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

Laico Atlantic Hotel, Banjul, The Gambia
11–14 October 2011

RECOMMENDATIONS BY THE SSC WG TO THE CDM EXECUTIVE BOARD

A. Opening of the meeting and adoption of the agenda

1. The Small-Scale Working Group (SSC WG) thanked the Government of The Gambia for hosting the meeting in Banjul where excellent meeting facilities were provided. Mr. Jato S. Sillah, Honourable Minister of Forestry and The Environment welcomed the SSC WG to Banjul.

2. The Chair of the SSC WG, Ms. Fatou Gaye, opened the meeting.

3. The agenda was adopted as proposed.

B. Proposed new methodologies

4. The SSC WG considered submissions requesting the 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>.

Request for new methodologies		
Submission number	**Title**	**Recommendation**
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)
SSC-NM070	BaM-M for Flow Improvement Equipment	(See paragraph 8)
SSC-NM071	Introduction of LNG buses to existing and new bus routes	(See paragraph 9)
SSC-NM072	Recovery and recycling of materials from E-waste	(See paragraph 10)
SSC-NM073	Baseline methodology for electrification of rural communities	(See paragraph 11)

5. In response to the proposed new methodology SSC-NM067, the SSC WG agreed to recommend a new methodology entitled SSC-III.AX "Methane oxidation layer (MOL) for solid waste disposal sites", as contained in annex 1. This methodology is for project activities constructing a methane oxidation layer (MOL) as a top layer of a Solid Waste Disposal Site, using methane oxidizing materials.

6. In the context of new methodology SSC-NM068 "Rural electrification by extension of existing low carbon intensive electricity distribution network", the SSC WG noted that the project proponent's response to the recommendations from the thirty-third meeting of the SSC WG were not received in time for the thirty third meeting and therefore the case will be considered at a future meeting.

7. In response to the proposed new methodology SSC-NM069 "Super-Efficient Major Domestic Appliances", the SSC WG agreed to continue to consider the proposed methodology. The SSC WG also noted in its response the distinct features of AM0070 as compared with

NM069, considering that the submission author made several references to AM0070 to justify the proposals included in NM069. The SSC WG also agreed to seek further inputs such as those related to autonomous technology development, in order to facilitate further consideration of the methodology by the group.

8. In response to the proposed new methodology SSC-NM070 "BaM-M for Flow Improvement Equipment", the SSC WG agreed that the proposed new methodology was deemed not suitable for recommendation to the Executive Board of the clean development mechanism (hereinafter referred to as the Board) as the methodology comprises international shipping activities that are ineligible as per paragraph 58 of the report of the twenty-fifth meeting of the Board stating that "the project activities/parts of project activities resulting in emission reductions from reduced consumption of bunker fuels (e.g. fuel savings on account of shortening of shipping route on international waters) are not eligible under the CDM."

9. In response to the proposed new methodology SSC-NM071 "Introduction of LNG buses to existing and new bus routes", the SSC WG agreed to seek further clarifications from the project proponent for issues such as identification of baseline transportation modes for new routes and procedures to demonstrate that transportation service levels before and after the project implementation are equivalent.

10. In response to the proposed new methodology SSC-NM072 "Recovery and recycling of materials from E-waste", the SSC WG agreed to seek further information from the project proponents, such as procedures to demonstrate that the project activity is indeed additional to the current recycling activities, and how the methodology excludes the baseline emissions due to the production of metals or plastics from virgin materials which would take place in Annex-I countries.

11. In response to the proposed new methodology SSC-NM073 "Baseline methodology for electrification of rural communities", the SSC WG acknowledged the important methodological concepts put forwarded in the submission and agreed to seek further clarifications on some issues such as proposed default values applicable to households (e.g. type of baseline, service levels, operating hours and emission factors) and its conservativeness when applied globally.

C. Development of new methodologies and tools

12. The SSC WG continued to consider the development of a new methodology top-down for efficient agricultural pumping and irrigation activities taking into account input from stakeholders. The SSC WG also continued its top-down work on the development of a new methodology for energy efficiency measures in buildings using computer simulation, taking into account further expert input.

D. Revisions of approved methodologies and tools

13. 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>.

