



Annex

GENERAL GUIDELINES FOR SSC CDM METHODOLOGIES

(Version 19.0)

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I. Introduction

A. Background

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) adopted at its sixty-fifth meeting the “Clean development mechanism project standard” (hereinafter referred to as the Project standard) along with other regulatory documents as deliverables of objective 3(b) (“Clarification, consolidation and enhancement of the consistencies of all the existing regulatory decisions of the board that relate to validation and verification of project activities”) of the “CDM management plan 2011”.

2. The Project standard contains requirements for project participants to comply with in designing as well as in implementing any type of CDM project activities and programme of activities (PoAs) and monitoring greenhouse gas (GHG) emission reductions by sources or GHG removals by sinks. In particular, the Project standard includes specific design requirements for proposed small-scale CDM project activities and small-scale PoAs.

B. Objectives

3. This document provides general guidelines¹ for applying small-scale CDM methodologies to the design of proposed small-scale CDM project activities and small-scale PoAs.

II. Scope and applicability

4. This document is applicable to project participants and coordinating/managing entities who apply small-scale CDM methodologies to proposed small-scale CDM project activities and small-scale PoAs. This document is, however, not applicable to project participants and coordinating/managing entities using large-scale methodologies for project activities and PoAs that are within the small-scale project activity thresholds.

5. The requirements and procedures specified in the small-scale CDM methodologies have precedence over the provisions specified here.

III. Terms and definitions

6. In addition to the definitions contained in the “Glossary of CDM terms”, the following terms are used in this document:

- (a) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
- (b) “May” is used to indicate what is permitted.

IV. Guidelines

A. References

7. When applying small-scale CDM methodologies, and in addition to applying the relevant provisions in the Project standard, project participants and coordinating/managing entities should also

¹ See EB 53, Annex 38 “CDM Executive Board decision framework: Decision hierarchy and document types issued by the Board” or its update for the definition of the general guidelines.



consult the “Rules and References” section of the UNFCCC CDM website <<http://unfccc.int/>>, which contains all regulatory documents of the CDM, such as standards (including methodologies and tools), procedures, guidelines, clarifications and the “Glossary of CDM terms”.

B. Project activity eligibility

8. For the following requirements, project participants and coordinating/managing entities must refer to applicable provisions for project activity eligibility for small-scale project activities in the Project standard:

- (a) Eligibility of project activities as small-scale CDM project activities;
- (b) Output capacity of renewable energy equipment.

C. Bundling of project activities

9. If project participants bring together more than one proposed small-scale CDM project activity as a bundle, project participants must refer to the applicable provisions for bundling of project activities in the Project standard.

D. Debundling for project activity and PoA

10. To demonstrate that a proposed small-scale CDM project activity (hereinafter referred to as a project activity) or proposed small-scale PoA (hereinafter referred to as a PoA) is not a debundled component of a large-scale project activity, project participants or coordinating/managing entities must refer to the applicable provisions for debundling of project activities or debundling of small-scale component project activities in the Project standard.

E. Application of selected baseline and monitoring methodology

1. General

11. For the following requirements, project participants and coordinating/managing entities must refer to the applicable provisions for the application of selected baseline and monitoring methodology for small-scale project activities in the Project standard:

- (a) Determination of equipment performance;
- (b) Cases where leakage is to be considered;
- (c) Lifetime of existing equipment;
- (d) Lifetime of household devices/appliances;
- (e) Use of Norms, Specifications, Standards and Test Procedures cited in the SSC methodologies.

2. Establishment and description of the baseline scenario

12. For consideration of national policies and circumstances in baseline scenarios, project participants and coordinating/managing entities must refer to the applicable provisions for the establishment and description of baseline scenario for all project types in the Project standard.



3. Demonstration of additionality

13. For demonstrating additionality, project participants must refer to the applicable provisions for the demonstration of additionality for small-scale project activities provided in the Project standard. Coordinating/managing entities must refer to those provisions for small-scale project activities and PoAs in the Project standard.

4. Monitoring plan

14. For monitoring the emission reductions from project activities, project participants must refer to the applicable provisions for monitoring plan for all project types and small-scale project activities. For PoAs, coordinating/managing entities must refer to those provisions for all project types, small-scale project activities and PoAs in the Project standard.

F. Application of multiple methodologies for programmes of activities

15. For the application of multiple methodologies to a PoA, coordinating/managing entities must refer to the applicable provisions for application of multiple methodologies in the “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”.

16. The following combinations of approved methodologies may be applied without further assessment of cross effects:

- (a) AMS-III.R with AMS-I.C (approved at EB 53);
- (b) Combination of any one of the Type III methodologies where activities lead to methane generation (i.e. AMS-III.H, AMS-III.D, AMS-III.F and AMS-III.G), with any one of the Type I methodologies that utilise the methane for generating renewable energy, (i.e. AMS-I.A, AMS-I.C, AMS-I.D and AMS-I.F) (approved at EB56);
- (c) AMS-III.D, AMS-I.C and AMS-I.F (approved at EB 61);
- (d) AMS-I.C and AMS-I.F (approved at EB 61);
- (e) AMS-III.AO and AMS-I.E (approved at EB 67);
- (f) AMS-I.A, AMS-I.D and AMS-I.F (approved at EB 67);
- (g) AMS-I.E and AMS-II.G (approved at EB 68) .

