REPORT OF THE TWENTY-FIFTH MEETING OF THE SMALL-SCALE WORKING GROUP

UNFCCC Headquarters, Bonn, Germany
26–29 April 2010

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. Peer Stiansen, opened the meeting, welcomed the members and the new member Ms. Carolyn Luce.

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-NM035-rev	Emission reductions through replacement of cement plaster with alternate industrial waste based plaster	(See paragraph 41)
SSC-NM041-rev	Installation of cogeneration and/or trigeneration systems supplying electricity and chilled water and/or heat	(See paragraph 40)
SSC-NM042-rev	Avoidance of conventional fuel use by production, sale and consumption of solid biomass products	(See paragraph 42)
SSC-NM044-rev	Emission avoidance by replacing the use of CO_2 as filler bowl counter pressure in the filling operations with N_2 in a beverage industry	(See paragraph 43)
SSC-NM046-rev	Reduction of methane emissions by switching from Transplanted to Direct Seeded Rice practice with adjusted water management	WIP[1] (See paragraph 44)
SSC-NM051	Production of biodiesel and/or plant oil without changes in land use	(See paragraph 38)

Requests for revisions		
SSC_385	Request to extend the applicability of AMS-III.Z to low carbon fossil fuels	(See paragraph 8)
SSC_386	Revision of AMS-III.F to allow monitoring with direct measurement of real methane generation using Landfill Simulation Reactor	(See paragraph 13)
SSC_387	Revision of AMS-III.AG to include non-element processes and to allow for Greenfield/capacity increase project activities	(See paragraph 9)
SSC_388	Revision of AMS-II.C to allow demand-side efficiency to be achieved by addition of new system component(s)	(See paragraph 12)

[1] Work in progress

SSC_393	Expanding the applicability of AMS-III.X	(See paragraph 16)
SSC_397	Revision of AMS-III.D to expand the applicability to include Greenfield project	(See paragraph 14)
SSC_406	Revision of the definition of anaerobic lagoons in AMS-III.H	(See paragraph 15)
SSC_408	Revision in the applicability criteria of AMS-III.N	(See paragraph 17)

Requests for clarifications		
SSC_390	Project bundling and implication of EB48 guidelines on PLF and EB49 guidelines on CDM consideration	(See paragraph 19)
SSC_391	Exemption from performing debundling check for project activities based on small independent subsystem/measures	(See paragraph 20)
SSC_392	Clarification on a debundling condition "Registered within the previous two years"	(See paragraph 21)
SSC_394	Clarification on the applicability and baseline provisions of AMS-II.H to a Greenfield trigeneration project activity	(See paragraph 22)
SSC_395	Clarification on the determination of biomass savings in AMS-II.G	(See paragraph 23)
SSC_396	Clarification on the applicability of AMS-III.D for Greenfield project activity	(See paragraph 25)
SSC_398	Clarification on the distinction between a new and existing reservoir	(See paragraph 26)
SSC_399	Clarification on the applicability condition of AMS-III.H for Greenfield project	(See paragraph 27)
SSC_401	Clarification on the determination of operating hours for project activities replacing ICL with CFL under AMS-II.C	(See paragraph 28)
SSC_402	Clarification on the applicability of AMS-I.A. to hydropower projects involving retrofit	(See paragraph 29)
SSC_403	Applicability of AMS-II.B to a new district heating system displacing individual boilers	(See paragraph 30)
SSC_404	Clarification on combination of AMS-III.E (ver. 16), AMS-III.F (ver. 8) and AMS-I.C (ver. 16) for single project activity	(See paragraph 31)
SSC_405	Clarification on the application of correction factor for measurement campaign to the *ex post* emission reduction calculation	(See paragraph 32)
SSC_407	Efficiency determination of a cogeneration system in AMS-I.C	(See paragraph 33)
SSC_409	Monitoring of electricity supplied to grid connected users in AMS-I.D	(See paragraph 34)
SSC_410	Clarification on the options for calculating the baseline and project emissions under AMS-I.C	(See paragraph 35)
SSC_411	Establishing the baseline thermal energy needs in AMS-I.E using literature data	(See paragraph 24)
SSC_389	*Clarification on the choice of combustion efficiency in equation (4) of AMS-III.G for landfill gas that is not flared - FT finalized 01/04/2010*	*(See paragraph 36)*

