

**REPORT OF THE THIRTY-SECOND MEETING OF
THE SMALL-SCALE WORKING GROUP**

UNFCCC Headquarters, Bonn, Germany
21–24 June 2011

RECOMMENDATIONS BY THE SSC WG TO THE CDM EXECUTIVE BOARD

A. Opening of the meeting and adoption of the agenda

1. The Chair of the Small-Scale Working Group (SSC WG), Ms. Fatou Gaye, opened the meeting.
2. The agenda was adopted as proposed.

B. Proposed new methodologies

3. The SSC WG considered submissions requesting creation of new methodologies. The detailed responses provided by the SSC WG are made publicly available at: <<http://cdm.unfccc.int/methodologies/SSCmethodologies/NewSSCMethodologies/index.html>>. They can also be accessed by clicking the hyperlinked submission numbers in the table below.

| Request for new methodologies | | |
|--------------------------------------|--|-----------------------|
| Submission number | Title | Recommendation |
| SSC-NM065 | Introduction of fuel efficiency improvement technologies for motorcycles | (See paragraph 4) |

4. In response to the proposed new methodology SSC-NM065 “Introduction of fuel efficiency improvement technologies for motorcycles”, the SSC WG agreed not to recommend the methodology since the proposed methodology does not distinguish between the fuel savings attributable to improvements in combustion efficiency and those that are due to improvements in energy efficiency, as required by the Board (EB 32, paragraph 28). Furthermore, the proposed methodology neither complies with the guidance by the Board on eligibility of project activities involving transfer of know-how and training (EB 23, paragraph 80), nor does it conform with the eligibility of project activities creating infrastructure as CDM project activities (EB 33, paragraph 30).

C. Development of new methodologies and tools

5. The SSC WG agreed to continue working on the top-down development of a new methodology for demand side energy efficiency for agricultural pumping and irrigation activities, focusing on replacement of the existing inefficient pumps.
6. The SSC WG reviewed input from external experts and provided feedback and is expecting further input from these experts on building modeling and expanded thermal applications in buildings, hence the group agreed to continue working on this top-down development of a new methodology.

7. The SSC WG prepared an initial draft of a new methodology for energy efficient lighting and controls for buildings and agreed to finalize the methodology by its next meeting (taking into account external expert input if required) with a view to finalized the draft methodology for recommendation at its thirty-fourth meeting or earlier. This methodology will address lighting technologies not covered under AMS-II.J which is exclusively for residential CFLs.

8. The SSC WG agreed to recommend to approve the draft new methodology for “Demand-side energy efficiency activities for installation of low-flow hot water savings devices”, as contained in annex 1, taking into consideration comments received during the call for public inputs. The SSC WG prepared responses to the public comments, as contained in annex 2. The new methodology includes low-flow devices used for personal bathing (i.e. low-flow showerheads), kitchen faucets, and/or bathroom faucets.

D. Revisions of approved methodologies and tools

9. The SSC WG considered submissions requesting revisions to approved SSC methodologies. The detailed responses provided by the SSC WG are made publicly available at: <<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>>. They can also be accessed by clicking the hyperlinked submission numbers in the table below.

| Requests for Revisions | | |
|-------------------------|--|--------------------|
| SSC_535 | Revision of AMS-II.I for a project involving the optimization of fuel-gas consumption in a coke oven | (See paragraph 10) |
| SSC_538 | Revision of AMS-I.E to allow simplified option to determine the quantity of biomass/biogas | (See paragraph 11) |
| SSC_541 | Revision of AMS-III.F to include composting of sewage sludge | (See paragraph 12) |

10. **Revision of AMS-II.I “Efficient utilization of waste energy in industrial facilities”:** in response to the submission SSC_535 requesting revision of AMS-II.I for a project optimizing the fuel-gas consumption in a coke oven, the SSC WG agreed not to recommend the revision as the group noted that energy savings claimed through the optimization measures would be difficult to distinguish from other external variables that influence the complex reaction process in the coke oven batteries/process and that it would be challenging to establish a baseline under the small-scale methodological framework.

