



Indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories

NOTE: The following project activities are required to make the PDD publicly available as per the guidance in paragraph 29 of the report of the twenty seventh meeting of the Board:

1. Project activities that involve the addition of renewable energy units at an existing renewable energy facility.
2. Project activities that seek to retrofit or modify an existing facility for renewable energy generation.

TYPE I - RENEWABLE ENERGY PROJECTS

Note: Categories I.A, I.B and I.C involve renewable energy technologies that supply electricity, mechanical and thermal energy, respectively, to the user directly. Renewable energy technologies that supply electricity to a grid fall into category I.D.

All the approved small-scale methodologies, general guidance to the methodologies, information on additionality and abbreviations can be found at:

<http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html> Project participants shall take into account the general guidance to the methodologies, information on additionality, abbreviations and general guidance on leakage provided at <http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html>.

I.D. 'Grid connected renewable electricity generation'

Technology/measure

1. This category comprises renewable energy generation units, such as photovoltaics, hydro, tidal/wave, wind, geothermal and renewable biomass, that supply electricity to and/or displace electricity from an electricity distribution system that is or would have been supplied by at least one fossil fuel fired generating unit.
2. If the unit added has both renewable and non-renewable components (e.g. a wind/diesel unit), the eligibility limit of 15MW for a small-scale CDM project activity applies only to the renewable component. If the unit added co-fires fossil fuel, the capacity of the entire unit shall not exceed the limit of 15MW.
3. Biomass combined heat and power (co-generation) systems that supply electricity to and/or displace electricity from a grid are included in this category. To qualify under this category, the sum of all forms of energy output shall not exceed 45 MW_{thermal} e.g. for a biomass based co-generating system the rating for all the boilers combined shall not exceed 45 MW_{thermal}.
4. Project activities adding renewable energy capacity should consider the following cases:
 - 1) Adding new units;
 - 2) Replacing old units for more efficient units.



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I.D. Grid connected renewable electricity generation (cont)

To qualify as a small scale CDM project activity, the aggregate installed capacity after adding the new units (case 1) or of the more efficient units (case 2) should be lower than 15 MW¹.

5. In the case of project activities that involve the addition of renewable energy generation units at an existing renewable power generation facility, the added capacity of the units added by the project should be lower than 15 MW and should be physically distinct² from the existing units.

6. Project activities that seek to retrofit or modify an existing facility for renewable energy generation are included in this category. To qualify as a small scale project, the total output of the modified or retrofitted unit shall not exceed the limit of 15 MW.

Boundary

7. The project boundary encompasses the physical, geographical site of the renewable generation source.

Baseline

8. In the case of landfill gas, waste gas, wastewater treatment and agro-industries projects, recovered methane emissions are eligible under ~~category III.D~~ a relevant type III category. If the recovered methane is used for electricity generation the baseline shall be calculated in accordance with paragraphs ~~6 or 7~~ below. If the recovered methane is used for heat generation it is eligible under category I.C.

9. For a system where all generators use exclusively fuel oil and/or diesel fuel, the baseline is the annual kWh generated by the renewable unit times an emission coefficient for a modern diesel generating unit of the relevant capacity operating at optimal load as given in Table I.D.1.

¹-Example: 5 MW of new capacity is added to existing 9 MW to make the aggregate capacity of 14 MW which is within the allowed limits for capacity.

² Physically distinct units are those that are capable of generating electricity without the operation of existing units, and that do not directly affect the mechanical, thermal, or electrical characteristics of the existing facility. For example, the addition of a steam turbine to an existing combustion turbine to create a combined cycle unit would not be considered “physically distinct”.



