma Scott-Boon and Lambert Schneider for their excellent contribution and support to the panel.
4. The agenda was adopted as proposed.

B. Proposed new methodologies

5. The panel considered the proposed new methodologies listed in the table below, as well as desk reviews and public inputs received, where applicable.
6. The final recommendations, proposed by the panel for consideration by the clean development mechanism (CDM) Executive Board (the Board), are made available on the UNFCCC CDM website at <<http://cdm.unfccc.int/goto/MPpropmeth>>.
7. In accordance with the procedures for the submission and consideration of a proposed new methodology, project participants may submit to the secretariat, copying the designated operational entity (DOE), clarifications to preliminary recommendations. If project participants provide the clarifications within four weeks of receiving the preliminary recommendation, then the panel considers the proposed new methodology at its next meeting. If project participants do not provide clarifications related to the preliminary recommendation within a timeframe of three months after the date of the published report of the panel meeting at which the proposed new methodology received its preliminary recommendation, the submission will be considered withdrawn.

8. The panel agreed on the following recommendations:

Table 1: Proposed new methodologies

Proposed new methodology	Recommendation¹
NM0350: Improving Energy Efficiency in Data Centers through Dynamic Power Management	A (see paragraph 9 and annex 1)
NM0354: Energy efficiency improvements of a lime production facility through installation of new kilns	A (see annex 2)
NM0356: New natural gas based combined heat and power plant	A (see annex 3)
NM0357: Methodology for Rail Projects	Preliminary recommendation
NM0358: Interconnection between electricity systems for international energy exchange	Preliminary recommendation
NM0359: New grid connected coal fired cogeneration power plants using a less GHG intensive technology	Preliminary recommendation
NM0360: Use of lower energy-intensive intermodal transportation method to transport freight (use of pipeline rather than over-the-road truck)	Preliminary recommendation
NM0361: Abatement of fluorinated compounds (FCs) from semiconductor manufacturing at UMC Singapore Branch	Preliminary recommendation

9. NM0350 “Improving Energy Efficiency in Data Centers through Dynamic Power Management”

In response to the request contained in paragraph 79 of the report of the sixty-seventh meeting of the Board, the panel revised the draft proposed new methodology and recommended the Board to approve the draft of the methodology. The draft methodology is contained in annex 1. An information note explaining the rationale of the changes made in response to the Board’s request is contained in annex 14.

C. Development of new methodologies and tools

10. Top-down development of the draft methodological tool “Upstream leakage emissions associated with fossil fuel use”

In response to the task of developing top-down methodologies and tools, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel could not conclude its consideration of this issue, as further work is needed on the default emission factors for upstream emissions for different types of fossil fuels.

¹ Recommendations on the proposed new methodologies from the panel A (recommended for approval) and C (recommended for non-approval) are final recommendations to the Board. Preliminary recommendations are technical clarifications requested by the panel from project participants before finalizing its recommendation to the Board.

D. Revisions and amendments of approved methodologies and tools

11. The panel requested the Board to consider the following responses to requests for revision related to the application of approved baseline and monitoring methodologies and methodological tools. The requests submitted and the responses provided by the panel are made publicly available on the UNFCCC CDM website at <http://cdm.unfccc.int/methodologies/PAmethodologies/revisions> and <http://cdm.unfccc.int/methodologies/PAmethodologies/tools-revisions>.

Table 2: Requests for revision

Number of the request for revision	Approved methodology or tool	Title of the request for revision	Panel response
AM_REV_0226	AM0025	AM0025, Avoided emissions from organic waste through alternative waste treatment processes, Version 12.0	To revise (see paragraph 13)
AM_REV_0232	ACM0009	Revision in ACM0009 in order to expand its applicability to greenfield project activities	Not to revise
AM_REV_0233	AM0048	Expansion of AM0048 to include cogen projects that produce hot water. Currently only steam generation is considered. Opens the meth to projects supplying to district heating systems which typically use hot water	To amend (see paragraph 17)
AM_REV_0234	ACM0007	Conversion from single cycle to combined cycle power generation	To amend (see paragraph 20)
AM_REV_0235	AM0035	Revision of AM0035 on the applicability and baseline methodology for the existing recycling activity	Work in progress (see paragraph 16)
AM_REV_0236	AM0050	Revision of AM0050 to expand its applicability of the situations where it is presently not applicable	To revise (see paragraph 18)

