

CDM-SSCWG40-A06

Questions for public inputs in relation to the top-down revision of AMS-I.B for renewable based mechanical energy with or without electricity

Version 01.0

DRAFT



United Nations
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Climate Change

COVER NOTE

1. Procedural background

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) at its sixty-seventh meeting approved a list of existing methodologies contained in the “Concept note on the treatment of suppressed demand in approved small-scale methodologies”(annex 15 of the annotations to the agenda of EB 67) for which a revision may be considered in order to integrate the concept of suppressed demand, in accordance with the “Guidelines on the consideration of suppressed demand in the CDM methodologies”.
2. Further, CMP/8 (paragraph 35) encourages the Board to continue its work on the simplification and streamlining of methodologies, with the aim of reducing transaction costs for all project activities and programmes of activities, especially those in regions underrepresented in the clean development mechanism.
3. This work is in continuation of the top-down work initiated in 2012 (paragraph 1) and in the spirit of the CMP request (paragraph 2), the SSC WG at its fortieth meeting has conducted an initial discussion on the top-down revision of “AMS-I.B: Mechanical energy for the user with or without electrical energy”¹ and prepared a list of questions contained in this document for specific public input on issues related to the revision.

2. Purpose

4. The revision aims to introduce standardized approaches (including simplification and further clarification of existing requirements) for determining baseline and estimating emission reductions taking into account suppressed demand issues on the application of renewable energy to produce mechanical power (e.g. irrigation pump, agro-processing mills). The purpose of the call for public input aims to facilitate the work of the SSC WG on the revision of the methodology taking into account feedback/comments received through wider consultation process.

3. Key issues and proposed solutions

5. The methodology AMS-I.B was developed top-down and adopted by EB 07 in 2003. It was last revised at EB 33, July 2007.² Literature and CDM PDDs show that there exist obvious barriers (e.g. economical, institutional, technical) to leap frog to renewable based motive power technologies, particularly in rural areas where there is no access to electricity. That is, in the absence of the project either the growing demand of services would not be met or would be met by diesel based systems (e.g. agro-processing mills, water pumps etc.). Currently, there are challenges to determine baseline because of the costly surveys and/or low or no baseline emissions when suppressed demand is not considered for example: (i) when project activity involving replacement (mostly carried

¹. Please refer to: <<http://cdm.unfccc.int/methodologies/SSCmethodologies/approved>>.

² There are five projects in the pipeline (all at validations stage) and two of them are PoAs.

out by unorganized sectors) of highly inefficient existing traditional water mills with improved and efficient water mills with increased output and service level; and (ii) projects involving water-pumps for irrigation in rural areas where marginal farmers cannot afford to fully irrigate their lands through motive power and depends upon rain water causing proportion of irrigated land low. The proposed work aims to develop standardized approaches for baseline determination taking into account suppressed demand (where applicable) and simplification of monitoring procedures through revision of AMS-I.B.

4. Impacts

5. No impact is envisaged at this stage.

6. Proposed work and timelines

6. The SSC WG, at its fortieth meeting, prepared a list of questions for specific public input on the approved methodology AMS-I.B. After receiving public input on the document, the SSC WG will continue working on the revision of the approved methodology at its forty-first meeting for recommendation to the Board at EB 75.

7. Budget and costs

7. No budget implication.

8. Recommendations to the Board

9. The SSC WG recommended that the Board take note that it prepared a list of questions, as contained in this document for specific public input in relation to the revision of the methodology AMS-I.B.

10. References

- (a) "AMS-I.B: Mechanical energy for the user with or without electrical energy";³
- (b) "Concept note on the treatment of suppressed demand in approved small-scale methodologies" (annex 15 of the annotations to the EB 67 agenda);⁴
- (c) Draft decision CMP-/1.8 (paragraph 35) "encourages the Board to continue its work on the simplification and streamlining of methodologies, with the aim of reducing transaction costs for all project activities and programmes of activities, especially those in regions underrepresented in the clean development mechanism";
- (d) "Guidelines on the consideration of suppressed demand in CDM methodologies" (EB 68, annex 02).⁵

³ Please refer to : <<http://cdm.unfccc.int/methodologies/SSCmethodologies/approved>>.

