



CLEAN DEVELOPMENT MECHANISM EXECUTIVE BOARD

ANNOTATIONS TO THE PROPOSED AGENDA

ADDENDUM

Thirty-fifth meeting

UNFCCC Headquarters
Bonn, Germany
15 - 19 October 2007

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(b) Methodologies for baselines and monitoring

1. **► Action:** The Board may wish to take note of the report of the twenty-ninth meeting of the Methodologies Panel on baseline and monitoring methodologies (Meth Panel), and an oral report by the Chair of the panel, Mr. Akihiro Kuroki, on the work of the panel.

Background: The Meth Panel held its twenty-ninth meeting in Bonn, Germany on 24 -28 September 2007 and undertook its work in two parallel groups. The Meth Panel dealt with general issues relating to case-specific issues process, methodological clarifications, guidance and other issues, as specified below.

Case specific

2. **► Action:** Taking into consideration the inputs by experts (desk reviewers) and the public, the Board may wish, based on recommendations of the Meth Panel (see MP29 report), to:

(a) Approve cases NM0181-rev, NM0226, and NM0228 as contained in the annexes 1, 3 and 4 respectively, of the Meth Panel report (see MP29 report);

(b) Approve case NM0209-rev, as contained in annex 2 of Meth Panel report (see MP29 report). Further, the Board may wish to approve one of the following options to demonstrate additionality:

(i) Investment analysis; or

(ii) All the options available in the Tool for the demonstration and assessment of additionality.

(c) Not to approve case NM0224 that, if revised taking into account comments, can be resubmitted but will require new expert and public input.

Background: Information on methodologies currently under consideration by the Board and the Meth Panel are available on the UNFCCC CDM website¹. The Meth Panel could not conclude its consideration of cases NM0212, NM0216, NM0212, NM0227, NM0230, and NM0231. The Meth Panel agreed on preliminary recommendations to project participants for the proposal NM0225.

The panel did not conclude its consideration of the case NM0208, which is for project activities that supply electricity to the grid where there is a significant off-grid capacity that could be affected by the project power plant. It has sought further expertise in order to undertake an analysis of the situation in order to identify ways of addressing the issues raised and other outstanding issues. See paragraph 9 of the MP29 report.

The Meth Panel recommended two options for the additionality test in the draft methodology, based on case NM0209-rev or is it NM209, as it considers this case to be exceptional as the technological upgrade undertaken such a project activity is in most countries common practice in the sector. Therefore the panel recommends the use of investment analysis to demonstrate additionality. See paragraph 10 of the MP29 report.

¹ See <<http://cdm.unfccc.int/goto/MPappmeth>>



3. ► **Action:** The Board may wish to clarify whether a methodology written specifically for a Programme of Activities (PoA) can be recommended for approval by the Board.

Background: The Board at its thirty-fourth meeting approved guidance on Annex A gases to the Kyoto Protocol. Based in this guidance the Meth Panel further considered the case NM0197-rev (India - Accelerated Chiller Replacement Program), which replaces old chillers with new efficient chillers. In finalizing (detailed formatting) its recommendation it was revealed that the proposed new methodology presented methodological procedures for a POA and not for the CPA, which included the demonstration of additionality (at the entity and participant level), identification of baseline scenario, estimation of emissions, ex-ante emissions for baseline and project scenario (estimated for future CPA to be added to the PoA) and sampling procedures for the population of CPAs under PoA. The panel was of the view that these procedures should be included in the methodology for a CPA under the PoA and therefore sought further guidance from the Board as to the approach taken in this case (see paragraph 8 of the MP29 report).

Responses to clarifications

4. ► **Action:** The Board may wish to take note and agree to the responses to clarifications provided by the Meth Panel, as referred in the Meth Panel report (see MP29 report)

- (a) Clarified the request AM_CLA_0050 concerning approved methodology AM0010.
- (b) Clarified the request AM_CLA_0051 concerning approved methodology AM0025.
- (c) Clarified the request AM_CLA_0052 concerning approved methodology AM0010.
- (d) Clarified the request AM_CLA_0053 concerning approved methodology ACM0010.
- (e) Clarified the request AM_CLA_0054 concerning approved methodology ACM0002.
- (f) Clarified the request AM_CLA_0055 concerning approved methodology ACM0039.
- (g) Clarified the request AM_CLA_0056 concerning approved methodology ACM0039.
- (h) Clarified the request AM_CLA_TOOL_0001 concerning approved methodological “Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site”.
- (i) Clarified the request AM_CLA_TOOL_0002 concerning approved methodological “Tool for assessment and demonstration of additionality”.

