CDM: Response form for request for clarification on Approved Methodologies (version 01.1)

Date of Meth Panel meeting:	25 - 29 August 2008
Title and number of request for clarification	Negative emissions in grid connected electricity generation from renewable sources. (ACM0002 v6) AM_CLA_0103

Summary of the query:

Please use the space below to summarize the request for clarification on the related approved methodologies.

The request for clarification is regarding EB guidance (EB21, para 18) on negative emission reductions and its application and interpretation in the context of methodology ACM0002 v6. The project activity is the installation of a hydropower plant (Yutan II) with an installed capacity of 16 MW supplying power to the grid. There is an already existing hydropower plant at the site (Yutan I) and the average annual combined output from the two plants is expected to be 101,380 MWh. Project emissions and leakage are zero.

The issue (for the project activity 0939) is that by using the following equation:

ER = BE-PE-LE

The project participants could potentially end up in negative emission reductions even though the project emissions and leakage were zero. The PPs claim that the intention of the EB guidance was to deal with negative emission reductions resulting from poor performance or due to leakage effects outweighing emission reductions. The reason being that in some years the combined output could be below the average annual output from the existing hydropower plant of 54,564 MWh per year and thus result in negative emission reductions. The reason for the low output is the variability in the water resource available for the power generation in certain years and not the increase in fossil fuel emissions and is therefore not related to project emissions or leakage. The PPs have requested that the emission reductions for such category of projects should be minimized at zero rather than negative as in fact there is no increase in emissions due to project emissions or leakage.

Recommendation by the Meth Panel:

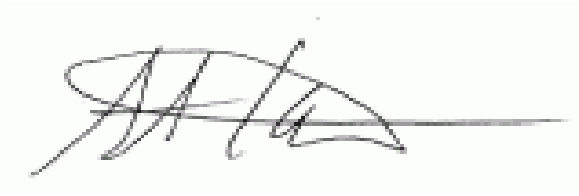
Please use the space below to provide amendments /changes (in your expert view, if necessary).

In the context of the methodology the request from PPs is not justified as the PPs are allowed to establish the historic baseline for power generation based in a minimum of 5 years of data with the possibility of excluding data for periods affected by unusual circumstances such as natural disasters, conflicts, transmission constraints (page 10 of the methodology). The PPs could therefore select data that would capture the variability in water availability in the project area and would therefore be most representative of their project activity.

Negative emission reductions or conversely the gains in emission reductions resulting from natural variability is a functional limitation of the methodology and has to be accepted in application of this approach.

Answer to authors of the request for clarification by the Meth Panel :

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



Signature of Meth Panel Chair ……..
Date: 06/08/2008 *(Akihiro Kuroki)*

Signature of Meth Panel Vice-Chair ……..
Date: 06/08/2008 *(Philip Gwage)*

Information to be completed by the secretariat	
F-CDM-AM	AM_CLA_0103
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