SSC_400	*Clarification on the thresholds' criteria for qualifying limits for bundled SSC CDM project activities - FT finalized 09/04/2010*	*(See paragraph 37)*

C. Revisions & requests for revision of approved methodologies

4. **Revision of AMS-II.J and/or AMS-II.C:** The SSC WG took into account public inputs <http://cdm.unfccc.int/public_inputs/2010/additionality_ren_nrj/index.html>, requests for clarifications/revisions received. In summary, the SSC WG believes that AMS-II.J is a balanced methodology in terms of supporting the implementation of residential CFL project activities while providing conservative values for estimating emission reductions. It allows use of default values and has limited monitoring in balance with requiring testing, i.e., validation, of claimed lamp failure rate, a straight-line failure rate assumption, and limiting the crediting period (lamp life). Given concerns about reduced lifetimes of CFLs in countries with grids that have significant voltage fluctuations and the growing prevalence of CFLs in many non-Annex I countries, the SSC WG believes it is appropriate to maintain the overall current balance while making recommendations for some simplification modifications, as described below and included in annex 1:

- **Baseline Lamp Destruction:** The group agreed to clarify that baseline incandescent lamp (ICL) destruction can precede verification and project proponents may use evidences such as inspection by local environmental agencies, photo/video proofs as an alternative to storage of bulbs to undertake destruction in the presence of DOE.
- **Debundling check:** The SSC WG agreed to recommend the exemption of debundling check for efficient lighting project activities as well as to other distributed small-scale reduction activities (see paragraphs 20 and 21).
- **Lamp Lumen Recommendations:** As requested by SSC_379, the SSC WG agreed to recommend the removal of a paragraph in AMS-II.J that suggested the use of lowest possible wattage lamps as it would have no implications on the accuracy or objectivity of emission reduction estimations under the methodology.
- **Exclusion of CFLs from AMS-II.C:** The SSC WG considered exclusion of CFLs from AMS-II.C as AMS-II.J covers CFLs. However, it agreed not to recommend such a change because AMS-II.J only covers residential retrofit applications. The group also noted that AMS-II.C and AMS-II.J were distinct from each other as AMS-II.J is a simplified and conservative methodology that allows a default operating hour value, limited measure life and crediting period, and minimal monitoring requirements. Application of AMS-II.C entails more rigorous monitoring efforts to determine the operating hours and retention rates of efficient lighting equipment and provides an opportunity for project proponents to document greater savings than those determined under AMS-II.J. In addition, in order to retain these distinctions, the group also agreed not to recommend the inclusion of default operating hours (3.5 hours) for efficient lighting equipment under AMS-II.C as suggested by SSC_379.
- **Broadening AMS-II.J:** The group agreed to indicate an ambition to achieve a broad based methodology version of AMS-II.J for solid state lighting, in doing so addressing issues related to inclusion of LEDs and shift from CFLs to LEDs as retrofits during the crediting period. As LED technologies were approaching commercialization, the group agreed to continue to work on the case by taking into account expert and public inputs. The SSC WG welcomes further public inputs on expanding AMS-II.J to include commercial lighting and Greenfield lighting project activities.
- **NTG:** The SSC WG noted that Board has adopted an optimistic value of 0.95 for NTG (net to gross adjustment) to account for leakages such as free riders, permanence. with

the expectation that project proponents would employ good practices for project implementation to avoid leakages. The group further agreed it was not appropriate to displace requirements to lab test the lamp failure rates (LFR), eliminate *ex post* survey requirements, or change commonly accepted definitions of lifetime of CFLs (e.g., lifetime to 50% failure rate) as "trade offs" for maintaining the NTG of 0.95. Those trade offs, all suggested in public comments, were not considered by the SSC WG to be related to the NTG ratio.