12. AM0009 “Recovery and utilization of gas from oil wells that would otherwise be flared or vented”

In response to the request for clarification AM_CLA_0232 and the task of implementing programme of activities (PoA) standards and procedures, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Clarifies that the leakage emissions shall only be accounted for in project activities where the recovered gas is transported to a processing plant where it is processed into hydrocarbon products (e.g. dry gas, liquified petroleum gas and condensates) and where the dry gas is compressed, transported by

trailers/trucks/carriers, and subsequently decompressed and re-gasified, before it finally enters the gas pipeline;

- (b) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information).

The draft revision is contained in annex 4.

13. AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the request for revision AM_REV_0226 and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the panel, the panel requested the Board to approve the revision of the methodology. The draft revision:

- (a) Broadens the applicability of the methodology by allowing the treatment of wastewater in combination with solid waste, by co-composting or in an anaerobic digester;
- (b) Neglects transport emissions, emissions associated with combustion of biogas and emissions associated with the management of by-products of combustion (e.g. ash);
- (c) Accounts for emission reductions from sending upgraded biogas to a natural gas distribution system;
- (d) Includes general provisions under which the products or by-products from the project activity may be used in a separate project activity;
- (e) Changes the structure of the methodology and makes other editorial improvements;
- (f) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information).

A draft revision of the methodology was prepared at the 55th meeting of the panel. Subsequently, the Chair of the panel launched a call for public inputs on the draft. One input was received with regard to the call, which was considered by the panel when finalizing the revision to the methodology. The draft revised methodology is contained in annex 5. The panel also recommended the Board to withdraw the approved methodology AM0039 “Methane emissions reduction from organic waste water and bioorganic solid waste using co-composting” as it is fully incorporated in the revision of AM0025.

14. AM0028 “Catalytic N₂O destruction in the tail gas of Nitric Acid or Caprolactam Production Plants” and AM0034 “Catalytic reduction of N₂O inside the ammonia burner of nitric acid plants”

In response to the request contained in paragraph 92 of the report of the sixty-sixth meeting of the Board, the panel requested the Board to take note that the panel could not conclude its recommendation for this request as the input from the consultant was not received in time to finalize the consideration of this issue. The panel will continue the consideration of this issue at its next meeting.

15. AM0031 “Baseline methodology for bus rapid transit projects”

In response to the task of improving approved methodologies and tools and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the panel, the panel recommended the Board to take note that the panel will continue its consideration of this methodology at its next meeting.

16. AM0035 “SF₆ Emission Reductions in Electrical Grids”

In response to the request for revision AM_REV_0235, the panel requested the Board to take note that the panel could not conclude its consideration of the request for revision as further analysis is required with regard to the procedures to determine the baseline emissions in case of lack of historical information. The panel intends to finalize the consideration at its next meeting.

17. AM0048 “New cogeneration facilities supplying electricity and/or steam to multiple customers and displacing grid/off-grid steam and electricity generation with more carbon-intensive fuels”

In response to the request for revision AM_REV_0233, the panel recommended the Board to approve an amendment of the methodology. The draft amendment:

- (a) Broadens the applicability of the methodology, by including calculations for the baseline emissions for projects that generate hot water;
- (b) Implements several editorial corrections.

The draft amendment is contained in annex 6.

18. AM0050 “Feed switch in integrated Ammonia-urea manufacturing industry”

In response to the request for revision AM_REV_0236 and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (c) Adds references to methodological tools and introduces new definitions;
- (d) Expands the applicability of the methodology allowing the use of any type of hydrocarbon feedstock and allowing a 10 per cent increase in the capacity of the project activity;
- (e) Introduces leakage emissions from upstream emissions due to CO₂ removal from the raw natural gas stream;
- (f) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information);
- (g) Implements several editorial corrections.

The draft revision is contained in annex 7.

19. AM0091 “Energy efficiency technologies and fuel switching in new buildings”

In response to the task of using standardized approaches, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered possible standardized approaches to be introduced in the methodology that will be further explored in the course of the work.