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I.D. Grid connected renewable electricity generation (cont)

**Table I.D.1
Emission factors for diesel generator systems (in kg CO₂e/kWh*) for three different levels of load factors****

| Cases: | Mini-grid with 24 hour service | i) Mini-grid with temporary service (4-6 hr/day) ii) Productive applications iii) Water pumps | Mini-grid with storage |
|------------------|--------------------------------|---|------------------------|
| Load factors [%] | 25% | 50% | 100% |
| <15 kW | 2.4 | 1.4 | 1.2 |
| >=15 <35 kW | 1.9 | 1.3 | 1.1 |
| >=35 <135 kW | 1.3 | 1.0 | 1.0 |
| >=135 <200 kW | 0.9 | 0.8 | 0.8 |
| > 200 kW*** | 0.8 | 0.8 | 0.8 |

*) A conversion factor of 3.2 kg CO₂ per kg of diesel has been used (following revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories)

**) Figures are derived from fuel curves in the online manual of RETScreen International's PV 2000 model, downloadable from <http://retscreen.net/>

***) default values

10. For all other systems, the baseline is the kWh produced by the renewable generating unit multiplied by an emission coefficient (measured in kg CO₂e/kWh) calculated in a transparent and conservative manner as:

(a) A combined margin (CM), consisting of the combination of operating margin (OM) and build margin (BM) according to the procedures prescribed in the approved methodology ACM0002. Any of the four procedures to calculate the operating margin can be chosen, but the restrictions to use the Simple OM and the Average OM calculations must be considered

OR

(b) The weighted average emissions (in kg CO₂e/kWh) of the current generation mix. The data of the year in which project generation occurs must be used.

Calculations must be based on data from an official source (where available)³ and made publicly available.

³ Plant emission factors used for the calculation of emission factors should be obtained in the following priority:

1. *Acquired directly* from the dispatch center or power producers, if available; or
2. *Calculated*, if data on fuel type, fuel emission factor, fuel input and power output can be obtained for each plant;



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I.D. Grid connected renewable electricity generation (cont)

11. In the case of project activities adding renewable energy capacity, if the availability of renewable resources is limited, the impact of a decrease in electricity production from the units installed before the project implementation must be considered.

For the specific case of hydropower plants, this effect could be considered calculating the production of electricity that must be used for emission reduction calculation with the following procedure:

- 1) To estimate every year during the crediting period, the energy that would have been produced in the same hydrological conditions by the units installed before the project;
- 2) The electricity production EG_y (MWh/ year) that must be considered to calculate emission reductions is calculated with the following formula:

$$EG_y = TE_y - WTE_y$$

where:

TE_y = the actual electricity produced in year y in the plant (all units)

WTE_y = the electricity that would have been produced by the units installed before the project under the hydrological conditions of year y

12. In the case of project activities that involve the addition of renewable energy generation units at an existing renewable power generation facility, where the existing and new units share the use of common and limited renewable resources (e.g. streamflow, reservoir capacity, biomass residues), the potential for the project activity to reduce the amount of renewable resource available to, and thus electricity generation by, existing units must be considered in the determination of baseline emissions, project emissions, and/or leakage, as relevant.

For project activities that involve the addition of new generation units (e.g. turbines) at an existing facility, the increase in electricity production associated with the project (EG_y in MWh/ year) should be calculated as follows:

$$EG_y = TE_y - WTE_y$$

if confidential data available from the relevant host Party authority are used, the calculation carried out by the project participants shall be verified by the DOE and the CDM-PDD may only show the resultant carbon emission factor and the corresponding list of plants;

3. *Calculated*, as above, but using estimates such as: default IPCC values from the *IPCC 1996 Revised Guidelines and the IPCC Good Practice Guidance* for net calorific values and carbon emission factors for fuels instead of plant-specific values (note that the *IPCC Good Practice Guidance* includes some updates from the IPCC 1996 Revised Guidelines); technology provider's name plate power plant efficiency or the anticipated energy efficiency documented in official sources (instead of calculating it from fuel consumption and power output). This is likely to be a conservative estimate, because under actual operating conditions plants usually have lower efficiencies and higher emissions than name plate performance would imply; conservative estimates of power plant efficiencies, based on expert judgments on the basis of the plant's technology, size and commissioning date; or

4. *Calculated*, for the simple OM and the average OM, using aggregated generation and fuel consumption data, in cases where more disaggregated data is not available.