- **Lamp Usage hours:** The SSC WG agreed that General guidelines for sampling and surveys for SSC project activities are equally applicable to AMS-II.J as it is to any other approved small-scale methodology and agreed to include a reference to these guidelines in the draft revised version of AMS-II.J. The group agreed that use of survey data of lamp usage hours determined under a CDM CFL project activity or available in official data/reports, in another CDM CFL project activity when the project regions are comparable, is to be assessed on a case to case basis and procedures agreed by the Board for such situations (e.g., request for deviation from an approved methodology) may be explored by the project proponents. The proposed modifications to AMS-II.J further clarify the circumstances under which the project proponent can choose the default value for usage hours versus when a measured value can be used.

- **T&D Losses:** The SSC WG agreed that it was not appropriate to assume that any increased failure rates of CFLs in weak grid locations during the crediting period, over and above lamp failure rate determined through lab test, will be balanced by capping the Transmission & Distribution losses to 10%; the two aspects are not related.

- **Survey format:** The SSC WG noted that the survey format annexed to version 3 of AMS-II.J was indicative only and the project proponents could adapt it to local circumstances as necessary or use a different format altogether to collect information required by the methodology. Taking into account public comments received and to be consistent with other methodologies the group agreed to recommend the elimination of the survey format.

- **Standards, quality, independent testing:** The SSC WG agreed that given the field surveys to determine retention rates of lighting equipment under AMS-II.J are not frequent, reliable lab testing as a proxy to lamp failure rates over time is a fundamental requirement of the methodology to ensure that the emission reduction claims are not made for failed bulbs. It noted that per the public comment, most or all manufacturers do not test long-life lamps for failure rates, but estimate such values. These are the lamps claimed to be used in most CDM CFL project activities. However the group agreed there is a need for flexibility in integrating testing requirement in the methodology given the long life of CFLs and consequent long time duration required for testing. Thus the proposed draft of the methodology allows the use of manufacturer self certified values for lifetime (rated average life) *ex ante* with a condition to subsequently provide test results in accordance with a national or international standard.

  The group further agreed not to recommend, as suggested in SSC_379, to change commonly accepted definition of lifetime of CFLs (i.e., the length of time during which 50% of the lamps reach their end of their individual life as stipulated in standards, e.g., IEC 60696) to enable claims of emission reductions beyond the period when 50% of the bulbs have failed. The SSC WG believes that the 50% lamp failure rate criterion is a fundamental part of the conservativeness of the methodology and an important balance to other simplifications. The SSC WG is also of the opinion that given that the ratings are based on relatively stable power supply conditions (minimal voltage fluctuations) and the conditions in many of the countries targeted for CFLs do not have

stable power supply systems (high voltage fluctuations and rates of outages) the 50% lamp failure rate value may be optimistic in some non-Annex 1 countries. The group further agreed increased survey frequency only during a certain part of the crediting period is not an appropriate means to compensate for uncertainties in emission reduction estimations on account of adopting 100% mortality rate of bulbs to determine the length of crediting period. The group noted that survey requirements in the methodology to estimate retention rates of CFLs have been developed to balance the costs of data collection together with that of accuracy of estimates and to allow survey results to be used to increase indications of lamp life would require significantly more, and expensive, monitoring requirements. From that perspective the group agreed not to recommend changes to allow use of infrequent field survey data to downward correct field failure rate as requested by SSC_379.

The SSC WG further agreed not to recommend changes as suggested in SSC_379 to allow non-operating CFLs identified during a survey to be replaced and then considered as operational in the survey results, as this would defeat the very purpose of survey.

5. **Revision of AMS-I.D:** In response to several requests for clarifications received (e.g., SSC_204, SSC_371, SSC_377, SSC_378, SSC_409), the SSC WG recommended a revision of AMS-I.D as contained in annex 2 together with recommending a new Type I methodology titled "Renewable electricity generation for captive use and mini-grid" (see paragraphs 29, 34 and 39). The proposed revisions distinguish the project activities solely supplying renewable electricity to a grid from activities displacing electricity from a grid. The parameters to be monitored including the frequency and QA/QC procedures are also included.

6. **Revision of AMS-I.A:** Consistent with changes proposed in paragraph 5, the SSC WG agreed to propose a revised draft of AMS-I.A as contained in annex 3. A definition of mini-grid and additional procedure to estimate baseline emissions for retrofit/capacity expansion project activities have been included.

