REPORT OF THE THIRTY-THIRD MEETING OF THE SMALL-SCALE WORKING GROUP

UNFCCC Headquarters, Bonn, Germany

22–25 August 2011

RECOMMENDATIONS BY THE SSC WG TO THE CDM EXECUTIVE BOARD

A. Opening of the meeting and adoption of the agenda

1. The Vice-Chair of the Small-Scale Working Group (SSC WG), Mr. Peer Stiansen, opened the meeting.

2. The agenda was adopted as proposed.

B. Proposed new methodologies

3. The SSC WG considered submissions requesting creation of new methodologies. The detailed responses provided by the SSC WG are made publicly available at: <http://cdm.unfccc.int/methodologies/SSCmethodologies/NewSSCMethodologies/index.html>. They can also be accessed by clicking the hyperlinked submission numbers in the table below.

Request for new methodologies		
Submission number	**Title**	**Recommendation**
SSC-NM066	Switch from non-renewable biomass for feedstock applications by the user	(See paragraph 4)
SSC-NM067	Methane oxidation layer (MOL) for solid waste disposal sites	(See paragraph 5)
SSC-NM068	Rural electrification by extension of existing low carbon intensive electricity distribution network	(See paragraph 6)
SSC-NM069	Super-Efficient Major Domestic Appliances	(See paragraph 7)

4. In response to the proposed new methodology SSC-NM066 “Switch from non-renewable biomass for feedstock applications by the user”, the SSC WG agreed not to recommend the methodology. The proposed methodology does not comply with CMP (paragraph 24 of Decision 2/CMP.3) for project activities displacing non-renewable biomass i.e. it neither involves the introduction of new or improvement of existing end-user technology, nor does it displace the usage of non-renewable biomass for meeting end-users energy demand.

5. In response to the proposed new methodology submission SSC-NM067 "Methane oxidation layer (MOL) for solid waste disposal sites", the SSC WG agreed to seek further information on amongst other things (i) naturally occurring methane oxidation in the soil or other material covering the waste in the landfill up layer, and (ii) the uncertainties associated with the method for determining the methane flux below and above the methane oxidization layer (MOL).

6. In response to the proposed new methodology SSC-NM068 "Rural electrification by extension of existing low carbon intensive electricity distribution network", the SSC WG agreed to seek further information.

7. In response to the proposed new methodology SSC-NM069 "Super-Efficient Major Domestic Appliances", the SSC WG agreed to seek further inputs from the PP on issues related to, among other issues : (i) undesired secondary market effects (e.g. leakage) and free riders; (ii) testing standards and conditions for determining the specific energy consumption for both project and baseline appliance models; (iii) conservativeness of the default values provided.

C. Development of new methodologies and tools

8. The SSC WG continued its consideration of a new methodology for efficient agricultural pumping and irrigation activities with focus on one-to-one replacement of existing inefficient pumps used for irrigation developed top down. The aim is to present a draft new methodology for the consideration of the Board at its sixty-sixth meeting.

9. The SSC WG continued its top-down work on development of a new methodology for energy efficiency measures in buildings using computer simulation, taking into account different approaches presented by external experts. The aim is to present a draft new methodology for the consideration of the Board at its sixty-fifth meeting.

10. The SSC WG prepared top-down a draft new methodology titled SSC-II.N “Demand-side energy efficiency activities for installation of energy efficient lighting controls in buildings” as contained in annex 1. The SSC WG agreed to recommend to the Board to launch a call for public input on issues related to, among other things, applicability to Greenfield projects and level of complexity, as contained in annex 2.

11. The SSC WG prepared top-down a draft new methodology for solar cookers as contained in annex 3, taking into consideration comments received from stakeholders in response to the call for public comments launched at EB 61 (3 June - 3 July 2011). The SSC WG agreed to recommend a further call for public input on this latest draft of the methodology.

D. Revisions of approved methodologies and tools

12. The SSC WG considered submissions requesting revisions to approved SSC methodologies. The detailed responses provided by the SSC WG are made publicly available at: <http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>. They can also be accessed by clicking the hyperlinked submission numbers in the table below.

Requests for Revisions		
Submission number	**Title**	**Recommendation**
SSC_542	Revision of AMS-III.AJ to include scrap tires to recover carbon black	(See paragraph 13)
SSC_544	Revision of AMS-III.G to cover more types of gainful use of landfill gas	(See paragraph 14)

13. **Revision of AMS-III.AJ "Recovery and recycling of materials from solid wastes":** in response to the submission SSC_542 requesting revision of AMS-III.AJ to include scrap tires to recover carbon black, the SSC WG agreed not to recommend a revision as the group is of the opinion that tires are not necessarily “waste” material that is dumped into municipal solid waste sites, and AMS-III.AJ is based on the principle that the recycled wastes would be treated in municipal solid waste disposal sites in the absence of the project activity.