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I.D. Grid connected renewable electricity generation (cont)

where:

TE_y = the total electricity produced in year y by all units, existing and new project units

WTE_y = the estimated electricity that would have been produced by existing units (installed before the project activity) in year y in the absence of the project activity, where

$$WTE_y = \text{MAX}(WTE_{\text{actual},y}, WTE_{\text{estimated},y})$$

where,

$WTE_{\text{actual},y}$ = the actual, measured electricity production of the existing units in year y

$WTE_{\text{estimated},y}$ = the estimated electricity that would have been produced by the existing units under the observed availability of the renewable resource (e.g. hydrological conditions) for year y ;

If the existing units shut down, are derated, or otherwise become limited in production, the project activity should not get credit for generating electricity from the same renewable resources that would have otherwise been used by the existing units (or their replacements). Therefore, the equation for WTE still holds, and the value for $WTE_{\text{estimated},y}$ should continue to be estimated assuming the capacity and operating parameters same as that at the time of the start of the project activity.

If the existing units are subject to modifications or retrofits that increase production, then WTE_y can be estimated using the procedures described for EG_{baseline} below.

13. For project activities that seek to retrofit or modify an existing facility for renewable energy generation the baseline scenario is the following:

In the absence of the CDM project activity, the existing facility would continue to provide electricity to the grid (EG_{baseline} , in MWh/year) at historical average levels ($EG_{\text{historical}}$, in MWh/year), until the time at which the generation facility would be likely to be replaced or retrofitted in the absence of the CDM project activity ($DATE_{\text{BaselineRetrofit}}$). From that point of time onwards, the baseline scenario is assumed to correspond to the project activity, and baseline electricity production (EG_{baseline}) is assumed to equal project electricity production (EG_y , in MWh/year), and no emission reductions are assumed to occur.

$EG_{\text{baseline}} = \text{MAX}(EG_{\text{historical}}, EG_{\text{estimated},y})$ until $DATE_{\text{BaselineRetrofit}}$
 $EG_{\text{baseline}} = EG_y$ on/after $DATE_{\text{BaselineRetrofit}}$

Baseline emissions (BE_y in tCO₂) are then, the product of the baseline emissions factor (EF_y in tCO₂/MWh) calculated in paragraph 8 and 9, times the electricity supplied by the project activity to the grid (EG_y in MWh) minus the baseline electricity supplied to the grid in the case of modified or retrofit facilities (EG_{baseline} in MWh), as follows:

$$BE_y = (EG_y - EG_{\text{baseline}}) \cdot EF_y$$



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I.D. Grid connected renewable electricity generation (cont)

EG_{historical} is the average of historical electricity delivered by the existing facility to the grid, spanning all data from the most recent available year (or month, week or other time period) to the time at which the facility was constructed, retrofit, or modified in a manner that significantly affected output (i.e., by 5% or more), expressed in MWh per year. A minimum of 5 years (60 months) (excluding abnormal years) of historical generation data is required in the case of hydro facilities. For other facilities, a minimum of 3 years data is required. In the case that 5 years of historical data (or three years in the case of non hydro project activities) are not available - e.g., due to recent retrofits or exceptional circumstances as described in footnote⁴ † - a new methodology or methodology revision must be proposed.

EG_{estimated,y} is the estimated electricity that would have been produced by the existing units under the observed availability of renewable resource (e.g. hydrological conditions) for year y.

All project electricity generation above baseline levels (EG_{baseline}) would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the combined margin (CM) calculations described.

In order to estimate the point in time when the existing equipment would need to be replaced in the absence of the project activity (DATE_{BaselineRetrofit}), project participants may take the following approaches into account:

- (a) The typical average technical lifetime of the type equipment type may be determined and documented, taking into account common practices in the sector and country, e.g. based on industry surveys, statistics, technical literature, etc.
- (b) The common practices of the responsible company regarding replacement schedules may be evaluated and documented, e.g. based on historical replacement records for similar equipment. The point in time when the existing equipment would need to be replaced in the absence of the project activity should be chosen in a conservative manner, i.e. if a range is identified, the earliest date should be chosen.

Leakage

14. If the energy generating equipment is transferred from another activity or if the existing equipment is transferred to another activity, leakage is to be considered.

Monitoring

⁴ Data for periods affected by unusual circumstances such as natural disasters, conflicts, and transmission constraints shall be excluded



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I.D. Grid connected renewable electricity generation (cont)

15. Monitoring shall consist of metering the electricity generated by the renewable technology. **In the case of co-fired plants, Where co-firing is done,** the amount of biomass and fossil fuel input shall be monitored.