7. **Revision of AMS-I.C:** In response to several clarification requests received (e.g., SSC_358, SSC_374, SSC_410), the SSC WG proposed additional guidelines on determining baseline emissions for project activities involving fuel switch from fossil fuel to biomass in thermal generating equipment. An applicability criterion on the use of biomass briquette has also been provided. The draft revised version is contained in annex 4.

8. **Revision of AMS-III.Z:** In response to submission SSC_385 requesting a revision to expand its applicability to project activities involving fuel switch from high carbon intensive fuel to low carbon intensive fuels in a brick manufacturing facility, the SSC WG agreed to recommend a revision of AMS-III.Z as contained in annex 5.

9. **Revision of AMS-III.AG:** In response to submission SSC_387 requesting a revision of AMS-III.AG, the SSC WG agreed to revise AMS-III.AG to broaden its applicability to Greenfield/Capacity expansion project activities and to non-element processes when only one output (e.g., either heat or electricity) is considered for estimating emission reductions. The revision also include a pertinent definition of natural gas (see also paragraph 40). The revision of AMS-III.AG is contained in annex 6.

10. **Revision of AMS-III.T:** In response to submissions (e.g., NM009, NM051) requesting the inclusion of biodiesel production for transportation applications, the SSC WG agreed to recommend a revision of AMS-III.T taking into account the procedures and default values contained in ACM0017. The revised draft of the methodology is contained in annex 7. The SSC WG agreed to continue to work on a draft Type I methodology for stationery applications of plant oil/biodiesel and finalise at a future meeting.

11. **Revision of AMS-II.H:** In response to several submissions (e.g., SSC_394, SSC_332, SSC_248) the SSC WG agreed to recommend a revision of AMS-II.H as contained in annex 8 in order to include procedures for Greenfield projects, options for sample based monitoring of thermal energy output where continuous monitoring is not feasible. The revision also include a pertinent definition of natural gas (see also paragraph 40).

12. **Revision of AMS-II.C:** In response to SSC_388 requesting a revision of AMS-II.C in the context of a project activity for energy efficiency in air conditioning of the telecom shelters, the SSC WG agreed not to recommend the proposed changes. Given that ambient and shelter temperatures/humidity and possible partial load operation of the air conditioning (AC) equipment affect the energy consumption of the air conditioning units, the simple equations of AMS-II.C do not adequately capture the actual energy efficiency gains for such a situation. The SSC WG suggested possible approaches that could be used to document energy efficiency gains under the proposed project activity and suggested that the project proponent may consider submitting a new methodology or request a revision of AMS-II.C.

13. **Revision of AMS-III.F:** In response to the submission SSC_386 requesting a revision to include lab testing in a Landfill Simulation Reactor (LSR) as an alternative to using the first order decay model (FOD) contained in IPCC guidelines for determining the baseline emissions of the landfill, the SSC WG agreed not to propose the revision. The SSC WG noted, as stated in the 2006 IPCC guidelines, methane emissions from landfills is affected by a wide variety of factors including the composition of the waste, climatic conditions at the site where the landfill is located, characteristics of the landfill, waste disposal practices and others. Thus the IPCC default values used in the CDM methodologies and tools are derived from variety of sources such as experimental measurements, calculation using models, greenhouse gas inventories and other studies. The group agreed the proposed procedure in SSC_386 has a high level of uncertainty with regard to how closely the LSR reproduces the conditions of the landfill.

14. **Revision of AMS-III.D:** In response to SSC_397 requesting a revision of AMS-III.D to expand the applicability to include Greenfield projects, the SSC WG agreed to clarify that AMS-III.D is applicable for Greenfield projects and the procedures for Greenfield projects included in the revised General Guidelines to SSC methodologies (see annex 9) may be followed if approved by the Board.

15. **Revision of AMS-III.H:** In response to SSC_406 requesting a clarification on the definition of anaerobic lagoons in AMS-III.H, the SSC WG agreed to propose a revised definition of the lagoon based on the depth of the lagoon, consistent with the approach of 2006 IPCC Guidelines and excluding the reference to minimum volumetric loading rate of COD.