Background: Information on the clarification to methodologies is available on the UNFCCC CDM website (<<http://cdm.unfccc.int/goto/MPclar>>).

Responses to requests for revisions and resultant revision of approved methodologies

5. ► **Action:** The Board may wish to agree to the responses to revisions and the resultant revision of approved methodologies as referred to in the Meth Panel report (see MP29 report):

- (a) Accept request AM_REV_0055 concerning ACM0003 requesting a revision to expand the applicability to project activities that use biomass produced from dedicated plantations on land that was previously used for growing crops, as contained in the annex 8 of the Meth Panel report (see MP29 report).
- (b) Not to accept request AM_REV_0056 concerning AM0036 requesting a revision to expand the applicability to project activities that expand renewable electricity generation to the grid in association with fuel switching from fossil to biomass in the project activity boiler.



(c) Accept request AM_REV_0057 concerning AM0051 requesting a revision to allow measurement of the N₂O in the flue gases after the secondary catalyst (catalyst inserted in the reaction chamber to destroy N₂O) at a location further down the production chain, as contained in the annex 7 of the Meth Panel report (see MP29 report).

(d) Accept request AM_REV_0058 concerning AM0043 requesting to expand the applicability of the approved methodology to project activities that replace old steel pipes with polyethylene pipes, as contained in the annex 6 of the Meth Panel report (see MP29 report).

(e) Not to accept request AM_REV_0059 concerning ACM0012 requesting a revision to expand the applicability to project activities that increase waste pressure/heat recovery for power generation where existing facilities already use a share of pressure/heat in electricity generation process.

(f) Accept request AM_REV_0060 concerning ACM0008 requesting to expand the applicability of the approved methodology to project activities that flare ventilation air methane using catalyst oxidation, as contained in the annex 9 of the Meth Panel report (see MP29 report).

(g) Not to accept request AM_REV_0061 concerning AM0034 requesting a revision to expand the applicability to project activities that destroy N₂O from production of caprolactam and the use of NSCR devices (in the baseline scenario) besides the abatement technology implemented in the project activity.

(h) Not to accept request AM_REV_0062 concerning ACM0006 requesting a revision to expand the applicability to project activities that undertake both supply side and demand side efficiency measures within the project boundary.

Background: Information on the revisions to methodologies is available on the UNFCCC CDM website (<<http://cdm.unfccc.int/goto/MPprev>>).

6. **► Action:** The Board may wish to approve the revision of the following approved methodologies and methodological tools:

(a) **AM0039:** to make reference to the use of the “Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site”, as contained in annex 5 of the Meth Panel report (see MP29 report).

(b) **ACM0010:** to (i) the definition of “number of animals”; and (ii) the default value of methane leakage from a digester which applies to the total biogas produced and is accordingly adjusted for its use in equation estimating methane generation from digester. Furthermore, (i) to include: the “tool to calculate project emissions from the consumption of electricity” and the “tool to calculate project or leakage CO₂ emissions from fossil fuel combustion”; and (ii) include a procedure for estimating project emissions from the consumption of electricity where electricity consumption is not measured. The draft revision is contained in the annex 10 of the Meth Panel report (see MP29 report).

(c) **Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site:** clarify that in the case of empty fruit bunches (EFB), as their characteristics are similar to wood in terms of cellulose, hemi-cellulose, and lignin content, the parameters correspondent of wood should be used (see paragraph 14 below) and add sewage sludge as a possible category of waste for which the tool can be used to estimate emissions of disposed waste in a landfill. The draft revision is contained in the annex 11 of the Meth Panel report (see MP29 report).

Background: The approved methodology AM0039 was revised in response to the request for clarification AM_CLA_0056. The approved consolidated methodology was revised in response to the request for clarification AM_CLA_0053 and also Board’s guidance given in its thirty-second meeting. Furthermore,



the guidance by Board on deviation request at issuance providing procedure for estimating project emissions from electricity consumption was included. The “**Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site**” was revised in response to the request by the Board (paragraph 29, thirty-third meeting report) and in response to the request for clarification AM_CLA_0051.