14. **Revision of AMS-III.G "Landfill methane recovery"**: in response to the submission SSC_544 requesting revision of AMS-III.G to cover among others, more types of gainful use of landfill gas, the SSC WG agreed to recommend the revision of the methodology for Board's approval, as contained in annex 4.

15. **Revision of AMS-II.C "Demand-side energy efficiency activities for specific technologies"**: the SSC WG continued its top-down work on revising AMS-II.C. An expert analysis on options to expand the methodology to include compressed air systems, pump scheduling systems, intuitive energy saving devices in households, lighting controls and/or energy management systems in buildings is contained in annex 5 of the SSC WG 33 report. The SSC WG welcomes submissions from PPs in the form of a revised methodology or a new methodology taking into account the analysis. Further, the SSC WG agreed to continue its work on a expansion of the methodology to cover replacement of multiple chillers.

16. **Revision of AMS-III.AR "Substituting fossil fuel based lighting with LED lighting systems"**: the SSC WG continued its top-down work on the revision of AMS-III.AR. The group agreed to have further consultation with PPs and stakeholders, and to continue to consider options for implementing/incorporating provisions of suppressed demand guidelines agreed by the Board at its sixty-second meeting (Annex 6, EB 62).

17. **Revision of AMS-III.Q "Waste energy recovery (gas/heat/pressure) projects"**: the SSC WG agreed to continue its work on the revision of AMS-III.Q to align the methodology with the ACM0012 as appropriate.

18. **Revision of AMS-III.W "Methane capture and destruction in non-hydrocarbon mining activities"** in response to the submission SSC_488 requesting an expansion to include recovery and utilization of methane from newly drilled exploration boreholes for mineral exploration and prospecting, and based on the Meth Panel's subsequent input (paragraph 34, MP 49), the SSC WG continued its efforts to obtain expert inputs with a view to conclude in a future meeting.

E. Clarifications to approved methodologies and tools

19. The SSC WG considered submissions requesting clarifications to approved SSC methodologies. The detailed responses provided by the SSC WG are made publicly available at: <http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>. They can also be accessed by clicking the hyperlinked submission numbers in the table below.

Requests for clarifications		
Submission number	**Title**	**Recommendation**
SSC_543	Clarification on monitoring the quantity of biomass and the fraction of non-renewable biomass under AMS-I.E	(See paragraph 20)
SSC_545	Clarification on the determination of fNRB in AMS-II.G	(See paragraph 21)
SSC_546	Clarification on the applicability of energy efficiency and fuel switching measures in commercial installations	(See paragraph 22)
SSC_547	Clarification regarding baseline calculation in the case of a Greenfield project and provision of leakage in the case of a PoA for AMS-I.F	(See paragraph 23)
SSC_548	Clarification on the applicability of AMS-III.AN to a project activity using supplementary fuel	(See paragraph 24)

SSC_549	Clarification of AMS-II.C paragraph 1 at many sites	(See paragraph 25)
SSC_550	Clarification on the applicability of AMS-II.H to project activities promoting waste-heat based chillers	(See paragraph 26)
SSC_551	Clarification on emissions from the transportation of compost under AMS-III.F	(See paragraph 27)
SSC_552	Clarification on the use of technology supplier provided value for physical leakage estimation	(See paragraph 28)
SSC_553	Clarification on the conservativeness factor to account for uncertainties under AMS-I.I	(See paragraph 29)
SSC_554	Clarification on baseline determination under AMS-I.C for a cogeneration implemented in an existing facility	(See paragraph 30)
SSC_555	Clarification on hypothetical baseline selection for a biomass based cogeneration project applying AMS-I.C	(See paragraph 31)
SSC_556	Clarification on the applicability of AMS-III.S for introduction of low-emission vessels/technologies to commercial vessel fleets under maritime sectors	(See paragraph 32)
SSC_557	Clarification on monitoring of project methane emissions under AMS-III.K	(See paragraph 33)
SSC_558	Clarification on the treatment of capacity addition in the case of wind energy projects under AMS-I.D	(See paragraph 34)
SSC_559	Clarification on the combined use of the mutually exclusive methodologies AMS-I.A and AMS-I.F in one PDD	(See paragraph 35)

20. In response to the submission SSC_543, requesting clarification on the determination of the fraction of non-renewable biomass under AMS-I.E, the SSC WG agreed to clarify that the fraction of non-renewable biomass can be fixed *ex ante* at the beginning of each crediting period. In response to the query on the determination of the quantity of woody biomass, the SSC WG agreed to clarify that the estimate of average annual consumption of woody biomass per appliance (tonne/year) derived from surveys or historic information in accordance with paragraph 6 (a) of the methodology likewise can be fixed *ex ante*.