16. **Revision of AMS-III.X**: SSC_393 requested several changes to AMS-III.X including broadening the applicability to 'Greenfield refrigerators', additional methods for determining baseline emissions (e.g., using energy performance labels) and accounting for emission reductions on account of recycling of refrigerants and hardware in the refrigerators (e.g., recycling of steel). The SSC WG clarified that it would favorably consider amendments to the methodology, however, only within the framework of actual proposed projects or programs. The context of actual projects would be important for defining and assessing the conservativeness of appropriate methods for either (a) changing the currently defined method for calculating baseline energy consumption of replaced refrigerators or (b) expanding the applicability to 'Greenfield' refrigerators that are used by those who do not currently have refrigerators.

17. **Revision of AMS-III.N**: SSC_408 requested a revision of AMS-III.N to cover Poly Urethane Foam (PUF) manufacturing facilities currently using HCFC foam blowing agents planning to shift to hydrocarbon based foam blowing agents. The SSC WG agreed to clarify that AMS-III.N can only cover avoidance of HFC emissions in PUF manufacturing. The group agreed that assuming that HCFC facilities would have shifted to use HFC foam blowing agents to set up a

hypothetical baseline is not appropriate and is not in accordance with the modalities and procedures of SSC CDM that clearly exclude refrigerants controlled under the Montreal Protocol.

18. **Revision of AMS-III.S:** The SSC WG agreed to continue to consider the options for expanding the applicability of AMS-III.S including modifications to fixed route requirements of the methodology. In doing so, the SSC WG will seek further inputs from project proponents.

D. Clarifications on approved methodologies

19. In response to SSC_390 requesting clarification on activities that are eligible for inclusion in a bundled project activity, criteria for demonstration of additionality and the start date for the bundle, the SSC WG clarified, among others, that additionality of each independent project activities within the bundle needs to be assessed separately in accordance with the approved procedures.

20. SSC_391 requested that procedures for determining the occurrence of debundling applicable to SSC CDM project activities be aligned with procedures for debundling check for program of activities (PoA), in the context of project activities comprising small independent subsystem/measures. The SSC WG agreed to recommend changes to the Guidelines on assessment of debundling for SSC project activities as contained in the annex 10.

21. In response to SSC_392 requesting clarification on a debundling condition "Registered within the previous two years", the SSC WG agreed to clarify that the required 2-year interval is between "the date of submission for registration of the first project" and "the date of submission for registration of the second project". Furthermore, the Board (per paragraph 60 of EB 46) has clarified that the procedures for determining the occurrence of debundling do not require the consideration of the start date of the project.

22. In response to SSC_394 requesting clarification on the applicability and baseline provisions of AMS-II.H to a Greenfield trigeneration project activity, the SSC WG agreed to clarify that the AMS-II.H is applicable to Greenfield project activities. See also paragraph 11.

23. In response to SSC_395 requesting clarification on testing of efficiency of cookstoves to determine biomass savings when applying AMS-II.G, the SSC WG agreed to clarify that the specific fuel consumption (SFC) based on relevant test procedures may be employed as proposed by the submission.

24. In response to SSC_411 requesting clarification on use of literature data to determine the baseline thermal energy use in AMS-I.E in the context of a project activity for introducing drinking water filtration/purification equipment in households, the SSC WG agreed to clarify that the methodology in its current form requires that baseline wood fuel use is directly determined based on actual consumption (field data). The SSC WG indicated that it is working on a new methodology, as requested by the Board, that would cover SSC CDM activities for introducing water purifying equipment taking into account approved methodology AM0086. The project proponents are welcome to provide inputs.

25. In response to SSC_396 requesting clarification on the applicability of AMS-III.D to a Greenfield project, the SSC WG agreed to clarify that AMS-III.D is applicable to Greenfield projects and the procedures for Greenfield projects included in the revised General Guidelines to SSC methodologies (see annex 9) may be followed if approved by the Board (see paragraph 14).