20. ACM0007 “Conversion from single cycle to combined cycle power generation”

In response to the request for revision AM_REV_0234, the panel recommended the Board to approve an amendment of the methodology. The draft amendment:

- (a) Introduces a definition for a grid electricity system;
- (b) Allows regional or national default values (net calorific values and emission factors) not only for liquid fuels, but also for other types of fossil fuels, in cases where it can be demonstrated that values provided by the fuel suppliers are unavailable.

The draft amendment is contained in annex 8.

21. ACM0009 “Consolidated baseline and monitoring methodology for fuel switching from coal or petroleum fuel to natural gas”

In response to the request for clarification AM_CLA_0231, the panel recommended the Board to approve a revision of the methodology. The draft revision corrects errors with regard to the use of IPCC default values. The draft revision is contained in annex 9.

22. ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems”

In response to the task of improving approved methodologies and tools and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Adds reference to methodological tools;
- (b) Improves the clarity of the language and provides an additional option to estimate project N₂O emissions;
- (c) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information).

A draft revision of the methodology was prepared at the 55th meeting of the panel. Subsequently, the Chair of the panel launched a call for public inputs on the draft. No inputs were received with regard to the call. The draft revised methodology is contained in annex 10.

23. ACM0013 “Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology”

In response to the request contained in paragraph 84 of the report of the sixty-seventh meeting of the Board and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Incorporates a more objective procedure to identify the baseline scenario;
- (b) Provides additional guidance for the investment comparison analysis for the demonstration of additionality;
- (c) Improves the procedure to determine the efficiency of the baseline technology;
- (d) Clarifies the data requirements and accounts for the potential impact of the data vintage of the plants used to determine the baseline efficiency through Approach/Option 2;
- (e) Takes into account the comments received from the call for public inputs;

- (f) Takes into account the comments made by the Board members during the consideration of the methodology at the sixty-seventh meeting of the Board;
- (g) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information).

The draft revised methodology is contained in annex 11. An information note, explaining the rationales for the revision and how the comments were considered, is contained in annex 15.

24. ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”

In response to the request contained in paragraph 92 of the report of the sixty-fifth meeting of the Board, the task of improving approved methodologies and tools, as contained in the 2012 workplan and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve the revision of the methodology. The draft revision:

- (a) Simplifies the procedures to estimate baseline methane emissions and electricity generation;
- (b) Broadens the applicability of the methodology to the treatment of any type of wastewater;
- (c) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information);
- (d) Improves the overall structure of the methodology.

The draft revised methodology is contained in annex 12.

25. Tool to determine project emissions from flaring gases containing methane

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve the revision of the tool. The draft revision:

- (a) Provides an additional option for determining the methane destruction efficiency of an enclosed flare, using biannual measurements of the efficiency of the flare;
- (b) Expands the applicability of the tool to flaring gases that also contain ammonium and hydrogen sulphide;
- (c) Defines low height flares and specifies how the methane destruction efficiency shall be determined for these type of flares;
- (d) Improves the structure and other editorial aspects.

The draft revised tool is contained in annex 13.

26. Tool to calculate the emission factor for an electricity system

In response to the task of using standardized approaches, as contained in the 2012 workplan of the panel, the panel recommended the Board to launch a call for public inputs on an information note, as contained in annex 16, with the view to seeking inputs on potential options to use standardized approaches for the off-grid component of the methodological tool.

E. Clarifications to approved methodologies and tools

27. The panel requested the Board to take note of the following responses to requests for clarification related to the application of approved baseline and monitoring methodologies and methodological tools. The requests submitted and the responses provided by the panel are made publicly available on the UNFCCC CDM website at <<http://cdm.unfccc.int/methodologies/PAmethodologies/clarifications>> and <<http://cdm.unfccc.int/methodologies/PAmethodologies/tools-clarifications>>. If requests for clarification resulted in a recommendation by the panel to revise an approved methodology or approved tool they are reflected in section D.