7. ► **Action:** The Board may wish to approve the consolidation of approved methodologies AM0002, AM0003, AM0010, and AM0011 into approved consolidated methodology ACM0001 and further may wish to withdraw approved methodologies AM0002, AM0003, AM0010, and AM0011, as contained in annex 12 of Meth Panel report (see MP29 report).

Background: The approved methodologies AM0002, AM0003, AM0010, and AM0011 and approved methodology ACM0001 are for project activities that capture landfill gas from existing landfills and flare/use the captured landfill gas. The consolidation was undertaken as per the mandate given by the Board at its thirty-second meeting. The consolidation includes all the applicability conditions of the underlying approved methodologies. The draft revision of the consolidated methodology includes:

- (a) Alternative to use “combined tool for identification of baseline scenario and demonstration of additionality”.
- (b) Inclusion of “tool to determine methane emissions avoided from dumping waste at a solid waste disposal site” to estimate ex-ante methane generation from the landfill to be reported in the PDD.
- (c) Inclusion of the “Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion” and “Tool to calculate project emissions from electricity consumption”; and
- (d) Expansion of the applicability of the approved methodology to project activities that use the captured landfill gas captured is supplied to consumers through distribution network including necessary equations.

General guidance

8. ► **Action:** The Board may wish to clarify that project activities that: (i) reduces the consumption of a raw material, which is produced outside the project boundary; and (ii) where one cannot ensure that the raw material use, which is avoided by the project activity, will not be produced (outside the project boundary), are eligible as CDM project activities.

Background: The Meth Panel requested the above guidance in the context of a proposed new methodology (NM0225), which is for project activities that reduce the consumption of cement in production of concrete. The reduction in emissions occurs because of emissions avoided from production of cement that would have been consumed in absence of project activity. These emissions reductions occur at the cement production facility, which is outside the project boundary. In clarifying this issue the Board may wish to note that the energy efficiency project activities that reduce electricity consumption outside the project boundary are eligible under CDM and a number of, small scale and large scale, approved methodologies for such project activities have been approved by the Board. The Board should also note that it will consider for approval a proposed new SSC methodology (Demand-side GHG emission reduction through reduction in cement consumption during concrete mix preparation) in the SSC section below, which also allows for project activities covered by NM0225.

9. ► **Action:** The Board may wish to clarify that project activities that result in emission reductions due to the use/consumption of a product produced in the project activity are only eligible as CDM project activity if: (i) the users/consumers of the product are included in the project boundary; and (ii) monitoring takes place of the actual use/consumption and location of the product used/consumed by consumers.



Background: The panel sought guidance based on case for the project activities that produce nimin coated urea fertilizer which leads to a smaller quantity of N₂O emissions from agricultural fields than regular urea. The project activity does not include the farmers within the project boundary and only monitors the manufacture and sale of fertilizer. The case is presently being pre-assessed and was submitted in round twenty (Green House Gas (GHG) emission reduction by use of Natural Nitrification Inhibitor coated Urea in the cropland). This case was previously considered and rejected twice by the Board (NM0175 and NM0214), where the project participants were clearly asked to ensure that project boundary should include the farmers in the project boundary to monitor the amount and location of application of fertilizer.

10. ► **Action:** The Board may wish to approve the methodological tool to estimate grid emissions factors, as contained in annex 13 of Meth Panel report (MP29), with one of the following options:

(a) Option A: Power plant capacity additions registered as CDM project activities should be included in the sample group m.

(b) Option B: Power plant capacity additions registered as CDM project activities should be included in the build margin only if the set of power units in the build margin, without considering capacity additions registered as CDM project activities, would consist of power plants that have been built earlier than 10 (5) years before the submission of the CDM-PDD to the DOE.

(c) Option C: Power plant capacity additions registered as CDM project activities should be excluded from the sample group m.

Background: The Meth Panel recommended a draft tool for grid emission factors increase the flexibility and provide more clarity in estimating grid emissions, when compared to the approved consolidated methodology ACM0002. The following are the key features of the draft tool:

- (i) Definition of “significant transmission constraints” is added;
- (ii) Alternatives are provided to estimate the grid emission factor where data on actual fuel consumption of the power plants is not available;
- (iii) Clear definition of vintage of data required in estimating the operating margin and build margin; and;
- (iv) Project participants can choose between different alternatives to estimate operating margin emission factor.