26. In response to SSC_398 requesting clarification on the distinction between a new and existing reservoir in the context that separate entities are building the reservoir and the hydroelectric plant, the SSC WG clarified that the reservoir in question is not an existing one since it did not exist during the implementation of the proposed CDM activity. It further agreed that since the project activity is being implemented in a reservoir with power density less than

4 W/sq m (as estimated based on information provided by the project proponents), the underlying project is not eligible to apply AMS-I.D.

27. In response to SSC_399 requesting clarification on the applicability of AMS-III.H to Greenfield projects, the SSC WG agreed to clarify that the underlying project activity is eligible under AMS-III.H. The SSC WG further clarified the baseline scenario of the methodology applicable to the underlying project taking into account paragraph 67 of "Glossary of CDM terms" providing a definition of the start date of a CDM project activity.

28. In response to SSC_401 requesting clarification on the determination of operating hours for project activities replacing ICL with CFL under AMS-II.C, the SSC WG clarified that it can be determined based on sample based tests either at the project households or baseline households. Further the SSC WG is of the opinion that the use of data from national/regional surveys to determine the operating hours of baseline and/or project lamps should only be considered on a case by case basis.

29. In response to SSC_402 requesting clarification on the applicability of AMS-I.A to hydropower projects involving retrofit, the SSC WG clarified that capacity of a retrofitted unit shall be lower than 15 MW in order to qualify as a small-scale project. It further clarified that the 15 MW limit of the total capacity of the generating units connected to the mini-grid is the sum of capacities of all units connected to the isolated mini-grid before the implementation of the project. The SSC WG recommended a new Type I methodology titled "Renewable electricity generation for captive use and mini-grid" and a revised version of AMS-I.D and AMS-I.A to distinguish the projects that solely supply electricity to a grid from the projects that displace electricity from a grid or a mini-grid (see paragraph 6).

30. In response to SSC_403, the SSC WG agreed that in principle, AMS-II.B is applicable to introduction of a new centralized district heating system replacing small distributed heating boilers, however under the current provisions of AMS-II.B it will be difficult to ensure for the underlying project that the service levels of the energy supplied to the consumer(s) in the baseline and project are equivalent. The SSC WG suggested possible approaches that the project proponent may use in submitting a request for revision of AMS-II.B or a new methodology.

31. In response to SSC_404 requesting clarification on applying combination of AMS-III.E (ver. 16), AMS-III.F (ver. 8) and AMS-I.C (ver. 16) in a single project activity, the SSC WG agreed to clarify that the three component project activities are eligible under one project activity. However, the emissions that would have been generated from the total quantity of municipal solid waste (MSW) in the baseline scenario will serve to determine the aggregate baseline emissions for all the components that avoid methane emissions.

32. In response to SSC_405 requesting clarification on the application of uncertainty factor for the parameters determined through a measurement campaign in AMS-III.H, the SSC WG agreed to clarify that the uncertainty factor should be applied to the baseline emission source(s) for which one-year historical data is not available and is to be determined through measurement campaign. The uncertainty factor should be also applied in case parameters/data determined through measurement campaign in the baseline are used for the ex post calculation of baseline emission, because of the change of the technologies in baseline and project scenarios (please refer to paragraph 20 in AMS-III.H).

33. In response to SSC_407 that concerned determination of efficiency of a new cogeneration system applying AMS-I.C, the SSC WG agreed that in principle the method proposed by the author of the submission to use the optimal efficiencies of the components of the cogeneration systems sourced from at least two manufacturers is an acceptable approach. The SSCWG agreed to request the query author to submit a detailed procedure for calculating the efficiency of the cogeneration system.

34. In response to SSC_409 related to monitoring of electricity supplied to captive users when applying AMS-I.D, the SSC WG agreed to clarify that AMS-I.D (ver. 15) is applicable to the underlying project if it can be demonstrated that the electricity supplied by the project plant would have been supplied by the grid in the baseline and monitoring shall consist of net electricity supplied by the project activity to the captive users (after deducting the auxiliary consumption). The SSC WG recommended a new Type I methodology titled " Renewable electricity generation for captive use and mini-grid" and the revised version of AMS-I.D and AMS-I.A to distinguish the projects that solely supply electricity to a grid from the projects that displace electricity from a grid or a mini-grid (see paragraph 5).