Requests for revisions		
Submission number	**Title**	**Recommendation**
SSC_561	Revision of AMS-III.K to cover the upgrade of open-ended charcoal production facilities and capacity additions	(See paragraph 14)

SSC_568	Revision of AMS-I.J to include an alternative approach for energy savings determination	(See paragraph 15)
SSC_569	Revision of AMS-II.C to include suppressed demand elements	(See paragraph 16)
SSC_572	Revision of AMS-III.K to allow for indirect determination of fugitive project emissions	(See paragraphs 14/17)
SSC_488	Revision of AMS-III.W to include the utilization of methane as an option	(See paragraph 20)

14. **Revision of AMS-III.K "Avoidance of methane release from charcoal production by shifting from traditional open-ended methods to mechanized charcoaling process":** in response to the submission SSC_561, the SSC WG agreed to recommend a revised version of AMS-III.K, which expands the applicability of the methodology (e.g. retrofit of an existing facility is covered) and provides more guidelines on the determination of the fugitive emissions and project emissions from inefficient flaring, as contained in annex 2.

15. **Revision of AMS-I.J "Solar water heating systems (SWH)"**: in response to the submission SSC_568 requesting revision of AMS-I.J to include an alternative approach for determination of energy savings based on efficiency of systems, the SSC WG agreed not to recommend the revision. The group was of the opinion that the proposed method would not ensure that the data collected would be representative of all SWH installed by the project. The SSC WG agreed, however, to continue to consider the methodology for recommending additional metering approaches at a future meeting of the group. The group also noted that the issue of suppressed demand might have been already addressed in the current version of the methodology.

16. **Revision of AMS-II.C "Revision of AMS-II.C to include suppressed demand elements"**: in response to the submission SSC_569, the SSC WG agreed not to recommend the suggested revision of the methodology. The SSC WG is of the opinion that the proposed changes are not consistent with the suppressed demand guidelines (EB62, annex 6), particularly with respect to the definition of minimum service level and identification of applicable technologies.

17. **Revision of AMS-III.K "Revision of AMS-III.K to allow for indirect determination of fugitive project emissions""**: please refer to paragraph 14 above.

18. **Revision of AMS-III.AR "Substituting fossil fuel based lighting with LED lighting systems"**: the SSC WG agreed to recommend the revision of the methodology as contained in annex 3. The revision covers, inter alia, specifications to ensure high quality, high performance lighting products are distributed under the project (e.g. lumen testing, IP class) besides expanding the applicability to include compact fluorescent lamps.

19. **Revision of AMS-III.Q "Waste energy recovery (gas/heat/pressure) projects"**: the SSC WG continued its work on the revision of AMS-III.Q taking into account the requirements contained in the latest version of ACM0012.

20. **Revision of AMS-III.W "Methane capture and destruction in non-hydrocarbon mining activities"**: in response to the submission SSC_488, the SSC WG took into account external expert inputs indicating that a drilling programme designed to determine the amount of mineral deposit would not likely be altered for the purpose of CDM benefits and that there is a low probability of finding significant organic deposits together with mineral ores in the same geological formations. The SSC WG thus agreed to recommend a revision of AMS-III.W to include recovery and utilization of methane from exploration boreholes as contained in annex 4.

E. Clarifications to approved methodologies and tools

21. 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>.

Requests for clarification		
Submission number	**Title**	**Recommendation**
SSC_560	Clarification on the auxiliary heating system under AMS-I.J	(See paragraph 22)
SSC_562	Clarification on use of AMS-I.D for biogas projects in the context of PoAs	(See paragraph 23)
SSC_563	Clarification on the monitoring requirements for Greenfield renewable biomass energy plants supplying power to a grid	(See paragraph 24)
SSC_564	Clarification on the requirement of at least one year historical data for fuel switch in existing facilities	(See paragraph 25)
SSC_565	Clarification on the applicability of AMS-I.F and possibility of the combined use of AMS-I.D and AMS-I.F in one PDD	(See paragraph 26)
SSC_566	Clarification on monitoring requirements for stove efficiency for a project activity utilizing Kitchen Performance Test	(See paragraph 27)
SSC_567	Clarification on the applicability of AMS-III.AN to project activity switching to low carbon intensive transportation system in a mining industry	(See paragraph 28)
SSC_570	Clarification in the case where 90/10 confidence/precision is not met under the sampling guidelines	(See paragraph 29)
SSC_571	Clarification on the use of monitoring requirements from AMS-I.I for biogas projects using AMS-I.C	(See paragraph 30)
SSC_573	Clarification on determination of the baseline cogeneration efficiency under AMS-I.C	(See paragraph 31)
SSC_574	Clarification on consideration of suppress demand in the baseline scenario under AMS-III.F	(See paragraph 32)
SSC_575	Clarification on definition of type of biomass in the context of AMS-I.D	(See paragraph 33)
SSC_576	Clarification on the eligibility of SWHs under microscale additionality guidelines	(See paragraph 34)