Table 3: Requests for clarification

Number of the request for clarification	Approved methodology or tool	Title of the request for clarification	Panel response
CLA_TOOL_0015	Tool for the demonstration and assessment of additionality	Clarification request on application of common practice analysis with Tool for the demonstration and assessment of additionality (version 6.0.0)	Clarified (see paragraph 28)
CLA_TOOL_0016	Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion	Applicable conditions for Tool to calculate project or leakage CO ₂ emissions from fossil fuel combustion (EB41, annex11, ver02)	Clarified
AM_CLA_0228	ACM0002	Clarification on monitoring parameter TEGy of ACM0002 version 09	Clarified (fast track)
AM_CLA_0229	ACM0012	Planned expansion as CDM project activity and utilization of common steam header and turbines	Clarified
AM_CLA_0230	ACM0012	Clarification about project boundary in ACM0012 version 04.0	Clarified
AM_CLA_0231	ACM0009	Clarification Requested	Clarified (see paragraph 21)
AM_CLA_0232	AM0009	Clarification on leakage calculations for projects not involving CNG	Clarified (see paragraph 12)
AM_CLA_0233	AM0090	Clarification about the applicability condition regarding cargo transported under the project activity	Clarified (fast track)

28. Tool for the demonstration and assessment of additionality

While considering the request for clarification CLA_TOOL_0015, the panel identified an issue with paragraph 47 of the “Tool for the demonstration and assessment of additionality”. In applying the procedure in paragraph 47, project participants are required to identify all plants that have a capacity of $\pm 50\%$ of the capacity of the proposed project activity and that have started commercial operation before the start date of the project. In many cases it may be difficult to collect data from every single plant as the data may not be publicly available. The panel recommended the Board to clarify whether project participants may use information available from reputable organizations (e.g. government departments, industry associations, international associations) to demonstrate the requirements set out in paragraph 47 of the tool. The panel also identified other issues related to the barriers of first-of-its-kind and common practice in the tool and requested the secretariat to consider these in preparing the concept note on this matter, as contained in the 2012 management plan of the Board.

F. Other issues

29. Selection of the crediting period

In response to the request contained in paragraph 107 of the report of the sixty-seventh meeting of the Board, the panel requested the Board to take note that the panel assessed the issue and agreed to initiate the revision of existing methodologies that only allow the selection of a single crediting period and to assess whether changes are required to the methodological tool “Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period”.

30. Consideration of draft revised large-scale methodologies to include PoA provisions

In response to the request contained in paragraph 90 of the report of the sixty-sixth meeting of the Board and the task of implementing PoA standards and procedures, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel recommended requirements on the use of large-scale methodologies under a PoA for the following methodologies:

- (a) AM0009 “Recovery and utilization of gas from oil wells that would otherwise be flared or vented”;
- (b) AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”;
- (c) AM0050 “Feed switch in integrated Ammonia-urea manufacturing industry”;
- (d) ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems”;
- (e) ACM0013 “Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology”;
- (f) ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”.

The requirements have been incorporated in the draft revisions recommended to the Board for approval (see paragraphs 12, 13, 18, 22, 23 and 24). In revising these methodologies, the panel also identified a policy issue and requested the Board to consider this issue and provide guidance on this matter. The issue is explained in an information note contained in annex 17.

31. Consideration of draft revised methodologies to address suppressed demand

In response to the task of considering methodologies to address suppressed demand, as contained in the 2012 workplan of the panel and taking into account the agreed list of approved methodologies to be considered as priorities as contained in paragraph 105 of the report of the sixty-seventh meeting of the Board, the panel requested the Board to take note that it will initiate the revisions to the following methodologies to address the issue of suppressed demand:

- (a) AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”;
- (b) ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”.

32. Consultation on draft revised suppressed demand guidelines

In response to the task of improving the suppressed demand guidelines, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered a draft revision of the “Guidelines on the consideration of suppressed demand in CDM methodologies” and provided feedback to the secretariat. The secretariat has taken note of the feedback which will be considered when finalizing the draft revision of the “Guidelines on the consideration of suppressed demand in CDM methodologies” for its consideration by the Board.

33. Consultation on draft concept note on improvements in the demonstration of additionality

In response to the task of improving the demonstration of additionality, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered options identified by the secretariat to improve the demonstration of additionality and provided feedback to the secretariat. The secretariat has taken note of the feedback which will be considered when finalizing a concept note on improvement of additionality demonstration for its consideration by the Board.