G. Data and parameters

17. For the use of IPCC default values for emission coefficients, project participants and coordinating/managing entities must refer to the applicable provision for data and parameters in the Project standard.

H. Project activity and programme of activities that displace energy supplied by external sources

18. Project activities and PoAs that displace energy supplied by external sources shall earn certified emission reductions (CERs) for the emission reductions associated with the reduced supply of energy by those external sources.



I. Biomass project

19. In the case of project activities and PoAs using biomass, emission reductions may only be accounted for the combustion of “renewable biomass”. Project participants and coordinating/managing entities must refer to the “Definition of Renewable Biomass”.

20. For leakage in project activities and PoAs using biomass, project participants and coordinating/managing entities must refer to the “General guidance on leakage in biomass project activities”.

21. If the project activity recovers and utilizes biogas for power/heat production and applies a Type I methodology on a stand-alone basis i.e. without using a Type III component of a SSC methodology, any incremental emissions occurring due to the implementation of the project activity (e.g. physical leakage of the anaerobic digester, emissions due to inefficient flaring), shall be taken into account either as project or leakage emissions.

J. Type II and III Greenfield projects

22. Type II and III Greenfield projects (new facilities) may use a Type II and Type III small-scale methodology provided that they can demonstrate that the most plausible baseline scenario for this project activity or PoA is the baseline provided in the respective Type II and Type III small-scale methodologies.² The demonstration must include an assessment of the alternatives of the project activity or PoAs using the following steps:

Step 1:

Identify the various alternatives available to the project proponent that deliver comparable levels of service, including the proposed project activity or PoA undertaken without being registered as a CDM project activity or PoA.

Step 2:

List the alternatives identified in Step 1 that are in compliance with local regulations. If any of the identified baselines is not in compliance with local regulations, then exclude that alternative from further consideration).

Step 3:

Eliminate and rank the alternatives identified in Step 2 taking into account barrier tests specified in the “Guidelines on the demonstration of additionality of small-scale project activities” attachment A to Appendix B of the Simplified modalities and procedures for small-scale CDM project activities.

Step 4:

If only one alternative remains that:

- (a) Is not the proposed project activity or PoA undertaken without being registered as a CDM project activity or PoA; and

² This paragraph is not applicable to methodologies that only cover existing facilities. Specific procedures for Greenfield project activities provided directly in the methodologies have precedence.



- (b) Corresponds to one of the baseline scenarios provided in the methodology; then the project activity or PoA is eligible under the methodology.

If more than one alternative remains that correspond to a baseline scenario provided in the methodology, choose the alternative with the lowest emissions as the baseline.

K. Retrofit

23. For project activities and PoAs that seek to retrofit or modify existing units or equipment, the baseline may refer to the characteristics (i.e. emissions, efficiency) of the existing unit or equipment only to the extent that the project activity or PoA does not increase capacity or output or level of service unless detailed specifications are provided as part of the applied methodology. For any increase of capacity or output or level of service beyond this range due to the project activity or PoA, a different baseline shall apply.

L. Capacity increase

24. Type II and III project activities and PoAs involving capacity increase may use a Type II and Type III small-scale methodology provided that they can demonstrate that the most plausible baseline scenario for the additional (incremental) capacity is the baseline provided in the respective Type II and III small-scale methodologies.³ This demonstration must include the assessment of alternatives to the project activity or PoA using the steps described in paragraph 22 above.

M. Natural gas projects

25. For methodologies involving the use of natural gas the following definition of natural gas applies: “Natural gas is defined as a gas which consists primarily of methane and which is generated from: (i) Natural gas fields (non-associated gas); and (ii) Associated gas found in oil fields. It may be blended up to 1% on a volume basis with gas from other sources, such as, *inter alia*, biogas generated in biodigesters, gas from coal mines, gas which is gasified from solid fossil fuels, etc.

N. Leakage due to transfer of equipment

26. For Type I methodologies, the requirement that the replaced energy-generating equipment should be scrapped and that this scrapping should be independently monitored is not needed since under most circumstances the replaced equipment would most likely replace less efficient equipment outside the project boundary.

History of the document

Version	Date	Nature of revision
19.0	13 September 2011	EB 69, Annex # Revision to include past clarifications by the SSC WG, for example the combination of methodologies eligible for a PoA, leakage due to transfer of equipment and requirements of biogas project.
18.0	EB 66, Annex 23 2 March 2012	Revision to remove requirements that have been incorporated into the CDM Project Standard as referenced in Appendix 1, <i>Implementation plan for the CDM Project Standard, Validation and Verification Standard and Project Cycle Procedure</i> (EB 65 report, annex 6, appendix 1).