35. In response to SSC_410 requesting clarification on the options for calculating the baseline and project emissions under AMS-I.C, the SSC WG agreed to clarify that using a hypothetical emission factor based on the most plausible baseline scenario in the case of project activities taking place in an existing facility under AMS-I.C is not appropriate and thus none of the proposed scenarios for baseline/project estimation proposed by the query author can be accepted. (see also paragraph 7).

E. Response to request for clarification - considered prior to the meeting[2]

36. SSC_389 requested clarification on the choice of combustion efficiency when landfill gas collected is utilised in an engine when applying AMS-III.G. The SSC WG agreed to clarify that consistent to the response provided to SSC_324 for the portion of biogas that is combusted for a gainful use of the released energy, a destruction efficiency of 100% can be used.

37. SSC_400 requested clarification on the thresholds for SSC CDM projects involving component activities. With reference to paragraph 56, EB 28 the emission reductions from the Type I and Type III project components should be looked at separately and 60,000 metric ton reduction per year threshold applies to Type III component only.

F. Proposed new methodologies

38. In response to SSC-NM051 aimed at production of biodiesel and/or plant oil for transportation applications and/or stationary energy generation applications, the SSC WG agreed not to recommend the methodology since it does not include the land areas where the cultivation of oil seeds is undertaken in the boundary. Furthermore it is not consistent with the established principles of SSC Type I and Type III categories with regard to nature of activities covered in each type. Furthermore the methodology does not provide monitoring procedures for the actual use/consumption of the produced biofuels (see also paragraph 10).

39. In response to several requests for clarifications received, the SSC WG recommended a new Type I methodology entitled "Renewable electricity generation for captive use and mini-grid" (see paragraph 5). This category comprises activities for renewable electricity generation to supply to user(s) to displace electricity that would have been supplied from a mini-grid or a national/regional grid or onsite fossil fuel fired captive power plant. The draft of the methodology is contained in annex 11.

40. In response to SSC-NM041-rev, the SSC WG agreed to recommend a new methodology entitled "Installation of cogeneration or trigeneration systems supplying energy to commercial buildings" as contained in annex 12. The methodology is for installation of a new cogeneration/trigeneration plant to supply energy (heating/cooling/electricity) to existing and new buildings. The methodology also includes a pertinent definition of natural gas. The SSC WG recommends that this definition of natural gas is included in CDM glossary of terms.

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[2] Considered in accordance with paragraph 8 of annex 6 of the thirty-fourth report of the Board.

G. Response to requests for new methodologies

41. In response to SSC-NM035-rev2 for activities substituting cement plaster with a plaster utilising an industrial waste material (e.g., phosphor gypsum), the SSC WG agreed not to recommend the methodology. The methodology did not provide monitoring procedures for the actual use/consumption of the plaster including the identification of end uses. Thus the methodology proposed is not in compliance with the guidance on the eligibility of project activities that result in emission reductions due to the use/consumption of a product as per EB36, Annex 16.

42. In response to SSC-NM042-rev, intended for solid biomass fuel production (briquette/pellet) from biomass residues, the SSC WG agreed not to recommend the methodology as the approach proposed for establishment of the thermal energy generation capacity of the project activity is not in compliance with the established procedures for the thresholds for Type I SSC project activities. Furthermore, the SSC WG is of the view that the proposed procedure for estimation of baseline emissions is not adequate.

43. In response to SSC-NM044-rev for switching from CO_2 to N_2 as filler bowl counter pressure in the filling operations in a beverage industry, the SSC WG agreed not to recommend the draft methodology. The group agreed there is double counting in baseline emission calculations, the procedures to take into account any CO_2 from renewable sources when CO_2 is sourced from open market is not provided.

44. The SSC WG agreed to continue to consider SSC-NM046-rev that is for activities resulting in reduced methane emissions from rice fields by shifting from continuously flooded, transplanted rice methods to directly seeded rice with reduced flooding periods. It sought further inputs from the project proponents. It also requested expert inputs on various issues including approaches to reliable monitoring that are practically feasible under the field conditions.

