

**REPORT OF THE TWENTY-THIRD MEETING
OF THE SMALL-SCALE WORKING GROUP**

UNFCCC Headquarters, Bonn, Germany
27–30 October 2009

RECOMMENDATIONS BY THE SSC WG TO THE EXECUTIVE BOARD

A. Opening of the meeting and adoption of the agenda

1. The Chair of the Small-Scale Working Group (SSC WG), Mr. Hugh Sealy, opened the meeting and welcomed the members.
2. The agenda was adopted as proposed.

**B. Revision of the simplified modalities and procedures
for small-scale CDM project activities**

3. The SSC WG considered submissions requesting revisions to, or clarifications of approved SSC methodologies as well as requests for the creation of new methodologies. The detailed responses provided by the SSC WG are made publicly available at:
<<http://cdm.unfccc.int/goto/SSCclar>> and
<<http://cdm.unfccc.int/methodologies/SSCmethodologies/NewSSCMethodologies/index.html>>.
They can also be accessed by clicking the hyperlinked submission number in the table below.

| Proposed new methodologies | | |
|-----------------------------------|---|-----------------------|
| Submission number | Title | Recommendation |
| SSC-NM024-rev2 | Methodology for using recycling material instead of raw material | (See paragraph 9) |
| SSC-NM036 | Methane recovery and thermal heat utilisation in petroleum refining Facilities | (See paragraph 10) |
| SSC-NM037 | GHG emission reductions by modal shift of transportation of liquid products from existing railway to pipeline | (See paragraph 11) |

| Requests for revisions | | |
|-------------------------------|--|-------------------|
| SSC 355 | Revision of AMS-II.D to allow its applicability to project activities involving multiple industrial facilities | (See paragraph 6) |
| SSC 356 | Revision of AMS-I.C to be consistent with AMS-I.E | (See paragraph 4) |
| SSC 357 | Revision to redefine Project Boundary in AMS-III.F | (See paragraph 7) |
| SSC 358 | Revision of AMS-I.C to include additional baseline scenario(s) for cogeneration | (See paragraph 5) |

| Requests for clarifications | | |
|------------------------------------|---|--------------------|
| SSC 353 | Clarification regarding project/leakage emissions from imported biomass | (See paragraph 13) |
| SSC 354 | Clarification regarding the term “independently tested” with regard to derivation of mortality curve for project CFLs | (See paragraph 14) |
| SSC 359 | Clarification on AMS-III.Q for project activity using incremental gain of waste heat recovery | (See paragraph 16) |
| SSC 360 | Periodic monitoring of methane content in biogas in AMS-III.H and AMS-III.G | (See paragraph 15) |

| | | |
|-------------------------|---|--------------------|
| SSC_361 | Clarification on the applicability of AMS-I.C to a new biomass cogeneration project exporting electricity to a grid | (See paragraph 12) |
| SSC_362 | Clarification on the eligibility of CFC-containing refrigerators in AMS-III.X | (See paragraph 17) |

C. Revisions & requests for revision of approved methodologies

4. **Revision of AMS-I.C:** in response to the submission SSC_356 requesting a revision of AMS-I.C to copy certain methods of AMS-I.E, in particular an option to monitor changes to baseline fossil fuel use instead of monitoring renewable energy generation, the SSC WG agreed not to recommend the proposed changes. Reference approach for baseline used in AMS-I.E together with many net to gross adjustment factors makes the calculations conservative in that methodology, however importing only certain elements of AMS-I.E to AMS-I.C would not be conservative and hence not appropriate.

5. In response to SSC_358, requesting a revision of AMS-I.C to include additional baseline scenario(s) for biomass cogeneration projects, the SSC WG agreed to recommend a revision of AMS-I.C as contained in annex 1. The proposed revision expands the applicability of the methodology for biomass based cogeneration project activities supplying surplus electricity to a grid.

6. **Revision of AMS-II.D:** in response to SSC_355 requesting a revision to allow its applicability to project activities involving several industrial facilities with multiple energy efficiency measures, the SSC WG agreed to recommend a revision of AMS-II.D as contained in annex 2.