22. In response to the submission SSC_560, requesting clarification on the use of an auxiliary heating system under AMS-I.J, the SSC WG clarified that the electricity demand for auxiliary heating demand does not need to be considered as leakage.

23. In response to the submission SSC_562, requesting clarification on the use of AMS-I.D for biogas projects in the context of programmes of activities (PoAs), the SSC WG agreed to indicate that the clarifications SSC_173, SSC_485 and SSC_516 pertaining to the treatment of emissions from the source of biogas used in heat or electricity generation CDM projects are equally applicable in the context of PoAs, i.e. monitoring the source of biogas would be required even if no emission reductions are being claimed from a waste management system. However, such a requirement to monitor the source of biogas would not amount to the application of a "combination of methodologies" under the approved standards, procedures and guidelines for PoA applications.

24. In response to the submission SSC_563, requesting clarification on the monitoring requirements for Greenfield biomass projects supplying power to a grid, the SSC WG agreed to clarify that the information on type of biomass and its quantity is required ex ante for the assessment of baseline and leakage. The SSC WG further clarified that the moisture content of biomass shall be monitored on-site or, alternatively, reliable values provided by suppliers shall be used. The SSC WG agreed to clarify the issue in the future revision of AMS-I.D.

25. In response to the submission SSC_564, requesting clarification on the requirement of at least one year of historical data for fuel switch in existing facilities, the SSC WG agreed to clarify that, in accordance with paragraph 17 of AMS-I.C, it is essential for an "existing facility" to have a minimum of three years of operational history.

26. In response to the submission SSC_565, requesting clarification on the applicability of AMS-I.F and/or AMS-I.D for a renewable electricity generation project which displaces captive generation fully or partially with the remaining portion of electricity exported to a grid, the SSC WG agreed to clarify that AMS-I.F is applicable to the described project activity irrespective of relative share of grid export and captive use.

27. In response to the submission SSC_566, requesting clarification on monitoring requirements for cook stove efficiency for a project activity utilizing Kitchen Performance Test (KPT) applying AMS-II.G ver 03, the SSC WG agreed to clarify that the requirement in paragraph 15 of the methodology, i.e. checking the efficiency of all appliances or a representative sample thereof, at least once every two years (biennially) is not applicable, whereas the requirement specified in paragraph 17 of the methodology is applicable, i.e. monitoring shall ensure that fuel consumption during the period of the project activity is monitored annually.

28. In response to the submission SSC_567, requesting clarification on the applicability of AMS-III.AN to a project activity switching to a low carbon intensive transportation system in a mining industry, the SSC WG agreed to clarify that the methodology is not applicable to transportation mode switch projects because it is intended for fuel switch in thermal energy conversion equipment used in the manufacturing of products

29. In response to the submission SSC_570, requesting clarification in the case where 90/10 confidence/precision is not met under the sampling guideline, the SSC WG agreed to clarify that project proponents should deploy sufficient resources at the planning stage to ensure the precision requirements are always met (e.g. taking into account the range of standard deviations that can be expected, conservative estimates of non-responses).

30. In response to the submission SSC_571, requesting clarification on the use of monitoring requirements from AMS-I.I for biogas projects using AMS-I.C, the SSC WG agreed that the project participants should be encouraged to apply AMS-I.I for their PoAs involving household biogas projects, since this methodology has been specifically designed for this type of project activity and provides more detailed and relevant procedures than AMS-I.C. The group also agreed that if the project participants decide not to switch methodologies (i.e. to continue using AMS-I.C), they may use the monitoring procedures provided in AMS-I.I, for the project biogas units, as long as the applicability conditions of AMS-I.I are met.