11. ► **Action:** The Board may wish to consider the note prepared by the secretariat on the feasibility and benefits of conducting the meetings of the Meth Panel and the SSC Working Group and possibly also the A/R Working Group simultaneously in one meeting location, and recommend a meeting of the SSC WG and the Meth Panel, facilitating some time during the meeting where an exchange on issues of common interest will take place, within the first quarter of 2008.

Background: At its thirty-third meeting, the Board requested the secretariat to prepare a note, for consideration at its thirty-fourth meeting, on the feasibility and benefits of conducting the meetings of the Meth Panel and the SSC Working Group and possibly also the A/R Working Group in simultaneously in other words jointly in one combined session in one meeting location, in order to facilitate addressing cross-cutting issues and consistency in recommendations, and agreed to further consider this issue at its thirty-fifth meeting.

12. ► **Note:** The Board may wish to take note that the panel considered a draft revision of the approved methodology AM0021 and agreed to finalize the draft at its thirtieth meeting, before recommending it to the Board.



Background: The Board at its thirty-second meeting mandated the secretariat to undertake the following: The identification of approved methodologies where the combined tool and additionality tool could be integrated.

13. ► *Note:* The Board may wish to take note that the panel agreed to use the inputs from an expert in the field anaerobic degradation on the degradability of the EFB taking into account all material provided by clarifications requested by DOE on this issue.

Background: The panel took note of the two clarifications suggesting that empty fruit bunches (EFB) despite some similarity with wood has a higher degradability. The panel also took note of the results of experimental work, which was not peer-reviewed, submitted during the meeting, to substantiate the assertion of the project participants. This submission was not considered in detail due to its late submission. The panel will use the inputs from an expert in this field, who shall provide inputs on the degradability of the EFB taking into account all material provided.

14. ► *Note:* The Board may wish to take note that the panel agreed to finalize the draft consolidation of AM0013 and AM0022 as well as AM0033 and AM0044 at its thirtieth meeting.

Background: The Meth Panel considered the draft note prepared by the secretariat on the consolidation of approved methodologies, as per the mandate of the Board given at its thirty-second meeting, (i) AM0013: “Avoided methane emissions from organic waste-water treatment” and AM0022: “Avoided Wastewater and On-site Energy Use Emissions in the Industrial Sector”; and (ii) AM0033: “Use of non-carbonated calcium sources in the raw mix for cement processing” and AM0040: “Baseline and monitoring methodology for project activities using alternative raw materials that contain carbonates in clinker manufacturing in cement kilns”, which the panel agreed to finalize at its thirtieth meeting. The panel also agreed to further investigating the possibility of expanding the consolidation of AM0013 and AM0022 to new industrial facilities where waste water would be generated.

15. ► *Note:* The Board may wish to take note that the panel agreed to prepare its recommendation on addressing uncertainty in estimation of project emissions for consideration by the Board at its thirtieth meeting.

Background: The Meth Panel considered the revised draft recommendation on addressing uncertainty in the estimation of project emissions. The panel discussed the four approaches to address the uncertainty in the emission reductions estimations.

16. ► *Note:* The Board may wish to take note that the panel agreed to solicit further expert inputs to develop a reliable estimation method for methane emissions in stockpiles of biomass and preparing its recommendation to the Board.

Background: The Meth Panel discussed the issue of crediting project activities with avoided methane emissions from the stockpiling of biomass. The panel reiterated that there are only a few studies available on methane generation from stock-piling of biomass residues. These studies indicate a high variability and large spatial and temporal variations. It also noted that the stockpiles may not continue to exist for the whole crediting period. This affects the provision of a reliable method for estimating emissions from stockpiles.

17. ► *Note:* The Board may wish to take note that the thirtieth meeting of the Meth Panel will be held from 12 to 16 November 2007 and that the deadline for the twenty-first round of submissions of proposed new methodologies is to be 19 November 2007.

Background: The Board at its twenty-sixth meeting agreed to the calendar of meetings, including meetings of panels and working groups, for 2007 and deadlines for submission of proposed new methodologies.



18. ► **Action:** The Board may wish to take note of the oral progress report of the secretariat on the work related to energy efficiency.

Background: The Board at its thirty-third meeting considered an update of the energy efficiency. As previously informed the first draft of the report from the two consultants shall be available by 14 October 2007. Further, the panel has proposed a draft methodology for a district heating energy efficiency project activity.