7. **Revision of AMS-III.F:** in response to SSC_357 requesting a revision to redefine the project boundary in AMS-III.F, the SSC WG agreed not to recommend the revision. The SSC WG further clarified that the debundling check regarding overlap of compost application sites/areas is only necessary in case two or more SSC CDM project activities are proposed by the same project proponents.

8. **Revision of AMS-III.Q:** In response to several submissions received (e.g. SSC_262, SSC_351), the SSC WG agreed to revise the methodology as contained in annex 3 to include the following issues, *inter alia*, export of energy generated by the project activity to other facilities, definition of existing facility, procedures and formulae for the calculation of baseline emission from thermal energy generation. The revisions also exclude recovery of waste heat in a single-cycle power plant (e.g., gas turbine or diesel generator) to generate electricity consistent with the provisions of ACM0012.

D. Response to requests for new methodologies

9. In response to SSC-NM024-rev intended for recycling HDPE and LDPE plastic residues in municipal solid wastes to displace virgin material for plastic production, the SSC WG agreed not to recommend the methodology. Crucial information that the project proponent was unable to provide, for example reliable default values for specific energy consumption of pellet production and credible methods for allocation of project emissions among the recovered and recycled materials did not allow a positive conclusion on the case.

10. In response to SSC-NM036, proposing a new methodology for methane recovery and thermal heat utilisation in petroleum refining facilities, the SSC WG agreed to seek guidance from the Board before further analysis and recommendation, concerning the applicability of small scale methodologies for complex industrial processes.

11. In response to SSC-NM037 proposing a new methodology for shifting to pipeline transport from the present rail transport for transporting liquid petroleum products from refineries, the SSC WG agreed not to recommend the methodology. Numerous issues were identified in the submission involving technical complexities in baseline assessment and monitoring which probably can not be addressed in the construct of a simplified small scale methodology.

E. Response to requests for clarification - considered at the meeting

12. In response to SSC_361 requesting clarification on the applicability of AMS-I.C to a biomass cogeneration project that uses the same amount of biomass as in the baseline plant but generating additional electricity for export to the grid due to introduction of efficient equipment, the SSC WG agreed to clarify that AMS-I.C in its current form is not applicable to the described project activity. The project proponents may submit a request for revision.

13. In response to SSC_353 requesting clarification on project/leakage emissions from imported biomass, the SSC WG noted that a number of parameters directly related to the leakage/project emissions are not clearly and transparently presented in the submission e.g., the origin and characteristics of biomass, the transport duration and mode, intermediate storage length and conditions before use. Hence the SSC WG agreed not to consider the case further.

14. In response to SSC_354, SSC WG clarified the term “independently tested” cited in paragraph 5 of AMS-II.J. With regard to derivation of mortality curve for project CFLs in AMS-II.J, the SSC WG clarified that the straight line mortality curves should be used as indicated in II.J to determine lamp failure rate (LFR) unless a suitable national/international standard can be found to construct the mortality curve. It further clarified that the monitoring results, in the absence of the mortality curve developed in accordance with a national or international standard, shall only be used to confirm the ex-ante LFR or increase the ex-ante LFR.

15. In response to SSC_360 requesting clarification on the applicability of Annex 13 of EB 48 “Guidelines to calculate the fraction of methane in the landfill gas from periodical measurements (version 01)” to AMS-III.H and AMS-III.G, the SSC WG agreed to clarify that Annex 13 of EB 48 is approved in a specific context of older version of large scale methodology ACM0001 and is not applicable to methane content monitoring under AMS-III.H and AMS-III.G. The SSC WG further clarified that when applying SSC methodologies the methane concentration in biogas can be determined by either continuous measurement or on a sample basis choosing 90/10 precision for samples (see “General guidelines for sampling and surveys for SSC project activities”).