11. **Revision of AMS-I.E “Switch from non-renewable biomass for thermal applications by the user”:** in response to the submission SSC_538 requesting revision of AMS-I.E to allow simplified options to determine the quantity of biomass/biogas, the SSC WG agreed not to revise the methodology at this meeting. In relation to the query on determination of average annual consumption of woody biomass “per household” as an alternative to “per appliance”, the SSC WG agreed to clarify that the expression “per appliance” does not preclude the survey to be done “per household”. Regarding the proposed option to calculate the net thermal energy using national standards or related literature, the SSC WG is of the opinion that some issues may require further investigation before recommending such an approach.

12. **Revision of AMS-III.F “Avoidance of methane emissions through composting”:** in response to the submission SSC_541 requesting revision of AMS-III.F to include composting of sewage sludge, the SSC WG agreed to clarify that sewage sludge composting is covered in the current version of AMS-III.F.

13. **Revision of AMS-III.AR “Substituting fossil fuel based lighting with LED lighting systems”:** the SSC WG continued its top-down work on revisions to AMS-III.AR taking into account expert and project proponent input to potentially align the methodology with the latest

Lighting Africa's Quality Assurance Tests Methods. The SSC WG notes that, on the basis of AMS-III.AR, projects are being formulated to focus on significantly increasing access to high quality solar lighting systems in developing countries. Given the potential scale up activity with the methodology in the near future the SSC WG indicated it would invite further input on how to modify the methodology to enhance the usability of the methodology while ensuring environmental integrity. To this end the SSC WG will consider recommending modifications to AMS-III.AR at its 33rd or 34th meeting.

14. **Revision of AMS-III.AJ “Recovery and recycling of materials from solid wastes”**: taking into account inputs from project proponents, stakeholders from the informal and formal sector, the SSC WG agreed to recommend the Board to approve the revised methodology AMS-III.AJ, as contained in annex 3. The revision includes simplified requirements such as the use of default values for project emissions for the informal waste sector.

15. **Revision of AMS-III.AV “Low greenhouse gas emitting water purification systems”**: the SSC WG agreed to recommend a revision of the water purification methodology, as contained in annex 4, taking into consideration comments received during the call for public inputs. The SSC WG prepared responses to the public comments, as contained in annex 5. The revised methodology increases the threshold to 60% thereby making more regions eligible under case 1. Additional guidance on performance testing procedures and monitoring provisions are included. A cap of 5.5 litres per person per day applies to all project activities applying the methodology (both Case 1 and 2).

E. Clarifications to approved methodologies and tools

16. The SSC WG considered submissions requesting clarifications to approved SSC methodologies. The detailed responses provided by the SSC WG are made publicly available at: <<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>>. They can also be accessed by clicking the hyperlinked submission numbers in the table below.

| Requests for clarifications | | |
|------------------------------------|--|--------------------|
| SSC_534 | Clarification on the applicability of AMS-II.H for a new Power and Cooling system in an Industrial facility | (See paragraph 17) |
| SSC_536 | Query on using referenced literature values of solar cooker efficiency for emission reductions calculation | (See paragraph 18) |
| SSC_537 | Clarification on the use of multiple methodologies for PoA (AMS-I.D and AMS-I.F/AMS-III.F, AMS-III.G and AMS-III.H) | (See paragraph 19) |
| SSC_539 | Clarification on identification of baseline scenario and demonstration of additionality for chiller programme under AMS-II.C | (See paragraph 20) |
| SSC_540 | Clarification on calculation of baseline emissions for chiller programme under AMS-II.C | (See paragraph 21) |

17. In response to the submission SSC_534, requesting clarification on the applicability of AMS-II.H to a Greenfield Power and Cooling system in an Industrial facility the SSC WG agreed to clarify that since the described project involves a simultaneous production of electricity and heat (cooling as heat energy), it can be considered as cogeneration and is therefore eligible under AMS-II.H, provided that all other elements of the methodology are satisfied. In response to the second query the SSC WG agreed to clarify that project emissions due to the operation of a back-up/stand-by system shall be taken into account as per the requirement of AMS-II.H.

18. In response to the submission SSC_536 requesting clarification on using referenced literature values of solar cooker efficiency for emission reductions calculation, the SSC WG would like to point out that the equation given in paragraph 39 of AMS-1.C version 18 is only applicable to project technologies that consume biomass, and the parameter referred to η_{PJ} is the efficiency of a project technology that consumes biomass, and therefore neither the equation nor this parameter are relevant to solar cookers. The author of the query may note a call for public input on issues related to development of new methodology for solar cookers is open. See http://cdm.unfccc.int/public_inputs/index.html.