³ The requirements specified in the methodology have precedence.



17.0	EB 61, Annex 21 3 June 2011	To add additional combinations of methodologies for application to PoAs.
16.0	EB 59, Annex 9 18 February 2011	To clarify the rated/installed capacity of renewable electricity generating unit involving turbine-generator systems and applicable test procedures cited in SSC CDM methodologies.
15.0	EB 58, Annex 23 26 November 2010	(i) Editorial revision to include combination of any of the Type III methodologies where activities lead to generation of methane, with any of the Type I methodologies for utilising the methane generated for generation of renewable energy can be applied in PoAs; (ii) Revision to include any combination of SSC methodologies that has been applied in a registered project may also be applied in the context of PoAs.
14.1	03 August 2010	Modifying the title from “Guidelines to SSC CDM methodologies” back to its original title “General Guidelines to SSC CDM methodologies”.
14.0	EB 55, Annex 35 30 July 2010	To update the document to reflect the latest decisions of the Board including; Eligibility of SSC CDM project activities; Simplified modalities for demonstrating additionality for very small CDM project activities; Non-binding best practice examples to demonstrate additionality for SSC project activities; Guidelines for objective demonstration and assessment of barriers; Guidelines on assessment of de-bundling for SSC project activities; Application of multiple methodologies for a PoA; Definition of Renewable Biomass; Effect of the revision of an approved SSC methodology or tool (corrected); Definition of Natural Gas; Reference to CDM Glossary of Terms.
13.0	EB 54, Annex 14 28 May 2010	Revised guidelines for Type II and Type III Greenfield and capacity addition projects; Guidelines on lifetime of equipment revised to refer to Tool to determine the remaining lifetime of equipment.
12.1	EB 50, para. 51 16 October 2009	The Board agreed to approve the general guidelines for sampling and surveys for SSC project activities. The Board requested the secretariat to update the relevant sections of general guidance to SSC methodologies to reflect the approval of this guideline. As a consequence the following sentence on page 3 was deleted: “12. (e) the sample should be representative of the population and should have a minimum level of confidence of one times the standard deviation (one sigma), unless detailed specifications are provided as part of the indicated methodology.”
12.0	EB 41, Annex 20 02 August 2008	Additional guidance on baseline for Type II Greenfield projects (new facilities), retrofit of existing equipment and capacity increase, consideration of lifetime of existing equipment, consideration of national policies in the baseline added.
11.0	EB 35, Annex 35 19 October 2007	Additional guidance to expand the applicability of all approved Type III methodologies to include Greenfield projects (new facilities).
10.0	EB 26, Annex 27 29 September 2006	General guidance on conversion factor for solar collectors to calculate output capacity from the area.
09.0	EB 25, Annex 32 21 July 2006	Revised general guidance on output capacity of renewable based energy generating equipment.
08.0	EB 23, Annex 33 24 February 2006	General guidance on monitoring from the simplified modalities and procedures for small-scale CDM project activities.
Decision Class: Regulatory Document Type: Guideline Business Function: Methodology		

* This document, together with all approved SSC methodologies, was part of a single document entitled: Appendix B of the Simplified Modalities and Procedures for Small-Scale CDM project activities, until version 07.



History of the document
Appendix B of the Simplified Modalities and Procedures for Small-Scale CDM project activities

Appendix B of the Simplified Modalities and Procedures for Small-Scale CDM project activities contained both the General Guidance and Approved Methodologies until version 07. After version 07 the document was divided into separate documents: 'General Guidance' and separate approved small-scale methodologies (AMS).		
Version	Date	Nature of revision
07	EB 22, Para. 59 25 November 2005	References to "non-renewable biomass" in Appendix B deleted.
06	EB 21, Annex 22 20 September 2005	Guidance on consideration of non-renewable biomass in Type I methodologies, thermal equivalence of Type II GWhe limits included.
05	EB 18, Annex 6 25 February 2005	Guidance on 'capacity addition' and 'cofiring' in Type I methodologies and monitoring of methane in AMS-III.D included.
04	EB 16, Annex 2 22 October 2004	AMS-II.F was adopted, leakage due to equipment transfer was included in all Type I and Type II methodologies.
03	EB 14, Annex 30 June 2004	New methodology AMS III.E was adopted.
02	EB 12, Annex 2 28 November 2003	Definition of build margin included in AMS-I.D, minor revisions to AMS-I.A, AMS-III.D, AMS-II.E.
01	EB 7, Annex 6 21 January 2003	Initial adoption. The Board at its seventh meeting noted the adoption by the Conference of the Parties (COP), by its decision 21/CP.8, of simplified modalities and procedures for small-scale CDM project activities (SSC M&P).
Decision Class: Regulatory Document Type: Guideline Business Function: Methodology		