16. In response to SSC_359, requesting clarification in the context of waste heat recovery from gas turbines (combined cycle cogeneration), the SSC WG agreed to clarify that AMS-III.Q is not applicable for the described project activity where incremental gain of waste heat recovery is not plausible without changing the existing practice. The project proponent may consider submitting a new methodology.

17. In response to SSC_362 requesting clarification on the eligibility of CFC-containing refrigerators under AMS-III.X, the SSC WG agreed to clarify that AMS-III.X is intended for project activities where emission reductions are on account of electricity savings as well as avoidance of HFC-134a, implying that baseline refrigerators shall also include fridges containing HFC refrigerant besides those charged with CFCs. Thus SSC WG clarified that if the proposed project activity includes any HFC refrigerant recovery, AMS-III.X is applicable (provided all other elements of the methodology are satisfied).

F. Practitioners Workshop on AMS-I.E, AMS-II.G and AMS-I.C

18. As requested by the Board at its forty seventh meeting (see paragraph 68 of EB 47), the secretariat organised a full day workshop titled “Practitioners Workshop on AMS-I.E, AMS-II.G

and AMS-I.C: CDM methodologies for household cooking energy supply” on 26th October 2009”¹. The objective of the workshop was to take stock of early project implementation experience to arrive at potential methodological solutions for the improved usability of CDM methodologies for household cooking energy supply. Household cooking energy supply projects, beyond the emission reduction and sustainable development benefits, are seen as one opportunity for addressing regional distribution of CDM activities (Annex 54, EB50). Well over 50 people attended the workshop. Attendees included project proponents from Annex I and non-Annex I countries, NGO sponsors, cook stove experts, government representatives, research organisations, UN organisations and all of the SCC WG members. The workshop provided valuable input for the work of the SSC WG, particularly for the tasks mandated by the Board (e.g., broadening the applicability of the methodologies, facilitating increased usability of methodologies including default operating parameters where possible without jeopardizing the environmental integrity of the methodologies).

19. The SSC WG agreed to recommended modifications to AMS-II.G as contained in annex 4. The primary modifications can be summarized as including (a) a best-practices recommendation for project participants to consider relative indoor pollution characteristics of project versus baseline cook stoves, (b) default efficiency factors for baseline cook stoves, (c) procedures for sampling (d) revised procedures for determination of quantity of woody biomass that can be considered as non renewable, and (e) clarifications as to which leakage requirements are appropriate for projects versus PoAs.

20. SSC WG agreed to continue to consider additional modifications to AMS-I.E, AMS-II.G and AMS-I.C, based on stakeholder inputs, expert inputs and the analysis by the group and make a recommendation at a future meeting. Issues under consideration include but are not limited to;

- (a) More options for monitoring of fuel consumption and stove efficiency, including a choice between conservative default factors, lab monitoring and field monitoring;
- (b) Further clarifications on monitoring of retention rates of equipment and sampling;
- (c) Conservative default values for fuel consumption, stove usage and non-renewable biomass fraction by using available tools such as WISDOM from FAO where necessary;
- (d) Expansion of the applicability by including more technologies and inclusion of non CO2 GHG in the baseline;
- (e) Consideration of suppressed demand.

G. Schedule of meetings

21. The SSC WG agreed to schedule its twenty-fourth meeting from **16–19 February 2010** taking into account the schedule of the Board. The deadline for new methodology submissions to this meeting is **22 December 2009** and the deadline for submitting requests for clarifications/revisions for this meeting is **19 January 2010**.

H. Desk Reviews

22. The SSC WG noted the satisfactory completion of the desk reviews undertaken for the proposed new SSC methodologies considered at the meeting.

¹ See agenda and list of attendees (excluding SSC WG and Secretariat representatives) and input documentation at http://cdm.unfccc.int/Panels/ssc_wg/workshop/091026/index.html.

External annexes to the twenty-third meeting of the SSC WG

- Annex 1: Revision of AMS-I.C
- Annex 2: Revision of AMS-II.D
- Annex 3: Revision of AMS-III.Q
- Annex 4: Revision of AMS-II.G