19. In response to the submission SSC_537, the SSC WG agreed to recommend for approval a combination of methodologies AMS-I.D and AMS-I.F for application to PoA. The SSC WG further elaborated the conditions under which the combination may be applied. The SSC WG noted that the Board has requested the secretariat to prepare new standards for combination of methodologies (EB 60, annex 27).

20. In response to the submission SSC_539, requesting clarification on a chiller programme under AMS-II.C, the SSC WG agreed to clarify that for the installation of chillers at new sites, the proposed approach of using the ASHRAE 90.1 guideline as a baseline approach is in principle acceptable. However, the representativeness and conservativeness of applied values chosen from ASHRAE standards needs to be validated by a DOE. For retrofit project activity, the SSC WG is of the opinion that the baseline scenario shall be the continued use of the existing chiller.

21. In response to submission SSC_540 requesting clarification on calculation of baseline emissions for a chiller programme under AMS-II.C, the SSC WG agreed that in the case of a retrofit project involving the one-for-one replacement of existing chillers, baseline energy consumption can be calculated using the provisions of AM0060. Furthermore, in the case of a Greenfield project, the SSC WG agreed that baseline energy consumption can be calculated using a computer simulation model, provided that all the relevant input parameters required to establish the baseline are transparently described in the PDD and the DOE can validate that: (a) All the relevant model input parameters reasonably describe a credible and conservative baseline scenario; and (b) That the computer simulation model, and its fundamental algorithms, reliably describe the performance of the baseline chiller(s) and auxiliary systems.

22. In response to public comments received the SSC WG recommended an additional option for comparing baseline and project vehicles under AMS-III.C, as contained in annex 6.

F. General guidance and cross-cutting issues

23. Micro-scale additionality

In response to the request by the Board (EB 61, paragraph 60) the SSC WG undertook a technical assessment of the submissions received by the DNAs of Chile, Cote d'Ivoire, India, Peru, Thailand, Sri Lanka and Mongolia regarding the "Guidelines for demonstrating additionality of microscale project activities", as contained in annex 7.

In summary, the findings of the SSC WG are that:

- Subject to suggested clarifications to the micro-scale additionality guidelines, the DNA requests for additionality findings are technically valid;
- Several recommendations are made for clarifications to the micro-scale additionality rule. The most critical two are:
 - Define "technology" more specifically for determining whether the technology meets the criteria of "the total installed capacity of the

technology/measure contributes less than or equal to 5% to national annual electricity generation”;

- Clarify that the ‘national annual electricity generation’ refers to grid electricity generation only.

24. **Top-down Development of Standardized baselines**

As requested by the Board, the SSC WG undertook an initial analysis of methodologies potentially suitable for top-down development of standardized baselines, particularly in agriculture, rural energy supply and transport sectors. The group is of the opinion that country-specific default values for baseline determination should be explored for introduction in AMS-I.E, AMS-II.G, AMS-III.AA and AMS-III.AU.

G. Schedule of meetings and rounds of submissions

25. The SSC WG agreed to schedule its thirty-third meeting from 22 to 25 August 2011 taking into account the schedule of the Board. The deadline for new methodology submissions to this meeting is 27 June 2011 and the deadline for submitting requests for clarifications/revisions for the SSC WG 33 meeting is 25 July 2011.

H. Desk reviews

26. The SSC WG noted the satisfactory completion of the desk review SSC-NM065 undertaken for the proposed new SSC methodologies considered at the meeting.

External annexes to the thirty-second meeting of the SSC WG

Annex 1 - SSC-II.M “Demand-side energy efficiency activities for installation of low-flow hot water savings devices”

Annex 2 - Responses to public comments on SSC-II.M “Demand-side energy efficiency activities for installation of low-flow hot water savings devices”

Annex 3 - Draft revision of AMS-III.AJ “Recovery and recycling of materials from solid wastes”

Annex 4 - Draft revision of AMS-III.AV “Low greenhouse gas emitting water purification systems”

Annex 5 - Responses to public comments on AMS-III.AV “Low greenhouse gas emitting water purification systems”

Annex 6 - Clarification on the approved methodology AMS-III.C, version 13 regarding the requirements for demonstrating comparability of project and baseline vehicles

Annex 7 - Technical assessment of DNA submissions on “Guidelines for the demonstration of additionality of micro-scale project activities under 5 MW”