34. Accounting for uncertainties in measurement in methodologies: consultation on a concept note on the development of guidance

In response to the task of accounting for uncertainties in methodologies, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered a draft concept note entitled “Uncertainty of measurements in baseline and monitoring methodologies” and provided feedback to the secretariat. The secretariat has taken note of the feedback which will be considered when finalizing the concept note for its consideration by the Board.

35. Consultation on draft guidelines on standardized approaches for determining baselines

In response to the task of preparing draft guidelines on standardized approaches for determining baselines, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered the guidelines and provided feedback to the secretariat. The secretariat has taken note of the feedback which will be considered when finalizing the guidelines for their consideration by the Board.

36. Consultation on the draft annex to the guidelines on establishment of sector specific standardized baselines defining options for the setting and approval of values of the relevant thresholds

In response to the task of preparing an annex to the guidelines on establishment of sector specific standardized baselines defining options for the setting and approval of values of the relevant thresholds, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered a presentation from the secretariat and provided its feedback. The secretariat has taken note of the feedback which will be considered when finalizing the guidelines for their consideration by the Board.

37. Consultation on a proposal on managing data on cost and efficiency of technologies for selected sectors

In response to the task of managing data on cost and efficiency of technologies for selected sectors, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered a concept note on a database on cost and efficiency of technologies and provided its feedback to the secretariat. The secretariat has taken note of the feedback which will be considered when finalizing the concept note for its consideration by the Board.

G. Schedule of meetings and rounds of submissions

38. The panel noted that the date for its 57th meeting is 13 to 17 August 2012.

39. Following the guidance contained in paragraph 5 of the “Procedure for the submission and consideration of a proposed new baseline and monitoring methodology for large scale CDM project activities”, the panel considers proposed new methodologies submitted by a deadline at a subsequent meeting conditional to priorities set by the Board and by the Chair of the panel.

40. Project participants may note that the deadline for the 47th round of submissions of proposed new methodologies to be considered at the 57th meeting was 4 June 2012, 24:00 GMT and the deadline for the 48th round of submissions of proposed new methodologies to be considered at the 58th meeting is 6 August 2012, 24:00 GMT.

41. Project participants may also note that the deadline for the submission of requests for revision to be considered at the 57th meeting was 4 June 2012, 24:00 GMT and the deadline for the submission of requests for revision to be considered at the 58th meeting is 6 August 2012, 24:00 GMT. The deadline for the submission of requests for clarification to be considered at the 57th meeting is 2 July 2012, 24:00 GMT.

H. Desk Reviews

42. The panel noted the satisfactory completion of the desk reviews undertaken for the proposed new methodologies.

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Annexes to the external report of the 56th meeting of the methodologies panel

- Annex 1 - Draft reformatted baseline and monitoring methodology based on NM0350;
- Annex 2 - Draft reformatted baseline and monitoring methodology based on NM0354;
- Annex 3 - Draft reformatted baseline and monitoring methodology based on NM0356;
- Annex 4 - Draft revision of AM0009 “Recovery and utilization of gas from oil wells that would otherwise be flared or vented”;
- Annex 5 - Draft revision of AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”;
- Annex 6 - Draft amendment of AM0048 “New cogeneration facilities supplying electricity and/or steam to multiple customers and displacing grid/off-grid steam and electricity generation with more carbon-intensive fuels”;
- Annex 7 - Draft revision of AM0050 “Feed switch in integrated Ammonia-urea manufacturing industry”;
- Annex 8 - Draft amendment of ACM0007 “Conversion from single cycle to combined cycle power generation”;
- Annex 9 - Draft revision of ACM0009 “Consolidated baseline and monitoring methodology for fuel switching from coal or petroleum fuel to natural gas”;
- Annex 10 - Draft revision of ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems”;
- Annex 11 - Draft revision of ACM0013 “Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology”;
- Annex 12 - Draft revision of ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”;
- Annex 13 - Draft revision of the “Tool to determine project emissions from flaring gases containing methane”;
- Annex 14 - Information note on the considerations of NM0350 “Improving Energy Efficiency in Data Centers through Dynamic Power Management”;
- Annex 15 - Information note on the proposed revision of ACM0013;
- Annex 16 - Information note on a call for public inputs on the standardization of the off-grid component of the “Tool to calculate the emission factor for an electricity system”;
- Annex 17 - Information note on the use of methodologies under programmes of activities.