21. In response to the submission SSC_545, requesting clarification on the determination of fNRB in AMS-II.G, the SSC WG clarified that woody biomass is determined to be renewable based on the area(s) from which the woody biomass "originates", in other words, the source of the woody biomass that is used. As per the methodology the non-renewable woody biomass (NRB) is the quantity of woody biomass used in the absence of the project activity minus the demonstrably renewable biomass (DRB) component, indicating that both NRB and DRB refer to quantities of woody biomass used.

22. In response to the submission SSC_546 requesting clarification on the applicability of energy efficiency and fuel switching measures in commercial installations, the SSC WG agreed to clarify that project activities/parts of project activities involving bunker fuels are not eligible under CDM (paragraph 58, EB 25). The group further clarified that AMS-II.D does not provide procedures to estimate emission reductions for project activities involving technologies with variable input/output characteristics such as chillers.

23. In response to the submission SSC_547, the SSC WG agreed to clarify that in the situation where there is no electricity usage prior to the project activity, the methodology to be applied should be AMS-I.A, not AMS-I.F, and that the provisions under AMS-I.A should be followed for the baseline determination. The group also agreed to recommend the Board to approve the combination of AMS-I.A with AMS-I.D and/or AMS-I.F in a PoA.

Regarding the query on leakage, the SSC WG agreed to carry out further analysis of (i) the current requirements related to scrapping of equipment as specified in various SSC methodologies, and (ii) the implications of these requirements on both regular SSC project activities and on PoAs.

24. In response to the submission SSC_548, the SSC WG agreed to clarify that any fossil fuels combusted in project equipment during the crediting period, for example any supplementary fossil fuel that may be used in contingency situations, are monitored and accounted for as project emissions as per the "Tool to calculate project or leakage CO_2 emissions from fossil combustion". It further agreed to clarify that AMS-III.AN is applicable in the case where the project activity displaces a single type of baseline fossil fuel and that multiple fossil fuel switch is not covered.

25. In response to the submission SSC_549, the SSC WG agreed to clarify that the methodology is applicable to the adoption of energy-efficient equipment/appliances (e.g. lamps, ballasts, refrigerators, motors, fans, air conditioners, pumping systems) at many sites, a few sites or at just one site, assuming all other requirements of AMS-II.C are met.

26. In response to the submission SSC_550 requesting clarification on the applicability of AMS-II.H to project activities promoting waste-heat based chillers, the SSC WG agreed to clarify that the proposed project activity is not applicable under AMS-II.H since it does not involve integration of a number of energy utility components - electricity, heat/steam/hot air and cooling into a centralized utility - CCHP or CHP installation. The SSC WG further agreed that a new type III methodology would be required taking into account relevant provisions of AMS-II.H and AMS-III.Q.

27. In response to the submission SSC_551 requesting clarification on emissions from the transportation of compost under AMS-III.F, the SSC WG agreed to clarify that CO_2 emissions due to incremental transportation distances can be neglected under AMS-III.F.

28. In response to the submission SSC_552 requesting clarification on the use of technology supplier provided value for physical leakage estimation, the SSC WG agreed to clarify that the data provided by the technology supplier can be used if the data reflect the overall physical leakage level of the whole system, and are determined according to national or international recognized standard.

29. In response to the submission SSC_553 requesting clarification on the conservativeness factor used to account for uncertainties under AMS-I.I, the SSC WG agreed to clarify that this uncertainty factor does not reflect the uncertainty which arises from statistical/sampling approaches, rather it reflects the uncertainty of the method itself. The group agreed to recommend to maintain the conservativeness factor in the methodology in order to address/minimize negative effects caused by such non-sampling errors.

30. In response to the submission SSC_554 requesting clarification on baseline determination of a cogeneration project activity using AMS-I.C, the SSC WG agreed to clarify that the installation of the biomass based cogeneration at an existing facility with historical energy generation cannot be considered as a Greenfield project activity. If the selected baseline scenario is not the continuation of the current practice, the baseline emission shall be chosen as lower of the two a) the identified baseline b) the pre-project situation.

31. In response to the submission SSC_555 requesting clarification on baseline selection for a biomass based cogeneration project applying AMS-I.C, the SSC WG agreed to refer the PP to responses to SSC_460 and SSC_478 related to the treatment of hypothetical baseline scenario that the assessment of the baseline alternatives to a project and the selection of the most plausible baseline scenario should be justified to the validating DOE, using the relevant standards/ tools /procedures/ guidelines.

