CLEAN DEVELOPMENT MECHANISM

CDM-SSCWG40-A07

Questions for public inputs in relation to the top-down revision of AMS-II.D: Energy efficiency and fuel switching measures for industrial facilities

Version 01.0

DRAFT

United Nations
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Climate Change

COVER NOTE

1. Procedural background

1. Under the MAP project 146 "Top-down methodologies using standardized approaches", which is included in the workplan of the Small-Scale Working Group (SSC WG) for 2013 (EB 72, annex 4), the SSC WG has conducted an initial discussion on the top-down revision of "AMS-II.D: Energy efficiency and fuel switching measures for industrial facilities"[1] and prepared a list of questions as contained in this document for specific public input on issues related to the revision.

2. Purpose

2. The revision aims to cover standardized approaches (including simplification and further clarification of existing requirements) to estimate emissions reductions while maintaining environmental integrity and to ensure that revised and/or consolidated methodologies cover the full range of methodological approaches and applicability conditions covered by the underlying approved methodologies. The purpose of the call for public input is to facilitate the work of the SSC WG on the revision of the methodology taking into account feedback/comments received.

3. Key issues and proposed solutions

3. The methodology AMS-II.D was developed top-down and adopted by EB 07 in 2003. It was last revised at EB 51, 2009.[2] The baseline and monitoring procedure provided in the methodology to estimate energy savings are generic and broad. While the methodology does not preclude manufacturing/mining facilities involving complex processes, the emission reductions estimated on the basis of generic procedure available in AMS-II.D has led to different interpretations among the stakeholders at times leading to delays at validation/registration/issuance stage. The proposed work aims to resolve these impediments in this important area of energy efficiency through revision of AMS-II.D and/or development of series of methodologies.

4. Impacts

5. No impact is envisaged at this stage. However, the proposed work though primarily aims to revise AMS-II.D. The work may lead to development of series of specific methodologies for industrial energy efficiency projects.

6. Proposed work and timelines

4. The SSC WG, at its 40th meeting, prepared a list of questions for specific public input on the approved methodology AMS-II.D. After receiving public input on the document, the

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

[2] There are about 240 CDM projects in the pipeline (63 PAs registered, 9 PoAs at validation).

SSC WG will continue working on the revision of the approved methodology at SSC WG 41 for recommendation to the Board at EB 75.

7. Budget and costs

5. No budget implication.

8. Recommendations to the Board

6. Not applicable (call for public input).

9. References

(a) Small-scale methodology "AMS-II.D: Energy efficiency and fuel switching measures for industrial facilities";[3]

(b) Draft decision-/CMP.8 Paragraph 35 "encourages the CDM Executive Board to continue its work on the simplification and streamlining of methodologies, with the aim of reducing transaction costs for all project activities and programme of activities, especially those in regions underrepresented in the clean development mechanism;

(c) Workplan for panels and working groups for 2013 (EB 72, annex 4), MAP project 146.[4]

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

[4] Please refer to: <http://cdm.unfccc.int/EB/index.html>.

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1. Introduction

1. The SSC WG is considering revising "AMS-II.D: Energy efficiency and fuel switching measures for industrial facilities" or developing a new small-scale methodology for industrial or mining and mineral production facility energy efficiency Projects and Programmes of Activities covering standardized approaches (including simplification and further clarification of existing requirements)[5] to estimate energy savings while maintaining environmental integrity. The SSC WG is thus seeking public input on the issues presented below as well 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) Applicability:

(i) What are the barriers that you have encountered in applying AMS-II.D for projects or PoAs, including issues you may have encountered at the issuance stage?

(ii) The SSC WG is assuming that a revised or new methodology will calculate emission reductions based on the difference in energy consumption between the baseline and project technology/measure while having an applicability condition that the quantity/quality of product output is maintained at the baseline level. Is this requirement (simplification) of maintaining the quantity/quality of product output at the baseline level appropriate for a SSC methodology?

(iii) Should the generic nature of AMS-II.D be maintained while elaborating only certain aspects of the methodology for example based on experience gained from CDM pipeline projects? The emissions reductions will then be determined using best practices prudent in underlying industrial/mining application subject to validation by sectoral experts (DOEs)? If so, which are the issues on applicability, baseline determination and monitoring procedure that the SSC WG should provide further guidance on within the methodology. Or should SSC WG provide a separate document with general guidance covering wide range of applications? If possible, provide your proposals;

(iv) Should AMS-II.D be split into different new methodologies based on industrial/mining applications for example thermal efficiency improvement (e.g. boiler efficiency), production process efficiency improvement (optimization), electrical efficiency improvement (e.g. motors) etc.? Please

[5] CMP.8 (paragraph 35) encourages the CDM Executive Board to continue its work on the simplification and streamlining of methodologies, with the aim of reducing transaction costs for all project activities and programme of activities, especially those in regions underrepresented in the clean development mechanism. Further, the CDM Executive Board at is seventy-second meeting approved the workplan for panels and working groups for 2013 (EB 72, annex 4) that consists of revision of CDM methodologies for energy efficiency projects in manufacturing (e.g. AMS-II.D) and/or top-down development of new small-scale CDM methodologies related to manufacturing industries for simplification/standardization.

propose the potential areas of industrial energy efficiency projects which can be scaled-up through CDM;

(v) Should application of the new or revised methodology be restricted to certain industrial/mining applications only and exclude complex processes (for example, only projects in which the baseline energy use/emissions of the equipment affected by the proposed measure(s) can be isolated, through conservative analysis and/or measurement, from the energy use/emissions of the rest of the facility)? Please propose methodological approaches that would exclude such industrial/mining energy efficiency projects, for example those whose baseline cannot be reliably/robustly determined under the simplified methodological framework. For example, please suggest how a simplified and/or isolatable industrial/mining project could be defined for a SSC methodology applicability condition;

(b) Baseline:

(i) Please provide suggestions for types of industrial applications, particularly in LDCs, SIDs, or countries with less than 10 registered CDM projects, for which either one or a combination of the following standardized approaches for baseline determination can be introduced and applied globally. Provide references and possible data sources where such values can be obtained.

a. Performance standards (benchmark) for example default baseline parameter based on Best Available Technology (e.g. specific energy input (i.e. energy consumption per specified output);

b. Deemed savings;

(ii) Please provide suggestions on types of very small project activities that could be potentially developed under AMS-II.D where each of the independent subsystems/measures in the project activity achieves an estimated annual energy savings equal to or smaller than 600 megawatt hours. Provide suggestions on possible simplified/standardized approaches that may be used to estimate baseline emissions for such 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 and product quantity/quality in baseline and project scenarios.

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Document information

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