31. In response to SSC_573, requesting clarification on the determination of the baseline cogeneration efficiency under AMS-I.C, the SSC WG agreed to clarify that the default efficiency value of a steam generation unit (e.g. boiler) used in the baseline cogeneration unit can be derived from option E/Table 1 of the "Tool to determine the baseline efficiency of thermal or electrical energy generation systems". Further, the SSC WG agreed to include the respective default values provided in Option E/Table 1 of the Tool in AMS-I.C while recommending a revision of the methodology in future.

32. In response to the submission SSC_574, requesting clarification on the consideration of suppressed demand in establishing the baseline scenario under AMS-III.F in the context of a PoA, the SSC WG agreed to clarify that the suppressed guidelines (EB 62, annex 6) require that a minimum service level shall be defined in the applicable methodologies before it can be used in project activities.

33. In response to SSC_575, requesting clarification on the definition of type of biomass in the context of AMS-I.D, the SSC WG agreed to clarify that biomass residues from above- and below-ground parts of a plant (e.g. rubber tree) can in principle be treated as one type of biomass, provided that relevant procedures of AMS-I.D are followed in order to monitor the quantity, moisture content and the net calorific value of the mixed biomass.

34. In response to the submission SSC_576, requesting clarification on the eligibility of SWHs under microscale additionality guidelines, the SSC WG agreed to clarify that the SWHs displacing grid-connected electric heaters are eligible to apply paragraph 2(c). It may be noted that the Executive Board at its sixty-third meeting tasked the SSC WG with further work on the microscale additionality guidelines and positive list of renewable energy technologies.

F. General guidance and cross-cutting issues

35. **Microscale additionality.** The SSC WG undertook a technical assessment of the submission received from the designated national authority of South Korea, and agreed the submission was technically valid, as contained in annex 5.

36. **Top-down development of standardized baselines.** The SSC WG considered the outlines of its work on standardized baselines for transport (AMS-III.AA), methane emissions in rice fields (AMS-III.AU) and biogas digesters (AMS-I.I and AMS-I.E) and agreed to continue to work on the issue, including seeking expert inputs on country/region-specific values for standardized baselines.

37. **Leakage due to transfer of equipment in PoAs:** As a follow-up to the request for clarification SSC_547 at SSC WG 33, the group carried out further analysis of: (i) the current requirements related to the scrapping of equipment as specified in various SSC methodologies; and (ii) the implications of these requirements for the development of PoAs, with the aim of recommending further guidelines pertaining to leakage requirements for PoAs. The group noted that a number of Type I methodologies (i.e. AMS-I.A, B, C, D, and F), when applied to PoAs, require that the replaced energy-generating equipment should be scrapped and that this scrapping should be independently monitored. The SSC WG is of the opinion that under most circumstances, the replaced equipment would most likely replace less efficient equipment outside the project boundary, and therefore the scrapping requirement is not needed. The SSC WG consequently agreed to recommend removing this requirement in future revisions of these Type I methodologies.

G. Schedule of meetings and rounds of submissions

38. The SSC WG agreed to tentatively schedule its thirty-fifth meeting from the 17 to 20 January 2012, taking into account the schedule of the Board. The tentative deadline for new methodology submissions to this meeting is 22 November 2011 and the tentative deadline for submitting requests for clarifications/revisions for the SSC WG thirty-fifth meeting is 20 December 2011.

H. Desk reviews

39. The SSC WG noted the satisfactory completion of the desk reviews SSC-NM070, SSC-NM071, SSC-NM072 and SSC-NM073 undertaken for the proposed new SSC methodologies considered at the meeting.

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

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

Annex 1: Draft methodology SSC-III.AX "Methane oxidation layer (MOL) for solid waste disposal sites"

Annex 2: Draft revision of AMS-III.K "Avoidance of methane release from charcoal production by shifting from traditional open-ended methods to mechanized charcoaling process"

Annex 3: Draft revision of AMS-III.AR "Substituting fossil fuel based lighting with LED lighting systems"

Annex 4: Draft revision of AMS-III.W "Methane capture and destruction in non-hydrocarbon mining activities"

Annex 5: Technical assessment of the submission received by the DNA of South Korea