H. Top down development of Methodologies and Public consultation

45. The Executive Board, at its fifty-third meeting, agreed to open calls for public inputs on small-scale energy efficient lighting and solar water heating methodologies. The Executive Board also requested that the SSC WG, at its twenty-fifth meeting, make recommendations for the revision of existing energy efficient residential lighting methodologies, taking into account the public inputs, for the consideration of the Board at its fifty-fourth meeting. The SSC WG appreciates all the input received and encourages continued interaction and input from project proponents during the development of methodologies.

46. Many public comments were received on residential solar water heating and outdoor lighting methodologies. On the basis of these comments the SSC WG will propose modifications to these draft methodologies and may solicit further public and/or expert input before recommending to the Executive Board.

47. Based on the public inputs, the SSC WG also reviewed two methodologies that are applicable to energy efficient residential lighting projects i.e., AMS-II.C and AMS-II.J. The SSC WG is not recommending changes to AMS-II.C but is recommending modifications to AMS-II.J as detailed in paragraph 4 of this report.

48. The SSC WG considered a draft Framework for Estimating Greenhouse-Gas Reductions from Replacing Fuel-based Lighting with LED Systems based on expert inputs as a first step towards developing a methodology in the area. The SSC WG requested the Board to open a call for public input on specific issues related to the elements of this proposed methodology as contained in annex 13.

49. Cognizant of workload for the meeting and priorities set by the Board [3], the SSC WG agreed to postpone the consideration of submissions SSC-NM038, SSC-NM048, SSC-NM049 and SSC-NM050 to the twenty-sixth meeting of the group.

I. General guidance

50. **Simplified modalities for demonstrating additionality:** In response to the request from the Board (see paragraph 53 of EB 53) and taking into account the public inputs received <http://cdm.unfccc.int/public_inputs/2010/additionality_ren_nrj/index.html>, the SSC WG agreed to recommend modalities for simplified additionality test for projects <=5MW or <=20GWh as contained in annex 14.

51. **Guidelines for baseline scenario of Greenfield and Capacity expansion project activities:** The SSC WG recommended changes to the procedures to determine baseline scenarios for Type II and Type III Greenfield and Capacity expansion project activities through a proposed revision to the general guidelines for SSC methodologies as contained in annex 9.

52. The SSC WG agreed to recommend criteria for the applicability of SSC CDM methodologies for project activities involving industrial facilities with low signal to noise ratios (ratio of emission reduction to baseline emissions) as contained in annex 15.

J. Schedule of meetings

53. The SSC WG agreed to schedule its twenty-sixth meeting from **15–18 June 2010** taking into account the schedule of the Board. The deadline for new methodology submissions to this meeting was **20 April 2010** and the deadline for submitting requests for clarifications/revisions for this meeting is **18 May 2010.**

K. Desk Reviews

54. The SSC WG noted the satisfactory completion of the desk reviews undertaken for the proposed new SSC methodologies.

[3] See para. 7 of the "Procedures for the submission and consideration of a proposed new small scale methodology" at <http://cdm.unfccc.int/Reference/Procedures/methSSC_proc03.pdf>.

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

Annex 1: Revision of AMS-II.J

Annex 2: Revision of AMS-I.D

Annex 3: Revision of AMS-I.A

Annex 4: Revision of AMS-I.C

Annex 5: Revision of AMS-III.Z

Annex 6: Revision of AMS-III.AG

Annex 7: Revision of AMS-III.T

Annex 8: Revision of AMS-II.H

Annex 9: General guidelines to SSC methodologies

Annex 10: Guidelines on assessment of de-bundling for SSC project activities

Annex 11: SSC-I.F Renewable electricity generation for captive use and mini-grid

Annex 12: SSC-II.K Installation of cogeneration or trigeneration systems supplying energy to commercial buildings

Annex 13: Call for public input: Framework for Estimating Greenhouse-Gas Reductions from Replacing Fuel-based Lighting with LED Systems

Annex 14: Simplified modalities for demonstrating additionality

Annex 15: Complementary Criteria for Complex Measures, Signal to Noise Ratios