32. In response to the submission SSC_556, the SSC WG agreed to clarify that AMS-III.S may also be applied to a project activity involving low greenhouse gas emitting marine vessels used only for domestic water borne transport as defined by IPCC 2006, vol.2, chapter 3.

33. In response to the submission SSC_557 requesting clarification on monitoring of project methane emissions under AMS-III.K, the SSC WG clarified the two sources of the fugitive emissions from charcoaling process and provided guidance on the calculation of the two sources.

34. In response to the submission SSC_558 requesting clarification on the treatment of capacity addition in the case of wind energy projects under AMS-I.D, the SSC WG agreed to clarify that the described project activity shall be evaluated following the procedures provided in the methodology and other relevant requirements such as de-bundling rules. It is further clarified that if the project activity is determined as a capacity addition, the determination of $DATE_{BaselineRetrofit}$ is not needed.

35. In response to the submission SSC_559 requesting clarification on the combined use of the mutually exclusive methodologies AMS-I.A and AMS-I.F in one PDD, the SSC WG agreed to clarify if the methodology used at the time of PDD registration is no longer applicable, the relevant procedures for changes in a PDD apply.

F. General guidance and cross-cutting issues

36. **Microscale additionality.** The SSC WG considered the Board's requests on the issue of microscale additionality (paragraph 48 , EB 62) and it also undertook a technical assessment of the submissions received by the DNAs of Indonesia and Ecuador. It agreed to the recommendations as contained in annex 6 and 7.

37. **Top-down development of standardized baselines:** As per the task of developing standardized baselines contained in the MAP objective 2 d) related to rural energy, the SSC WG continued to work on methodologies AMS-I.E "Switch from Non-Renewable Biomass for Thermal Applications by the User" and AMS-II.G "Energy efficiency measures in thermal applications of non-renewable biomass", focusing on:

(a) Approaches for deriving regional/country specific values for the fraction of non-renewable biomass;

(b) Default parameters for baseline fuelwood consumption per capita or per household.

The SSC WG considered the technical inputs received from experts on approaches for fNRB quantification i.e by using mean annual increment of biomass growth and applying the Woodfuel Integrated Supply/Demand Overview Mapping (WISDOM) methodology. The SSC WG agreed to recommend the Board to launch a call for public inputs seeking feedback on the proposed approaches for quantifying the fraction of non-renewable biomass and default parameters for baseline fuel wood consumption, as contained in annex 8.

The SSC WG agreed to continued its work on standardized baselines for transport (AMS-III.AA), methane emissions in rice field (AMS-III.AU) and biogas digesters (AMS-I.I and AMS-I.E).

38. **Monitoring tables for AMS-III.D.** As part of the work toward clarifying monitoring requirement and simplifying methodologies serving agreed sectors as contained in the CDM MAP (3 a), the SSC WG, taking into account input from stakeholders, prepared a draft

revised methodology with the monitoring table specifying monitoring requirements, as contained in annex 9.

G. Schedule of meetings and rounds of submissions

39. The SSC WG agreed to schedule its thirty-fourth meeting from 11-14 October 2011 taking into account the schedule of the Board. The deadline for new methodology submissions to this meeting is 16 August 2011 and the deadline for submitting requests for clarifications/revisions for the SSC WG 34 meeting is 13 September 2011.

H. Desk reviews

40. The SSC WG noted the satisfactory completion of the desk reviews SSC-NM066, SSC-NM067, SSC-NM068 and SSC-NM069 undertaken for the proposed new SSC methodologies considered at the meeting.

41. The Chair of the Small-Scale Working Group, Ms. Fatou Gaye closed the meeting.

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

Annex 1: Draft methodology SSC-II.N "Demand-side energy efficiency activities for installation of energy efficient lighting and/or controls in buildings"

Annex 2: Call for public inputs on draft methodology for demand-side energy efficiency activities for installation of energy efficient lighting and/or controls in buildings

Annex 3: Draft methodology SSC-I.K "Solar cookers for households"

Annex 4: Draft revision of AMS-III.G "Landfill methane recovery"

Annex 5: Consultancy report on options to expand AMS-II.C "Demand-side energy efficiency activities for specific technologies"

Annex 6: Information Note on "Guidelines for the demonstration of additionality of microscale project activities"

Annex 7: Technical assessment of DNA submissions on "Guidelines for the demonstration of additionality of microscale project activities"

Annex 8: Call for public inputs in relation to standardized approaches for facilitating the baseline emission calculations under SSC CDM methodologies for displacement of non-renewable biomass

Annex 9: Draft revision of AMS-III.D "Methane recovery in animal manure management systems"