

**Annex 27****GUIDELINES ON THE DEMONSTRATION OF ADDITIONALITY OF SMALL-SCALE PROJECT ACTIVITIES****(Version 09.0)**

1. Project participants shall provide an explanation to show that the project activity would not have occurred anyway due to at least one of the following barriers:

- (a) Investment barrier: a financially more viable alternative to the project activity would have led to higher emissions;
- (b) Technological barrier: a less technologically advanced alternative to the project activity involves lower risks due to the performance uncertainty or low market share of the new technology adopted for the project activity and so would have led to higher emissions;
- (c) Barrier due to prevailing practice: prevailing practice or existing regulatory or policy requirements would have led to implementation of a technology with higher emissions;
- (d) Other barriers: without the project activity, for another specific reason identified by the project participant, such as institutional barriers or limited information, managerial resources, organizational capacity, financial resources, or capacity to absorb new technologies, emissions would have been higher.

2. Documentation of barriers, as per paragraph 1 above, is not required for the positive list of technologies and project activity types that are defined as automatically additional for project sizes up to and including the small-scale CDM thresholds (e.g. installed capacity up to 15 MW). The positive list comprises of:

- (a) The following grid-connected and off-grid renewable electricity generation technologies:
  - (i) Solar technologies (photovoltaic and solar thermal electricity generation);
  - (ii) Off-shore wind technologies;
  - (iii) Marine technologies (wave, tidal);
  - (iv) Building-integrated wind turbines or household rooftop wind turbines of a size up to 100 kW;
- (b) The following off-grid electricity generation technologies where the individual units do not exceed the thresholds indicated in parentheses with the aggregate project installed capacity not exceeding the 15 MW threshold:
  - (i) Micro/pico-hydro (with power plant size up to 100 kW);
  - (ii) Micro/pico-wind turbine (up to 100 kW);
  - (iii) PV-wind hybrid (up to 100 kW);



- (iv) Geothermal (up to 200 kW);
- (v) Biomass gasification/biogas (up to 100 kW);
- (c) Project activities solely composed of isolated units where the users of the technology/measure are households or communities or Small and Medium Enterprises (SMEs) and where the size<sup>1</sup> of each unit is no larger than 5% of the small-scale CDM thresholds;
- (d) Rural electrification<sup>2</sup> project activities using renewable energy sources in countries with rural electrification rates less than 20%; the most recent available data on the electrification rates shall be used to demonstrate compliance with the 20 per cent threshold. In no case shall data be used if older than three years from the date of commencement of validation of the project activity.

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**History of the document\***

| Version   | Date                                 | Nature of revision(s)  |
|---|--------------------------------------|--|
| 09.0  | 20 July 2012                         | EB 68, Annex 27<br>- Title changed from Attachment A of Appendix B to "Guidelines on the demonstration of additionality of small-scale project activities" ;<br>- Expanded positive list to include isolated units (5% of SSC threshold), renewable electrification in countries with <20% electrification rate, selected off-grid technologies. |
| 08.0  | EB 63, Annex 24<br>29 September 2011 | To include guidelines on positive list of grid-connected renewable electricity generation technologies that are automatically defined as additional.   |
| <b>Decision Class:</b> Regulatory<br><b>Document Type:</b> Guideline<br><b>Business Function:</b> Methodology |                                      |  |

\* This document, together with the 'General Guidance' and all other 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.

<sup>1</sup> That is the size of each unit under 750 kW installed capacity or under 3000 MWh of energy savings per year or 3000 tonnes of emission reductions per year.

<sup>2</sup> Rural electrification for the purpose of this document is defined as a project activity for supplying renewable electricity to facilities and energy consumers that do not have access to any electricity distribution system/network such as a national grid or regional grid. Such electricity end-use facilities may include but are not limited to households, public buildings, and/or small, medium and micro enterprises. Electricity uses may include but are not limited to interior lighting, street lighting, refrigeration, or agricultural water pumps.

**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 and ‘Attachment A to Appendix B’ until version 07. After version 07 the document was divided into separate documents: ‘Attachment A to Appendix B’, ‘General Guidance’, and separate approved small-scale methodologies (AMS). |                                      |  |
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| <b>Version</b>  | <b>Date</b>                          | <b>Nature of revision(s)</b>   |
| 07  | EB 22, Para. 59<br>25 November 2005  | References to “non-renewable biomass” in Appendix B deleted.   |
| 06  | EB 21, Annex 22<br>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<br>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<br>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 2<br>30 June 2004       | New methodology AMS-III.E was adopted.   |
| 02  | EB 12, Annex 2<br>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<br>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). |
| <b>Decision Class:</b> Regulatory<br><b>Document Type:</b> Standard<br><b>Business Function:</b> Methodology  |                                      |  |