⁴ Please refer to: <<http://cdm.unfccc.int/Meetings/MeetingInfo/DB/CS8KD6BJMWURL4E/view>>.

⁵ Please refer to: <<http://cdm.unfccc.int/Reference/Guidclarif/index.html#meth>>.

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1. Introduction

1. The SSW WG is considering revising “AMS-I.B: Mechanical energy for the user with or without electrical energy” in view of further standardization and integrating suppressed demand issues⁶ for Projects and Programmes of Activities (involving production of mechanical power (e.g. wind/solar based water pumps, biomass based agro-processing mills) with or without electricity production. The SSC WG is thus seeking public input on the issues presented below as well as input on other topics related to such a new or revised methodology as commenters may wish to present.

1.1. Issues on which feedback is requested

- (a) Baseline:
 - (i) Provide typical applications of AMS-I.B with examples showing existence of suppressed demand and that due adjustments to suit the particularities of a methodology can be made to address suppressed demand;⁷
 - (ii) Please provide suggestions on baseline parameters in AMS-I.B that can be standardized (e.g. processing of agricultural products, irrigation) for baseline determination that can be introduced while ensuring environmental integrity and applied globally such as power requirement and fuel consumption per hour (AMS-I.B, para 7(a) and (b)) pertaining to specific applications with or without taking into account suppressed demand issues. Provide references and possible data sources where such values can be obtained;
 - (iii) Please provide suggestions for typical project types potentially applicable under AMS-I.B for which standardized approaches for baseline settings can be established (e.g. fuel use per ton of specific agricultural product output or for irrigation for specific crops);
- (b) Applicability:
 - (i) Please provide your comments whether a baseline incorporating suppressed demand shall be restricted to rural applications only and with conditions assuming that a suppressed demand scenario (a minimum service level of adequate water pumping/irrigation, agro-processing is not

⁶ The Board at its sixty-seventh meeting approved the list of methodologies given in the “Concept note on the treatment of suppressed demand in approved small-scale methodologies”, (annex 15 of the annotations to the EB 67 agenda) for which a revision may be considered in order to integrate the concept of suppressed demand, in accordance with the “Guidelines on the consideration of suppressed demand in the CDM methodologies”. Further, CMP/8 (paragraph 35) encourages the Board to continue its work on the simplification and streamlining of methodologies, with the aim of reducing transaction costs for all project activities and programmes of activities, especially those in regions underrepresented in the clean development mechanism.

⁷ Please refer to the “Guidelines on the consideration of suppressed demand in CDM methodologies”, available at <http://cdm.unfccc.int/Reference/Guidclarif/meth/meth_guid41.pdf> on definition, scope and applicability pertaining to suppressed demand.

met prior to project implementation) is deemed to exist, if for example one or more of the following conditions are observed:

- a. The rural electrification rate is below 20 per cent;
 - b. The project activity is in Least Developed Countries (LDCs) or Small Island Developing States (SIDs);
 - c. The conditions applicable for special underdeveloped zone (SUZ) provided in the "Guidelines for demonstrating additionality of microscale project activities".
- (c) Monitoring:
- (i) Please provide suggestions for defining the monitoring requirements (including accuracy, data collection intervals and options for sampling) that can be conservatively and reliably applied, but at reasonable cost, for documenting energy use, operating hours and product quantity/quality in baseline and project scenarios;
 - (ii) Please provide suggestions on monitoring parameters in AMS-I.B that can be standardized) for determining emissions reductions that can be introduced and applied globally (e.g. conservative operating hours) pertaining to specific applications. Provide references and possible data sources where such values can be obtained.

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